

European Social Observatory
deliverable

**Policies for an aged
Workforce in Europe -
PAWEU**

Report on the Stakeholder workshop

Brussels, 5th May 2017



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European Social Observatory

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1. Introduction

The European social observatory – OSE – organised a stakeholder workshop on “Policies for an aged workforce in Europe” on 5th May 2017 in Brussels, as part of the European project **Policies for an Aged Workforce in the EU (PAWEU)**. The project is coordinated by the Fondazione G. Brodolini, and also involves the European Social Observatory, the Italian Social Security Institute (INPS) and the Romanian Ministry of Labour, Family, Social Protection and the Elderly (MLFSP).

The workshop was held in the premises of the European Economic and Social Committee (EESC) from 9.30 AM to 13.00 PM and followed by a lunch. This was the final contribution of the OSE to the project.

The workshop was aimed at Brussels-based stakeholders, to inform them as to the content of the project and discuss some of the outcomes, notably policies and practices allowing older persons to stay longer in employment or rejoin the labour force if they have left it. The 41 participants in the audience were representatives of national and EU social partners, civil society and public administrations (see list of participants). The speakers included partners in the project, academics, EU social partners and civil society representatives, as well as an EU agency and representatives from the Commission and the EESC (see workshop programme).

All the slide presentations and background documents are available on the OSE site, and can be accessed using the following link : http://www.ose.be/FR/agenda_archives.htm#050517

2. Programme of the workshop

9.00 Registration and coffee

9.30 **Ramón Peña-Casas** – European Social Observatory – OSE
Antonio De Luca - Istituto Nazionale della Previdenza Sociale -INPS
Welcome and presentation of the workshop

9.35 **SESSION 1: POLICIES AND REFORMS FOR AGEING WORKERS**

Chair: **Alberto Merolla** – Fondazione Brodolini

9.45 **Asghar Zaidi** – International Social Policy, University of Southampton and London School of Economics
Trends in the Active Ageing Index in the EU Member States

10.05 **Dalila Ghailani** – European Social Observatory – OSE
Policies and Social Protection Reforms in the EU

10.25 **Michele Raitano** – University of Roma La Sapienza
The Heterogeneity of Older Workers' Employability

10.45 **Greet Vermeylen** – European Foundation for the Improvement of Working and Living Conditions
Sustainable Work for an Ageing Workforce

11.05 *Plenary discussion, introduced by the chair*

11.20 Coffee break

11.35 **SESSION 2: STAKEHOLDER ROUNDTABLE**

Chair: **Ramón Peña-Casas** – European Social Observatory – OSE

Marina Monaco – European Trade Union Confederation - ETUC

Rebekah Smith – BusinessEurope

Philippe Seidel Leroy – AGE platform

Laure Batut – Workers' Group, European Economic and Social Committee

Ettore Marchetti – DG EMPL, European Commission

12.30 *Plenary discussion, introduced by the chair*

13.00 Light walking lunch

3. Notes on the sessions

The written accounts in this section should be considered together with the slide shows presented during the workshop, available at http://www.ose.be/FR/agenda_archives.htm#050517

Ramón Peña-Casas (OSE) welcomed the audience and briefly described how the workshop would be organised.

Antonio De Luca (INPS) briefly greeted the audience.

SESSION 1: POLICIES AND REFORMS FOR AGEING WORKERS

Chair: **Alberto Merolla** (Fondazione Brodoloni)

Dalila Ghailani (European Social Observatory – OSE): Policies and Social Protection Reforms in the EU

A. Social protection reforms:

Measures related to old age-schemes

➤ **Average pensionable age**

The European average pensionable age is between 60 and 65 to 66 or 67 years. It is not below 60 years except in some specific circumstances. We can observe an ongoing increase in pensionable ages, except in PL. The process is ongoing in most countries. The increase may depend on family situation (CZ) or be related to the year of birth (DE, HU, MT). There are still different pensionable ages for men and women in some MS but a move towards equalization. Flexible system of pensionable age in FI (between 63 and 68 years) and SE (from 61 years).

➤ **Deferred pension**

Additional accruals are earned over the years so that a higher pension will be received when the pensioner decides to start drawing from it. Accrual rate particularly high in some MS. Potentially strong incentive for retirees to keep working.

