EU Member State Profiles

Working Longer: An EU Perspective

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The International Longevity Centre - UK (ILC-UK) is an independent, non-partisan think-tank dedicated to addressing issues of longevity, ageing and population change. It develops ideas, undertakes research and creates a forum for debate.

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Supporting older workers: profiles of the EU-28

Introduction

Across Europe, individuals are realising they will need to work longer, and Member States are introducing a wide range of policy initiatives to encourage longer working lives. Europe is keen for Member States to increase the number of older workers. The rate of employment has generally been increasing since the mid-1990s, and individuals realise the financial and social need to increase their working life.

Although there are piecemeal efforts from a number of governments, including the UK, no Member State has so far put together a cohesive plan to encourage older workers to remain in the workplace. No country has found the key to improving workplace participation rates of older people, and those that have relatively high rates are still struggling with the problems of ageism.

Many of the initiatives in force are fiscally focussed rather than a strategic plan to target older workers. Furthermore, there is little or no evaluation of the impact the changes already in place are making, meaning countries are unable to learn from each other the best way to tackle the problem of a reduced number of working age people.

Unless the situation changes, Europe is on track to face severe economic and social challenges. This will result in pensioner poverty, a shortage in the labour market and a strain on Member State coffers.

Overview

This report contains a brief profile for each of the EU-28. These profiles were created to inform the report 'Working longer: an EU perspective', available from the ILC-UK website www.ilcuk.org.uk

These profiles provide a 'snapshot' view of each of the 28 EU Member states, and should not be considered exhaustive accounts of all activities being undertaken in each country.

Ten interesting European initiatives to support older workers

There is a wealth of ideas and initiatives at play in Europe in a bid to encourage individuals to extend the working life and for employers to regard older employers as an asset. Many EU Member State governments have already put in place a number of changes in order to increase the age at which citizens retire from the workforce but more needs to be done.

1. Changes since 2006 in **Sweden** offer more favourable treatment for work related income than pension income.
2. Reforms in **Croatia** have meant that those who retire early are now subject to between a 0.15% and 0.34% loss every month in the value of their pension. In contrast, people who delay retirement are entitled to a 0.15% monthly increase in the value of their pension.
3. The **German** government intends to introduce greater flexibility to working time and open up more sabbaticals for its older workforce.
4. In **Sweden**, employers who recruit older workers on long-term contracts are entitled to a subsidy of up to 75% of the older worker's salary.
5. The **French** government has introduced measures to allow simultaneous employment and pensions.
6. As of 2008 **Maltese** workers of pensionable age under the age of 65 are able to work without losing pension entitlements. As of 2011, over 10,000 pensioners were still working and receiving a pension thanks to this scheme.
7. **France** has introduced a gradual retirement scheme, which allows workers to reduce their working hours on reaching 60 (62 in 2017) and receive a proportion of their pension in return.
8. The **Dutch** government introduced age discrimination legislation, information campaigns, age-management initiatives and policies to promote part-time and flexible working.
9. A **Portuguese** New Opportunities Initiative gives preferential access for older people to lifelong learning.
10. The **Finnish** government has invested in the KESTO-program, which built up a database for research on extending working life.

Austria

Austria's economy has been able to withstand the financial pressure of the recession very well, with low (though rising) rates of unemployment (at 4.7% employment in May 2013, it had the lowest levels of unemployment in the EU[1]). Despite these positive levels of employment for the whole working age population, rates of employment of older workers are relatively poor for Austria, with only 43.1% of workers aged 55 to 64 in employment in 2012[2], below the EU average. However, the rates of older employment have been steadily increasing since the mid 1990s. Across the EU, Austria is one of the countries that have seen the greatest increase in employment rates of the 55-59 and 60-64 age groups, e.g. rising over 10 percentage points between 2000 and 2010.[3]

The Austrian Government have taken a number of steps to reduce the likelihood of early retirement. In 2010 the Austrian Government announced a stepwise increase to the qualification period for early retirement pension scheme (on basis of contributory years), up to 40 years (from 37.5) by 2017.[4] The age at which individuals can retire under this scheme will increase from 60 to 62 years for men, and from 55 to 57 years for women. The rules were also amended to specify that only active employment would count as contributory time. In addition, since 2011 disability pensions have become conditional on participation in a rehabilitation activity and a centralised system for assessing disability pensions has been introduced.

In light of negotiations around austerity packages, some of the measures introduced to encourage working longer have been adjusted. E.g. Austrian employers had previously been offered exemptions from unemployment insurance contributions when they recruited a worker aged 60 years or older.[5] The planned decreases in this age limit to 59 and then 58 have been removed, and in future the exemptions will only apply to workers aged over 63.[6] There have also been limits in the success of other schemes, such as the partial retirement programme. This offers two options; a continuous scheme where working time continuously halves over the period, or a 'block' scheme where an employee has two separate periods of time – one in full time work, and retirement taking place in the second half of the scheme.[7] The 'block' version of this scheme was initially threatened with abolition in proposed austerity measures, although has been allowed to continue.

