



Eurofound

Role of governments and social partners in keeping older workers in the labour market



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With the average age of the population rising, people aged 55–64 make up an increasing share of workers in Europe. This demographic shift, as well as ongoing threats to the sustainability of national welfare and pension systems, has increased pressure for reforms to encourage longer careers. This report maps initiatives at national or sectoral level taken by governments and social partners to keep older workers in the labour market. Some measures involve financial incentives to work longer while others look at ways to enhance working conditions.

Introduction

The ageing of European societies poses significant challenges for the sustainability of welfare regimes and, more specifically, the maintenance of pension systems. For labour markets, it means a shrinking working age population, which can act as a drag on economic growth through labour and skill shortages.

The European Union has recognised the importance of dealing with the ageing challenge for a number of years and has developed policy approaches in many areas. The Stockholm European Council meeting in 2001 laid the ground for a strategy to cope with the principal economic and budgetary challenges linked to an ageing population, encouraging Member States to raise employment and productivity levels. Commission Communications on the impact of demographic change in 2006 and 2009 further emphasised the need to extend working lives and the importance, in this context, of better quality working lives. The Lisbon Strategy, covering the period 2000–2010, included a specific employment rate target for older workers of 50%. This target, which was not reached in relation to the average participation of workers above the age of 50 in the EU labour market by 2010, was not explicitly retained in the Europe 2020 strategy, which instead contains an overall employment rate target of 75% for individuals aged 20–64. (All statistics presented in this report are from Eurostat, unless otherwise stated.)

The term ‘active ageing’ was adopted by the World Health Organization in the late 1990s and refers to ‘the process of optimising opportunities for health, participation and security in order to enhance quality of life as people age’ (World Health Organization, 2002).

The concept of active ageing recognises, among other things, that if people are to work longer, they will need to be in good physical and mental health and may need to have access to flexible working arrangements. This calls for the development of healthier working environments, lifelong learning and working time flexibility, not only for older workers, but for all workers across the life cycle, as many of the issues facing workers aged 50 or above have their root causes in earlier working life.

The role of the social partners is critical in this context, as they have a significant part to play in shaping and improving working conditions. However, they cannot act alone, as an individual’s ability and readiness to continue working is conditioned not only by their working environment and personal characteristics but also by wider societal and policy factors, such as the policy framework for education and training, health promotion and indeed retirement (including other options for early exit from the labour market).

Significant research has already been undertaken by Eurofound, the European Commission and other actors to map both company initiatives to support active ageing and wider policy measures aimed at extending working lives.

The goal of this report is to present strategies and policies developed by national governments and social partners in the 27 EU Member States as well as Norway, aimed at retaining older workers in the labour market primarily through the improvement of working conditions. Measures related to the pension system, such as changes in the statutory retirement age and restriction of early retirement, are included in the section on ‘National policy context’, below. However, the role of social partners will be investigated in the forthcoming report from the European Industrial Relations Observatory (EIRO), *Role of the social partners in the pension system reforms* (Eurofound, 2013). This report covers targeted measures aimed specifically at older workers, including life cycle approaches.

The scope of the strategies and measures included in this document is limited to national and sectoral initiatives. Age management policies implemented at company level are not included in this report, as these have been the subject of other publications, including the collection of an extensive database of good practices by Eurofound.

This report is based primarily on the contributions of 28 national correspondents of the European Industrial Relations Observatory (EIRO), as well as on a wider review of the literature and Eurostat data.

It begins by providing a brief overview of the demographic challenges facing the European Union and setting out the EU policy context, before summarising the main policy measures taken in the national policy context to encourage individuals to work longer mainly by foreclosing pathways to early exit or making it less financially viable (e.g. pension, tax and benefit system reforms). The main focus of this report is the prevalence of different types of measures taken by national governments and social partners to promote active ageing at work. Emphasis is placed here on enhancing what has been described as ‘work ability’, which combines the concept of being able to continue working as a result of improved health and working conditions, while at the same time enhancing employability through ongoing skills development. Furthermore, this section presents measures that provide the flexibility to combine work, private and family life and actions aimed at combating negative stereotypes about older workers and therefore discriminatory attitudes. These approaches are presented under the following headings:

- comprehensive initiatives;
- employment and skills development;
- health and work environment improvement;
- work organisation and working time;
- changing attitudes.

In analysing these initiatives and their effectiveness, the report not only seeks to assess the links between the magnitude of the demographic profile of different Member States and economic sectors and the initiatives taken, but also the extent to which the challenges facing particularly physically and mentally strenuous occupations and sectors have been addressed. It also considers the link between different industrial relations systems and the role assumed by social partners in tackling the impact of demographic change.

This section concludes with an analysis of the particular contribution of collective bargaining and other social partner actions to developing the relevant policy framework. The following section analyses the views expressed by social partners with regard to the debate surrounding the extension of working lives and the appropriate policy framework. The concluding section assesses whether sufficient attention has been given to effective measures to improve working conditions in order to enable workers to extend their working lives and whether this has been proportionate to the scale of the challenges faced in different countries, sectors and occupations.

Europe’s demographic challenge: facts and policy context

Positive advances in the quality of life and healthcare provision mean that individuals in European societies are enjoying a longer and healthier old age. This constitutes one of the main achievements of post-war European economic and welfare state developments. However, coupled with declining birth rates, it contributes to a demographic ageing of the population and poses a serious challenge to strong economic growth and public finances (and thus the funding of welfare, healthcare and pension systems) in the decades to come. For employers, it means a reduction in the potential pool of workers and resulting possible labour and skill shortages which are set to impact on productivity, competitiveness and the ability to provide essential services.

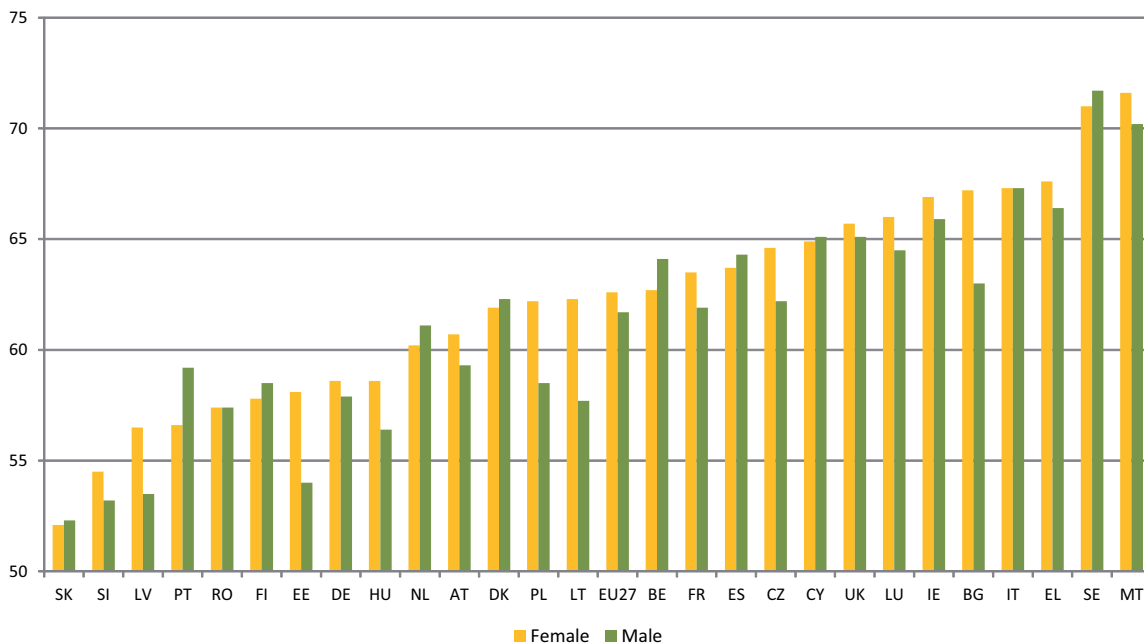
This section briefly presents the main factors contributing to the ageing of European societies. It shows a highly differentiated picture, and highlights the European countries likely to face the most significant issues in managing demographic change. It also briefly outlines the main challenges and opportunities related to ageing populations, as well as the steps the EU has so far taken to address them.

Demographic ageing of European societies: a differentiated picture

The share of older people in European societies is increasing. The baby boomers, currently representing an important share of the working population, are approaching retirement age. In 2011, the median age of the EU population was 41, and significantly higher in Germany, Italy, Greece, Austria and Finland, where more than 25% of the population is over 60. The average median age of the EU27 population is expected to increase by an additional 7.3 years by 2060.

Over the last 50 years, life expectancy at birth has increased by about 10 years and demographic projections foresee a further extension by five years over the next half a century (Eurobarometer, 2012). In 2009, on an EU average, life expectancy at the age of 65 reached over 20 years for women and 17 years for men. Importantly, there have also been enhancements in healthy life expectancy. However, it must be noted that some pronounced differences between countries remain, as illustrated in Figure 1. In Sweden and Malta, for example, people are likely to stay in good health for almost 20 additional years, when compared to people living in Slovakia and Slovenia. Such differences need to be taken into account when developing approaches towards extending working lives. Although measures to support work ability are important in all countries, it is likely that in Member States with a lower number of years of healthy life expectancy, additional measures to improve overall standards of living and healthcare are required to move closer to the European average. Similarly, life cycle approaches to support active ageing could be considered to be important, but also to face more significant challenges in countries with poorer performance overall with regard to healthy life expectancy in older age.

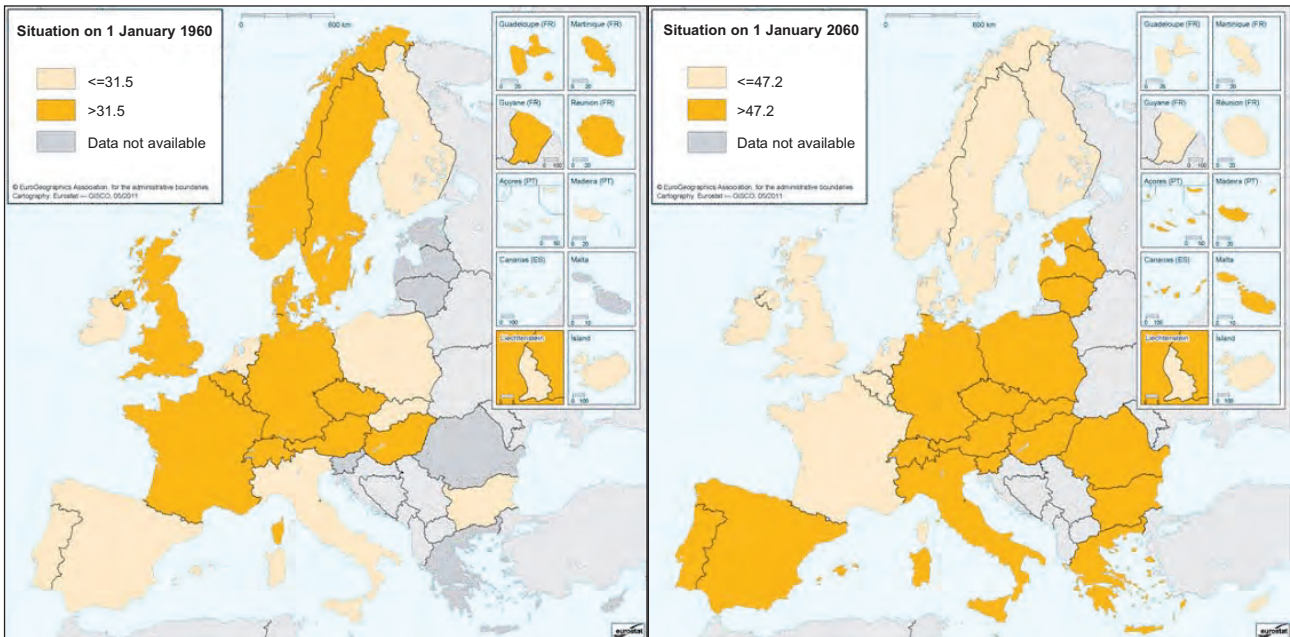
Figure 1: *Healthy life years, by sex, 2010*



Source: Eurostat

Population ageing will affect all EU Member States, but at different periods, magnitude and pace. Overall, the working age population (defined in the Europe 2020 strategy as age groups 20–64) will start to shrink from 2014 onwards, with the number of people over the age of 60 increasing by two million annually. With regard to the age group currently aged 65 or above, the projected patterns of ageing are presented in Figure 2.

Figure 2: Patterns of ageing in different EU Member States, 1960 and 2060

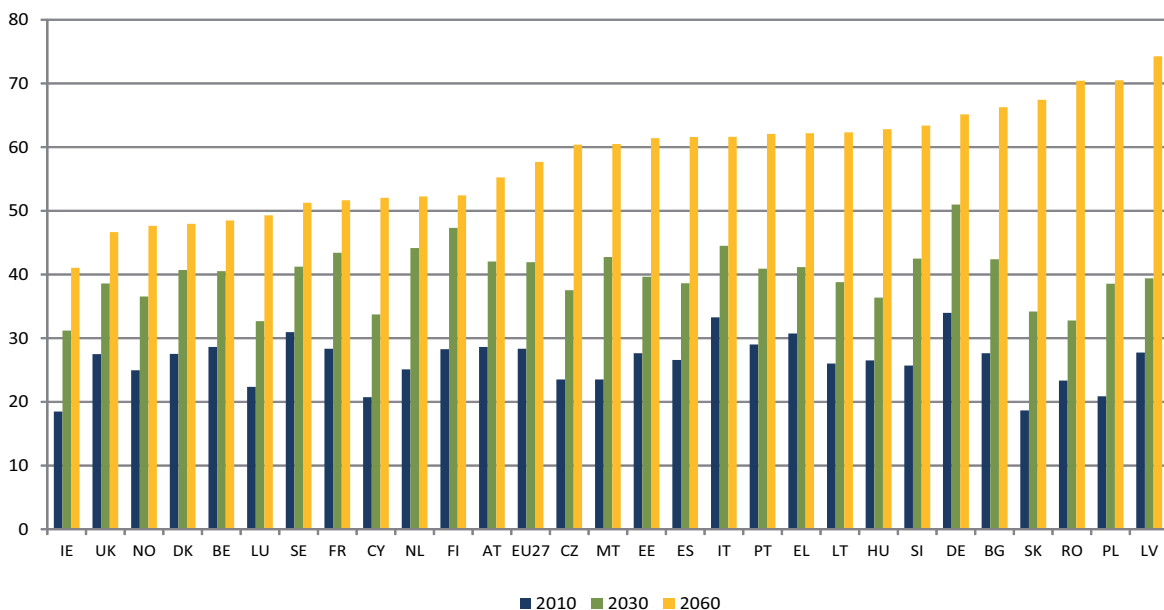


Source: Eurostat

The effects of ageing populations and increased life expectancy are intensified by relatively low levels of fertility during the last three decades. With just under 1.6 children per woman, the average fertility rate in the EU was far below the required replacement level (2.1) in 2009.

As a result of these demographic developments, in all countries the old age dependency ratio (the population aged 65 or over in relation to the population aged 20–64) will increase dramatically. Figure 3 illustrates the foreseen old age dependency ratio for each EU country in 2030 and 2060, compared to the situation in 2010. By 2060, all Member States, except five countries (Luxembourg, Belgium, Denmark, the UK and Ireland), will have a dependency ratio exceeding 50%. In the EU as a whole, the old age dependency ratio is projected to more than double from 28.4% in 2010 to 57.5% in 2060.

Figure 3: Evolution of the old age dependency ratio, by country (%)



Source: Eurostat

Third country migrants, whose median age is much lower than that of EU nationals (28.4 years in 2008), will continue to contribute to the rejuvenation of some European populations (such as Belgium, Ireland, France, Cyprus, Luxembourg, Sweden and the UK) (European Commission, 2009). However, the impact of immigration alone will not be sufficient to counter the reduction in the European labour supply, estimated at around 24.4 million people in the period between 2007 and 2060 (European Commission, 2009, especially pp. 60–70). It also may not be a politically acceptable solution.