- Prohibited in LU, MT, NL, IE.
- Unlimited right to postpone the payment (DE, AT, BE, BG, ES, EE, FI, GR, HU (except for judges and civil servants), LV, PL, PT, CZ, RO, UK, SK, SL, SE).
- Limited right in other MS: age limit (CY, HR, FR, IT) or a period of time after pensionable age (DK, LT). Minimum deferral period (90 days in CZ).
- Various mechanisms developed:

- ✓ granting a bonus as a monthly increase in pensions from 0.5% to 0.9% or as an annual increase from 0.33% to 12.6%.
- ✓ pension calculated on the basis of extra contributions and on higher salaries
- Increasing contributory periods to access a full pension.

➤ **Partial retirement**

Only seven countries specify partial retirement rules, either to create an overall incentive for accumulation of pension and work income, or to facilitate access to work for workers in precarious work situations.

➤ **Early retirement**

This is banned in UK, IE, NL and SE. Other MS have decided to phase out this possibility (DK, GR, HU, IT, PL) or seriously tighten up access to early retirement (BE, AT, SL). Access can depend on a very long career record. There is a very small gap between early retirement and statutory retirement. It is frequently reserved for certain categories of workers.

➤ **Right to aggregate earnings from an old-age pension and from a job**

Possible in all Member States except for the NL. Unlimited accumulation of job income and old-age pension in most MS. Limited accumulation in BE, DK, ES, HU. In cases of an early retirement pension: accumulation is either prohibited (HR, EE, MT, LV, LT, RO, SK) or allowed below a certain threshold (e.g. BE, AT, CZ, LU).

Aggregation of incapacity/invalidity benefits with earnings from work

Early exit from the labour market may be an option chosen by older people with reduced working capacity. Providing them with a right to aggregate incapacity/invalidity benefits with earnings from work may be seen as a way to ease their activity. Accumulation prohibited in IE, MT. Unlimited accumulation: EE, LT, SK, LV, CZ. Accumulation subject to conditions and limits often based on maximum overall income.

Unemployment benefits

No specific measure for the older unemployed regarding UB in UK, SE, RO, MT, LV, IE, DE, CZ, HR, BG.

Extended period during which the beneficiary is entitled to unemployment benefits (CY, FI, EL, IT, LT and SI) depending on the age of the beneficiary.

Special benefits: job-seeker aid for older persons in HU, an assistance allowance for unemployed persons over 55 years of age in ES, or a benefit for older unemployed in the mining sector above the age of 52 in AT.

Guaranteed minimum income

MI schemes at national level in almost all MS. Specific social assistance to people above the pensionable age subject to eligibility conditions related to age and lack of financial resources.

B. Reforms in Employment Policies

Reforms targeted at older workers 2010-2014

Main policy domains: ALMP (12), public employment services (5), training policies (3). 8 reforms related to labour taxation (mainly in relation to employers' and employees' social security contributions), 7 reforms to job protection legislation (mostly focused on the rules concerning collective dismissals and the definition of fair dismissal), 3 reforms targeted at welfare benefits.

Reforms targeted at older unemployed 2010-2014

Main policy domain: ALMP (36 reforms) and unemployment benefits (6 reforms). ALMP reforms: mainly related to employment subsidies (18 reforms), reforms of the public employment services (8 reforms) or direct job creation schemes (6 reforms).

General reforms impacting older persons 2010-2014

Mainly related to training aspects (14), public employment services (3), and employment subsidies (1).

Comprehensive initiatives on active ageing

Including national strategies, programmes and social partner agreements. Creating the legal framework and conditions to facilitate longer careers by tackling the challenges of ageing societies and workforces, encouraging active ageing across a number of policy fields. National strategies developed in BG, EE, CZ, IE, PL, PT and ES, while other countries (CY, FI, HU, LT) have integrated initiatives supporting older workers into a more general approach to labour market reforms.

Equal opportunities approaches, lifelong learning policies and wider health promotion initiatives, even those not specifically branded as national strategies for active ageing, may also indirectly support greater policy coordination.

In some countries (BE, DK, DE, FI, FR, IE) these comprehensive approaches result from national level tripartite social dialogue or sectoral social partner negotiations.

Michele Raitano (University of Roma La Sapienza): The heterogeneity of older workers' employability

All countries are tending to see an increase in active age: but are these workers heterogeneous or are they characterised by different qualities? So, can we carry out only one reform? Or must we address people individually?

