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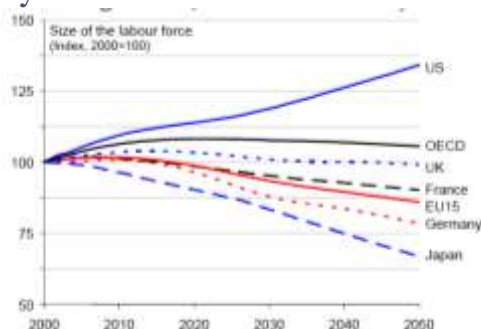
Older workers in Europe

People aged 50+, who are in employment or seeking employment, are frequently defined as older workers. It is a very specific category among older adults. It includes redundant adult jobseekers from middle age as well as older adults still employed, self-employed older seniors as well as older employees on the transition into retirement. Between the early 1970s and the mid-1990s, early withdrawal from the labour market increasingly became the modus operandi among the actors involved.

Living longer – working longer?

The 2006 OECD report on older workers, *Living longer, working longer*, noted that in OECD countries less than 60% of people aged 50–64 had a job, on average. ‘For prime-age people, between 25 and 49, the share in work is 75%. If nothing is done, there could be only one person employed for every retiree in European countries by 2050’.

If nothing is done, the labour force may shrink



As a result, the labour market could shrink by nearly 15% in the EU 15 over the next five decades, as shown in the graph.

Paradigm shift

In its communication (EU 2004) *Increasing the employment of older workers and delaying the exit from the labour market* the European Commission called on member states to take drastic action. This needed ‘a radical shift in policy measures, away from a culture of early retirement, towards comprehensive active ageing policies’, and also enhancing the employability of those currently in their 40s and 50s, and ensuring that greater numbers of those currently aged 55–64 stayed in work.



In 1996 the first European project started, *EuroWorkAge*, a network identifying and disseminating good practice¹ concerning employment policy and the productive

¹ L Delsen and G Reday-Mulvey (eds) 1996 *Gradual Retirement in the OECD Countries*, Aldershot: Dartmouth

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management of an ageing workforce². It was like looking for a needle in a haystack because the main practice over the last 20 years was the exclusion of older workers from the labour market based on a simplistic and short-term policy, which resulted in the large-scale removal of older workers via redundancy and early retirement in much of western Europe.

The follow-up project *Re-integration of Older Workers into the Labour Market*, offering policy recommendations to governments, employers' organisations and trade unions³, resulted in the first National Action Plans on Employment. This change from exclusion to inclusion is reflected in the flexibility debate⁴ in which many policy-makers, opinion-formers and business leaders in the UK and many other European countries have been involved.

Since the end of 20th century institutional restrictions have limited most early exit behaviour. In the period 2000 to 2009, results show that organisational policies, such as for instance training programmes, possibilities of extra leave and ergonomic measures, also followed the business-cycle: a reduction of policies between 2000 and 2005, a revival in 2008, and a reduction in 2009 again. Part-time



early retirement was the exception and showed a gradual increase during the period 2000 to 2008 and a small reduction in 2009⁵.

Short-term solutions

Employers seem to be able to find creative short-term solutions when necessary, e.g. in redeployment and initiatives to add a few years, although they also feel they have to put up with problems resulting from government policies for which they do not have a solution. So, even though neither employers nor workers endorse public policies to extend working lives and to raise retirement ages wholeheartedly, employers and workers do comply.

Rapid population ageing requires urgent policy

² European Commission. (1998), *Projects assisting older workers in European countries: A review of the findings of EuroWorkAge*. Luxembourg: European Commission, Directorate-General for Employment, Industrial Relations, and Social Affairs, Unit V/A.2.

³ Taylor, 1998

⁴ A Chiva and J Manthorpe, 2009 *Older Workers in Europe*, Maidenhead: Open UP.

⁵ De Beer, Fokkema, van Poppel, 2013, NIDI Older workers: the view of Dutch employers in a European perspective.


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action. Most OECD countries have responded to this challenge by reforming pensions. But this is not enough. If ageing societies are to continue to prosper, there is no way around working longer. However, the employment

prospects of older workers are bleak in much of the OECD. People above age 50 are often the first to be fired and the last to be hired. Their skills can be out-dated because employers do not consider them for training and many older workers see little benefit in investing their time in training. Poor working conditions and inflexible working-time arrangements may also push some of them into early retirement. And public policies often fail to help older workers find jobs and discourage them from staying in work.