Increasing employment rates of older workers

The EU has committed itself to target an employment rate of 75% among the working age population (20–64) by 2020. In order to reach this target, the number of employed individuals in the EU will have to increase by close to 18 million (Commission Communication, 2012). From 2010 to 2012, however, the number of unemployed people in the EU rose by close to two million, reaching more than 25 million in July 2012.

As average EU employment rates of the prime age population already exceed the Europe 2020 target (according to Eurostat, in 2011, employment rates among individuals aged 25–49 years stood at 78%), improving the employment rate of workers aged 50–64 is of particular importance, as the EU average for this group is currently low at around 47%. In this regard, the last decade has shown some encouraging signs. As illustrated by Figure 4, between 2000 and 2011, the employment rates among older workers increased by almost 11 percentage points (more detailed information on participation rates among older workers aged 55–64 and 65–74 can be found in Tables A6 and A7 in the Annex in the online version of the report). These improvements can largely be attributed to gradual improvements in education levels among age cohorts and increasing labour market participation of women. Some of the improvements can also be attributed to policy changes restricting access to early retirement.

Figure 4: Change in employment rates for the 50–64 age group 2000–2011 (%)



Source: Eurostat

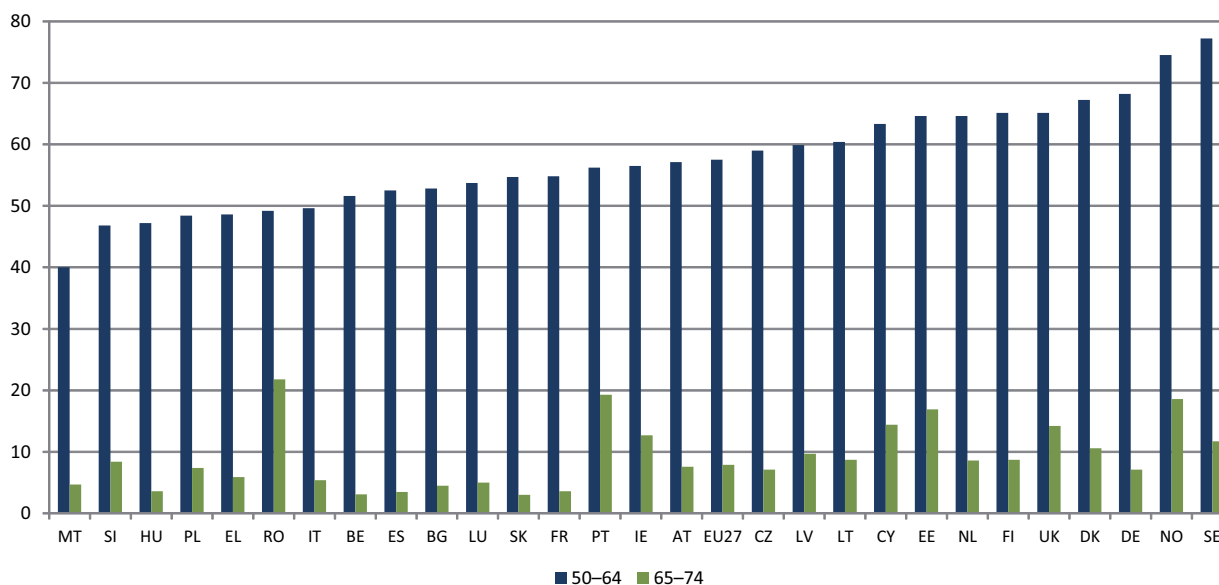
It is particularly important to note that the overall employment rates for older workers did not drop as a result of the crisis, as was the case in previous recessions, when early retirement was widely used to effect restructuring. Perceptions that early exit of older workers should be supported to help generate jobs for young people, linked to a view of the existence of a fixed supply of available jobs (the so-called ‘lump of labour’ fallacy), have been discredited (see Walker, 2000).

In the past, older workers have tended to be more affected by restructuring because they are often overrepresented in economic sectors facing decline (Hofäcker, 2012).

As Table A6 (online version) in the Annex shows, employment rates among 50–64-year-olds decline significantly after the age of 60, when these rates almost halve at an EU average for men and women.

In light of the extension of statutory retirement ages beyond 65 in many Member States, it is also of interest to look at employment rates among those aged 65–74, which are currently very low across the EU, at an average of 7.9% in 2011 (see Figure 5).

Figure 5: *Employment rates among older workers in 50–64 and 65–74 age groups, 2011 (%)*



Source: Eurostat

Unemployment rates among older workers in the EU27 declined only slightly between 2000 and 2011 (from 7% to 6.9%, having dipped to 5.2% in 2008), and remain below the average for the total working age population (9.7% in 2011). However, there are significant differences between countries, with unemployment among this age group below 5% in 2011 in Austria, Belgium, Italy, Luxembourg, Malta, the Netherlands, Romania, Sweden and the UK, and above 10% in Estonia, Greece, Latvia, Lithuania, Portugal, Slovakia and Spain. However, although older workers are less likely to be unemployed, once out of work they find it much more difficult to be reintegrated into the labour market, primarily as a result of greater skills obsolescence and negative stereotypes among employers. This is reflected in very high rates of long-term unemployment (defined as unemployment lasting 12 months or more) among this age group (55.1% in 2011 compared with 4.1% in the total working age population). Long-term unemployment among older people is a particularly acute problem in Slovakia, Belgium, Portugal, Latvia, Estonia and Ireland (with over 65% of unemployed older people in long-term unemployment in 2011).

Data show that individuals with higher levels of education tend to have higher employment rates, and education and skill levels have been increasing over time. Similarly, the labour force participation of women has been increasing steadily, which will also lead to increases in participation among older women. Together with continuous improvements in health and structural changes in the economy, making jobs less physically demanding, it is therefore likely that the employment rates of older workers will continue to increase. Whether this incremental change is, however, sufficient to overcome the impact of demographic trends in all Member States is questionable. It is therefore likely that further policy intervention will be required. Similarly, as explained below, it is probable that even in the context of changing retirement ages and pension reforms, the effective extension of working lives will remain challenging without accompanying measures to improve working conditions and employability throughout the life cycle.

EU-level approaches to tackle demographic change

European policymakers have been aware of the challenges posed by an ageing society for several years and have adopted a number of measures to mobilise the potential of older workers. Most of the recommendations contained in the European Council conclusions (2010), mentioned below, and policy recommendations, have to be implemented via measures taken at Member State level. However, since the adoption of the Treaty on European Union, the EU has developed shared competences in the field of social policy and employment. This has allowed the EU to develop a range of policy initiatives aimed at helping Member States address the challenge of Europe's ageing population. The EU's policy initiatives in this field have involved three types of activity:

- actions aimed at facilitating the adoption of age management policies and strategies on the part of Member States (via EU financial instruments such as the European Social Fund);
- actions aimed at coordinating the policies of Member States (e.g. via mutual learning and the Open Method of Coordination); and
- actions aimed at providing goals and targets for Member States (via the processes of the European Semester and Country Specific Recommendations).

In 2010 European Council conclusions declared the year 2012 as the European Year of Active Ageing and Solidarity between the Generations, with the goal of raising awareness of the contribution that older people make to society and encouraging policymakers and relevant stakeholders at all levels to take action to create better opportunities for active ageing and strengthening solidarity between generations.

The 2012 Commission Communication 'Towards a job rich recovery' (Commission Communication, 2012) also emphasised the importance of introducing comprehensive measures to help extend working lives, such as tax-benefit incentives, access to lifelong learning through career guidance and training, flexible working arrangements for those who need them, and safe and healthy workplaces.

In its White Paper on sustainable pensions (European Commission, 2012a), the European Commission points out that the reform of pension systems to increase labour market participation will be crucial to enhance economic growth and lay a solid foundation for sustainable and adequate pensions. It recommends (among other things) a range of reforms including linking retirement age with increases in life expectancy, and restricting access to early retirement and other pathways to early exit. However, the White Paper also emphasises that increasing pension eligibility ages on its own is insufficient and that the success of such reforms depends on creating better opportunities for older men and women to stay in the labour market. Such approaches can include the adaptation of workplaces and work organisation, the promotion of lifelong learning, cost-effective policies aimed at reconciling work, private and family lives, and measures to support healthy ageing and combat age discrimination.

Before going on to analyse the measures which have been taken by governments and social partners to support the extension of working lives, the next section will provide an overview of the barriers to be overcome in seeking to delay retirement and set out the main elements of the policy framework which can support working longer.

National policy context

Trends in average exit ages and factors influencing the extension of working lives

Currently, in the EU27, the average age at labour market exit is around 61.5 (2010 data, total for men and women). As can be seen in Table A3 in the Annex (online version of report), the lowest average age at retirement among men in the EU can be found in Luxembourg, Lithuania and Slovenia (below the age of 60), whereas it is highest in Romania, Sweden and the UK (above the age of 63). For women, the lowest retirement ages can be found Luxembourg, Poland and Slovakia, with highest average ages at retirement in Ireland, the Netherlands, Romania and Sweden. Of particular concern are large gaps between the current average exit age and statutory retirement age. The largest such gaps can currently be found in Luxembourg, Italy, Belgium, Spain and Germany (among men).

The key challenges to the extension of working lives can be classified under the following headings (bearing in mind that these factors tend to be interlinked):

- economic factors;
- individual factors;
- employer attitudes;
- disincentives in the national policy framework (including pensions, tax, social security, employment protection legislation and systems of wage formation, education and training and active labour market policy framework).

Over the years, broader economic developments have played a significant role in conditioning the participation of older workers in the labour market. Changes in the structure of the economy in different Member States have led to the decline of sectors in which older workers have tended to be overrepresented. In the absence of effective measures to re-skill affected individuals, skills obsolescence has meant that many older workers affected by such changes struggle to become reintegrated into the labour market. Similarly, economic downturns coupled with high youth unemployment in the 1970s in particular led to the prolific development of measures to support early exit in an effort to provide opportunities for the integration of young people (although many experts now question the so-called ‘lump of labour theory’). Among some segments of the working population, this has resulted in an expectation of being able to retire early, which can be difficult to reverse, particularly where financial incentives to continue working remain weak.

This is one area where individual factors and characteristics of older workers are of particular relevance. It could be expected that there is a risk of a situation emerging in which a group of workers who tend to be better trained, higher paid, with better access to occupational pensions and potentially a shorter working career (with more favourable working conditions) is able to continue to ‘afford’ to leave the labour market earlier, whereas workers who have experienced more physically strenuous working conditions after a longer working life, who are more likely to be affected by skills obsolescence and limited access to additional (occupational or private) pension provisions, are forced to stay on in work for financial reasons, while being less well equipped and able to do so. Other individual characteristics impacting on the ability and motivation to stay on at work include health status, caring responsibilities and other factors.

Employer attitudes have an important role to play in the retention and indeed the recruitment of older workers. There are many persistent myths which need to be overcome, for example in relation to assumptions about the prevalence of

sickness absence among older workers and their ability to adapt and learn new skills. Research (Yeomans, 2011) has shown that older workers are actually less likely to take sick leave (but when off sick, periods of absence tend to be longer). Furthermore, prevailing perceptions about the capacity of older workers to learn and adapt are misleading as studies have shown that while cognitive mechanics (processing speeds) slow down in older age, cognitive pragmatics (experience knowledge) improve. Similarly, mixed-age teams have also been shown to be linked to higher productivity.

National policy framework and incentives promoting change

The national policy framework in relation to pensions, taxation, benefit receipt, employment protection legislation, education and training (including lifelong learning), active labour market policy and healthcare and health promotion has an important role to play in either supporting or indeed hindering the extension of working lives. The following sections will highlight key reforms implemented at national level in recent years. The measures taken essentially fall into two main categories: those aimed at foreclosing avenues to early exit and penalising early retirement; and those which have sought to (financially) encourage or otherwise enable individuals to work longer. It has been argued that penalising or disincentive measures have so far predominated in the spectrum of policymaking at the national level (for example, European Employment Observatory, 2012). While this report focuses primarily on measures taken to help extend working lives by promoting better working conditions and enhancing work ability (see section titled ‘Measures to promote active ageing’, below), it also assesses the balance between these supporting measures and the more penalising initiatives in different countries and their respective effectiveness. The sub-sections below provide an overview of the main trends in national pension, tax and social security reforms which set the policy context for measures being used to support individuals to work longer through either a targeted or life cycle approach.

Pension and tax measures to support the extension of working life

In recent years, national governments have implemented a range of pension reforms aimed at improving the participation of older workers in the labour market and at the same time protecting the sustainability of public pension systems. The following key steps have been taken in many countries towards achieving these goals:

- increasing the retirement age and hence the age at which pensions can be drawn and thereby providing a ‘negative’ incentive to continue working;
- increasing pension benefits according to additional years worked, providing a ‘positive’ incentive to continue working;
- adapting pension (and in some cases taxation) systems to facilitate continued work after retirement, including early retirement; and
- reducing access to early retirement schemes and significantly penalising (financially) early exit from the labour market.

To ensure the sustainability of their welfare and pension systems, in the context of increasing life expectancy and ageing European populations, most countries have increased their statutory pension age or are in the process of doing so (see Table A4 in the Annex in the online version). The extent to which such policies have been implemented depends on current provisions with regard to retirement ages, how precarious the financial position of public pension funds is, as well as the political will and ability to effect such changes.

Some countries have opted to abolish the statutory pension age altogether – in 2011 the default retirement age was abolished in the UK ([UK1008019I](#)) and in 2005 Finland introduced a flexible retirement age (between 63 and 68 years). Measures to introduce a more flexible retirement age are being implemented in France and are already in place in Sweden.

To improve the sustainability of public pension systems, in some countries increases in statutory retirement ages have been accompanied by an extension of the compulsory contribution period to be eligible for a full pension, and the foreclosure of pathways to early exit. For example, in France the qualification period for a full pension was extended to 40 years with the 2003 pension reform. In Romania, the length of the contribution period will be increased gradually to 35 years in 2015 for men and 2030 for women. As demonstrated below, a number of countries have introduced extended pension benefit accrual to reward working longer, but in some countries this is considered insufficient to reverse established trends towards early exit.

Furthermore, a number of countries (such as Estonia, Finland, Italy, Portugal, Sweden and Norway) have sought to link pension contributions and payments to life expectancy to reflect the fact that most pensioners spend significantly longer drawing pension benefits than was envisaged when such schemes were originally designed.

As a part of their pension reforms, many countries have also chosen to limit the possibilities of taking early retirement by making early exit schemes more costly or eliminating them altogether (e.g. Denmark, France, Germany, Hungary, Ireland, Romania, Slovakia and the Netherlands). For example, in Germany early retirement has become more expensive because larger deductions are made from pension payments than in the past. In addition, since 2010, partial retirement has no longer been subsidised by the Federal Employment Agency – BA ([DE0908019I](#)). Pre-retirement schemes are currently being phased out in Ireland and Denmark. The Danish system will be phased out by 2023. However, at the same time eligibility for disability pensions will be extended, which may potentially lead to a shift from early retirement to such forms of early exit. This has previously been witnessed in other countries, such as the Finland, the Netherlands and Norway. In order to address this issue, a number of EU Member States (notably the UK and the Netherlands) have tightened eligibility criteria for disability pensions and sought to effectively ‘activate’ the system by focusing on what workers on such benefits are still able to do rather than what they are not able to do. The success of such reforms is partly dependent on support for rehabilitation and workplace adjustment, as well as effective collaboration with the medical profession, who are generally responsible for attesting inability to work.

Despite efforts to limit recourse to early retirement, such schemes continue in some countries. Early retirement schemes remain in place at sectoral and company level in Belgium. Incentives for early retirement also exist in Cyprus, Estonia, Ireland, Italy and Slovenia, as well as in the Swedish private sector (an occupational pension in the private sector can be paid out from the age of 55). Portugal suspended its early retirement regime in April 2012, but this is likely to last only for the period of the Programme of Economic and Financial Assistance (until 2014).

