

# How can the European Union lessen the impact of the recession on older workers: an assessment and recommendations from AGE

March 2009



The European Older People's Platform  
La Plate-forme européenne des Personnes âgées

# Executive summary

The deteriorating economic situation, together with demographic change, are set to radically impact on the organisation of employment and the growth potential of Europe's labour markets and financial systems. A recent OECD study indicated that older workers, in particular older women, will be among those most affected in the deepening economic crisis and the particular difficulties which these workers face in different work sectors and occupations must be given due attention because the EU economies need their contribution to recover. AGE considers that all levels of governance must take active steps to address the fears and expectations of Europe's older workers and their increasing sense of precariousness and loss of confidence in the EU and in their Member State's employment, social protection and financial systems.

AGE has developed a number of recommendations which our members consider would be effective in mitigating the negative impact of the present crisis on older workers. These include the mainstreaming of inter-generational solidarity and cooperation within the employment context and the implementation of initiatives promoting longer working lives such as job sharing and phased retirement. We also stress the importance of retaining the European social model as a safeguard against deeper recession and the need to address the roll-back effect of the crisis on older people who have to support, with their limited pensions, their younger family members who become unemployed. Above all, we highlight the need to return to core values and for Member States to maintain sound governance, and we emphasise the responsibility of the state to guarantee an adequate income for all its citizens, including those who are amongst the most vulnerable such as pensioners or the older unemployed.

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## I. Why older workers' interests need to be protected in today's financial crisis

The media are full of alarming reports on the impact of the current crisis on the employment and growth potential of EU countries. Surprisingly little is said about the impact on pensioners and older workers although the European Commission acknowledges that older people are one of the groups who are being hit hardest by the crisis. AGE believes that the growing difficulties that older people face today are not yet well understood by policy makers because traditional indicators are not efficient to assess quickly the social impact of the rapid economic developments that the EU is experiencing today.

Our members report that older people in their countries are faced with increasing difficulties due to rising living costs (food prices, health expenses, fuel costs) and an unfavourable labour market (older workers have a much higher risk of being made redundant, their eligibility for unemployment benefits is being reduced in some countries and their chances of accessing lifelong learning or training opportunities have vanished) while their personal savings have diminished and their promised funded pensions have shrunk significantly. Faced with huge budget deficits, public authorities are raising the eligibility criteria for access to social, health and long-term care services. We fear that in the aftermath of today's crisis, the average income will decrease sharply due to the rise in unemployment as will the poverty threshold (60% of average income). As a consequence, a growing number of older people will subsist just above the poverty threshold and could no longer be eligible for social transfers, leaving them with insufficient purchasing power to live in dignity.

This clearly endangers their future financial and social wellbeing and increases their risk of poverty in very old age.

A large and growing number of older people therefore need or wish to continue to work even beyond retirement age. But the 50 plus age group is proving particularly vulnerable to the risk of unemployment as they are often among the first groups to be made redundant when their company needs to restructure and they face serious problems to find new employment as they are often considered by employers as being too costly to employ. Ensuring work and securing the future welfare of these workers amid today's financial upheaval is a key concern for AGE. We consider that concepts of ageing and older worker's rights and requirements need to form an integral part of all discussions on employment and on how to effectively address Europe's economic challenges if society is to gain from the opportunities presented by Europe's demographic change and to benefit fully from the strengths of its older generations.

Mobilising the human capital that exists is essential to our societies as is ensuring that the current and upcoming older generations can continue to work and contribute to society actively prior to and during their retirement. Measures to facilitate this can bring only benefits to the individuals concerned and to our societies at large. This remains no less true in the context of today's economic crisis. A greater awareness of the enormous professional resource that older people present and a more positive image of what they have to offer as valuable members of Europe's labour force must be promoted.

## II. Why mandatory retirement ages should be removed

AGE members are disappointed by the European Court of Justice (ECJ) ruling on 5 March 2009 which held that Article 6(1) of Council Directive 2000/78/EC did not make compulsory retirement ages unlawful in the case of The Incorporated Trustees of the National Council on Ageing (Age Concern England) versus the Secretary of State for Business, Enterprise and Regulatory Reform, Case C-388/07.