The European Commission has recommended that Austria take the limitations on their early retirement scheme further, to include people with long insurance periods, as well as aligning the statutory retirement age for men and women.[8]

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[1] Eurostat (2013) newsrelease euroindicators – Euro area unemployment rate at 12.2% http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/3-01072013-BP/EN/3-01072013-BP-EN.PDF

[2] Eurostat (2013) Employment rate of older workers http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tsdde100

[3] European Foundation for the Improvement of Living and Working Conditions (Eurofound) (2012) 'Employment trends and policies for older workers in the recession'. Brussels: European Foundation for the Improvement of Living and Working Conditions.

[4] OECD (2012) 'OECD Thematic Follow-up review of policies to improve labour market prospects for older workers: Austria' http://www.oecd.org/els/emp/Older%20Workers%20Austria-MOD.pdf

[5] Sigg, R. & De-Luigi, V. (2007) 'The success of policies aimed at extending working life', International Social Security Association.

[6] OECD (2012) 'Employment policies to promote active ageing – Austria' http://www.oecd.org/els/emp/Older%20Workers%20Austria-MOD.pdf

[7] Eurofound (2012) 'Employment trends and policies for older workers in the recession'. Brussels: European Foundation for the Improvement of Living and Working Conditions.

[8] European Commission (2012) 'White Paper: An Agenda for Adequate, Safe and Sustainable Pensions'

Belgium

An established culture of early retirement means that there are relatively low numbers of older workers in Belgium. Belgium continues to fall behind neighbouring countries' employment rates of the 55-64 age group[9]. Despite increases, which are mostly based on increasing female employment rates, the older employment rate also remains low compared to the rest of Europe.[10] Differences within the older workforce in Belgium stem predominantly from gender gaps, and these represent greater divides than those between younger and older workers.[11]

Reforms have included amending the terms of the pre-pension benefit by raising the age of entitlement from 58 to 60 and increasing the required years of economic activity up to 35 years by 2012 and potentially up to 40 years in 2015.[12] The main premature exit route from employment in Belgium is unemployment benefit representing a significant disincentive to seek further employment after a certain age.[13] The system, as well as including a supplementary payment for those aged over 55 also includes an exemption from job seeking for the older group.[14] Recent policies have attempted to provide incentives to older workers to stay in employment (such as by the introduction of 'time credits' to support flexible working), to encourage those on unemployment benefits to seek work (e.g. through reducing required employer social security contributions for older workers to encourage their recruitment) and discouraging early retirement.[15] Additional incentives have been introduced in recent years, such as a bonus awarded to the company by the Flemish government at the employment of someone previously unemployed aged over 50.[16]

At the end of 2006, a set of policy measures, the 'Solidarity Pact between Generations', was introduced, including a goal to increase the employment levels of the older age group (55+). This acknowledged the need to improve conditions for older workers in order to achieve this goal. Since these measures were introduced, the Belgian government has supported a number of initiatives such as workplace improvements, intergenerational relations in the workplace and health at work schemes.[17] In 2012, the OECD reported that its impact on these fronts had been 'minimal'.[18]

However, some progress has been made; Belgium has introduced structures known as "cellules d'emploi" to support older workers who are moving from one position after restructuring and are in need of another role[19], as an alternative to pushing these individuals into early retirement. Additionally, Belgium has one of the highest rates of part time older workers.[20]

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[9] Vandenbrande, T., Vanedkerckhove, S., Vendramin, P., Valenduc, G., Huys, R., Van Hootegem, G., Hansez, I., Vanroelen, C., Puig-Barrachina, V., Bosmans, K. and De Witte, H. (2013) 'Quality of work and employment in Belgium' http://www.vub.ac.be/SOCO/demo/papersonline/R1456a_en.pdf

[10] OECD (2005) 'Economic Survey of Belgium, 2005: Keeping older workers in employment longer' from chapter 4, "Increasing the Employment Rate".

[11] Vandenbrande, T., et al. (2013) Ibid.

[12] Eurofound (2012) 'Employment trends and policies for older workers in the recession'. Brussels: European Foundation for the Improvement of Living and Working Conditions.

[13] OECD (2005) 'Economic Survey of Belgium, 2005: Keeping older workers in employment longer' from chapter 4, "Increasing the Employment Rate".

[14] OECD (2005) Ibid.

[15] D'Addio, A. and Nicaise, I. (2003) 'Ageing workers in Belgium'. European Employment Observatory Review. Autumn 2003.