In a number of countries, early retirement remains the preferred option in situations where company restructuring leads to redundancies. This remains true in Belgium, Greece (particularly in the public sector), Cyprus, Malta, Hungary and Poland. In Portugal, a reform of Employment Protection Legislation has made it easier to lay off older workers.

In the other hand, additional employment protection for older workers in redundancy situations is foreseen in some collective agreements, for example in the German metalworking sector. In Sweden ‘Career Transition Agreements’ are established as part of collective agreements between job security councils and social partners to support workers in the case of redundancies. Older workers (prior to reaching the statutory age of retirement) also benefit from a re-employment guarantee, should their former employer recruit again following a restructuring event. However, after reaching statutory retirement age, older workers in Sweden lose certain protections regarding the abuse of successive fixed-term contracts (such contracts can be used indefinitely for this age group).

Increasing pension entitlements for each additional year or month of contribution paid is the most popular type of measure aimed at promoting longer employment in the countries reviewed. This type of policy is implemented in Bulgaria, Cyprus, Denmark, Estonia, Finland, Greece, Portugal, Slovenia, Spain and Sweden. In Denmark, the receipt

of a retirement pension can be postponed for up to 10 years, and pension benefits increase based on an accrual principle for each year an older person eligible for statutory old age pension has remained on the labour market. In Finland a similar system, providing a gradual increase in the pension accrual rate after a person has reached the age when early retirement becomes available, was introduced in the context of the 2005 reform of the pension system. In Spain, the 2007 reform of the national pension system, based on a tripartite agreement signed in 2006, introduced an extra increase in pension benefits for workers who extended their working life and postponed their retirement. According to the Spanish law 27/2011 these incentives are calculated when an individual reaches the statutory retirement age of 65 years and increase with the number of years worked (2% annual coefficient for less than 25 years, 2.75% between 25 and 37 years and 4% for workers with a complete labour career (defined as more than 37 years) who decide to remain in the labour market).

In a few countries, financial incentives have also been put in place to motivate older workers to remain in the labour market up to the statutory retirement age or to return to employment in the later stages of their career. For example, in Denmark, workers who stay on the labour market until they reach the statutory public pension age are rewarded with a tax-free payment of around €20,000. In the Netherlands the ‘carry-on-working bonus’ (doorwerkbonus, 2009) has been introduced as a fiscal measure to reduce the attractiveness of early retirement, granting a bonus for lower-paid employees aged 61 or over who continue working. These financial incentives, which raise the level of pensions received when the retirement age is postponed, have been found to be effective in delaying early retirement in the country. In Belgium, a bonus has existed since 1 May 2009 to motivate unemployed older workers (50+) to return to work. The bonus, amounting to €194 per month, is typically paid for one year, but can be extended up to the end of the working life.

From the limited evaluation evidence available, there are some indications that provisions in pension systems that provide the possibility to increase pension benefits by working additional months/years can be effective in raising retirement ages. However, it is also suggested (for example in the Danish report) that these financial incentives are less effective in extending working lives of older people in better-paid jobs, where the motivation to stay in employment may be more closely linked to job satisfaction (and therefore other measures around flexibility or job design might be more effective in retaining them). It appears that financial incentives are particularly important in countries with relatively lower average pensions and for workers in lower-paid jobs. However, it must be noted that for such individuals health issues related to the nature of the work performed may render it more difficult to continue working or to perform at the expected rate of productivity.

An important area for recent reforms relates to the compatibility of pension and tax frameworks to make it easier to combine earnings from paid work with the receipt of statutory (or indeed company) pensions. Currently, in a number of Member States it remains difficult to combine the two, and many impose strict ceilings on people’s incomes while also in receipt of pension benefits. Such measures are important to support the extension of working lives, particularly for those who may no longer be able to work full time, or those who need to combine low pension benefits with income from work. The possibility to receive both pension entitlements and salaries paid in full for working pensioners exists in Bulgaria, where pensions are also not subject to taxation, Estonia, Latvia, Lithuania and Slovakia. This list to a great extent coincides with the list of countries with the highest share of people over 65 living at risk of poverty (Bulgaria, Cyprus, Romania, Latvia and Lithuania; according to Eurostat 2009 and 2010 data). This implies a link between lower pensions and a policy that allows older workers to continue working after the statutory pension age to sustain their quality of life, at least in some Member States.

The extent to which such measures act as an incentive to work longer or to combine work with pension receipt will clearly depend on wider policy interlinkages and individual factors, which can be difficult to disentangle. National correspondents were not aware of any specific evaluations of the impact of such measures on the participation of older workers in the labour market. However, the fact that the labour market participation of older workers has risen and remained stable even in the face of the economic crisis appears to be a testament to the effectiveness of some of these

measures. The data from the national reports (aggregated in Table 1) suggest that in many countries where there are ‘positive’ incentives to continue employment, such as increasing pension benefits, providing bonuses or adapting pension and taxation systems to promote continued work after retirement, employment rates among the population of post-retirement age are higher than the EU average.

Table 1: *Employment rates of older workers (65–74) in countries that have introduced positive incentives to employment pre- and post-retirement age*

| Country's employment rate compared to EU average of 7.9% in 2011 | Increasing pension benefits for working post-retirement | Other financial incentives (i.e. bonuses) for remaining employed | Possible to combine salary with pension benefits |
|--|---|--|--|
| Belgium – 3.1% | | X | |
| Bulgaria – 4.5% | X | | X |
| Cyprus – 14.4% | X | | |
| Denmark – 10.6% | X | X | |
| Estonia – 16.9% | X | | X |
| Finland – 8.7% | X | | |
| Greece – 5.9% | X | | |
| The Netherlands – 8.6% | | X | |
| Latvia – 9.7% | | | X |
| Lithuania – 8.7% | | | X |
| Portugal – 19.3% | X | | |
| Slovakia – 3.0% | | | X |
| Slovenia – 8.4% | X | | |
| Spain – 3.5% | X | | |
| Sweden – 11.7% | X | | |

Source: *National reports (examples based on information provided)*

Unemployment benefit reforms to encourage longer working

Alongside pension reforms, several countries (for example, Belgium, Germany, Hungary and the Netherlands) have also reformed their unemployment benefit systems, both to limit the extent to which they can be used to support early exit from the labour market, and to address the way in which benefit rules incentivise (or otherwise) active job search. In relation to the latter, beyond the effects which arise from the level of unemployment and other benefits payable, there are three main ways in which existing requirements and rules regarding the receipt of benefit could disincentivise job search among older workers in particular. These are: specific rules which extend the duration of benefit payment among this age group (e.g. Austria, France, Lithuania, Poland); removing the requirement to register as unemployed after a certain age (now generally phased out in most countries); and not requiring workers above a certain age to actively seek work (e.g. in Estonia during a ‘bridge’ period to the receipt of a statutory retirement pension).

The general trend of reforms has been to abolish such special rules for older workers and to further incentivise active job search. For example, Germany has removed the provisions in the unemployment insurance system that essentially allowed older unemployed people to withdraw from the labour market before reaching the statutory retirement age. Since 2008, unemployed people aged 58 and above are no longer entitled to receive unemployment benefit without proving that they are actively seeking work (and accepting placement offers and services). In the Netherlands, as of 1 July 2009, long-term unemployed individuals have been obliged to accept every job offer, including jobs below their educational level. At the same time, exemptions from such rules for older workers were abolished. Furthermore, the 2003 and 2006 reforms of the Dutch unemployment insurance benefit system restricted the eligibility of unemployed older workers to enter into so-called ‘smooth retirement’. This offered the possibility for those who lose their job after reaching the age

of 57.5 years to receive a flat-rate benefit for three and a half years after the end of their eligibility to earnings-related unemployment benefits. In many countries, such measures were combined with an increasing emphasis in Public Employment Services (PES) on activation measures, which will be explored in more detail below.

Despite this overall trend some perverse incentives remain in some national policy frameworks. Thus, for example, some countries (despite recent reforms) still provide for enhanced benefit entitlement for older workers, ease retirements to 'actively seek work' in order to secure receipt of benefits, or other provisions which could effectively discourage labour market reintegration. For example, in Belgium an age supplement is still paid on unemployment benefit for individuals aged over 55. Although the availability to work requirement was increased to 60 as a result of a recent reform, it remains below the statutory retirement age. Similarly, in Hungary, despite recent reforms, persons aged five years below statutory retirement age can claim pre-retirement unemployment benefit if they have a long enough record of social security contributions. In Luxembourg and Slovenia, older jobseekers are entitled to an extended period of unemployment benefit payment. It therefore appears that more work remains to be done in a number of Member States to create a clearer framework of incentives for job search, while at the same time meeting fundamental needs to support a decent standard of living for those who are unable to work or unable to find work.

This section has shown that many European countries have already taken a number of steps to ensure the sustainability of pension systems and to extend working lives in recognition of demographic trends. It focused primarily on measures requiring or incentivising individuals to work longer, which have had some impact in increasing participation rates among older workers. Below, the focus will shift towards government policies and social partners' initiatives that aim to extend working lives through approaches which seek to improve working conditions in a holistic or more targeted sense to enable individuals to work longer.

Measures to promote active ageing

While reforms in the Member States have already made a contribution to extending working lives, for example by reversing the trend towards early retirement (European Commission, 2012a), the demographic and related employment challenges call for further effort to achieve the Europe 2020 targets. To this end, government and social partner measures aiming to promote longer and better quality working lives, as presented in the national reports, can be organised under the following key headings (already outlined briefly above):

- *Comprehensive initiatives* – national strategies and programmes as well as social partner agreements that create the framework and conditions to facilitate longer careers by tackling the challenges of ageing societies and workforces by encouraging active ageing across a number of policy fields;
- *Employment and skills development* – measures that encourage employment, education and training of older people specifically, among other vulnerable groups and as a part of the life cycle approach to age management;
- *Health and work environment improvement* – measures that aim at adjusting workplaces and tasks to the physical and mental capacities of older workers, as well as initiatives for the general improvement of the working environment, easing mental and physical load throughout working life and promoting health more widely in the workplace;
- *Work organisation and working time* – policies that promote flexible work and working time arrangements as well as special provisions for older workers to ease or adapt workload in the run-up to retirement;
- *Changing attitudes* – initiatives aiming at raising awareness about demographic change, as well as measures designed to fight stereotypes and discrimination against older workers.

Comprehensive strategies and programmes

During the past decade a number of European countries have developed comprehensive strategies, programmes and policies covering measures in various policy fields intended to encourage longer and better quality working lives. As these national initiatives are typically developed in consultation with social partners (and in some cases other stakeholders), and provide multi-annual frameworks for the anticipation and management of demographic ageing and related societal changes, they could, in principle, be instrumental in the development and implementation of a coordinated approach to age management and active ageing.

As outlined in Table 2, national strategies for active ageing have been developed in Bulgaria, Estonia, the Czech Republic, Ireland, Poland, Portugal and Spain. In some other countries (Cyprus, Finland, Hungary and Latvia) initiatives supporting older workers are integrated in more general approaches to labour market reforms. However, it must be underlined that only very few of the more recent initiatives have so far led to the introduction of concrete measures to support active ageing (as in Bulgaria, the Czech Republic, Finland, Latvia and Poland). In terms of effectiveness, most of these programmes have not been formally evaluated (an exception is the implementation of the horizontal priority ‘Equal opportunities’ in Latvia). However, the national reports suggest that the Finnish approach to promoting work ability from the life-course perspective, the Bulgarian ‘Concept for the promotion of active ageing’ and to a lesser degree the Polish ‘Generations’ Solidarity’ programme may have made some contribution to extending working lives.

However, a number of other initiatives not specifically labelled as national approaches for active ageing may have indirectly supported greater policy coordination. For example, equal opportunities approaches, lifelong learning policies and wider health promotion initiatives all have an impact on individuals’ potential to extend their careers.

Table 2: *Current comprehensive national government programmes specific to, or including, active ageing*

| Country | Title of the initiative | Partners involved | Objectives of the initiative | Measures arising from the initiative | Assessment of effectiveness |
|----------------|--|--|---|--|--|
| Bulgaria | <i>National Concept for the promotion of active ageing (June 2012)</i> | Government, social partners, NGOs | Create conditions for active and dignified life by promoting equal opportunities | Training, retraining and subsidised employment measures | Interest growing in training measures, but no separate data for older workers; employer subsidies generally effective, no data on sustainability |
| Cyprus | <i>Upgrading and Modernisation of the Public Employment Service</i> | Government | Improve quality of work of older workers to encourage longer working lives | None so far | na |
| Czech Republic | <i>National Programme of Preparation for Ageing for 2008–2012</i> | Government, NGOs, companies, local and regional authorities, social partners | Improve working environment to meet needs of an ageing society, improve the participation of older workers in the labour market, prevent discrimination against older workers, preserve health throughout working life, support families and carers, and raise public awareness of the issues surrounding an ageing society | Sub-programme <i>Promotion of public-purpose activities of senior and pro-senior organisations with a national scope of operation</i> , offering subsidies to civil society organisations defending the needs of senior citizens | na |
| Estonia | <i>Active Ageing Strategy 2013–2020</i> | Government think-tanks, universities, NGOs, local governments, social partners | Support active ageing through a variety of measures including lifelong learning and health promotion | None so far (strategy in the process of being developed) | na |

Role of governments and social partners in keeping older workers in the labour market

| Country | Title of the initiative | Partners involved | Objectives of the initiative | Measures arising from the initiative | Assessment of effectiveness |
|----------|---|---|--|--|--|
| Finland | <i>The 'maintenance of work ability' (MWA) concept (first developed in 1990s)</i> | Employers, employees and workplace organisations | Promote and support the work ability and functioning capabilities of all workers at every stage of their careers | Training, occupational health and safety and job design measures | No evaluation of measures available, but retirement age and employment rates of older workers are slowly increasing |
| France | <i>Law on Funding Social Welfare (2009)</i> | Government legislative role. Social partners implementation | To set ageing policy through social partners agreements at company level | Various fields | Big number of companies involved. Crisis is diverting attention from initiative. |
| Germany | <i>New Quality of Work Initiative' – INQA (2002 – present)</i> | Government, social partners | Align employees' expectations of healthy and satisfying working conditions with the need for enterprises to be competitive, develop skills and competences of employees | Promotes projects and models of good practice, constitutes platform for exchanging ideas and experiences, disseminates information and facilitates access to commercial consulting and public funding programmes | Reached approximately 3,000 companies with a total of more than three million employees, established 10 networks linking up specific sectors, topics or specific fields of operation |
| Hungary | <i>National Reform Programme (2012)</i> | Government | Increase the activity rate and improve the health status of the active population | None so far | na |
| Ireland | National Positive Ageing Strategy (2009) | Government | Establish a common framework for the development of operational plans by Government departments, setting out their objectives relating to older people | Sets out strategic direction for future policies, programmes and services for older people | na |
| Latvia | <i>Horizontal priority of EU structural funds programme 2007–2013 Equal opportunity regardless of age</i> | Government | Increase participation of older workers in the labour market | Establishes criteria for benchmarking the participation of older people in all stages of implementation of EU Structural funds | Assessment criteria used, but older workers form only a very minor share (6%) of all project beneficiaries in the structural funds |
| Poland | <i>Solidarity between the Generations: Actions for Increasing Occupational Activity of People Aged 50+ (2008– 2020)</i> | Government and social partners | Improve working conditions, promote employment of people over 50 and development of age management strategies | So far mostly legislative change, vocational training, counselling, entrepreneurship and information measures implemented | Training programmes have contributed to employment in 45+ group and start-ups created, however programme criticised by employers for insufficient subsidies and trade unions for management and implementation |
| Portugal | <i>National Strategy for Active Ageing – ENEA, devised under the National Employment Plan 2005–2008</i> | Government and social partners | Improve access of older and less qualified workers to vocational education and training (VET) for lifelong learning | Some measures to develop and validate professional qualifications | Very low participation of older workers, strategy was not converted into a comprehensive policy programme, since 2009 implementation stopped due to budgetary restrictions |
| Spain | <i>Global Strategy for the Employment of Older Workers 2012–2014</i> | Government and social partners | Undertake research on the issue of work and health conditions concerning older workers in order to ascertain profiles of morbidity associated with age and potentially dangerous occupations | Policy/strategic recommendations only | na |

Source: National reports (examples based on information provided)

Tripartite dialogue and social partner agreements

In seven countries (Belgium, Denmark, Germany, Finland, France, Ireland and Norway) comprehensive approaches to active ageing are the result of national-level tripartite dialogue or sectoral social partner negotiations. In a very few countries (including Belgium and France) these comprehensive approaches are implemented through national legislation based on social partner agreements, requiring the introduction of age management planning and management policies in companies.