The ECJ judgment held that as Member States have a broad discretion as to the manner in which they implement European Union Directives, Council Directive 2000/78/EC could not be interpreted as requiring Member States to draw up a specific list of differences in treatment which may be justified by a legitimate aim and therefore permissible. The court decided that the wording of the Directive makes it clear that the examples given of legitimate aims and justifiable differences in treatment are purely illustrative and that it is for a national court to decide whether a national provision which allows employers to dismiss workers who have reached retirement age is justified by 'legitimate' aims within the meaning of the Directive.

This ruling demonstrates the difficult balance between freeing up work opportunities and retaining skilled labour in the workforce that must be struck with regard to age discrimination legislation. In the current fragile economic climate, such a system will inevitably make those at the margins of the workforce, particularly those above the compulsory retirement age, more vulnerable. Furthermore, older workers today face an increasing economic need to continue to work beyond retirement age and this is being compounded by today's financial and economic crisis. In particular, older workers in some countries are placed in an ever more

vulnerable position by the adverse effects of the crisis on privately funded pensions and by the insubstantial level of state pensions which alone are inadequate to ensure a decent standard of living.

AGE is particularly concerned about the immediate impact of the financial crisis on those older workers who are nearing pension age in many countries, i.e. the UK, Ireland, the Netherlands, Sweden and some new Member States who are losing a great deal of their pensions entitlements and personal savings and who will not have sufficient years in employment to allow them to recuperate these losses before they reach pension age. We consider that these workers should be able to exercise an individual choice to continue to work beyond the legal retirement age in the Member State in which they reside.

Governments cannot deplore the fact that there will soon be too few younger workers to finance the pensions of older generations while decreeing that older workers are not allowed to continue to work past the eligible retirement age. Increasing the employment rates of older workers - and permitting those older people who need or wish to continue to work beyond the official retirement age - is a necessary aspect in managing Europe's demographic change and must be facilitated by a system that allows prolonged employment while providing sufficient and reliable safety nets for those workers who, for whatever reason, are excluded from the labour market or can no longer participate in paid employment.

### III. Why it is urgent to combat age discrimination in the workplace and promote more positive approaches to older workers

There are growing concerns about the working environment and the quality of work available to older workers and the obstacles they face to remaining in or re-entering employment including pressures to balance their professional lives with caring duties for family members. Older workers also often lose out as a result of employers' ageist approaches and they suffer disproportionately from periods of unemployment. AGE is committed to combating this rampant form of age discrimination.

In the workplace itself, age discrimination and age related harassment demean older people's dignity and damage their self-esteem, leading in turn to low work morale and reduced productivity. Our members are particularly concerned that discrimination against older workers persists despite anti-discrimination legislation and will increase again due to the crisis. This runs counter to the positive images that exist of older workers as being more reliable, loyal and harder working than their younger colleagues and is due to the prevalence of negative stereotypes about older workers, i.e. that they are more expensive and less adaptable, ambitious, creative, alert or capable than younger workers. It is clear that many of these negative typecasts are unfounded and this raises questions of how apparently deeply embedded perceptions can be shifted and how more positive and constructive attitudes towards older workers can be created and become more widespread.

Today's assumptions of continued productivity beyond the traditional age of retirement challenge the dated notion of older age as being a time of inactivity. This stage of life is a time for active ageing and for ongoing activity which includes the sphere of paid employment. The creation of a more positive approach among employers to older workers is a necessary component to facilitating this and the many positive aspects of employing older workers - such as lower staff turnover, more flexible workplace attitudes, greater dependability and their accumulated experience - need to be emphasised and more widely acknowledged. Evidence shows that worker productivity does not decrease with age as declining physical capacity is compensated for by qualities and skills acquired through experience. For instance, when the DIY chain B&Q experimented with a store that employed only workers aged 50 plus, it enjoyed higher profits and less absenteeism and the chain now employs 25% of its staff aged over 50.

As the European labour market is ageing rapidly, employers are faced with increasing difficulties to find and retain the skilled workforces they need to remain competitive. They need urgently to adapt their attitudes toward older workers and to stop discriminating against them. Unfortunately such strategies are not at the heart of most Member States' employment policies and the use of age as a proxy for health or competence is still widespread. AGE considers that such practices are questionable and need to be removed from workplace cultures which underpin recruitment and human resource management practices. It should be the duty of all employers, including public authorities and the private sector, to promote a more positive image of older workers and to challenge ageist assumptions.