[16] OECD (2012) 'OECD thematic follow-up review of policies to improve labour market prospects for older workers: Belgium' http://www.oecd.org/els/emp/Older%20Workers-BELGIUM-%20TRAD.pdf

[17] Vandenbrande, T., et al. (2013) Ibid.

[18] OECD (2012) 'OECD thematic follow-up review of policies to improve labour market prospects for older workers: Belgium' http://www.oecd.org/els/emp/Older%20Workers-BELGIUM-%20TRAD.pdf

[19] Eurofound (2012) 'Employment trends and policies for older workers in the recession'. Brussels: European Foundation for the Improvement of Living and Working Conditions.

[20] Eurofound (2012) Ibid.

Bulgaria

Bulgaria is the poorest country in the European Union[21] with an average monthly wage of €400 ($520) with pensions of less than half that.[22] Though it has avoided the dramatic downturns that have hit Greece, Cyprus, Portugal, and Ireland, the world-wide recession has taken Bulgaria's unemployment figures up to 12.6% for the first quarter of 2013 – 1.7% higher than the average for the European Union.[23] Amongst older workers, this has hit women the hardest with total employment rates amongst 55-64 year olds in Bulgaria at 50.8% for men, and 41.3% for women.[24]

With over a million Bulgarians currently choosing to live and work abroad[25] Bulgaria is also increasingly suffering from a exodus of people of working-age. Eurostat estimates that in 2060 Bulgaria's old-age dependency ratio will hit 60%[26], a problem is being confounded by poor public health withdrawing people from the labour market prematurely.[27]

The Bulgarian government has expressed its desire to take action to promote economic activity amongst older workers.[28] The *National Strategy for Demographic Development of Bulgaria* sets out a policy plan to 2020 to tackle this worrying trend towards a reliance on an increasingly small working-age population. The "Human Resources Development" programme, utilising the financial assistance of the European Social Fund, promotes life-long learning to help people stay in work for longer. This is being delivered through training schemes and educational programmes which aim to provide learning opportunities for workers throughout their employed life.[29] In the period 2007-2010, 10% of those receiving support from the scheme were aged 55-64.[30]

Another strand of Bulgaria's *National Strategy* is the "Social Innovation in Enterprises" scheme. Through a budget of 38 million BGN (£16.43m) the programme aims to incentivise businesses to retain older workers by:

- Asking older employees to conduct workplace training to pass-on their knowledge
- Awareness campaigns to promote the value of long-term training of workers
- Providing funds for workplace-based training schemes
- Funds for the provision of canteens, childcare, and recreation grounds to help workers balance their competing work-life needs.[31]

These schemes have not yet brought substantial returns. A nation-wide measure to encourage businesses to hire unemployed persons of aged 50 and above had, by 2011, hired an estimated 500 people whilst the HRD scheme had been estimated to have helped just 100 older people back into work.

Partly due to negative stereotypes of older workers, implementation is yet to have the desired impact.[32]

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[21] The Economist. (2012, July 7th). 'In a rough region'. *The Economist*.
[22] The Economist. (2013, April 4). 'A Microcosm of Bulgarian's Plight'. *The Economist*.
[23] Eurostat. (2013). 'Bulgaria: Unemployment rate of older workers'. http://epp.eurostat.ec.europa.eu/tgm/refreshTableAction.do?tab=table&plugin=1&pcode=tsdde100&language=en
[24] Eurostat. (2013). European Union unemployment rate by sex and age groups - quarterly average, %. http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_q&lang=en
[25] The Economist. (2012, July 7th). 'In a rough region'. *The Economist*.
[26] Eurostat. (2012). Projected old-age dependency ratio. http://epp.eurostat.ec.europa.eu/tgm/graph.do?tab=graph&plugin=1&language=en&pcode=tsdde511&toolbox=type
[27] Gebova, T. (2012). 'Policy Paper: Active Ageing in Bulgaria'. European Map of Intergenerational Learning http://www.emil-network.eu/res/documents/resource/Policy%20paper%20-%20Active%20Ageing%20in%20Bulgaria.pdf
[28] Ibid.
[29] Republic of Bulgaria. (2007). 'Operational Programme: "Human Resources Development", 2007-2013'. Ministry of Labour and Social Policy: http://www.eufunds.bg/document/468
[30] Gebova, T. (2012). Ibid.
[31] European Map of Intergenerational Learning (2011) 'Social Innovations in Bulgaria'. http://www.emil-network.eu/news/social-innovations-in-bulgaria
[32] Gebova, T. (2012). Ibid.

The training schemes on offer are currently not well-targeted: either in addressing the skills-gap that older workers have presently or in imparting skills that they will need in the future as technologies and service demands change.