The extent to which tripartite and bipartite agreements between cross-industry social partners at national level have been reached on this issue is influenced by national industrial relations frameworks on the one hand and by the perceived urgency of the issue of demographic change on the other hand. Generally, countries with well established tripartite structures at national level tend to be more likely to have developed joint national strategies on dealing with demographic change. Similarly, countries with strong national cross-industry bargaining (which also face significant demographic challenges) are more likely to be represented among the countries with national measures at this level. Finally, countries where sectoral bargaining at national level is paramount are among those countries where (limited) strategies exist in relation to active ageing.

The presence of Finland, Belgium, Germany, Norway and France among the countries with agreements at this level is therefore not entirely surprising as all have been affected by the trend towards demographic ageing relatively early, have low participation rates among older workers and/or have strong traditions of tripartite and bipartite dialogue at national level. These tripartite agreements, discussed in more detail below, essentially focus on the provision of advice and guidance on active age management and on the importance of ongoing training, a healthy work environment and flexible working arrangements without laying down any clear or binding requirements for companies. Demands by some trade unions (for example in Finland) for more binding requirements on companies have been unsuccessful, and in Ireland progress in the implementation of planned measures has been stalled by the economic crisis and budgetary austerity.

Compulsory company bargaining on employing older workers, France

To compel employers to retain older workers in employment, in the context of the pension reforms of 2008 increasing the statutory retirement age to 62 from 60, a law introduced in December 2008 contained a provision obliging employers to conclude company-level agreements on this issue. The Act obliges companies employing 50 or more people not covered by a sectoral or company-level agreement on this issue to conclude such an agreement at company level by 2010. In the event of non-compliance with the law, prior to 1 January 2010, companies could be fined a sum equivalent to 1% of their aggregate payroll costs. However, in the event of a failure by the social partners to negotiate such an agreement, employers are then required to unilaterally adopt a 'plan of action' in order to avoid any penalties. The plan of action must then be the subject of a consultation process with employee representatives. As this is a consultation procedure, the employer is under no obligation to alter the content to reach agreement with employee representatives.

The law also requires the social partners to identify two or three (depending on their size) of the following six issues: recruitment of older workers; anticipation of career development; improvement of working conditions and risk prevention; skill development and access to training; facilitating the work-to-retirement transition; knowledge and skill transfer and the development of tutorship programmes. However, the law provides no guidelines regarding the negotiations and the content of the resulting agreements is determined by the parties by virtue of their autonomy.

Despite the fact that many of these agreements, or plans of action, have been established purely to ensure compliance with the law, the element of compulsion was introduced to force the social partners to prioritise this topic in their agenda. But the law was adopted during an unfavourable period and the economic crisis created other priorities for the

social partners. At the company level, the partners have been more focused on preserving employment levels or negotiating social plans with measures to simplify the voluntary departure of older workers, the latter being one of the more acceptable reasons for the social partners to reduce the workforce.

It is reported that by the end of 2010, 80% of all employees in companies employing 50 or more people were covered by an agreement on the employment of older workers (7.3 million employees). The total value of the penalties paid by companies failing to sign an agreement or to adopt a plan of action reached €9.2 million for the period 2010–2011, a figure lower than anticipated given the number of companies that have breached the law.

Thus, the innovation here is the mix of a compulsory measure – a legal obligation to negotiate or to adopt a plan of action – with the principle of the autonomy of the social partners and their freedom to choose the appropriate measures, plus evaluation criteria.

The initiative culminated in the adoption of a law on 1 March 2013 introducing a new type of contract – the generation contract (contrat de génération) – to help the country's youngest and oldest employees. The goal is to combine job creation for the young, aged between 16 and 25, with efforts to retain older workers, aged 57 and over. Part of the initiative involves a scheme to encourage older workers to help train young entrants to the labour market.

The comprehensive tripartite framework agreement on active ageing in Finland (**FI1110011I**) was signed at the end of 2011. It includes a special chapter on the development of working lives, covering issues such as extending careers, the development of human resources planning and management, the offer of flexible working time and other reconciliation measures including telework, employment and retention of people with diminished working capacity, and lifelong learning. This is implemented under the wider 'change security' initiative, which supports workers in redundancy situations. The wider programme also includes tax breaks to encourage companies to invest in staff training. Furthermore, in 2009, the Finnish trade union confederations proposed that collective agreements should contain a statute specifying that plans for active ageing should be devised in all organisations. However, as no consensus was reached on this proposal, the social partners agreed instead to develop a model of good practice in age management for companies during 2012 in a special tripartite working group. As part of this initiative, the social partners in the metalworking sector have launched a joint pilot project comprising 100 companies, developing and testing a comprehensive approach to age management. The pilot initiative, entitled 'Good Work – Longer Career' (**Hyvä Työ - Pidempi Työura**) is expected to act as a trailblazer for the introduction of age management programmes in companies in other sectors.

A 'Cooperation Agreement Regarding a More Inclusive Working Life' was signed in 2001 by the Norwegian government and the social partners (NHO and HSH from the side of employers, and the trade union organisations represented by LO, YS and Akademikerne). It aims to prevent and reduce sickness absence and improve the working environment, as well as to contribute to the extension of working life for older employees through information and counselling services provided by the Norwegian Labour and Welfare Administration's labour centres with the support of the Centre for Senior Policy (CSP). Enterprises that have signed the Agreement have committed themselves to a systematic effort to create more inclusive workplaces. In return, they get access to services provided by national authorities through the labour centres (**NO1106019I**). A 2009 **evaluation** of the Agreement shows that the participating companies have more detailed active ageing policies than other companies.

The Irish government and social partners' 'Towards 2016' agreement aimed to maximise the opportunities for older people to participate in education, employment and other aspects of economic and social life. The agreement encourages and supports access to further and higher education for older people and sets targets for their participation. It also

encourages continued participation of older people in the labour market by promoting a change of mindset among employees and employers towards extending working lives; training and up-skilling of employees – particularly low-skilled older workers; advisory services, and the improvement of ICT skills among older workers to improve their employability. However, the breakdown of social partner negotiations, with the employer body IBEC withdrawing from the agreement in 2009, government pay cuts in the public sector, and the current economic crisis have put the implementation of the agreement in question.

Again in line with national industrial relations traditions, national inter-professional agreements in France and Belgium have subsequently been implemented through legislation. In France, social partners signed the **National Inter-professional Agreement on the Employment of Older People** in 2005, setting out four main objectives: promoting sociocultural change, keeping older workers in employment, returning them to work and improving their transition from work to retirement. One of the proposals of the agreement, transformed into **national legislation in July 2006**, aims to promote the use of fixed-term contracts to facilitate the return of older workers to work. While the use of fixed-term contracts in France is restricted to the purpose of the work conducted, the new legislation allows employers to recruit workers who are at least 57 years of age and have been unemployed for a period of at least three months on short-term contracts. The senior fixed-term contracts may not exceed a period of 18 months and are renewable once. Although still in place, these fixed-term contracts are rarely used. Furthermore, the **Law on Funding Social Welfare for 2009** obliged companies with 50 or more employees, which were not covered by a sectoral or company agreement on the employment of older workers, to conclude such agreements at company level by the beginning of 2010. These agreements must include quantitative indicators on maintaining the employment of older workers related to at least three of the following six dimensions: recruitment of 50+ workers; anticipation of career development; improvement of working conditions and risk prevention; skill development and access to training; facilitating the transition from work to retirement; and knowledge and skill transfer as well as the development of tutorship programmes. A 2011 report (Dares, 2011), shows that the agreements have only been a partial success – while new rights for older workers are being negotiated in a number of areas, trade union interest is low and employers mostly opt to implement primarily the measures to provide annual reviews and guidance to older workers, rather than adopting measures which would aim to improve the working environment or adapt job profiles more generally.

On 27 September 2012, the Belgian social partners within the National Labour Council (Conseil National du Travail – CNT / Nationale Arbeidsraad – NAR) signed collective agreement no. 104, which aims to implement plans for the employment of older workers (aged 45+) in companies. This agreement provides the conditions, procedures and practical details to maintain or increase the number of older workers through a company-specific annual or multi-annual plan, developed by employers. These plans can include a range of measures for training, ergonomic improvement, mentoring, improvement of well-being, and so on, that have to be presented to the unions within the Committee for Prevention and Protection at the Workplace (Comité pour la prévention et protection au travail/Comité voor preventie en bescherming op het werk, CPPT/CPBW) or within the Works Council (Conseil d'entreprise/ Ondernemingsraad, CE/OR). The authorities can take charge of the plan and its implementation, if needed. However, as the agreement was signed at the cross-sectoral level, it still has to be discussed within the joint committees (at the sectoral level) before it becomes compulsory for companies.

Another relevant measure, the Belgian '**Professional Experience Fund**' (Fonds de l'expérience professionnelle/ Ervaringsfonds), established by Royal Decree of 1 July 2006, aims to assist companies by providing them with subsidies for the development of human resource management policies that take older workers into consideration. The fund – described further below in the section 'Health and work environment improvement' – supports projects that improve working conditions and work organisation for workers over the age of 45, address their training needs for vertical or horizontal mobility, develop skills and facilitate knowledge transfer, improve health and safety and promote sociocultural change.

For various reasons, the national-level agreements promoting comprehensive age management practices in companies have been only partially successful (e.g. France) or still need to be formalised (e.g. Belgium). While there is no clear evaluation evidence that national-level agreements have led to extended working lives, the national reports suggest that in Norway it has contributed to spreading age management practices among companies and in Finland has led to improvements in the quality of working life, workplace development and training opportunities. In France, the focus in the development of age management plans has been very much on implementing individual appraisals to support career development for individuals rather than making more wide-ranging changes in the working environment to improve overall working conditions.

Where social partners are strongly involved either in tripartite strategies or where they have developed bipartite strategies, it could be argued that measures to tackle demographic changes are more likely to take account of workplace requirements and are more likely to be disseminated to the local level for implementation. However, there is little empirical evidence to demonstrate clearly the impact of social partner involvement on the quality of agreements and implementation.

Sectoral collective agreements on age management

Germany is one of the few countries in which sectoral collective agreements have been concluded with the aim of providing a comprehensive response to demographic change. In the context of the country's industrial relations system, this is the appropriate level for such agreements (rather than the national cross-industry level, as collective agreements cannot be concluded at cross-industry level). In 2006, the **IG Metall** union and the employers' association for the German steel industry (**Arbeitgeberverband Stahl**) signed a collective agreement (**DE0610019I**) covering numerous areas for action:

- occupational health and safety;
- further training;
- reduction of peak workloads;
- changing workloads with job rotation;
- establishment of mixed-age teams;
- adjustment of working time schedules;
- work assignment based on health and age, promotion of healthy behaviour among employees;
- use of long-term working time accounts for earlier retirement;
- lowering of the average age of the workforce by increasing the number of apprentices.

A recent evaluation of the agreement points out that it has had little effect on the use of long-term working time accounts for early retirement. However, the agreement had increased activities in all fields of action and generally improved cooperation between works councils and human resource managers.

A similar agreement was concluded in 2008 between the Mining, Chemicals and Energy Industrial Union (**IG BCE**) and the German Federation of Chemicals Employers' Associations (**BAVC**), aiming to facilitate the transition from work to retirement – through the use of long-term working time accounts, progressive and partial retirement plans – and to retain older workers in the workforce (**DE0805029I**). Invalidity and regular pension plans may also be implemented through this agreement. To finance these measures, employers have been obliged to pay an annual €300 per employee into a company-specific demography fund since 1 January 2010. This initiative led to further activities by the social partners

at regional level. For example, in 2011 the employer organisation for the chemical industry in northeast Germany (AGV Nordostchemie) and IG BCE agreed that from 2013 regional chemical companies would invest 2.5% of the collectively agreed annual wage bill in a fund to combat age-related staffing problems and the imminent shortage of skilled labour (DE1112019I). No evaluation of the effectiveness or the results of these agreements is available.

Collective agreement on working life and demography, Germany

Against the background of an ageing workforce and the need for skilled workers, the Mining, Chemicals and Energy Industrial Union (IG BCE) and the German Federation of Chemicals Employers' Associations (BAVC) concluded a collective agreement on working life and demography in 2008. Running until 2015, it covers around 550,000 employees in 1,900 establishments.

As stipulated in the agreement, chemical companies were required to analyse their staff's age structure, qualifications, rate of sickness leave, and similar attributes (demography analysis) by the end of 2009. Using the results, works councils and management then discussed their company's future needs for qualifications and decided which measures were suitable to close the identified gaps. The measures are financed from the newly set up 'demography fund'.

Initially, firms could choose among the following measures: long-term working time accounts, partial retirement or pension schemes, pension plans based on the corresponding collective agreements or additional disability insurance. However, the tool box was further developed: for example a new option for partial retirement was introduced in 2012 (RV-80).

As a BAVC survey from 2011 shows, 76% of the companies invested in pension plans based on the corresponding collective agreement (affecting 52% of employees). Another 25% opted for long-term working time accounts (affecting 57% of the employees), 8% chose the additional disability insurance (affecting 5% of employees) and 7% invested in partial retirement schemes (affecting 8% of employees).

All these measures are of particular interest to companies in the chemical industry, a sector with a high proportion of shift workers and older employees – over 60% of the workforce in the sector was 40 or older in 2010. In this context, new working time arrangements can contribute to retaining older employees. Long-term working time accounts and the possibility to save time credits for training or elderly care leave and new models for partial retirement allowing for a gradual phase out support this goal.

The innovative aspect of the collective agreement is its comprehensive approach: the mandatory demography analysis ensured that chemical companies approached the issue of demographic change and assessed its implications for their own future. Apart from raising awareness, the catalogue of measures provided by the social partners also supported companies in further developing their human resource strategies. While the introduced measures can help extend the working lives of older employees, several of them are also of interest to other age groups and adaptable to their needs. Finally, the 'cafeteria system' characteristic of the mentioned tool box avoids a 'one-size-fits-all' solution and allows chemical companies to choose which tool or tools suit their situation best.

Another sectoral agreement is in place in Denmark, which is a continuation of the 2009–2011 framework agreement on 'senior policy' negotiated in 2011 between KL and KTO, the Danish social partners in the local government sector. The agreement had various elements including ongoing competence development, workplace adaptation, the option for workers to change to different job functions, arrangements for mentoring and knowledge transfer, a bonus for staying in the company, reduced working time and so-called 'senior days' (extra annual holidays for employees aged 60 and older).

The measures under this agreement are summarised under three headings: senior jobs (Seniorstillinger), generational succession arrangements (Generationsskifteordninger) and retirement benefit plans (Fratrædelsesordninger). The goal of the measures is to allow individuals in the later half of their working life (from age 50) to think about and prepare not only for how they could stay working up to retirement age, but also for their transition to retirement. While no overall evaluation exists on the impact of the framework agreement, ‘senior days’ have been criticised for being too expensive for the municipalities in the longer term, especially with the public pension age being increased over the next decade.

The sectoral data presented in Tables A8a–c of the Annex (in online version of this report) do not reveal sufficient detail to judge whether these sectors are indeed the most affected by the impact of demographic change, but other research (e.g. ICF GHK, 2012 and Hofäcker, 2012) has indicated that manufacturing sectors and public administration tend to be among those with an ageing profile among their workforce.