Choices are made, balances struck. All individuals are not equal to their possibility to continue to work.

Hypothesis:

- A. If the employability of older workers is related to eligibility conditions for (early) retirement, rather than to characteristics affecting labour demand and labour supply:
=> No differences in older individuals' employment rates by their characteristics (e.g. education, occupation).
- B. If individual characteristics do not affect propensity to continue to work and demand by firms:
=> Individuals who continue to work after retirement are those receiving low pensions rather than 'well-off' pensioners.

Variables taken into account: education, occupation, gender, marital status, self-rated health; in 3 countries: Italy, France, and Germany.

Individual characteristics – related to both labour supply and demand – significantly affect whether a person is likely to be active when old and to continue to work after retirement, although some differences emerge between countries (related to productive systems and welfare policies)

- Continuing to work might not be an option for all individuals.
- Continuing to work after retirement might not be a chance to increase a low income, but a further option for well-off individuals.

Policy options:

1. Flexible retirement ages:
 - Considering health status, even complex to define arduous work and determinants of health inequality;
 - Penalties for early retirement and/or partial pensions;
 - Redistributive tools for those penalized by the wide range of situations.
2. Labour market policies:
 - Specific UB for older workers (co-financed by firms);
 - ALMPs, retraining and public jobs.
3. Age-management strategies by private firms

Asghar Zaidi (International Social Policy University of Southampton and LSE): Trends in the Active Ageing Index in the EU Member States

The AAI was initiated during 2012, as a contribution to the activities of EY2012 and to MIPAA's 10th anniversary. The project was carried out at Southampton University. The third phase is getting started now. It is advised by the AAI Expert Group, comprising a diverse group of international experts and stakeholders (including OECD, WHO, EUROSTAT, and AGE Platform Europe as a representative of older people).

Objectives of the AAI Report: to produce high-quality, independent, multi-perspective evidence on active ageing; to highlight the contributions of older people in different dimensions of their lives; in the process to identify the potential of older people; to offer policymakers comparative and integrated evidence to develop strategies for active and healthy ageing.

The Active Ageing Index summarises the outcome of 22 indicators in 4 domains: employment, participation in society, capacity to live an independent life in good health and safety, environment favouring active ageing. The indicators are aggregated separately for men and for women.

We are talking about outcomes, not legal instruments or implementation. Aim of AAI is not to measure well-being of older people, but the contribution of older people.

Five key results:

1. Affluent EU states in northern and western Europe have higher indexes (Nordic countries and NL have the highest indexes) while Eastern Europe and Greece have the lowest indexes;
2. Top-ranked countries not at top of each domain and indicator, falling short of goalposts;
3. AAI scores for men are higher than women, especially for employment and incomes;
4. active ageing has been increasing in the EU, despite economic crisis and austerity measures;
5. a push towards active ageing does not imply a worsening of older people's quality of life, and it brings real benefits to the economy.

Greet Vermeylen (European Foundation for the Improvement of working and living conditions): Sustainable work for an ageing workforce

Sustainable work over the life-course means that working and living conditions are such that they support people in engaging and remaining in work throughout an extended working life. These conditions enable a fit between work and the characteristics/circumstances of the individual throughout their changing working life. They must be developed through policies and practices at work and outside of work.

It is the combination of different elements which makes work sustainable: multidimensional aspects of quality of **work and employment**, certain effects can be evened out or built up over the working life. Changes throughout the working life may be seen in a context of career management but are related to critical life events. Needs can change throughout life (need for transitions).

19% of workers report poor fit between work and private life: more men than women (adaptive preferences), BUT women still do more unpaid work. For both: most intensive time when there are children.

Work life balance: associated negatively with long working hours, irregular working hours, asocial working hours, working in free time (ICT), associated positively with shorter working hours, say over working time, being able to take time off at short notice.

Factors which can make work less sustainable: being exposed to physical risks, work intensity, shift work (and particularly daily split shifts), night work, fear of losing one's job, not being treated fairly, as well as violence and harassment.

Factors which can make work more sustainable: doing useful work and getting recognition for the work, participation, support from boss and colleagues, being able to take time off at short notice. Companies and social partners play a key role: Implementation, deepening, materialisation in the workplace.