### IV. Why address the additional discrimination faced by older women workers

Older women face additional discrimination in employment for various reasons including gender inequalities in income which exist at all life stages and which are particularly pronounced for older women. This impacts not only on their immediate earnings but on their income in retirement and is due largely to the accumulative effect of time taken out of the workplace to meet caring responsibilities for dependent relatives. Fewer contributions to pensions, social security systems and other retirement savings have an impact on women's standard of living and risk of poverty in old age.

AGE considers that there is a need for targeted policies to ensure an adequate pension income for older women equal to that of men. But the question of how to ensure an independent right to an adequate pension for women who have taken time out of the workforce or never worked is a major challenge. Debates on pension reform need to address the gender dimension in the trend to move toward second and third pillar pensions which place the onus increasingly on the individual worker as those workers - largely women - who take career breaks or who work part-time to care for children or other dependent relatives remain at a significant disadvantage. Women's higher life expectancy has a further negative influence on their income in old age as inflation further erodes the value of their pensions.

The issue of the gender pay gap also needs to be addressed, in particular in relation to the issues surrounding the hourly wage as well as the equivalent full time rates in the calculation of part-time wages as the flexicu-

rity model carries the risk of shifting the focus from collective bargaining mechanisms on to the individual to negotiate the terms and conditions of their employment status. AGE believes that concrete targets and timelines for Member States to reduce the pay gap should be introduced at EU level. Other issues to address related to wage developments include indexation to meet inflation and the cost of living and the adoption of equal pay audits based on such indicators.

AGE is also concerned that the flexicurity concept implicitly seeks to promote the two-income family model in which women are often confined to 'additional income' status. This serves to maintain and perpetuate women's standing in low paid jobs with little status and fails to engage men to take their share of unpaid domestic work, in particular care for dependent family members. We fear that the impact of the current crisis on public funding for elder care will reinforce and perpetuate women's role as main care giver to the detriment of their employment earnings and future pension entitlements. Increasing the working age beyond the current standard 65 years will only partially respond to this problem.

AGE believes that to promote full equality of treatment in income in old age, first pillar pension systems must be promoted as only such systems guarantee individual rights irrespective of gender. The particularly vulnerable situation of older women resulting from the gender pay gap and the fewer opportunities that exist for career progression, weaker job tenure, reduced access to second and third pillars pensions and the specific difficulties faced by those who care for dependent elderly relatives need to be addressed as a priority. As the population ages, care responsibilities will fall on an increasing number of older women and will pose financial challenges for an even greater number of women due to lost salary and reduced pension entitlements. A solution has to be found for this growing problem.

## V. How to reconcile the professional and family responsibilities of the sandwich generation

Employment measures to deal with the needs of families tend to focus on the requirements of young families and little attention is paid to the huge amount of care for elderly dependents which lies mostly on the shoulders of women aged 45 plus. While their employment choices may help women accommodate multiple-role demands in the short term, these serve to reduce their employment opportunities, career prospects, wages, and social and pension benefits in both the short and long-term. Moreover, after an absence from the labour market, women can find that their skills have become obsolete and they may experience considerable difficulty in regaining access to employment or training. All these factors place them at an increased risk of poverty and social exclusion in their old age.

Furthermore, the reconciliation of work and family life is addressed mainly as an issue relevant to parents of young children and the needs of vast numbers of older workers, for the large part women, who care for their elderly parents and small grandchildren are often ignored. This impacts in particular on women aged 45-60 years who are withdrawing from the labour market to care for their grandchildren in order to allow their daughters or daughters-in-law to work. It is important to reflect on care leave in a broader sense and to draw inspiration from the existing examples of grandparental leave in Italy and Portugal. Older workers with disabled adult children living at home, while attending day centres, also need to be better considered and afforded the same flexibility in working conditions as

young parents but on a continuous basis throughout their working lives.

AGE considers that there is room for social innovation in this field and that Member States should make greater efforts to address the increasing challenges that informal older carers face to remaining in employment in a context of shrinking or inadequate long-term care services which place increasing responsibilities for the care of the dependent elderly back on to families. Solutions need to be found that enable those with caring duties to better reconcile the competing demands on their time as the lack of adequate care and support structures often obliges them to engage in intermittent employment, to work reduced hours or to stop working altogether. This is particularly relevant to the middle generation of women, the so-called 'sandwich generation'. With the number of elderly people aged 90 plus set to increase four-fold, European social systems must move to a better adjustment and recognition of this societal role which falls on mature workers.