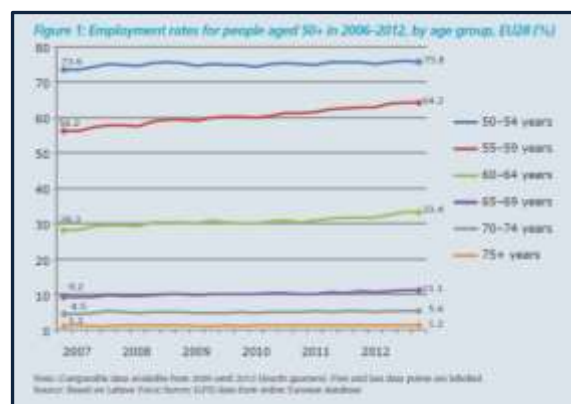


The '3C' project was designed as a response to the lifelong learning needs of older adults who are facing changing socio-economic changes that threaten their social and economic wellbeing. It addressed the consequences of demographic change in the context of economic change, resulting from the current economic crisis. The '3C' project addressed the learning needs inherent in this situation to widen the opportunities for older people to make greater use of these opportunities. The aim was to enable older adults through learning to access the changing situation of the labour market, and become active citizens. This has been realised by developing and publishing an User Manual for older workers themselves and practical guidelines for trainers and training organisations. The project has been coordinated by The University of Information Technology and Management (WSIZ) in Rzeszow, Poland with partners from United Kingdom, Netherlands, Spain and Greece. The project website is <http://www.3cproject.eu>



Ageing Europe

Europe is growing older: between 2007 and 2012 the number of people aged 50 years and over in the EU rose from 178 million to 190 million. The future picture is one supported by a shrinking population of younger workers and, hence, the European Union and member states want older people to remain in



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employment for longer. One way to go about this is to find out what older workers actually want. A new policy brief from Eurofound⁶ uses data from the third European Quality of Life Survey (EQLS) to map how older people work in practice and what forms of working life would suit their needs.

Key findings

- Employment rates among people aged 50+ have risen during the crisis. Nevertheless, with more people aged 50+ in the labour market (women in particular), unemployment rates have increased as well.
- Among those aged 50+, employment rates have fallen most for low-skilled men.
- Unemployed people of all ages want to work. However, unemployed people aged 50+ who can make ends meet would prefer a considerably shorter working week than those who have difficulties making ends meet – this difference is not found in younger age groups.
- About half of all retirees who are not in employment say they would like to work, often part-time. Proportions are higher for younger, highly educated and healthy retirees with work experience.
- The desire to work among people aged 50+, both those in and out of employment, does not seem to be opposed by partners of people aged 50+.
- In the EU28, 45% of people aged 50+ who are in employment would like to spend fewer hours at work.

Working longer but working less, caring more

While older Europeans may be keen to work longer in their lives, they are more likely to want to work fewer hours per week. People aged over 50 who are caring for a child,



The main idea of the project 'Active ageing – ageing well' - SIGOLD is to support the creation of age integrated society, help 50+ workers to get a chance for active ageing as active participants in an age-integrated society and ageing well at work, at home and in their communities. The main goal of the project SIGOLD is: through newly developed e-learning courses, awareness raising and dissemination activities to increase knowledge, skills, competence and understanding of the direct target groups 50+ workers, HRD managers, educators, and trainers in order to improve the position of 50+ workers in the labour market and society. Within the SIGOLD project we will investigate the situation of 50+ workers, HRD policy implemented for this age group in companies, and education and training methods used. The project has been co-ordinated by the Technical University of Košice in Slovakia together with partners from Slovakia, Austria, Cyprus, United Kingdom and Greece. The project website is <http://www.sigold.net/>



⁶ Eurofound, 2014, *Work preferences over 50*

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grandchild or disabled adult face a particular challenge: while they often want to work, they rarely want to work full time as this might compromise the care they deliver. While state and employer support is widely available for younger workers providing childcare, such support is less available for older workers looking after partners or elderly parents. For working carers, therefore, work–life balance conflicts can be quite common.

Adapting work practices

Given the diversity of older Europeans' lives, it is not surprising that their working preferences differ greatly. Companies could introduce working arrangements that meet the needs of older workers and employers, such as adapting the content of the job to meet the particular abilities of older workers or facilitating different start and finish times in the working day.

Earlier Eurofound⁷ research examined initiatives for adapting working practices to ensure greater sustainability of work and longer working lives. Many older workers may be seeking a new direction, for example, by becoming a mentor to newly-recruited staff; such a development can both boost employment among older workers while helping to integrate younger people into the labour market.