Croatia

Croatia completed its accession to the EU on July 1st 2013 after 12 years of negotiations. In 2013 Croatia's GDP is expected to shrink by 0.3% and unemployment is predicted to reach 20% affecting workers at both ends of the life-course. The Croatian economy is characterised by a very low market turnover, with more than 25% of all workers having tenures that last more than 20 years. This means it is very difficult for younger workers to enter the labour market and hard for older workers who lose their jobs to re-enter employment. As a consequence the unemployment rate for persons of 55 years of age and over is lower than the rest of the EU.[33]

Helping older people to remain in work will need to be a priority of government economic and social policy given that Croatia's population is ageing rapidly. In 2001 the share of people older than 65 was 15.9% - that is expected to rise to 29.4% by 2061 bringing with it a doubling of the dependency ratio from 25.6% in 2010 to 51.4% in 2061.[34] The competitiveness of older people in the Croatian labour market is also hampered by below average educational attainment, low mobility, and low work place training for older workers.[35]

The Croatian Government has enacted reforms recently to help older people to stay in employment for longer. These include[36]:

- In 1999 the statutory retirement age was raised from 60 to 65 for men and from 55 to 60 for women. A minimum of 15 years of service was also interested before someone could receive their pension.
- In 2010 a gradual equalisation of statutory retirement age was introduced so that by 2030 both genders will retire at age 30. Those who retire early are now subject to a loss of between 0.15% and 0.34% every month in the value of their pension. In contrast, people who delay retirement are entitled to a 0.15% monthly increase in the value of their pension.
- Unemployment benefit has been cut. During the first 90 days of unemployment it amounts to 70% of the average wage minus the mandatory contributions after which the benefit drops to 35%.

These reforms have not been judged to be terribly effective. Reducing the benefits available might have had the effect of encouraging people into work if jobs were available. Competition for work has been very high – competition which works to the detriment of older people who do not carry the arsenal of skills that younger workers do.

The Croatian government has sought to overcome this skills gap:

- Agency for Vocational Education and Training (VET) carried out an analysis to map skilled occupations by sector and the relevance of VET training schemes. Occupational standards were developed for 26 key occupations and training programmes altered to meet them.
- The government has embarked on the creation of Career Development Centres to provide information and support to the unemployed and anyone in employment making an important career decision.
- The "Women on the Labour Market" project launched by the Croatian Employment Service has sought to offer specialised training for women to boost their representation in the labour market.[37]

The government has also introduced incentives for employers to retain older workers:

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[33] Gotovac, V. (2011) 'Support Strategies to Recover from the Crisis in South Eastern Europe: Republic of Croatia'. International Labour Organisation p.12.
[34] Crnovic-Pozaic, S. (2012) 'EEO Review - Employment policies to promote active ageing, 2012: Croatia' http://www.eu-employment-observatory.net/resources/reviews/Croatia-EPPAA-Mar2012-final.pdf
[35] Crnovic-Pozaic, S. (2012) Ibid.
[36] Crnovic-Pozaic, S. (2012) Ibid.
[37] I Crnovic-Pozaic, S. (2012) Ibid.

- Employers hiring workers over the age of 50 referred by the Croatian Employment Service can receive a wage subsidy. This varies from 30% of the minimum wage for a large employer to 170% of the minimum wage for a small employer.[38]

Many gaps remain, however, in the Croatian approach. There are no policies in place to promote the capitalisation of older worker's knowledge, to improve working conditions for older employees[39], and Croatia, like much of Europe, continues to suffer from the negative stereotyping of older workers which means employers are not inclined to hire them.[40]

[38] Gotovac, V. (2011) Ibid.
[39] Crnovic-Pozaic, S. (2012) Ibid.
[40] Vehovec, M. (2008) 'New Perspectives on a Longer Working Life in Croatia and Slovakia' http://library.fes.de/pdf-files/bueros/kroatien/05802.pdf

Cyprus

Since the global financial crisis in the late 2000s, Cyprus has experienced higher rates of unemployment among males, mostly due to 'shock' in the construction and tourism industries, which disproportionately employ men.[41] The employment rate for older workers in Cyprus was at 50.7% in 2012.[42] This is against a contrast of a rapidly increasing unemployment rate over the last year – from 11.4% to 16.3% unemployment across all ages[43], although unemployment in Cyprus has traditionally been low. Cyprus had set itself raised older worker participation targets above the European Employment Strategy levels with a target of 53% set for 2010.[44] Despite their relatively high rates of participation, there are concerns around the generally low level of education of older workers and the low participation rates of older women in maintaining these rates.[45]

With an average exit age of 62.7, the most common route out of employment is through early retirement.[46] Public pensions are received at age 65 and despite increases in healthy life expectancies for both men and women at age 65, Cyprus has not reformed retirement ages.[47] This has been argued to be motivated by allowing room in the labour market for younger workers. Additionally, Cyprus' labour market has seen an influx of foreign nationals, reducing the need for promotion of working longer among older Cypriots.[48]