This section has presented and examined the national strategies, tripartite and social partner agreements on national and regional levels, which aim to provide comprehensive approaches to promoting the employment of older people as well as the quality of working conditions. An overview of these initiatives by country, based on the data from the national reports, is presented in Table 3. Generally very few of these measures have been evaluated. Tripartite and social partner agreements promoting the employment of older workers as well as their working conditions exist in a handful of countries. In the case of the two Nordic countries, the national reports suggest that these agreements have contributed to improving the security and flexibility of older people’s employment – while the little evaluation evidence that exists for the other agreements suggests that these have been only partially successful. It is, however, important to bear in mind that many social partner strategies or agreements negotiated at the national (cross-sectoral or sectoral) level include primarily general guidance, principles and recommendations to be tailored and implemented at the company level, thus making their precise impact at the local level difficult to estimate.

Table 3: Overview of national strategies, national and sectoral-level agreements by country

| Country | National-level government programmes | National-level tripartite or bipartite agreements | Sectoral-level agreements |
|----------------|--------------------------------------|---|---------------------------|
| Belgium | X | X | |
| Bulgaria | X | | |
| Cyprus | X | | |
| Czech Republic | X | | |
| Denmark | | X | X |
| Estonia | X | | |
| Finland | X | X | |
| France | X | X | X |
| Germany | X | X | X |
| Hungary | X | | |
| Ireland | X | X | |
| Latvia | X | | |
| Norway | | X | |
| Poland | X | | |
| Portugal | X | | |
| Spain | X | | |

Source: National reports (examples based on information provided)

Employment and skills development

Employment-related measures with the potential to extend working lives can be organised in two broad categories – those resulting from pension systems that offer benefits to workers extending their working lives (or are flexible enough not to limit individuals' choice to remain in employment) as well as active labour market policy (ALMP) measures facilitating the retention in and return of older workers to the labour market. The former were outlined above, and this section therefore focuses on ALMP measures introduced in different countries. Among all the ALMP measures reviewed, almost half target older people specifically, while the others target older workers or the unemployed among other (vulnerable) groups.

With the recognition that it is easier to retain older workers in employment than to return them to the labour market once unemployed, measures such as support for age management in companies and in-work training have increased slightly in prominence (Knuth, 2012). However, on the whole, the bulk of ALMP measures continue to focus on subsidising employment and measures offering training to unemployed individuals to support their return.

ALMP policies tend to be based on national government (rather than social partner) initiatives, although social partners are involved in their design and implementation, particularly in countries with strong tripartite industrial relations systems and with the involvement of social partners in the management of public employment services (for example, Germany, Austria, Sweden). The prevalence of national government measures in this area is not surprising as governments generally provide the funding for these initiatives.

Active labour market policy measures

As stated above, ALMPs form the bulk of national policy measures to support the return of older workers to the labour market. The development of such measures has gone hand in hand with benefit reforms requiring older workers to actively seek work to ensure benefit entitlement. Despite evidence to show that prevention is better than cure, most of these measures continue to focus on supporting return to – rather than retention in – the labour market.

Table 4 provides an overview of the balance of ALMP measures currently being implemented at Member State level. This shows that a 'preventative approach' to employment and training measures is more common in EU15 countries (Austria, Italy, Germany, Luxembourg, Portugal and the UK), with some limited examples in the EU12 (Latvia and Poland). Social security and tax reduction schemes for employers recruiting older workers are more common in the EU15, with wage subsidies for vulnerable groups being offered in many Member States in the EU15 mainly to support older workers to take up less well-paid jobs in their locality. This could be a reflection of more seniority-based wage systems in these countries which can act as an obstacle to finding re-employment at wage rates on a par with those a worker enjoyed prior to unemployment. On balance, training measures for unemployed older workers are slightly more prevalent in the EU12. As indicated by national contributions, evaluation evidence on the impact of such measures is unfortunately scant, although targeted wage subsidy measures are generally considered to be successful (for example, new combination wage in Austria, local employment agencies and service vouchers in Belgium).

Table 4: Overview of ALMPs targeting older people and vulnerable groups

| Country | Social security or tax reductions | Wage subsidies, public works or job guarantee | Subsidies for employees or self-employed | Support for age management in companies | In-work training | Training for unemployed |
|----------------|-----------------------------------|---|--|---|------------------|-------------------------|
| Austria | | X | X | X | X | |
| Bulgaria | | X | | | | X |
| Belgium | X | | X | | | |
| Cyprus | | | X | | | |
| Czech Republic | | | | X | | X |
| Denmark | | X | | | | |
| Finland | | X | | | | |
| France | | X | X | | | |
| Germany | | X | | X | X | X |
| Greece | | X | | | | |
| Hungary | | X | | | | X |
| Ireland | | | | | | X |
| Italy | X | X | | X | | |
| Latvia | | X | | X | X | X |
| Lithuania | | X | | X | | X |
| Luxembourg | | | | | X | |
| Malta | | X | | | | |
| Spain | X | | | | | |
| Netherlands | X | | | | | |
| Poland | | | | X | | X |
| Portugal | | | | | X | X |
| Romania | | X | | | | X |
| Slovakia | | X | | | | |
| Slovenia | | X | | | | X |
| Spain | | | X | | | X |
| Sweden | | X | | | | |
| United Kingdom | | | | | X | |

Source: National reports (examples based on information provided)

Social security and tax reductions for companies

Social security payment and tax reductions have been introduced in a number of countries to make employment of older workers more financially attractive to companies and to redress potential skills deficits for a period of time. For example, the Belgian legislation (of 24 December 2012 and 16 May 2003) allows a reduction of social contributions by €1,600 per year for companies that hire workers aged 57+. The reduction is also possible for workers between 50 and 57 years, if the individual's wage does not exceed €4,000 per month. The amount of €200 can be deducted once a person reaches 50 years and it gradually increases with age. In Italy, pursuant to law 92/2012, companies employing long-term unemployed people over the age of 50 are eligible for a 50% tax reduction for 12 months in the case of fixed-term contracts and 18 months for open-ended contracts. Similarly, in Spain companies that offer open-ended contracts to unemployed workers in the 55–65 age group benefit from discounts on social security contributions of 55% during the first year and 50% during the remainder of the contract (Law 12/2001). A fiscal deduction for social premiums is also applicable in the Netherlands when employers recruit workers over 62 years. Unfortunately no evaluation results are available to illustrate the impact of these measures on extending working lives, although the concern has been raised that such measures could, if not clearly targeted, lead to deadweight effects and could serve to further stigmatise older workers.

Wage subsidies, public works and guaranteed jobs

Subsidised employment is by far the most popular ALMP measure in the countries reviewed. Over half of these measures target older workers specifically (Bulgaria, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Romania, Slovakia and Slovenia) while the rest provide direct wage subsidies for employers recruiting older people among other vulnerable groups such as the long-term unemployed, people threatened by redundancies and disabled persons (Austria, Bulgaria, Denmark, Latvia, Lithuania, Malta, Portugal and Sweden). One example of such programmes is the ESF and Latvian Government co-funded subsidised jobs (at up to 100% or 200% of the statutory minimum wage) of previously unemployed individuals in Latvian enterprises for a period of up to 12 months. Those over 50 years of age were one of the eight main target groups of the measure, and represented around one-third of all beneficiaries. Older workers were also a major group taking part in state-subsidised public works in Latvia (47% of all participants in the first quarter of 2012). There are also two initiatives in Bulgaria – one aimed at subsidising jobs for people who have not yet fulfilled the necessary requirements to obtain the state pension, and another subsidising re-employment of individuals who left the labour market because of early retirement. While the interest of employers has been very low in the case of the last example, overall the data available show that the use of employer subsidies for a targeted group (e.g. low-skilled) of unemployed older workers has had a particularly positive impact (if compared to younger beneficiaries), as well as reducing time in unemployment and increasing income. However, no data were available to assess the sustainability of the employment created.

A number of other countries (Austria, Belgium, Cyprus, France and Spain) have state subsidies that are targeted directly at unemployed older workers, among other groups, encouraging them to return to the labour market. Overall, most of these schemes have been evaluated as successful in terms of promoting employment. Such subsidies are particularly successful when targeted at low-skilled older workers as they are seen by employers as a means of compensating for any reduced productivity resulting from a lack of, or outdated, skills. Furthermore, for some of these measures, evaluation evidence exists suggesting a positive impact on continued employment and increase in participants' income also after the end of the subsidy period. The system of 'local employment agencies' (ALE/PWA) in Belgium, for example, aimed to reintegrate long-term unemployed people, and especially older ones, in providing household services in their neighbourhood for private individuals, local authorities and non-profit associations or schools. The participants could retain their unemployment benefits and receive an income supplement for each hour worked. This system was a great success, and in 2004 was complemented by a system of service vouchers, used increasingly to this day. The new combination wage (Kombilohn neu) in Austria is another example of such a scheme, providing wage subsidies to unemployed people who take up low-wage jobs. Between July 2009 and June 2010 around half of the beneficiaries of this measure were 50 or over (Löffler and Schmid, 2011) and about three-quarters of the beneficiaries remained employed by the company after the end of the subsidy period. Finally, since 2006, individuals over the age of 50 in France have been able to claim a so-called 'vocational integration benefit' for a limited period of time if they accept a job that pays 15% less than their previous position. The difference in salary in these cases is covered by the PES in the form of the above-mentioned benefit.

It is worth mentioning that in a few countries measures are in place that guarantee or provide employment opportunities for unemployed older people after the end of their unemployment benefits period. For example, in Denmark all unemployed people aged 55+, who exhaust their right to receive unemployment benefits, have the right to a 'senior job' with normal pay in municipalities, provided they apply for this opportunity. Following the 2006 'Act on senior jobs' the municipality is obliged to offer a full-time senior job following the relevant collective agreement to persons who are full-time insured members of an unemployment benefit fund. However, there is no guarantee that the job matches the former occupational or educational level of the applicant and consequently unemployed individuals with higher education levels are not inclined to make use of the scheme. Therefore, the measure is only partly successful. Also, trade union confederations in Finland have proposed amendments to the 'Act on the Public Employment Service' (1295/2002), which stipulate that unemployed jobseekers who are 60 or older have the right, prior to the end of their unemployment allowance, to be placed in a subsidised job scheme arranged by the employment authorities until such time as the same

conditions as their previous employment have been reached. In these cases, the daily allowance is determined on the basis of the wages from an earlier employment. However, this measure has not so far been implemented.

Public measures to promote and support age management in enterprises

In a few countries (Austria, Czech Republic, Germany, Italy and Poland) public policy measures exist to support age management in enterprises. However, there are either no data available to assess the impact of these measures on extending the working lives or improving the quality of work (places), or where such data exist they show that the measures are only moderately successful. This can be illustrated by the ESF-supported ‘qualification consultancy for enterprises’ (Qualifizierungsberatung für Betriebe) programme implemented in Austria. The programme offers three-day consultations on human resources development free of charge to companies with up to 50 workers. The aims of these consultations are to assess skill requirements in the enterprise and to develop a life-course oriented qualification plan for further education and training activities. Consulting support on other topics (e.g. productive ageing or the implementing of qualification networks) can also be provided. However, the success of these consultancy services is questioned (Egger-Subotitsch et al, 2009), as companies make more use of the training support rather than seeking advice on analysing their age structure or implementing active age management. Germany has implemented a human resources and skills counselling programme for SMEs, although take-up is considered relatively low. The programme faces the same problem of SMEs mainly accessing the training advice and measures.

Also worth mentioning is the national training and counselling programme ‘Age plus – training for companies’, implemented by the Polish Agency for Enterprise Development. It supports enterprises in creating and implementing age management strategies, including training on age management awareness, implementing age management systems, and the development of mentoring and knowledge transfer schemes. The programme has instructed 296 people as mentors and successfully implemented age management systems in 150 companies. However, there are no data on the impact of these mentoring and age management systems on extending and improving the employment of older workers.

Measures for specified groups, Latvia

‘Measures for specified groups’ resulted from the paid temporary public employment service that was implemented by the Latvian State Employment Agency (Nodarbinātības Valsts aģentūra, **NVA**) – affiliated to the Ministry of Welfare of Latvia – in the early 1990s. In 2003, the measure was renamed ‘active employment measures’ and was expanded by introducing measures for specified groups, including persons aged 50+. In 2008, an in-work training component was introduced.

Unemployed persons aged 50+ are employed under the following conditions:

- persons with education and professional qualifications as well as those who have not obtained these are equally eligible for the measure: the necessary knowledge and skills are obtained through training at the workplace;
- the employer is requested to provide coaching in order to ensure in-work training (paid for by the employer);
- persons are engaged for 12 months (paid holidays included); subsidised employment should not be prolonged;
- the NVA contribution consists of 50% of wages paid to the hired person, but not more than the minimum monthly salary in the state;
- the employer should conclude a full-time temporary employment contract with the unemployed person and pay all relevant taxes on behalf of this person (including NVA contribution to wages).

The measure helps older unemployed persons to find a job regardless of their previous employment, education and skills and their match with the offered vacancy. In this way, it gives an opportunity to people who would otherwise be

excluded from the labour market due to the poor match between their skills and the available labour market vacancies. Employers benefit from the state-subsidised paid trial period for new employees when the suitability of the potential worker can be assessed at the workplace.

In 2008–2012, 1033 unemployed persons started the programme (of whom 512 were women), 741 completed it (372 women) and 590 were able to find permanent jobs (300 women). Therefore, 80% of all the unemployed persons who completed the programme were able to find a permanent job.

Measures promoting education and training of older workers

Possession of the right qualifications, competences and skills is paramount to the continued employment of older workers, as they ensure their competitiveness on the labour market, or in facilitating their return to work. However, the participation of older workers in education and training remains lower than that of their younger counterparts, which is in line with an observable trend that those with generally lower skills levels are less likely to access training opportunities.

In 2011, the EU average participation rate in education and training in the 55–64 age group was 4.3% as opposed to 11% in the 25–49 age group. Participation of 55–64-year-olds was the lowest (below 2%) in Greece, Hungary, Poland, Slovakia, Bulgaria and Romania (there are no data for the last two countries but participation in education and training is generally low in those countries). Participation of 55–64-year-olds was above 10% in Denmark, Sweden, Finland and Norway. (Higher participation of older workers in education and training may also be due to prominent lifelong learning and career guidance programmes implemented in these Scandinavian countries with a particular focus on a life-course perspective (e.g. the Knowledge Lift programme (1997–2002) in Sweden, the comprehensive adult and further training system in Denmark, a career guidance system in Finland and the Norwegian Competence Reform of 1999 facilitating adults' opportunities for continuing education).

Several studies (for example, EEO, 2012) have highlighted this lower participation of older workers in education and training in general, attributing it to a large share of older workers in agriculture in some countries, discriminatory attitudes among employers towards senior workers or indeed the lack of motivation among older workers themselves to update their occupational skills in the view of foreseen retirement. It has also been suggested that early retirement schemes discourage the participation of older workers in education and further training (European Commission, 2012b).

Lower levels of education, less marketable qualifications and the lack of transferable skills have been reported in a number of countries covered by this report as obstacles to longer and better quality working lives for older people (Cyprus, Greece, Hungary, Lithuania and the UK). In many of the same countries, as well as some others, experts refer to a lack of skills development measures for older workers (Cyprus, Ireland, Italy, Lithuania, Norway, Slovenia, Portugal and the UK). This review also suggests that more education and training initiatives specifically targeted at older workers exist in the countries where ageing populations are a more immediate concern, in other words in countries with a higher average median age (Austria and Germany in particular). However, according to the national reports there are also countries with an ageing demographic profile where no such measures are in place (such as Denmark, Finland, the Netherlands and Norway).