One way out of this 'double life burden' for women lies in changing the gender division of unpaid work to a more equal sharing of caring tasks between women and men and between informal and formal care and volunteers. It is urgent to seek a change of workplace culture in support of this. There are many possible measures which employers can take such as the provision of work-time adjustment and the introduction of specific initiatives such as job shares, part-time work, carer's leave, telework and flexible working hours which would enable a greater number of older workers to re-enter or remain in the labour market while meeting the needs of their dependent relatives. An additional solution lies in the further provision of subsidised care facilities, such as day centres for the elderly.

Affordable and quality care services for the very old and other dependents must be central elements of the EU social model and employment measures. Such measures that facilitate the reconciliation of paid work with family care responsibilities are essential

to enabling older women to achieve or maintain their economic independence and participate as active members of society while also meeting their family obligations. Policies to promote a good work-life balance - that is to say, a successful reconciliation of competing demands from work and home - could assist older women, on whom domestic responsibilities largely fall, in juggling employment with the care of their dependents, just as childcare facilities in many countries are helping parents with young children to remain in employment.

## VI. Promoting intergenerational solidarity in the workplace

Today's rapidly evolving social, economic and demographic context holds implications for the relationships between the generations in terms of employment as there are now an increased number of older workers but fewer younger adults of working age and this trend is set to increase. These changes in the age structure of the working population will have a significant impact on the dynamic between the generations in the workplace. Intergenerational solidarity and cooperation in the workplace will need to be re-invented and sustained by appropriate employment policies and be based on mutual support and the transfer of skills and experience. A more inclusive approach to workers of all ages needs to be developed and actively promoted in all employment policies and corporate responses. AGE believes it is the duty of all employers to support a more positive image of older workers and to apply a more integrated approach to them. More positive attitudes and expectations among younger generations on the contribution that their older colleagues can make need to be cultivated and erroneous ageist assumptions must be challenged and banned.

The emphasis in employment policies should be placed on better quality and extended working lives. This can be facilitated through improved age management practices and by making use of a greater range of supporting policies. For instance, a balanced approach should be taken to flexicurity measures that can contribute to the creation of jobs for all ages and ensure decent working conditions for all. Above all, a more positive approach to promoting an age friendly workplace needs to be adopted and employment policies must be developed that take a life-cycle and age neutral approach to work.

The EU needs to review the way such policies are developed in order to reinforce effectively the links between generations and promote a more balanced sharing of responsibilities as well as generate greater equality and justice across Europe's labour markets. The barriers between age groups in the workplace need to be broken down and a holistic approach should be taken to addressing the needs of workers of all ages with respect to work-life balance, time management, income and social protection issues as younger and older workers share in common the difficulty to reconcile their private and professional lives, albeit for different reasons.

Labour market policies targeting either one of these age groups are still perceived to be detrimental to the other age group. For instance, measures in favour of older workers are mistakenly considered to result in greater unemployment among the young. There is also a tendency to consider the various generations separately and from the point of view of the specific rights that each respective group has acquired. Such misperceptions must be redressed and the valuable transfer of knowledge and experience between older and younger generations should be more widely acknowledged as many formal and informal transfers exist in both directions which allow the mutual acquisition of knowledge and experience.

Accordingly, the focus should not only be on transmitting the experience of older individuals but on improving younger generations' attitudes and expectations with regard to ageing and older workers. Promoting positive attitudes to ageing is the first step to achieving this goal. Older workers have a vital role to play in enriching intergenerational links and they are an important source of experience, knowledge and vitality. We need to make better use of their potential to contribute constructively in employment. Population ageing presents an opportunity for this which should be grasped and intergenerational solidarity in the workplace is an essential component in realising the added value that an ageing workforce brings.