A programme of National Reform, introduced in 2006, developed a number of measures to support older working, such as a self-employment support programme (self-employment is common among older Cypriots).[49] In its own publications, the Ministry places an emphasis on the need to continue the increase in older workers, to be achieved through measures such as increasing the retirement age of public sector workers from 60 to 63 and creating a 'lifecycle' approach to work.[50] Academic research has found high levels of discrimination against older workers in Cyprus, including from managers.[51]

A lifelong learning programme has been introduced to attempt to tackle the lack of training and education and to position a shift towards a knowledge-based economy though these are currently experiencing difficulties in attracting a wide coverage of employees. A Eurofound report suggests that increased media coverage of the value of these schemes as well as ensuring that they are valued and respected is key to success.[52] More recently, the European Employment Observatory commented that there was very little in the National Reform focussed on active ageing. Furthermore, the report notes a lack of awareness about older workers' needs and no special tax or support provisions for older workers.[53]

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[41] Christofides, L. (2012) EEO Review: Employment policies to promote active ageing: Cyprus. http://www.eu-employment-observatory.net/resources/reviews/Cyprus-EPPAA-Feb2012-final.pdf
[42] Eurostat (2013) Employment rate of older workers http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tsdde100
[43] Eurostat (2013) newsrelease euroindicators – Euro area unemployment rate at 12.2% http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/3-01072013-BP/EN/3-01072013-BP-EN.PDF
[44] Employment Observatory, Labour Department (2008) 'Employment in Cyprus - 2008' http://www.mlsi.gov.cy/mlsi/dl/dl.nsf/All/80A08D469D1E862FC2256DB0004B163A/$file/EMPLOYMENT%20IN%20CYPRUS%202008.pdf
[45] Eurofound (2007) 'Employment and labour market policies for an ageing workforce and initiatives at the workplace. National overview report: Cyprus.' http://www.eurofound.europa.eu/pubdocs/2007/0521/en/1/ef070521en.pdf
[46] Eurofound (2007) Ibid.
[47] Christofides, L. (2012) Ibid.
[48] Christofides, L. (2012) Ibid.
[49] Eurofound (2007) Ibid.
[50] Employment Observatory, Labour Department (2008) Ibid.
[51] Austin, M, J. and Droussiotis, A. (2004) 'Cypriot managers' perceptions of older workers in Cyprus', *European Business Review*., Vol. 16 Iss: 1, pp.80 - 92
[52] Eurofound (2007) Ibid.
[53] Christofides, L. (2012) Ibid.

Czech Republic

The Czech Republic's recession has been its longest on record. The $217 billion economy is suffering from shrinking demand with households and businesses cutting back on spending in response to government austerity measures.[54] As a consequence, businesses are letting go of workers. Employment rates amongst older people in the Czech Republic have, however, remained low. In 2011 the employment rate of 50-64 year olds was 59% - below the OECD average of 61.2%. Older employees were also concentrated in the 50-54 age group with only 25.8% of 60-64 year olds in employment.

This low employment rate amongst older workers in the Czech Republic is thought to have a number of causes. First, is the frequent use of early retirement schemes. Men can retire aged 63, women from the age of 59-63 according to the number of children they have had.[55] Second is the low level of qualification of older people compared to younger groups. More than 60% of people between the ages of 50 and 65 have attained no more than a lower secondary level of education. Amongst those aged 25-39 this figure stands at 49%.[56] Factors such as poor health and negative stereotyping of older people by employers are also believed to be keeping the older Czech population out of work.[57]

A number of actions have been taken by the Czech government to tackle these issues and to encourage and assist older people in working longer[58]:

- As of 2011, the minimum insurance period required for a pension entitlement has been increasing from 25 years to 35 years – the latter threshold will be reached in 2017.
- The right to receive a pension and an income at the same time was abolished in 2008.
- Changes to the Labour Code were introduced in 2012 to help increase flexibility in working hours and to reduce severance pay when someone has been employed for 2 years or less.
- State Labour Inspection Office was given additional powers in 2012 to enforce laws against age discrimination in the workplace.
- Employment Act of 2006 made it mandatory for unemployed persons aged 50 and over to have an individual action plan delivered through a counselling and career training programme.

Although these policies will encourage older people to put off retirement, little has been done to increase the employability of older workers – or create the jobs for them. Research by Svobodová and colleagues found great willingness amongst older people in the Czech Republic to learn and taken on new skills but also concluded that the opportunities to do so were limited with employers doing little to support older workers in getting training.[59] Little is being done to help improve the cultural perception of older workers and show their worth (skills, experience, and knowledge) to potential employers.