On the whole, however, most state-funded training initiatives target older workers only as one among several other vulnerable groups (as in Bulgaria, the Czech Republic, Hungary, Ireland, Latvia, Romania, Slovenia, Spain and the UK). It could be argued that these measures are partially taking a life cycle approach to the continuous updating of skills and competencies, while the approach is clearly focused on helping those most in need. Publicly funded training measures that target only older workers (such as in-work training) or unemployed individuals exclusively are far less common,

with examples in Germany, Latvia, Luxembourg and Portugal. While both are important, it might be argued that unless specific incentives are available for older workers, there is nothing in existing trends to indicate that low-skilled older workers are likely to avail themselves more of such measures, or that employers are more likely to offer them in future.

Provision of in-work training

Considering the imminence and the scale of the challenges associated with demographic ageing there are currently a limited number of countries offering publicly funded education and training programmes specifically aimed at providing in-work support for the updating of skills of older workers. According to the national reports such programmes exist in Austria, Belgium, Germany, Latvia, Luxembourg, Portugal, Romania and the UK. One such programme is ‘Continuous training of older and unskilled workers – WeGebAU’ established by the German Federal Government in 2006 (**DE1008059Q**). The programme aims to increase the participation of unskilled workers and workers older than 45 years in the labour market. It exclusively targets companies with fewer than 250 employees, offering training vouchers for employees reimbursing 75% of their training costs. The remaining expenditure must be borne by the employee and/or the employer. While the awareness of the initiative was lower among enterprises with fewer than 50 employees, the number of older workers who benefited from WeGebAU increased from 705 in 2006 to 11,108 in 2008. Similarly, the nationwide ‘GerCarreira’ initiative launched in 2012 and implemented by the public employment services (IEFP) in Portugal aims at preventing unemployment among older workers by identifying gaps in their current competences and offering certified modular training to address these gaps in companies. In Belgium companies can obtain subsidies from the Professional Experience Fund (see above) for projects that provide training to workers aged 45+. Finally, a small sectoral ALMP project known as **Fit4job** is implemented in Luxembourg encouraging the recruitment and retention of older workers in the finance sector by helping them to develop their skills and qualifications (**LU1010021Q**).

In-work training is also offered as a part of broader state programmes in Austria, Latvia and the UK, targeting older workers among other groups. While data on the number of older workers who have benefited from these in-work training measures suggest that older workers’ participation in such training is increasing, there is no further information on the impact of these training measures on extending the careers of older workers. It should be noted, however, that the training provided by these state-funded programmes is often broader than the specific job requirements or the ‘client’ company profile – and hence should help older workers not only to be more competitive in their current jobs but also more generally. The same is also true for the WeGebAU initiative, which may restrict the number of companies making use of this measure.

Training of unemployed older workers

As mentioned above most of the training for the unemployed older worker is delivered in government programmes also targeting other vulnerable groups. Examples have been provided in the EU12 (Bulgaria, Czech Republic, Hungary, Latvia, Lithuania, Romania and Slovenia), but also in Ireland and Spain. For example, within the Operational Programme Human Resources Development (OP HRD), Bulgaria is implementing a scheme that offers two vouchers per unemployed person: one for professional training and the other for training on a key competence. Around 14% of all its participants are over 50. The Romanian programme provides education and training as well as continuous vocational training opportunities. Older workers (55–64) are one of its target groups and some 16,000 people in this age group were trained in the period 2007–2011. In line with the **Labour market regulation act** (2010) the ALMPs in Slovenia offer formal and informal education opportunities (such as obtaining a higher education degree or new skills and competencies). To date 12% of beneficiaries of these services have been older than 50. Similarly, a part of the ‘Step one forward 2’ programme in Hungary (2007–2009) trained some 15,000 adults with low or no qualifications.

Very few of the education and training programmes for the unemployed have focused on older workers specifically (examples of such programmes were reported only in Germany, Poland and Portugal). For example, the Act of 19 December 2008 in Poland gave workers aged 45+ the right to use the help of labour offices in raising their qualifications (including obtaining referrals to training, reimbursement of exam costs, funding of postgraduate studies, access to

training loans and funds) based on the same principle that had already been applied to the unemployed. Furthermore, the German ‘Prospect 50plus’ programme involves various regional actors, such as employers or employers’ associations, unions, municipalities, churches and other non-profit organisations in improving the employment prospects of older long-term unemployed persons (DE0608039I, DE1010019Q), while the Portuguese Senior ReMobilisation Programme aims to encourage the return of older unemployed workers to the labour market through a combination of training and employment measures.

Generally the national reports have very little information on the outcomes and longer-term impact of the programmes for the training of unemployed people. For the majority of the training programmes reviewed, whether these have targeted older unemployed specifically or among other vulnerable groups, only the data on the direct outputs of the programmes have been made available, that is, the number of people trained and the share of older workers (for the programmes that also targeted other groups). In terms of these direct outputs, most training measures for which data are available have demonstrated good results in terms of the number of individuals trained. In programmes that targeted more than one vulnerable group, older workers often represent 15%–45% of the total people trained. Data on the success of the training in terms of subsequent employment were available for a few projects only, which demonstrated a 25%–50% employment rate of beneficiaries after undergoing the training. Hence, it can be argued that the programmes for the training of the unemployed have made some contribution to employment of older workers, although the quality and sustainability of these jobs has not been subject to evaluation.

Come Back programme, Austria

The Come Back employment integration subsidy (Eingliederungsbeihilfe) is a programme run by the Austrian Public Employment Service (Arbeitsmarktservice, **AMS**) whereby subsidies are provided as an incentive to companies when they engage unemployed people who have difficulties being reintegrated into the labour market. Through their representation in the federal governing board of the AMS, the social partners have been strongly involved in the planning, implementation and evaluation of the initiative. While the measure is targeted towards several groups of disadvantaged unemployed people, an important target group is that of older unemployed people (women from 45 years and men from 50 years onwards). Come Back potentially opens doors into employment and is considered an auxiliary tool for the unemployed. It is furthermore intended as a support programme for companies which would otherwise be hesitant about hiring older unemployed workers. Hence, the risk of long-term unemployment can often be prevented. Furthermore, there are certain limits with regard to working time (there is a minimum number of hours to be worked: 50% of full-time employment) and thus income may not be eroded while work of a certain quality is provided. Also, the subsidy helps older unemployed people to find employment more easily according to their qualifications. Evaluations have shown that the measure is particularly successful for the 45–54 age group in terms of finding employment after the funding period.

Improving health and the work environment

One of the key factors helping to retain older workers is the quality of their working conditions and of their health and well-being at work throughout their working life. This dimension is becoming increasingly important as the labour force ages and a greater number of older workers are potentially exposed to health risks and painful working conditions. As highlighted by a recent report based on evidence from the fifth European Working Conditions Survey, ‘some protective mechanisms that once prevented older workers from exposure to painful working conditions are apparently being eroded by demographic evolution and changes in work organisation’ (Eurofound, 2012, p. 8).

The same study highlights that indicators for potential health problems increase for workers aged between 40 and 60 and such problems are typically linked to certain work characteristics such as poor fit between working hours and other

commitments, painful positions, poor career prospects, and weak social support particularly for men. Compared to other age groups, workers aged 50–54 are more likely to report that their work puts their health at risk; one-third of employees in this age group would not want to do the same job until the age of 60. This perception is more common among women in mid-skilled manual occupations and in low-skilled occupations. Conversely, respondents who are open to the idea of carrying on doing the same job after the age of 60 are those working in favourable working conditions and less exposed to risks.

Although older workers are covered by general legislation on health and safety which aims at eliminating or reducing workplace health risks – as a result of EU-level framework health and safety legislation all employers are required to carry out risk assessments and to address and reduce, wherever possible, any risk factors – evidence collected for this report suggests that much remains to be done in this area. Across the EU, initiatives targeting older workers specifically are not widespread. Indeed, in many countries, provisions and measures in the field of health and safety and/or strenuous working conditions apply to all workers regardless of age. According to available evidence this is the case for instance in Bulgaria, the Czech Republic, Estonia, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta and the UK. In some cases, however, specific regulations, which can be linked with strenuous working conditions, depend on age: for example, in Slovakia, maximum limits for lifting and handling weights defined in Act No. 281/2006 vary according to the age of the workers; this type of task is not recommended for workers over 60.

Targeted workplace inspections have also been considered as a means to promote a better work environment for older workers and increase compliance with health and safety standards, for instance in Portugal, where the National Strategy for Active Ageing foresees an increase in the number of inspections focusing on the working conditions of older workers.

Collective bargaining also plays a role, at the sectoral and company level, in promoting health and safety of older workers and improving their working conditions. One example of a recent development in this area is a new law, based on a national collective agreement, which came into force in France on 1 January 2012 and introduced compulsory company bargaining on health and safety for companies with at least 50 employees and where a majority of workers are exposed to strenuous working conditions, such as hard physical work or atypical working hours. This law was approved with a view to creating the right work environment for longer careers, in the context of debate about pension reforms.

Examples of interventions and measures specially targeting older workers, or aiming to have a long-term impact in a life cycle perspective, and promoting health, are presented in this section.

Preventive measures with a focus on the life cycle (work ability)

Measures aimed at maintaining work ability are being developed in a number of countries, especially in northern Europe. Finland is well known for originating this concept, which is defined by the Finnish Institute of Occupational Health as a set of ‘joint measures taken by employers, employees and workplace organisations in order to promote and support the work ability and functioning capabilities of all workers at every stage of their careers’. The maintenance of work ability includes the development of occupational health services and early interventions for work-related disabilities. From 2008 to 2011 the Finnish Ministry of Social Affairs and Health also oversaw the implementation of the **MASTO project**, which promoted practices to increase wellness at work, prevent the onset of depression, provide treatment and rehabilitation to those suffering from depression to cope at work or to return to employment, and reduce cases of work disability based on depression. In addition, concrete proposals of measures to improve well-being at work have been formulated by a tripartite group (the so-called Ahtela group). This includes the establishment of new ‘centres for well-being at work’ to provide individual workplaces with practical examples of good practice in addressing age-related issues.

Occupational health services, Finland

Prolonging working life has been one of the most prominent issues on the Finnish social partners' agenda in recent years. In 2009, the Finnish government appointed two tripartite working groups to make proposals for pension system reforms. The so-called Ahtela working group, tasked with proposing overall improvements in working life, reached an agreement in 2010. The proposals included extending occupational healthcare to all employees regardless of their field of work or the duration of their employment. The idea is that closer cooperation between the workplace and healthcare could deal with any potential health problems early, keeping employees healthier for a longer time. Three working groups were established in spring 2010 to prepare the measures proposed by the Ahtela group. The follow-up measures can be classified into five groups: youth employment; earnings-related pension system measures; development of occupational health services; workplace actions to promote well-being at work; and extending the employment of partially disabled people.

The main aims of the Ahtela group proposals were to increase the availability of preventive and effective occupational health services and to enhance the quality of occupational health services, as well as to ensure early intervention regarding work-related disabilities. The Centre for Occupational Safety is responsible for carrying out several of the measures proposed in the report, such as broadening the existing range of services for well-being at work and increasing resources. One of the most important proposals provided for the setting-up of specialist 'well-being at work counters'. The first such comprehensive and centralised service counter, **TOKIAKeskus** at **TOKIA Group Oy**, opened in September 2012 in Lahti (southern Finland). One of the main advantages of the service counter is to have the well-being services in one place. TOKIAKeskus has six permanent employees and a network of experts including 10 specialists (physiotherapists, work psychologists and physical education instructors). The organisational structure is small and flexible and the mission of TOKIA is to operate between the occupational healthcare system and companies (work organisations).

The operations of TOKIAKeskus are in a start-up phase. TOKIAKeskus has initiated negotiations with several local companies to have the well-being at work services. In terms of occupational health, TOKIAKeskus is planning to develop work ability across companies, whereby individual risks are mapped out at the workplace level. This customised risk analysis covers both physiological and psychological factors as well as social factors such as management and work atmosphere.

Individual risk assessment for older workers and workplace adaptation

According to available evidence, there is increasing awareness of the specific requirements of older workers and the need for risk assessment and remediation measures, although the level of development of such measures is uneven across countries, sectors and indeed companies.

In Spain, the National Institute for Occupational Safety and Health is planning to launch research to ascertain profiles of morbidity associated with age and at-risk occupations as part of the Strategy 55+, the Global Strategy for the Employment of Older Workers 2012–2014. This strategy aims to develop preventive measures based on health supervision programmes according to potential risks and adapted to the worker's age, training and information for safety at work and on how to keep physically and mentally fit.

Efficient preventive measures for older workers are based on individual risk assessment and dialogue. For example, in Denmark, the 'development dialogue for old workers' (seniorsamtalen) is a formalised system of annual assessment carried out by managers of each employee. This system is in place both in the public and private sectors and focuses on any specific problems affecting the older worker at the workplace with a view to identifying tailor-made solutions to retain the employee at work.

In Belgium, employers can request subsidies from the 'Professional Experience Fund (see above) to measure the work ability of their older employees, analyse how their work environment can be improved or promote ergonomic improvements to reduce risks linked with physical workload.

Interventions aiming at preventing health problems for older employees, for example those targeting strenuous work, and developing job adaptation measures such as better ergonomics are typically developed at the company level, although these can be triggered by national inter-sectoral agreements. For example in Norway, since the signature of the tripartite 'More Inclusive Working Life' (the IA agreement) in 2001, which stresses that companies must work systematically with health, environment and safety issues, there has been a greater focus on the adaptation of individuals' working situations. One out of six Norwegian companies that have policies for older workers in place report having special arrangements for older employees with health problems and one in four companies has developed preventive measures for older employees (Midtsundstad, 2012).

In several countries, guidance on how to improve and adjust the working environment of older workers and maintain work ability is being provided by public, tripartite or bipartite bodies, such as the above-mentioned Finnish Institute of Occupational Health, as well as the bipartite Foundation of Labour in the Netherlands, the tripartite Centre for Senior Policy in Norway and the Swedish Work Environment Authority. In Cyprus a good practice guide was elaborated, in the context of the **Grey Hair – Experienced Hands** campaign.

General health promotion measures (beyond occupational health)

Examples of measures which aim to promote health among (older) employees in a life cycle approach can be found in a few countries. One example is the recently launched 'fit2work' programme in Austria, which includes a free-of-charge consulting service open to employees of all ages, even though it is expected that the majority of beneficiaries will be older workers. In the Netherlands, all workers are entitled to periodic health checks (Pago) and it has been recommended that older workers should make greater use of such measures. Another example of a programme raising awareness on the importance of health promotion over the life cycle can be found in the German federal administration, where a campaign was launched in December 2009 by the Federal Ministry of the Interior (**BMI**), the Confederation of German Trade Unions (**DGB**) and the German Civil Service Association (**dbb**), partly in order to address challenges linked to the age profile of the sector. This campaign aims to integrate health management issues into initial and continuous training as well as into management development programmes and to make employees more aware of health issues and responsible for the state of their own health.

Little evaluation evidence is available about the impact of such measures, as they are fairly recent. Concerning the above-mentioned project in Germany, as of June 2010 only one-third of all units in the federal administration had systematically applied health management measures (Bundesministerium des Innern, 2011).

On the whole, according to available evidence, the number of national and sectoral initiatives taken by governments and social partners with a view to improving the health and work environment of older workers – and to address the risks faced by those exposed to strenuous working conditions – is rather limited, despite the importance of such actions for extending working lives. Many if not most EU countries have still not taken significant action to address this challenge, perhaps due to the fact that workers in strenuous work conditions tend to retire earlier (for example, specific provisions for this exist in France) or that disability pensions are being used as early retirement schemes.

This limited coverage of measures potentially reflects the difficulty in developing blanket policy measures for very diverse workplaces which in any case are required to carry out risk assessments; as a result, company-level initiatives appear to be more prevalent in this field. A brief overview of the type of measures in Member States reviewed as part of this report is provided in Table 5. This does not relate to any measures taken at company level, which were outside the scope of this study.