## VII. Why implementing phased retirement can benefit all concerned

It is clear that extending working lives is important both in terms of financing social protection systems in general and in preventing poverty in old age. From the perspective of society as a whole, early retirement - and in particular involuntary early retirement - is not only a waste of valuable human resources but a financial burden for pensions systems and all areas of social protection. Real gains are to be made in enabling people to work productively as long as they wish before moving into an active period of retirement and one means of facilitating this is through the implementation of phased retirement.

Phased retirement allows workers to gradually relinquish their duties and reduce their working hours over a period of time and makes the transition to retirement less abrupt for individuals and their families. Surveys suggest that workers who stop work one day and who fall into retirement the next find it very difficult to

adjust. Phased retirement carries many benefits for those close to retirement as it allows them to make a gradual shift from full-time paid employment to an active period of retirement. During this intermediate period of staggered retirement, they can combine work with voluntary activities, expand their community involvement and engage in lifelong learning. This allows a gradual step down and avoids the abruptness of cliff-edge retirement. It also lays the ground for an active period of retirement which benefits the individual, the community in which they live and society as a whole.

It also enables employers to retain older workers' experience and skills and for them to transfer their knowledge to their younger colleagues. This carries advantages for employers who can continue to benefit from the expertise of their more experienced staff in this staggered retirement phase. The human resource and economic advantages this holds are particularly relevant in today's economic context when many companies are obliged to downsize. Furthermore, today's economic crisis is forcing a significant number of older workers to postpone their retirement and this concerns in particular workers who are in their mid to late 50s and who find they need to delay their retirement by 2-3 years. This means that quality jobs must remain available for them as well as flexible working conditions to enable them to gradually move from work to retirement and to reconcile paid work with outside commitments. AGE considers that phased retirement is an effective solution to this issue.

Individual choice is a further issue to be taken into account. Phased retirement should be considered as a positive strategy, encouraging and enabling many older workers to extend their working lives while reducing their hours and responsibilities. However, certain workers - in particular those employed under difficult working conditions or those who have caring responsibilities for dependant relations - may need to retire early. There should be no attempt to compulsorily oblige all older people to continue to work, even through a period of phased retirement, regardless of their physical capacities, state of health, economic situation and family circumstances.

## VIII. AGE reaction to the Employment Guidelines 2008-2010

Older workers are among those groups who are being most affected by the economic crisis and the implications for them are far from clear. There is a need for a greater recognition and understanding of the impact of this economic recession on the employment of older age groups. Given today's economic context, AGE therefore welcomed the main focus of the Joint Employment Report (JER), included within the Employment Guidelines 2008-2010, on how to engage and retain as many people as possible in employment and we acknowledge that some progress has been made in developing more inclusive labour markets. However, the specific barriers faced by people who are furthest away from the labour market are still not being adequately identified or addressed. For instance, measures for tackling the increasing precariousness in employment and declining wage levels in relation to Gross Domestic Product and profits need to be more adequately considered.

As the December 2008 EPSCO Council fully endorsed the Commission's Recommendation on the active inclusion of people excluded from the labour market, AGE would have expected the JER to have strongly argued for this integrated active inclusion approach to support those furthest from the labour market to be fully mainstreamed in the European Employment Strategy and the National Reform Programmes. However, its focus was on activation rather than on the broader integrated approaches that were recommended and which are an important instrument for tackling growing unemployment. Furthermore, while flexicurity measures appear to be gaining support among Member States and delivering more flexible work organisation that can benefit older workers, in particular women and those

with care responsibilities, most approaches tend to prioritise flexibility for the employer above job security for the worker. This tendency carries substantive risks in the current economic climate.

The JER points out that the current economic uncertainty will force Member States to go beyond their plans laid out in the National Reform Programmes as these are sometimes deemed insufficient to deal with the impact of the crisis on employment policies. AGE considers that detailed attention must be focused on vulnerable groups, such as younger and older workers, who are particularly susceptible to the negative consequences of the economic upheaval. Nevertheless, the 2008 JER attempts to maintain a positive note although its content is not fully in tune with today's realities faced by people on the ground, especially many older people who are among the poorest and most excluded in our societies. Insufficient and sometimes ineffective labour market measures are suggested to counter the effects of the economic crisis and the proposed solutions are sometimes incompatible with the actualities faced by individuals. The report is also based on a number of false assumptions, i.e. the JER considers that the greater the number of reforms in a country, the lesser will be the impact of the crisis on employment and it fails to look at the quality and implications of those reforms. Unemployment is also largely addressed through questionable supply-side measures such as skills upgrading, increasing the adaptability of the workforce and subsidised employment.