More key findings

- More than half (56%) of volunteers who are not in paid employment are happy with the time they spend on volunteering, but would like to spend more time in paid work, while the 10% of employed retirees who would like to spend less time on volunteering would also like to spend, on average, 7 hours less in paid work.
- One quarter of all people aged 50+ in employment would like to engage in more volunteering. And they would also like to spend 5 fewer hours at work per week.
- The gap between preferred working hours and actual working hours increases with age in all EU Member States.
- People aged 65 and older who are in employment are particularly satisfied with their work, regardless of their income level.
- Older people quite often provide care for elderly or disabled relatives: 7% of people aged 50+ provide care on a daily basis, compared with 5% of people under 50. When they are working and also caring every day for elderly or disabled people, 21% of them report more work–life balance problems compared with 16% of people who are looking after children or grandchildren.
- Part-time work facilitates a better work–life balance – particularly, it seems, for people aged 50+. Among people aged 50+, both in and out of employment, there is a preference for more part-time options.

⁷ Eurofound, 2009 *Observatory Ageing Workforce: 200 cases dating from 2005-2007*

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Skills and training for older workers

The demands for different skills are constantly changing in response to globalisation, and changes in technology, work organisation and consumption patterns⁸. Older workers are especially likely to see their human capital depreciate in the face of such flux. Renewing their human capital requires continued investment: through training, for example. Unfortunately, older workers are less likely to take part in training than their younger colleagues in the 21 OECD countries for which data are available (see figure on next page). The age gap in training is particularly large in Austria and the Netherlands in relative terms and in Australia, Finland and the United Kingdom in absolute terms (see Chapter 5 of OECD, 2003). This finding is confirmed by other studies; and the gap remains significant even when other factors are taken into account. However, it should also be noted that there are also large country differences in the overall incidence of training. For instance, whether young or old, a much smaller proportion of workers in Hungary, Italy and Portugal participate in training than is the case in Switzerland and the Nordic countries. The decline in participation with training in age could arise on the supply-side – employers and public employment services are less likely to offer training to older workers – or on the demand side: older workers are less willing to

take up training opportunities. The OECD's (2003) detailed study suggests that the demand-side matters more. Older workers may be less willing to participate in training because the expected pay-back period on their investment in training activities is shorter than for younger workers. The age gap in training incidence is negative related with



The New Knowledge for Pre-Retirement Training Quality

One of the main ideas of this project is to turn good European practice into cost-effective and easily adoptable, easily transferable and adaptable products to be applied by organisations providing adult education opportunities, individual adult trainers and to be used personally by pre-retirement aged people and seniors in order to address the problems of ageing societies.

Therefore a methodology "Pre-retirement training for successful and active ageing" has been developed as an on-line E-Training course (<http://pretty-elearning.eu>) The project has been coordinated by Socializacijos ir Darbinio Mokymo Centras in Vilnius, Lithuania, working together with partners from Hungary, Germany, Netherlands and the REIN network. The project website is <http://pretty-ageing.eu/>



both the average age of labour market and the retention of older workers relative to younger workers. There is also evidence of a negative relationship between the training

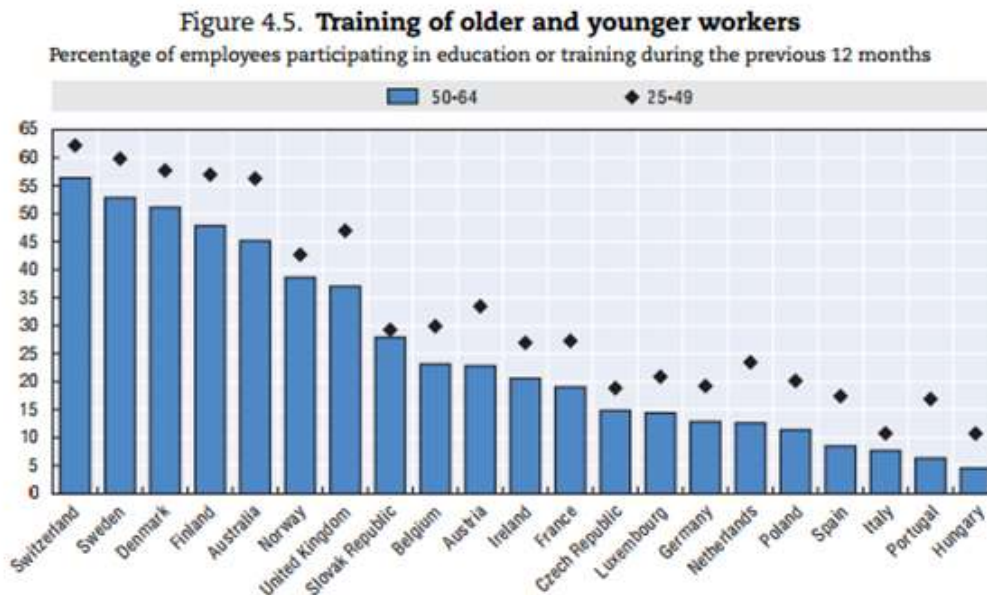
⁸ OECD (2011), "Helping Older Workers Find and Retain Jobs"