Social dialogue has an important role to play. Job quality refers to the potential impact of the characteristics of jobs on the well-being of workers.

Non-pension measures:

Sustainable work: life-course approach, intervening at early stage

- Quality of work and work environment
- Adapting work: adjusting tasks, workplace design, flexible working
- Transitions throughout life-course
- Job mobility

Pension measures:

- tackling retirement pensions
 - Increase retirement, make conditions more stringent, increase contributions, cut pensions, tackle early retirement possibilities
 - Challenges: inequality (health/poverty)
- increased flexibility:
 - combining income from work & pension
 - postponing pension
 - partial retirement

Working after retirement: half do so to get additional income, 20% indicate they have financial troubles, other factors (contacts with colleagues, learning opportunities, contributing to society).

Facilitating reduction in working hours can motivate/enable people to continue longer.

27% of workers in the EU reported they felt unable to do their current job or a similar one until the age of 60 (6th EWCS)

In Sweden, most (60%) 50-64-year-old workers unable to work until the retirement age (16%), said that shorter working hours would enable them to do so (Statistics Sweden 2006)

SESSION 2: STAKEHOLDER ROUNDTABLE

Chair: **Ramón Peña-Casas** (OSE)

Laure Batut (European Economic and Social Committee)

Laure Batut from the Workers' group presented the EESC opinion entitled "The digital pillar of growth: e-seniors, a potential 25% of the European population".

The coexistence of longevity and digitalization opens up new challenges. You can be active even if not at work: possibility to change the working environment.

Older people are facing certain barriers due to technology and digitalization, and we have to help them to take part in society. This is positive for the social inclusion and participation of older persons, but also profitable for the economy.

The EESC is asking for a specific exchange platform for older persons, such as ERASMUS, called SENECA. An EU portal for older people to find positions and opportunities. Old age can be a new opportunity for your life.

Rebekah Smith (BusinessEurope)

(please note that the representative of the European Trade Union Confederation who was supposed to come to discuss the agreement cancelled at the last minute, so the presentation was made by the employers' organization only).

Rebekah Smith from BusinessEurope presented the recently signed framework agreement between the European social partners entitled: "European Social Partners' Autonomous Framework Agreement on Active Ageing and an Intergenerational Approach". Signatories: ETUC, BUSINESSEUROPE, CEEP, UEAPME.

EU social partners' work programme 2015-2017: in response to demographic and active ageing challenges, the EU social partners are pushing for measures to help older workers to actively participate and stay in the labour market. They also believe that it is important for measures to be taken to ease generational transition. The Agreement aims to be:

- A response to the challenges deriving from demographic change;
- A contribution of the social partners to EU policies and actions;
- A shared commitment on the part of employers, workers and their representatives;
- Responsibilities for EU and national public authorities and other actors as well.

A general action-oriented framework, aiming at:

- Increasing the awareness and understanding of employers, workers and their representatives of the challenges and opportunities deriving from demographic change;

- Providing employers, workers and their representatives at all levels with practical approaches and/or measures to promote and manage active ageing in an effective manner;
- Ensuring and maintaining a healthy, safe and productive working environment;
- Fostering innovative life-cycle approaches with productive and quality jobs to enable people to remain in work until the legal retirement age;
- Facilitating exchanges, mutual cooperation, and fostering concrete actions to transfer knowledge and experience between generations at the workplace.

The agreement outlines tools/measures to be used by social partners and/or HR managers, depending on national demographic and labour market situations and in accordance with national management- labour practices and procedures

Active ageing is about optimising opportunities for workers of all ages to work in good-quality, productive and healthy conditions until the legal retirement age, based on mutual commitment and motivation of employers and workers. The intergenerational approach refers to building on the strengths and the objective situation of all generations, improving mutual understanding and supporting cooperation and solidarity between generations at the workplace.

Set of tools, measures and actions in 5 domains:

- Strategic assessments of workforce demography;
- Health and safety at the workplace;
- Skills and competence management;
- Work organisation for a healthy and productive working life;
- Intergenerational approach.

Philippe Seidel Leroy (AGE European Platform)

Flexible pension age in both directions: there are workers who are not able to work until they reach the retirement age, and, on the other hand, a flexible retirement age is an opportunity for those who can and want to work longer. However, we should not limit ourselves to pensionable ages, but we need to talk about what is needed so people can work until they reach the retirement age.