The feed-back that AGE received from its members on these issues indicates that much more needs to be done and through varying means. AGE considers that the European Employment Strategy needs to be revitalised and redesigned in order to address the new challenges presented by the economic crisis as well as those posed by population ageing. Our members believe that only those solutions that mainstream intergenerational solidarity will deliver beneficial and lasting results.

## IX. Recommendations

### AGE calls on the European Commission to:

- Coordinate action at all levels to ensure the success of the European Economic Recovery Plan and to seek to protect workers of all ages against the negative consequences of the economic crisis and the ensuing job cuts;
- Ensure the full implementation of the objectives set out in the revised Lisbon Agenda as regards increasing the employment rates of younger and older people, combating age discrimination and gender inequality, promoting greater access to training and education throughout the life course, and improving access to and delivery of social protection systems;
- Create comprehensive guidelines for the implementation of the Lisbon objectives and for the transposition of the common principles of flexicurity into the National Reform Programmes and evaluate the effects of labour law, pension and flexicurity reforms on older workers, paying specific attention to older women;
- Adopt, after 2010, a genuine European growth and employment strategy based on intergenerational solidarity and partnership between the EU and the Member States and their regions and cities which fosters long-term investment in training, research and innovation in employment;
- Make an impact assessment of all labour market legislation and policies on target groups such as older workers, including older women, to determine whether these deliver or need to be adapted;
- Carry out an extended review of the implementation of the Employment Equality Directive every five years to assess the ways in which Member States have transposed its key provisions, including their interpretations of Articles 6 and 8;
- Deploy infringement proceedings effectively when a Member State fails to deliver on its commitments made in 2000 to implement the Employment Equality Directive;

- Set up a special EU task force on the employment of older workers to promote good practices aimed at changing the attitudes of employers and workers. This task force should bring together governments, social partners and relevant NGOs;
- Continue to bring together research and information sources on ageing and age discrimination in the context of employment as a support to improving practice and implementing legislation.

### AGE calls on the Member States to:

- Analyse the impact of the current economic crisis on national employment policies and propose ad-hoc measures to prevent older workers who lose their jobs from falling into long-term unemployment;
- Commit themselves to placing a higher priority in their National Reform Programmes to achieving the commonly agreed Lisbon objectives including mechanisms to ensure greater security of employment for all and increased solidarity between the generations in the workplace;
- Facilitate employment for all older workers who need or wish to work beyond the legal retirement age and seek to remove disincentives and policies, including in the corporate sector, which restrict such choices;
- Ensure a balance between flexible labour market arrangements for employers with employment security and compensatory measures guaranteeing adequate social protection and continuous employability for all workers regardless of their age;
- Support flexible employment enabling the prolongation of working lives, promote an age neutral workplace and pay more attention to the adaptation of working conditions to the specific needs of the ageing workforce; facilitate phased retirement and encourage the take-up of initiatives such as voluntary or community work to ease such transitions;
- Implement incentives to retain older workers in employment and address the whole range of valid reasons which lead people to retire early and the specific difficulties that older workers face in reconciling work and family life;

- Take better account of the gender dimension in their labour market policies and develop more flexible care leave provisions to accommodate the needs of those workers - in particular older women - who care for dependant relatives;
- Provide jobs and working conditions which enable older workers to make the best use of their skills and experience and where their performance and contribution continue to be valued;
- Promote and provide support for self-employment among older workers while ensuring adequate social protection measures to ensure a decent quality of life, including in old age.

### AGE calls on the local and regional level to:

- In the context of today's economic crisis, set up and implement measures to foster employment among older workers by devising targeted local economic recovery packages that have a direct positive impact;
- Develop a strong local and regional policy which can support all municipalities and regions, particularly with regard to the eligibility of regions for structural funds after 2013 and which, through cohesion policy and complementary instruments, strengthens territorial cooperation on employment policy;
- Work more closely together to explore new forms of cooperation for removing barriers which prevent older workers from accessing employment as too often local actors work alone and not in partnership, thus limiting their impact and chances of success;
- Promote the adoption of proactive life course age management methods in the workplace and facilitate collaboration between employers in promoting such ideas and adhering to methods of good practice;