[54] Bloomberg. (2013, February 14). 'Czech Economy in Record-Long Recession as Austerity Bites'. Bloomberg: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_q&lang=en
[55] Doleželová, H. (n.d.) 'The problem of the employment of older people: Czech Republic'.
[56] Doleželová, H. (n.d.). Ibid.
[57] Doleželová, H. (n.d.). Ibid.
[58] OECD. (2012). 'OECD Thematic Follow-up Review of Policies to Improve Labour Market Prospects for Older Workers: Czech Republic' Paris: OECD.
[59] European Working Conditions Observatory. (2010). 'Lack of professional training and career advancement of older workers'. http://www.eurofound.europa.eu/ewco/2010/08/CZ1008019I.htm

Denmark

The Danish economy has continued to struggle since the global recession with an unemployment level that has trebled since 2008.[60] Older workers have, however, to some extent, been shielded; for those workers aged 55-59, the employment rate of 75.9% in 2010 was the second highest in the EU.[61] For those above the age of 60, the statistics also look good. In 2012 the unemployment rate for those aged 60+ was just 4.3% - significantly lower than the 6.2% rate for 55-59 year olds. This, however, is largely due to the Voluntary Early Retirement Pay Scheme (VERP) which workers become eligible to take once they reach the age of 60. Whilst, therefore, Denmark's rate of employment for those aged 60+ is quite low compared to the rest of Europe, its unemployment level seems favourable as many people remove themselves completely from the labour market once they reach the age of 60 and therefore feature in neither the employment or unemployment statistics.[62]

VERP works by offering a voluntary retirement at the age of 60, rather than at the official retirement age of 65. To qualify for early retirement, an employee must have been a part of unemployment insurance fund and paid into an early retirement scheme for at least 30 years. The scheme was designed to help support employees who were unable to continue working beyond the age of 60 because they had worked in physically demanding jobs.[63]

The Danish government needs to encourage people to continue working longer due to the shrinking size of its workforce a growing dependency ratio expected to reach nearly 45% by 2060.[64] For those unable to work due to disability, a senior disability retirement pension is being made available from the age of 62 onwards, regardless of whether one has paid into an unemployment insurance scheme.[65] In June 2006, the Danish government introduced the *Welfare Agreement* which will introduce a gradual rise in the age at which voluntary retirement becomes available by 6 months per year between 2019 and 2022. The official pension age will then rise at the same rate between 2024 and 2027. This will mean that by 2027, the official pension age will be 67.[66]

The Economic Council's review of the scheme has commended the Danish government for designing a programme which it says will undoubtedly help encourage older people to continue working.[67] The problem the government faces now, however, is a job shortage: encouraging older workers to remain in the labour market is going to increase unemployment as the Danish economy continues to struggle to generate jobs. When the reforms come into effect in 2014 there will, therefore, be an initial increase in unemployment.[68] Despite these findings, the Economic Council has recommended that Denmark continue with its plans – arguing that economic growth will ultimately mean that the initial strains will be outweighed by a burgeoning labour force once the economy starts to recover.

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[60] Bloomberg. (2013, April 5). 'Denmark Vows to Protect AAA Rating Amid Stimulus Plan'. Bloomberg: http://www.bloomberg.com/news/2013-04-04/danish-economy-shrank-less-than-estimated-in-fourth-quarter.html

[61] Madsen, P.K. (2012) 'EEO Review: Employment practices to promote active ageing: Denmark'. http://www.eu-employment-observatory.net/resources/reviews/Denmark-EPPAA-Feb2012-final.pdf

[62] Madsen, P.K. (2012) Ibid.

[63] European Industrial Relations Observatory. (2012, January 20). 'Retirement reform will make 25,000 unemployed'. http://www.eurofound.europa.eu/eiro/2011/12/articles/dk1112019i.htm

[64] Eurostat. (2012). Projected old-age dependency ratio. http://epp.eurostat.ec.europa.eu/tgm/graph.do?tab=graph&plugin=1&language=en&pcode=tsdde511&toolbox=type

[65] European Industrial Relations Observatory. (2012, January 20). Ibid.

[66] European Industrial Relations Observatory. (2012, January 20). Ibid.

[67] The Economic Council. (2012). 'The Danish Economy'. http://www.dors.dk/graphics/Synkron-Library/Publikationer/Rapporter/Efter%E5r_2011/Diskussionsopl%E6g/English%20summary%20E11.pdf

[68] European Industrial Relations Observatory. (2012, January 20). Ibid.