Another issue is that leaving the labour market earlier not only means that you have a shorter career but also that you have contributed less to the pension scheme and as a result will receive a lower pension. And this amount can sometimes be too low to live a life of dignity. So when we talk about lower pensionable ages, for some categories, we have to consider what that means to those workers in financial terms, because this may influence their income for the next 30-40 years of

their life. This is a bigger problem for women because they often have an interrupted working career (to take care of children, the elderly etc.), due to the gender pay gap and so on.

The number of healthy life years has not increased in recent years. In many countries, the retirement age has increased in line with the increase in life expectancy; however healthy life years are not taken into consideration.

Most old people want to stay active in society. Not only in terms of employment but also active as volunteers or taking care of their grandchildren. Conditions should enable people to actually do these things.

How to enable people to work until they reach retirement age?

- One possibility is to focus on lifelong learning, older workers also need training activities to update and learn new skills;
- Encourage active labour market policies;
- Work-Life Balance should be covered by a sort of protection right;
- Invest in quality long-term care.

Ettore Marchetti (European Commission, DG EMPL)

Reforms are moving in the same direction: retiring later and reducing benefits as a result.

But not everybody is the same: some people cannot continue working, this should be better taken into account.

There are strong differences between people, and age is not the key. More policy differentiation is therefore required.

4. List of workshop participants

NAME	FIRST NAME	ORGANISATION
ALARCON MAYORGA	Andrea	Embassy of Colombia
BALL	Christopher	Shaw Trust / TAEN
BARSLUND	Mikkel	CEPS/Centre for European Policy Studies
BATUT	Laure	CGT-FO/Confédération générale du Travail-Force ouvrière
BEHESHTI	Abolfazl	Environment & Sustainable Development European Network (ESDEN)
BEHRENS	Jan	European Commission - DG Employment, Social Affairs and Inclusion
CHRISTIAENS	Jasmine	CGSLB
DE LUCA	Antonio	Istituto Nazionale della Previdenza Sociale -INPS
EGER	Marika	German Federal Employment Agency
FESTERSEN	Cathrine Hernandez	EuroHealthNet
GHAILANI	Dalila	OSE/Observatoire social européen asbl
JACQMIN	Gabriel	EUROCITIES
JANSSENS	An	De Lijn
LATHAM	Alexandra	Euro Health Net
LEGINI	Angela	Istituto Nazionale della Previdenza Sociale - INPS
MALICE	Benoît	OSE/Observatoire social européen asbl
MARCHETTI	Ettore	DG Employment - Unit EMPL/D/3 "Social Protection and Activation Systems"
MEROLLA	Alberto	Fondazione Giacomo Brodolini
MEYERS	Caroline	ESF Flanders / Vlaamse overheid
MONACO	Marina	ETUC/European Trade Union Confederation
NEMES	Alexandra	Ministry of Labour and Social Justice
PEÑA-CASAS	Ramón	OSE/Observatoire social européen asbl
PERINI	Alice	Universita degli Studi di Firenze
RAITANO	Michele	Universita Roma / Sapienza University of Rome, Department of Economics and Law
ROBETTE	Fanny	Conseil Central de l'Economie
SCHAUM	Henrike	AK Europa
SEIDEL LEROY	Philippe	AGE Platform Europe
SHAHINI	Viola	OSE/Observatoire social européen
SMITH	Rebekah	BUSINESSEUROPE

NAME	FIRST NAME	ORGANISATION
SMOES	Renaud	OSE/Observatoire social européen asbl
SPASOVA	Slavina	OSE/Observatoire social européen asbl
VAISMAN	Emilie	European Social Insurance Platform (ESIP)
VANHERCKE	Bart	OSE/Observatoire social européen asbl
VAN HIEL	Isabelle	ABVV Metaal
VANDECANDELAERE	Siska	CCE - Conseil Central de l'Economie
VANMOERKERKE	Celien	ABVV-FGTB Fédérale - Sociale Studiedienst
VERINI	Francesca	Istituto Nazionale della Previdenza Sociale - INPS
VERMEYLEN	Greet	European Foundation for the Improvement of Living and Working Conditions
VERRI	Françoise	OSE/Observatoire social européen asbl
VOELKERER	Petra	AK EUROPA
ZAIDI	Asghar	International Social Policy University of Southampton and London School of Economics