- Promote more flexible work organisation and part-time work associated with security and quality of work; improve the social protection of the self-employed; and facilitate more targeted support, including access to finance, to support start-up businesses for older workers;
- Encourage job sharing by choice (dividing one full-time job between two or three workers) and by solidarity (a new form of job sharing where workers agree collectively to reduce their working time and wages to avoid dismissals, thereby enabling the most vulnerable - older workers and young people - to preserve their employment, in particular during unfavourable economic periods);
- Strengthen efforts to make more and better jobs available to older workers and carry out research on the changes needed to encourage older workers to work for longer, including how to address the particular concerns faced by older women workers;
- Develop integrated help services for workers with care responsibilities which make it possible for these workers to be more available and more productive in their working lives;
- Ensure that training and retraining are age neutral and available to all workers irrespective of their age and that measures are adopted to prevent or overcome the digital illiteracy of older people, thus enabling their greater autonomy and participation in the workforce;
- Implement mentoring programmes which enable older workers and the recently retired to pass on their knowledge and skills to younger workers.



## X. Closing remarks

With long-term trends towards low fertility rates, delayed access of younger workers to the labour market and an increasing number of older workers reaching retirement, the working age population in the EU will decline sharply both in absolute and proportional terms. The policy solution is therefore to support the labour market participation of both older and younger workers. But how can such a solution be implemented, in particular in a time of recession? Even before the current financial crisis, old workers and young people were the first to be subject to restructuring processes and their unemployment rate was higher than that of intermediate age groups. Today these two age groups are even more weakened by the economic crisis in the EU and older women workers, in particular, will soon encounter additional obstacles to participating in employment due to the reduction in long-term care services and the resulting increase in the need for them to provide informal care for their elderly relatives.

Labour markets have to be made more flexible and provide the necessary incentives and safeguards to allow older workers to benefit from longer and more diversified working lives. AGE maintains that an integrated and comprehensive approach is needed which mobilises and co-ordinates a range of relevant policies and a variety of stakeholders, including civil society, at different levels, and which combines actions to create and maintain quality jobs for older workers with the provision of incentives and support. Attitudes among potential employers need to be changed to ensure that they engage and value older workers and that they remove discriminatory barriers such as company mandatory retirement ages. Active measures that allow older workers to combine partial or phased retirement or volunteering with part-time work and the adoption of a range of flexible working arrangements which ensure that work remains within their abilities as their life circumstances and capacities change are especially needed.

However, an integrated and comprehensive approach must not become a synonym for a 'one-size fits all' solution. The ageing of the working population is a phenomenon whose impact varies greatly not only from one Member State to another but also within countries, depending on the initial structure of the population, the pace of change and the economic and social conditions prevailing at national, regional and local level. Quite apart from the economic crisis to which all countries need to manage appropriate policy responses, differences exist in institutional settings, societal context and business climate. Each country therefore has to choose urgently the right combination of policies in order to save and promote employment for all age groups in today's challenging economic environment.

Furthermore, in any assessment of measures to combat age discrimination in employment, it is necessary to consider the implications for Europe's labour markets and public finances. This is particularly challenging as there are different social models and labour markets, varying cultural attitudes towards older workers and diverse approaches to active ageing among the Member States. The ability to age positively is to some extent dependent on an environment that provides opportunities for older people to remain actively involved in society, for instance through their work. Opportunities to choose to continue to work, even beyond retirement age, are therefore vital in promoting positive ageing and in promoting a more inclusive labour-market for Europe's older workers.



**For more information regarding the present report please contact:**

Rachel Buchanan, Policy Officer for  
Employment and Non-Discrimination  
[rachel.buchanan@age-platform.org](mailto:rachel.buchanan@age-platform.org)

**AGE – the European Older People’s Platform**

[www.age-platform.org](http://www.age-platform.org)

Rue Froissart 111

B-1040 Brussels

Tel. +32 2 280 14 70

Fax +32 2 280 15 22



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The seven-year Programme targets all stakeholders who can help shape the development of appropriate and effective employment and social legislation and policies, across the EU-27, EFTA-EEA and EU candidate and pre-candidate countries.

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- promoting policy transfer, learning and support among Member States on EU objectives and priorities; and
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