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participation of older workers and the implicit tax on continuing to work at older ages. There is a strong, positive link between training and educational attainment (see OECD, 2003; and Bassanini et al., 2007).

Since educational attainment of successive cohorts is greater, this should lead to a narrowing of the age gap in training. Furthermore, longer working lives are likely to generate increased investment in training because of the longer pay-back period.



Note: The data are from 2003, except for Australia (2001).

Source: D'Addio et al. (2010) based on European Union Labour Force Survey lifelong learning module and Australian Survey of Education and Training.

StatLink  <http://dx.doi.org/10.1787/888932370588>

Successful extension of occupational life requires that certain preconditions be met. All new policies, any measures taken by the authorities, any significant change in enterprise culture, will need to be preceded by a coherent, thoroughly democratic, broad-based and informal debate of the issues involved. Countries such as Finland, Denmark and the UK, which have been so far successful in flexibility extending work-lives, are all

countries that have adopted a global approach to healthy and active ageing and end-of-career-management, Most actors today, at most all levels – the European institutions, national governments, companies and trade unions - are convinced of the wisdom of this approach.⁹ And this is now seen to be especially true of countries like Germany, France, Italy, Austria and the Netherlands

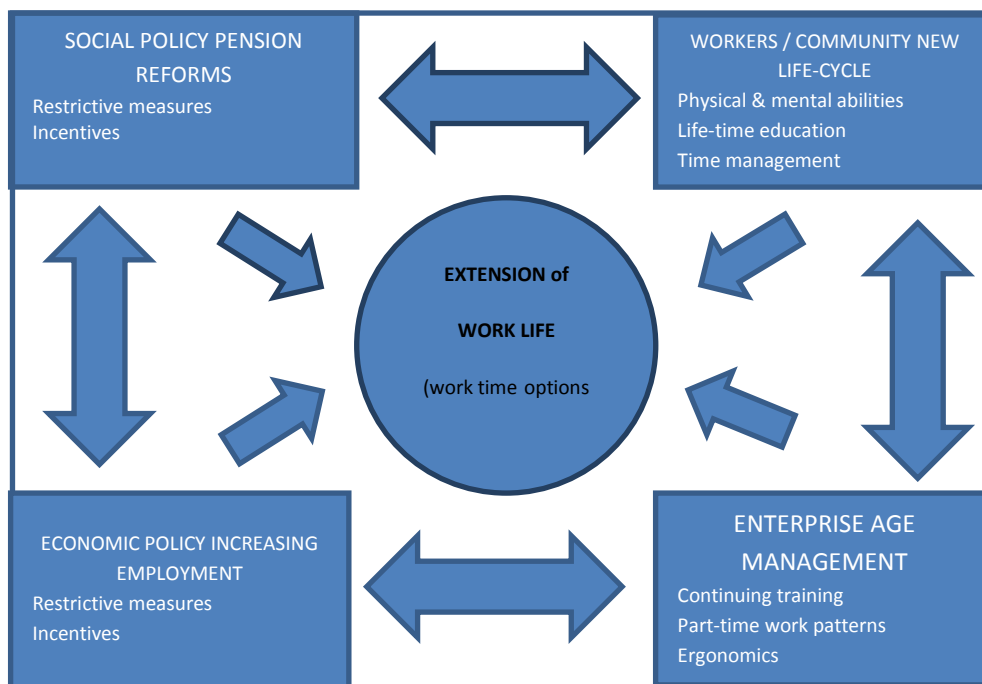
⁹ Reday-Mulvey, 2005 *Working Beyond 60*

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where the early retirement culture has been particularly pronounced. It is only when all variables – pension reforms, social welfare regulations, employment and company policies – start to change that attitudes, norms and behaviour will progressively alter with all actors of economic and social life. Long-term

issues need global policies sustained over time to be successful. The figure below shows not only that social and economic policies need to be properly coordinated, but that they need to take into account company age management and new life-cycle patterns.



The model of work beyond 60 - Reday-Mulvey, 2002

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