Estonia

Estonia is unusual in Europe in that it has seemingly avoided the worst of the economic travails afflicting the rest of the continent. In 2012 the economy grew by 3.2% overall[69], significantly higher than the European Union average of -0.3%.[70] Despite this growth in the economy, unemployment figures have been rising sharply in recent years. Older people in Estonia are very economically active meaning that they have been exposed to the huge fluctuations in employment patterns.[71] The unemployment rate of older workers in Estonia increased by more than 5% between 2000 and 2010 and by that year, at 16.2% Estonia had the highest unemployment rate in Europe amongst women aged 55-64.[72]

Estonia's relatively active older labour market is maintained through legislation which allows people to both receive an income and a pension on reaching retirement age.[73] Current trends still suggest, however, that Estonia will increasingly suffer from the problems of a growing old-age dependency ratio. Projections show that whilst there are currently 4 people of working age for ever retired person, in fifty years' time that will have shrunk to 1.8 workers per retired person.[74]

The Estonian government has therefore been keen to initiate policies aimed at keeping people in work for longer. First amongst these has been a move to increase the retirement age. At present the retirement age in Estonia is 63 for men and 60 for women.[75] The State Pension Insurance Act will gradually increase retirement age to 65 by 2026. This is expected to reduce public expenditure on pensions by 1.1%.[76] Secondly, the government has looked to address the issue of skills shortages amongst Estonian workers. Working culture in Estonia is characterised by loyalty: to a region, a profession, and an employer. Consequently, older workers do not have the wide-ranging skills or experience that would make them competitive in the job market.[77] The Estonia Unemployment Insurance Fund (EUIF) has therefore invested in mentoring and counselling schemes for older workers. A job mediation adviser works with each client to offer them job-search assistance and help in enrolling on training schemes. Analysis run by the EUIF using data from the Estonian Tax and Customs Board show that the training schemes offered to older workers had a positive impact on their employment chances. The scheme was shown to work most effectively for women and those in short-term unemployment.[78]

There are gaps, however, in Estonia's policy approach. There are no institutionalised structures designed specifically to deal with preventing early exit from the labour market and there are currently no policies in place to encourage those who have reached pensionable age to consider a return to the workforce.[79] At present no efforts are being made to create an age friendly culture amongst employers and the general population.

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[69] Focus Economics. (2013, March 11). 'Estonia – GDP'. http://www.focus-economics.com/en/economy/news/Estonia-GDP-Economic_growth_confirmed_in_the_fourth_quarter-2013-03-11

[70] Eurostat. (2013). Real GDP growth rates. http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&plugin=1&language=en&pcode=tec00115n

[71] European Commission. (2012) 'Peer Pes Paper – Estonia'. Brussels: European Commission.

[72] Eurofound (2012). *Employment trends and policies for older workers in the recession.* Brussels: European Foundation for the Improvement of Living and Working Conditions.

[73] European Commission. (2012) 'Peer Pes Paper – Estonia'. Brussels: European Commission.

[74] European Industrial Relations Online Observatory. (2010, May 24). 'New pension law to raise retirement age'. http://www.eurofound.europa.eu/eiro/2010/04/articles/ee1004019i.htm

[75] European Industrial Relations Online Observatory. (2010, May 24). Ibid.

[76] Mutual Learning Programme. (2012). 'Extending working life in Estonia: the need for coherent active ageing policy'. London: GHK Consulting.

[77] European Commission. (2012) 'Peer Pes Paper – Estonia'. Brussels: European Commission.

[78] European Commission. (2012) Ibid.

[79] Mutual Learning Programme. (2012). 'Extending working life in Estonia: the need for coherent active ageing policy'. London: GHK Consulting.

Finland

As a result of a heavy reliance on exports, employment levels in Finland are heavily influenced by the state of the global economy[80]. As a result, labour force participation of older workers in Finland fell to between 40 and 45% by the mid 1990s[81]. The economic recession of the early 1990s was very severe and pushed older workers out of employment whilst a generous social security system encouraged early retirement. More recently, the employment rate of older workers has climbed to 58.2% by 2012[82], over both the EU and OECD averages. The current (2013) unemployment rate in Finland is at 8.4 %, below the EU average[83] and the employment levels of older people have increased more than employment overall.[84] However, older workers are often over-represented among those made redundant.[85] And whilst Finland is doing relatively well in terms of employment levels they fall behind other Nordic countries in relation to the employment rate of older people (particularly older women).[86]

Reforms to the pension system over the past 10 years have increased the financial incentive for individuals to postpone retirement.[87] Flexible retirement ages are now available through a new pension scheme, which incentivises staying in work longer with a stepwise increasing accrual rate (1.5 % up to the age of 53, 1.9 % between 53–62 years and 4.5 % between 63 and 68).[88] The Finnish Government went further towards the end of the decade when, in 2009, they Government linked pension benefits to a life expectancy coefficient. The Government has set out plans to raise the effective retirement age to at least 62.4 years by 2025[89] with current projections suggesting this target will be met.[90]