Table 5: Measures to improve health and work environment of older workers (with social partners' involvement or tripartite or bipartite agreements)

| Country | Work ability (prevention over the life cycle) | Individual risk assessment for older workers and workplace adaptation | General health promotion measures |
|-------------|---|---|-----------------------------------|
| Austria | | | X |
| Belgium | | X | |
| Denmark | X | | |
| Germany | | | X (sectoral) |
| Finland | X | X | |
| France | | X | |
| Netherlands | | X | X |
| Norway | | X | |
| Spain | | X | |
| Sweden | | X | |

Source: National reports (examples based on information provided)

Professional Experience Fund, Belgium

The aim of the Professional Experience Fund (PEF) is to increase the employment rate of older workers by encouraging labour market stakeholders to adapt and improve the working environment including working conditions, work opportunities and work organisation. The PEF was established following consultation with the social partners in 2001. As of January 2013, the PEF is still on-going.

Generally speaking, only private sector companies are eligible for the PEF support. Financial support from the fund is linked to improving the working conditions of individual employees who are at least 45 years old. The grants are meant to stimulate the following activities:

- measuring the working ability of employees;
- analysing the working environment: detecting factors that can be improved and formulating qualitatively better proposals for improving working conditions;
- implementing projects that improve the working conditions: grants can be issued for projects that decrease the physical and/or psychological pressure of the job on the employee (ergonomic improvements, training in technological skills or providing new challenges for older workers) or for projects aimed at adapting the job profile by eliminating/decreasing the physical and/or psychological pressure.

The level of financial support from the PEF depends on the type of activity undertaken by the employer, the price of the project and the timing of the project. A maximum amount of financial support is applied.

The PEF is implemented and the financial support is paid out by the Federal Public Service Employment, Labour and Social Dialogue. In order to increase awareness about the PEF among employers, the PEF team conducted a number of partnerships with sectoral organisations.

The number of employees participating in the PEF peaked in 2009 and 2010 exceeding 11,000 in both years. As a consequence of terminating of some sectoral partnerships, the number of participating employees decreased and was approximately 4,400 in 2012. The PEF projects mainly aimed to decrease physical loads or mental stress on employees.

The PEF is regarded as an innovative example of how government can stimulate employers to improve the working conditions of older workers. The PEF is a positive government incentive for employers and participation is completely voluntary. Moreover, the members of the PEF team go to workplaces and listen to the employers and their problems. In this context, government officials have become to a certain extent consultants and advisers. The information from the programme is used to reflect on and improve the regulations concerning the PEF. Therefore, the PEF is a learning experience for both the employer as well as the government.

Work organisation and working time

The organisation of work and working time is another critical set of factors for the work ability of older workers, according to the findings of the fifth European Working Conditions Survey (Eurofound, 2012). The results of the survey suggest that measures linked with working time are considered of special importance by older employees themselves: 29% of workers aged 50–59 would prefer to work fewer hours than they currently do, and workers in high-skilled occupations are even more likely to do so.

This section presents different types of measures in place across Member States that allow a reduction of working time for older workers, including nationwide measures and schemes developed through collective bargaining, as well as special provisions targeting older workers in terms of leave and rest periods.

National schemes allowing for the reduction of working time

Somewhat less frequently used than in the past, but still available in some countries are nationwide schemes encouraging the take-up of part-time working for retired workers or partial retirement schemes for older employees.

- In Norway, older employees are by law entitled to part-time work (without wage compensation) from the age of 62, through a 2008 amendment to the Working Environment Act (**NO0807019I**).
- In Spain, opportunities to use partial retirement have been expanded by the recent Law **27/2011** on updating, adapting and modernising the social security system. Hand-over contracts (created by Law 12/2001), offer a possibility for older workers to gradually reduce their working hours and salary by 25% to 85%, and to combine income from employment with a partial retirement pension. The 2011 reform has modified the regulation of partial retirement, making it possible for the worker to retire without having to make use of the hand-over contract.
- In Austria, since 2000 the combination of part-time employment (between 40% and 60% of normal working time) with part-time pension entitlement (Altersteilzeit) can be taken seven years before workers have reached the statutory retirement age. The public employment service compensates employers for the hours not worked (employees earn between 70% and 80% of their former income despite the working time reduction). Claims for part-time allowance have been rather limited and the number of claimants declined after a peak in 2004 (BMASK, 2012).
- In Belgium, several forms of working time reductions for older workers are available. One of them is the ‘crédit-temps/ tijdskrediet’ (time credit) scheme overseen by the National Employment Office (Office National de Sécurité sociale – ONEM / Rijksdienst voor Arbeidsvoorziening – RVA). This scheme can be used by (older) workers to interrupt their work totally or partially (half time or a one-fifth reduction) for a certain duration under specific conditions. For employees aged 50 and over, the one-fifth reduction can be taken for five years, without any restriction (**BE0803049Q**). Although there are quotas for the number of workers that can take this type of leave, it seems that many companies have informal agreements to exceed such quotas to accommodate requests from older employees.

Flexibility provided through collective bargaining

Local bargaining, through company-level agreements, can offer innovative solutions at the workplace level to address the needs of older workers. The possibility of developing specific local solutions is offered in some national cross-industry and national sectoral collective agreements.

- In Belgium, national cross-industry collective agreement no. 77 sets the conditions for allowing workers aged 45 and over to reduce working time while maintaining their full wages. This type of arrangement is especially developed in the non-profit sector following the implementation of a collective agreement reached within a specific joint committee. Eligible workers can be exempted from two, three or four hours of work per week depending on the collective agreement.
- In Denmark, special arrangements such as flexible hours, and reduced working time (as well as changes in work tasks, change to another job within the company or teleworking) can be taken as part of the ‘development dialogue for older workers’ laid down in the collective agreements.
- In Finland, according to a national framework agreement signed by the cross-industry social partners in 2011, social partners shall put in place a model for the initiation of programmes for older workers at the company level to be applicable in all workplaces, for example in the form of individualised career plans. Flexible working time arrangements are one of the key elements in trying to find solutions to older workers’ well-being at work. A framework of promising practices and approaches is being developed by the cross-industry social partners at national level, but precise implementation will be left to the local level.
- In the Netherlands, a growing number of collective agreements contain so-called ‘a la carte clauses’, which allow individual employees to vary working conditions. In 2011, 85 collective agreements, covering 83% of the employees under an agreement, contained specific clauses for older employees. Some collective labour agreements provide for individual transitional arrangements for older workers who move from full- to part-time positions. Such agreements can also make different provisions than those required by national legislation, for example in relation to the use of fixed-term contracts, which may be of particular relevance to older workers.
- In the German metal and electrical industry, a new collective agreement on partial retirement came into effect on 1 January 2010. Signed by the employer association for the metal and electrical industry in Baden-Württemberg (Südwestmetall) and the German Metalworkers’ Union (IG Metall) (**DE0810039I**), the agreement foresees two different modalities of partial retirement schemes for employees aged 61 years and above, and under certain conditions for employees aged at least 57 years who had atypical working hours. The maximum duration authorised is six years and only 4.0% of all employees in an establishment can make use of both schemes.
- In Germany the federal administration, BMI, the United Services Union (ver.di) and dbb also concluded an agreement in February 2010 on partial retirement for staff under general employment contracts, open under certain conditions to employees aged 61 years and above. The share of employees who can take advantage of partial retirement is limited to 2.5% of all staff. In addition, the collective agreement provides for an innovative working time regime that allows employees to work part time beyond the statutory retirement age for a period of two years while receiving a partial pension payment. Similar provisions have been incorporated into legislation in order to be applicable to civil servants.

In the Netherlands many social partners at the sectoral and company level have also introduced flexibility in pension systems regarding the age of entry into a (pre-)pension scheme and regarding part-time retirement. These flexible combinations of employment and pension are seen by employers and employees as effective policy strategies to prolong careers.

Special provisions to ease workload and increase leave for older workers

Another way of reducing the total working time of older workers and to support greater flexibility is through the allocation of extra holiday entitlements. These are relatively common for instance in the Netherlands, where extra leave provisions are provided for in collective agreements in almost 40% of organisations. In Belgium, older workers who are not entitled to statutory annual leave on account of their employment record (for example, if they were hired after a period of unemployment) have been entitled to leave paid by the National Employment Office (**Office National de Sécurité sociale – ONEM / Rijksdienst voor Arbeidsvoorziening – RVA**) since the adoption of the law of 23 December 2005. In Norway, a survey among companies with 10 or more employees showed that 12% of companies had arrangements for extra time off for older employees. Similar arrangements are also used in the municipal sector and state sectors. In Denmark, the ‘senior days’ element included in the renegotiated framework agreement on ‘Senior Policy’ allows workers over the age of 60 to take two additional (fully paid) days of annual leave per year, increasing to a maximum of four additional days after the age of 62. This part of the agreement was suspended for the public sector by the social partners in 2011. However, it is still common practice in the public sector to offer the possibility to take one fully paid extra day off each month (12 days per year) after employees reach 62. While this is subject to criticism due to the high cost involved, it was argued that ‘senior days’ are a way of raising awareness about the need to proactively plan retirement and encouraging longer working lives.

It is important to note that all forms of measures that result in a reduction in the total number of hours worked by older workers before they reach statutory retirement age, either through additional holiday entitlements, part-time work schemes or special forms of leave, are positive in encouraging individuals who may not otherwise be able to do so to stay at work longer. Part-time work schemes can particularly contribute to retain some older workers whose health and/or personal situation (for example, caring for ageing relatives or grandchildren) is not compatible with full-time employment.

As the evidence base on these types of measures is still limited, it is important to evaluate the impact of such measures at the appropriate level. For example, in Norway, a pilot project was conducted by the Norwegian Ministry of Government, Administration, Reform and Church Affairs (Fornyings-, administrasjons- og kirke departementet) in 2007–2009 in four state agencies, to investigate whether reduced hours with full pay contributed to senior workers choosing to delay retirement. The evaluation of the project showed that while the reduction in working hours gave a small health benefit and increased job satisfaction, the implementation of the arrangement reduced the seniors’ total work effort, as the reduction of hours worked was not compensated by gains due to postponed retirement.

Overall, according to the available evidence, work organisation measures seem to be more widespread in countries that already have a relatively older labour force, especially among the EU15 countries. Almost all of the initiatives identified in the area of work organisation, with the exception of some company-level initiatives to encourage horizontal job mobility, focus on working time reductions, which seem to respond to a strong demand from older employees. According to the information provided, these types of initiatives exist in some collective agreements.

Table 6: *Measures used to reduce working time for older workers*

| | Nationwide schemes (including part-time retirement) | Special arrangements through collective bargaining | Special leave provisions |
|-------------|---|--|--------------------------|
| Austria | X | | |
| Belgium | X | X | X |
| Denmark | | X | X |
| Germany | | X | |
| Netherlands | | X | X |
| Norway | X | | X |
| Spain | X | | |

Source: *National reports (examples based on information provided)*

Part-time retirement compensation scheme, Austria

The Austrian part-time retirement compensation scheme (*Altersteilzeit*) is based on an initiative of the social partners and legally in force since 2000. In general, the social partners have also been involved in amendments to the regulation since its introduction and are also represented on the governing board of the public employment service which is responsible for the operational implementation of the measure. If an employer and an older employee both agree to reduce the worker's working time without proportionally reducing wages and while maintaining social security contributions at the previous level, the employer is entitled to compensation for a share of the additional costs. Working time can be reduced on a continuous basis (that is, reduced working time over the whole period of part-time retirement) or in a block model – whereby the employee works full time for a certain period of time, followed by a leisure phase of zero hours work, with the same reduced wages level in both phases. The instrument is generally appreciated by employers and employees as it increases working time flexibility and can contribute to better working conditions for the older employee while maintaining income security and full social protection. At the same time, it has been the target of some criticism as regards its labour market effects and cost-effectiveness. This relates, on the one hand, to the comparatively high cost of the measure while it is questionable whether the intervention is really effective in prolonging working life. On the other hand, as it is funded by the unemployment insurance budget, the question of distribution fairness has been raised as the measure is financed by all employees and employers while only a comparatively low number of workers benefit from it. Good practice elements of the instrument are that older employees are kept in meaningful employment that is feasible for them, their current and future income is maintained and there is the possibility of know-how transfer between generations (in the model of continuous working time reduction). The main preconditions for transferability are a well-established and well-functioning social partnership and the integration of the model into a set of measures targeted at older workers.

Age discrimination and changing attitudes

Sociocultural change and positive attitudes towards longer careers among older workers themselves and the rest of society appears to be a central prerequisite to the successful extension of working lives. Perceptions of both employers and workers of when a worker should retire and of older people's ability to work and perform probably remain the most important barrier to keeping older workers in the labour market. Indeed, direct and indirect discrimination against older workers and negative stereotypes seeing them as less productive, less adaptable and more prone to sickness remain a concern in most European countries, even in those with a relatively high level of employment among older workers. Such stereotypes can also be associated with the wide acceptance of a compulsory retirement age; as shown by a recent Eurobarometer study (Eurobarometer, 2012), in some countries (Greece, Romania, Cyprus and Slovenia) more than 70% of citizens are in favour of compulsory retirement. However, the most important reasons for such stereotypes are the above-mentioned, often erroneous, perceptions.

Anti-discrimination legislation has already improved things somewhat and as retirement age moves upwards, concepts of what constitutes an 'older worker' are also likely to shift. For example, in Germany, there are now some signs that the previously prevalent negative attitudes towards the employability of older workers due to unfavourable stereotypes are evolving in such a way that older employees are now deemed an important resource (**DE1107029I**). In France, although recent research has found that managers consider employees old at 58.5 years, a rising proportion of managers are considering implementing age management systems at their workplace (**FR1009071I**, **FR1110011D**).

In a few countries in northern Europe, a change in attitudes has been encouraged for some time as part of comprehensive strategies for older workers, with positive results.

For example, in Finland, it seems that the ‘turning point’ in society’s perceptions of the importance of older workers was already reached in the mid-1990s and work in this area was further developed under the National Programme for Ageing Workers 1998–2002. In Norway, the government appointed the tripartite Centre for Senior Policy (Center for seniorpolitikk – CSP) in 2001 to coordinate a five-year ‘National Initiative on Older Workers’ (‘Nasjonalt kraftak for seniorpolitikk’). This initiative aimed at promoting awareness of the potential and resources of older employees, providing a better and more inclusive working environment for all workers and creating more cooperation between social partners and the government concerning senior policy. Since then the CSP has continuously contributed to mobilise social partners’ organisations, run campaigns, R&D projects and training courses and established professional networks focusing on disseminating knowledge and information on senior policy. The CSP remains Norway’s foremost proponent of change of society’s general perceptions of older people, as well as attitudes among older workers themselves, and other employees and managers. It continuously promotes research and awareness-raising activities such as the Senior Policy Barometer (**Seniorpolitisk barometer**) based on surveys with managers and the rest of the working population, which has attracted considerable media attention. Some evaluations have confirmed the importance of CSP’s role as a driving force in putting senior policy on the national media’s agenda and raising the general population’s awareness of this topic.

In contrast, in many other countries comprehensive initiatives to foster attitudinal change have not yet been undertaken and further efforts are required to challenge existing stereotypes on older workers and reverse past trends. In Spain, raising awareness of positive work values of older workers has just been formulated as one of the aims of the new Strategy 55+ involving the government and social partners.

In most of the countries reviewed, initiatives focusing on changing attitudes towards older workers are still small-scale or are limited to general awareness-raising campaigns funded by national governments. To raise awareness of anti-discrimination legislation and/or to change values and stereotypes on retirement and older workers, communication campaigns (targeting employers and/or the general public), and the diffusion of information and good practice through websites or publications have been used by a range of countries across the EU, but their impact has not been fully measured yet.

For example, governmental communication campaigns and information websites have been launched in Austria, Belgium, Malta and Luxembourg. In Cyprus, the Grey Hair – Experienced Hands awareness campaign included the creation of a website and the circulation of a printed good practice guide on the employment of older workers, as well as an awareness-raising brochure circulated along with the Sunday newspapers. The Department of Labour also issued and distributed a printed guide in collaboration with the Equality Authority of the Ombudsman’s Office, whose purpose is to provide practical guidance to everyone concerned with matters of employment and job discrimination based on age.

In the UK, the government Age Positive campaign was established in 2001 by the Department of Work and Pensions to work directly with employers to spread best practice about managing an age-diverse workforce and its business benefits, and to promote cultural change in the spirit of legislation, not simply compliance by employers. Over its 11 years, Age Positive has evolved from working directly with employers to an online advice service run by Business Link, the government’s online resource for businesses. Age Positive provides advice for employers on complying with regulations surrounding age discrimination and, more recently, information resources to help employers prepare and manage their workforce (**UK1008019I**). Alongside advice on the latest regulations it also disseminates examples of best practice by employers, to persuade employers of the business case for employing older workers. Since November 2011, Age Positive resources have been consolidated into a central **website**.

Social partners are in some cases directly involved in awareness-raising activities similar to the governmental initiatives mentioned above. In Austria, the Chamber of Labour (**AK**), the Austrian Trade Union Federation (**ÖGB**), the Federal Economic Chamber (**WKO**) and the Federation of Austrian Industry (**IV**) have, for example, launched the

<http://www.arbeitundalter.at> website, which serves as an information platform on all topics concerning employment in older age groups. Information on good practice examples, interesting projects concerning active ageing and policies, measures and funding opportunities are provided. In Poland, an employer organisation and a non-governmental organisation have worked on the **Maturity profit** programme since 2009 to raise awareness about age-management solutions to sustain the professional activity of people over 50. The project includes a media campaign, seminars for employers, competition for employers' most 'age friendly' strategies and actions, study visits and preparation of a set of good practices and its dissemination through a website (<http://www.zysk50plus.pl>).

Overall, considering the scale of the challenge, initiatives developed by government and social partners aiming at fostering sociocultural change and more positive attitudes towards longer careers are still underdeveloped across the EU. However, examples of good practice can be found in a number of contexts, particularly in Scandinavian countries where such initiatives have been encouraged by tripartite organisations. The most common type of initiative, according to available evidence, is governmental campaigns to raise awareness of the potential of older workers and of anti-discrimination legislation.

Table 7: *Measures used to foster sociocultural change*

| | Comprehensive, tripartite initiatives as part of national strategies for older workers | Emerging initiatives as part of national strategies for older workers | Governmental campaigns | Awareness activities promoted by social partners |
|----------------|--|---|------------------------|--|
| Austria | | | X | X |
| Belgium | | | X | |
| Finland | X | | | |
| Luxembourg | | | X | |
| Malta | | | X | |
| Norway | X | | | |
| Poland | | | | X |
| Spain | | X | | |
| United Kingdom | | | X | |

Source: *National reports (examples based on information provided)*

Views of the social partners

Despite the fact that Member States are not equally affected by the impact of demographic change and associated effects, some similarities between social partners' views can be found across different European countries. Indeed, awareness of the impact of demographic change is now very widespread among social partners, as well as governments in virtually all countries. Demographic change has already been a 'hot' topic in many countries for a relatively long time. In some countries, the awareness of the need to tackle the labour market challenges posed by ageing societies has been exacerbated by the economic crisis. For example, in Spain, until recently both trade unions and employer organisations did not actively promote active ageing strategies and tended to back measures favouring early retirement in situations of company restructuring. However, social partners have more recently been involved in the elaboration of the tripartite Strategy 55+ (set out in 2011) with a view to encouraging labour market participation of older workers.

Trade unions: the need to improve working conditions to extend working life

In the vast majority of countries reviewed, social partners have acknowledged that the current situation of older workers in the labour market calls for specific measures. Trade unions and employers' associations generally agree that improving working conditions is very important for extending working lives. These positions are usually expressed within the context of ongoing debates on pension reforms, especially rises in statutory retirement ages: social partners

have expressed concerns about the way such increases only penalise early exit and do not seek to reward or encourage longer careers through employment protection and improving quality of work.

In some countries, there is a strong consensus between trade unions and employers' representatives on the importance of improving working conditions for extending working life:

- In Norway, social partners are involved in this key aspect of 'senior policy' through the activities of the tripartite Centre for Senior Policy and the implementation of the Cooperation Agreement Regarding a More Inclusive Working Life. In a report from 2011, the Norwegian Confederation of Trade Unions (Landsorganisasjonen, **LO**) emphasised the need for managers to be familiar with this agreement, as well as to have a good knowledge of the individual senior worker and his/her needs for career guidance and competence development. The Confederation of Norwegian Enterprise (Næringslivets Hovedorganisasjon, **NHO**) stresses that senior policy at company level must be flexible and adapted to each person and that the motivation and adaptation of the working environment to older workers' needs is just as important as more pay and extra holidays.
- In Finland, social partners involved in the tripartite dialogue on the role of improvement in working conditions to support the extension of working life have expressed similar views.
- In the Netherlands, social partners agree on the objective of fighting negative stereotypes affecting older workers and on occupational health.

Overall, across the EU, trade unions are putting greater emphasis than employers' organisations on the need for an improvement of working conditions to facilitate longer careers. Indeed, trade unions have consistently and strongly criticised 'automatic' increases of statutory retirement ages and have called for a more nuanced approach, taking into account individual, sectoral and occupational specificities, including the overall number of years worked (particularly in occupations with heavy physical or psychological demands) and individual health status:

- In Germany, the DGB trade union emphasises that working conditions have to be improved in the first place so that employees can actually remain longer in work.
- In Sweden, the Trade Union Confederation **LO** has questioned the increase in retirement age as its own research shows that too many of its members cannot choose to continue their working life due to fatigue or ill health.
- In Finland, trade unions have been sceptical as to whether an automatic increase in the retirement age based on legislation is an appropriate solution, or an effective way to lengthen careers.
- In Poland, trade unions have warned that changes to the pension system will not be enough to increase the number of people over 50 in the labour market.
- In Portugal, the trade union confederation CGTP emphasises that a decision by a worker who has reached the retirement age to remain in the labour market should depend on his/her free will and not on material necessity.
- In Hungary, trade unions are aware of the need to integrate older people into the labour market but consider that their working conditions and health situation do not allow them to stay longer in employment.
- In Slovenia, the trade unions (Zveza svobodnih sindikatov Slovenije, ZSSS) and Confederation of Trade Unions of Slovenia Pergam (Konfederacija sindikatov Slovenije Pergam, KSS Pergam) also argue that workers who began working at a very young age are exhausted by the time they fulfil the conditions for entitlement to old-age pension.

Employers: measures which affect employment opportunities for older workers

On the employer side, it is worth noting that some organisations have also opposed isolated measures that penalise early exit but are not accompanied by incentives and adaptation measures to facilitate longer careers. For example, the Irish Business and Employers Confederation (IBEC) advocates a policy approach which encourages and facilitates an increase in the working life of those who are able to continue working to later ages than before, expressing concern at the manner in which the state pension age is being raised without taking into account working conditions and barriers to employment for older workers. Similarly, in Finland, the Confederation of Finnish Industries (EK) has emphasised that, to extend careers, a package of strategies is needed including measures to promote well-being at work.

However, for some employers' organisations, the primary focus is not put on working conditions but on other aspects which can affect the employment opportunities of older workers, such as the impact of labour market rigidity resulting from strong employment protection legislation and seniority-based wage structures. For example, the Confederation of German Employers' Associations (BDA) recommends abandoning seniority-based wages and benefits that are formally incorporated into collective or company agreements, as these are seen as a barrier to recruiting (or retaining) older workers. In the Netherlands, employer representatives also stress that older workers are relatively expensive. In Italy and in Portugal, labour legislation, which is typically more protective for older workers, is also considered by employers to be an obstacle to their re-employment, while in Italy and Slovenia employers report a lack of taxation and financial incentives to hire or keep older workers longer.

Shared agreement on need to ensure non-discrimination and ongoing skills development

Improvements deemed necessary by social partners in many countries relate to aspects such as non-discrimination, flexible working, improvements in ergonomics and skills development. Lifelong learning and improving health status from a life-course perspective seem to be among the most consensual issues among trade unions and employers' associations, in comparison with more debated issues such as wage levels. Providing flexible forms of work is often emphasised as a key issue to encourage longer careers. For example, in Ireland, the Irish Congress of Trade Unions (ICTU) has proposed that businesses should introduce more flexible work patterns for older workers, in particular allowing those who are at the end of their careers to work part time. In Belgium, important points of debate concern working time reduction for older workers and who is bearing the cost of such measures.

In some of the countries reviewed, social partners have expressed a general commitment to support the improvement of working conditions over the whole of working life, for example in Estonia or in Malta where the General Workers Union (GWU) stresses the need to introduce a broad and comprehensive lifelong policy in terms of quality of working life, which would encompass an active ageing strategy. Despite such general commitment, it is found that in practice the issue of quality of work and employment of older workers is not very high on the agenda of social partners in some countries.

Conclusions

Although the employment rate in the 55–64 age group has risen during the last decade (and is likely to continue to do so), the growing share of older people in European populations and the associated strain on the sustainability of national welfare and pension systems have increased pressure for reforms that encourage longer careers. The reforms and policies implemented in Europe in recent years to tackle the challenges of demographic ageing have predominantly focused on measures raising the average retirement age and closing pathways to early retirement, including through unemployment. However, the same reforms have also introduced elements that provide financial incentives to continue working after the statutory retirement age. Such measures on their own may, however, be insufficient to allow older workers to successfully extend their working careers without wider life cycle measures to enhance working conditions, particularly for individuals in more physically or psychologically stressful occupations. This is also true for increasing employment participation rates, which is one of the aspects which will contribute to the sustainability of pension systems.

National, cross-industry and sectoral approaches

As underlined by this report, national strategies for active ageing exist in a number of countries, and have led to increasing awareness of the demographic challenges and better structured national frameworks for the management of age. In some countries, particularly where the trend towards demographic change has been evident for some time, this has gone hand in hand with the elaboration of targeted measures. However, not all countries with significant demographic challenges have developed precise measures on the basis of such national strategies. This is particularly true in countries where national strategies have only been developed in recent years or where further policy progress has been halted by financial restrictions resulting from the economic and financial crisis. While national strategies are often developed in consultation with social partners, national cross-industry or sectoral agreements and approaches to tackling demographic change are significantly less common. Where these have been developed, they are primarily found in countries with strong traditions of social partnership at national cross-industry and sectoral level. On the whole, such agreements lay down principles and guidance (and in a few cases requirements for action) to be tailored and implemented at the company/local level. The precise implementation of such agreements and their success is therefore often difficult to estimate without conducting large-scale surveys or assessing practice at enterprise level.

The limited data available suggest that overall bipartite agreements have contributed to testing new complex approaches to age management and advancing age management policies in companies, but have tended to lead to individualised approaches focused on training, which are indeed positive, but with less of a focus on measures regarding the wider working environment.

The review of the national reports suggests that the countries' ALMP measures have made a contribution to promoting skills development and employment of older workers, although little or no information is available on the quality and sustainability of these jobs. Most ALMP measures have focused on remedial measures, providing wage subsidies for hiring older workers – a type of ALMP measure popular across Europe – and training for older unemployed people, among other vulnerable groups in the labour market. This is despite growing evidence of the effectiveness of preventative measures.

Measures that support the extension of working lives by promoting improvements to the quality of the work environment, working conditions and work ability have only been reported in very few central European and northern countries. These national policies and social partner initiatives have focused on promoting work ability and introducing company bargaining on the national scale, with very few examples of measures in particular regions or industry sectors. Overall, the lack of national-level measures and measures targeted at industry sectors with particularly strenuous working conditions or particularly high shares of older workers could be a cause for concern, particularly bearing in mind the importance of such factors in reported assessments of older workers of their ability to continue in the same job beyond the age of 60. Having said that, it must be borne in mind that a number of countries retain specific legislation which allows individuals in such occupations to retire earlier than those in the wider labour market. Furthermore, it is also likely that some such initiatives are developed at the company level, which has not been the subject matter of this assessment. National and sectoral agreements mainly have the effect of raising awareness or requiring actions, whose precise nature can be determined at the company level. In several countries, guidance on how to improve and adjust the working environment of older workers and maintain work ability is provided by public, tripartite or bipartite bodies, which also often conduct research to ascertain barriers to extending employment and identify occupations facing particular risks.

The measures promoting flexible work organisation are mostly limited to the provision of part-time work opportunities for older workers before the statutory retirement age and flexible/partial retirement provisions. These measures can be helpful in retaining older workers through flexible exit strategies. However, such measures can be costly (for workers if they forego certain pension benefits) and with the withdrawal of public funding support for such schemes in some countries, it remains to be seen to what extent such options will be exploited in future.

Overcoming age-related stereotypes and discrimination

According to the national reports, age-related stereotypes and the resulting direct and indirect discrimination against older people remain important barriers to longer careers in almost all European countries. While the data suggest that there is a shift towards valuing the contributions of older workers and implementing age management policies in companies in some countries, more work remains to be done in this area. The European Year of Active Ageing and Solidarity between Generations 2012 as well as other EU initiatives may have played a role in highlighting awareness. The national reports also underline that in most – predominantly EU15 countries – a wider acceptance of the necessity for longer working lives also has yet to be accepted by the workers themselves.

Role and involvement of the social partners

Overall there seems to be a general awareness among the social partners across Europe of the need to tackle the impact of the demographic change and a consensus that extended working lives can only be achieved by improvements to the working conditions and environment. However, the role and involvement of social partners in this adaptation process differs considerably across countries – and so do their views on how best to implement these reforms. Trade unions oppose an automatic increase in the statutory retirement age, arguing for a more nuanced approach that takes into account individual, sectoral and occupational specifics, in particular professions with heavy physical and psychological demands. Employers tend to be more concerned with measures which remove barriers to the participation of older workers in the labour market (such as seniority-based pay systems, strict EPL provisions and the lack of public support for the ongoing development of competences). On the whole, national-level or sectoral collective bargaining on these issues remains relatively limited. Most initiatives are taken by national governments (often) following consultation with social partners, with existing agreements generally providing guidance for the local level rather than setting out binding provisions.

The case studies confirm the importance of social partners and social dialogue for the implementation of measures aimed at extending working life, as well as for awareness-raising among employers and employees.

Cross-country differences in ageing challenges

The situation with regard to demographic ageing and participation of older workers in employment varies across Europe. Taking into account demographic, labour market and working conditions aspects, together with the number and type of initiatives reported in the various countries, it is possible to group countries in a comparative perspective as follows:

- A group of countries where demographic and employment challenges will be less strong than in the rest of the EU27, have good general quality of work. Some of them have a longstanding ageing policy and the involvement of social partners and tripartite arrangements is normal, and part of their industrial relations tradition (for example, Denmark).
- A second group of countries with current demographic and employment rate challenges, quality of work close to the EU average or to some extent better than the EU average and have developed strategies at national and sectoral level. The role of social partners is relevant in implementing ageing policy (for example, Germany and France).
- A third group of countries that do not face very strong ageing challenges at the present, but with very high economic or demographic dependency ratios in the future. This group is characterised by relatively few initiatives and a lack of implementation of national strategies on ageing. Some follow the southern model of industrial relations (Greece) and others the decentralised model of central-eastern Europe (some EU12 new Member States).
- Finally, there are countries with very specific situations. The UK and Ireland do not have very relevant demographic difficulties. The former has a small number of initiatives from government and social partners and the latter had a national tripartite strategy that had to be cancelled. Spain is a country with some demographic and strong employment rate challenges, which has developed a new comprehensive programme. Some EU12 new Member States in central and eastern Europe with comparatively important challenges have developed new strategies.

Further analysis suggests that in the future countries in Europe might take divergent paths with regard to keeping older workers in the labour market and the sustainability of the pension system. At opposite ends of the spectrum are countries such as Sweden, which tackles demographic ageing by increasing employment rates across the demographic structure and putting in place initiatives to improve the quality of work, counterpoised by countries such as Romania, which are faced with a future demographic ageing challenge and while they do not yet have many initiatives for improving the quality of work are characterised by individual and family economic situations that push them to work longer. It is interesting to note that both Sweden and Romania had the highest average labour market exit age in 2009.

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