Between 1995 and 2005, the labour market participation of older men (55-64) increased by over 12%. Economic growth was one reason for the growth, but not the only one. The 'National Programme on Ageing Workers' (1998 to 2002) sought to keep older people in the workforce for longer and included around 40 policy interventions targeted at individuals and employers. The programme included information campaigns; increased access to vocational training; initiatives to improve health and safety; and investment in the rehabilitation older workers.[91]

There have been a variety of schemes put in place to support older workers. E.g. the Finnish Government has invested in the KESTO-program through the Finnish Institute of Occupational Health which built up a database for research on extending working life[92] alongside other actions aiming to 'lengthen working careers and enhance the attractiveness of working life'.[93] The Work Ability Index, also developed by the Finnish Institute of Occupation Health is aimed at employers to demonstrate various adjustments and interventions which could be

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[80] Jokinen, E. (24–25 May, 2012) 'Extending working life straightforwardly – an option for Finland too? Peer Review on "Extending Working Life: The tripartite cooperation and the role of the Center for Senior Policy"'
[81] Sigg, R. & De-Luigi, V. (2007) 'The success of policies aimed at extending working life', International Social Security Association.
[82] Eurostat (2013) Employment rate of older workers http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tsdde100
[83] Eurostat (2013) newsrelease euroindicators – Euro area unemployment rate at 12.2% http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/3-01072013-BP/EN/3-01072013-BP-EN.PDF
[84] Jokinen, E. (24–25 May, 2012) 'Extending working life straightforwardly – an option for Finland too? Peer Review on "Extending Working Life: The tripartite cooperation and the role of the Center for Senior Policy"'
[85] Jokinen, E. (24–25 May, 2012) 'Extending working life straightforwardly – an option for Finland too? Peer Review on "Extending Working Life: The tripartite cooperation and the role of the Center for Senior Policy"'
[86] Jokinen, E. (24–25 May, 2012) 'Extending working life straightforwardly – an option for Finland too? Peer Review on "Extending Working Life: The tripartite cooperation and the role of the Center for Senior Policy"'
[87] Sigg, R. & De-Luigi, V. (2007) 'The success of policies aimed at extending working life', International Social Security Association.
[88] European Industrial Relations Observatory online (2013) 'Finland: The role of government and social partners in keeping older workers in the labour market' http://www.eurofound.europa.eu/eiro/studies/tn1210012s/fi1210011q.htm
[89] European Commission (2012) 'White Paper: An Agenda for Adequate, Safe and Sustainable Pensions'
[90] Jokinen, E. (24–25 May, 2012) 'Extending working life straightforwardly – an option for Finland too? Peer Review on "Extending Working Life: The tripartite cooperation and the role of the Center for Senior Policy"'
[91] Sigg, R. & De-Luigi, V. (2007) 'The success of policies aimed at extending working life', International Social Security Association.
[92] Jokinen, E. (24–25 May, 2012) Extending working life straightforwardly – an option for Finland too? Peer Review on "Extending Working Life: The tripartite cooperation and the role of the Center for Senior Policy"
[93] European Working Conditions Observatory (2010) 'Absence from work – Finland' http://www.eurofound.europa.eu/ewco/studies/tn0911039s/fi0911039q.htm

made to support older workers, such as training, environmental improvements, promotion of wellbeing and matching skills to work demand.[94]

Other examples of initiatives to extend working lives include[95]:

- Respect for the Ageing Programme – developing the health, work ability, and wellbeing of the ageing – 1990-1996, led by the Finnish Institute for Occupational Health
- Committee on Ageing – 1996, under the Ministry of Labour
- Coping at Work – 2000-2003, led by the Ministry of Labour
- Finnish Workplace Development Programme (TYKES) – 2004-2005, Ministry of Labour
- VETO: Programme for promoting the attractiveness of work-life – 2003-2007, Ministry of Social Affairs and Health;
- NOSTE: Programme for uplifting the competency of working adults – 2003-2007, Ministry of Education

The European Commission has asked Finland to take measures to improve the employability of older workers and increase their participation in lifelong learning. They have encouraged action to encourage older workers to stay in the labour market. They have also called for consideration of a link between the statutory retirement age and life expectancy.[96]

[94] Finnish Institute of Occupational Health (2011) 'Work Ability Index' http://www.ttl.fi/en/health/wai/pages/default.aspx
[95] TAEN (2007) 'Managing the Ageing Workforce: an introductory guide to age management for HR professionals'. http://www.esfage.eu/sites/esfage/files/attachments/TAEN_Guide_to_Age_Management_Sept_07.pdf
[96] European Commission (2012) 'White Paper: An Agenda for Adequate, Safe and Sustainable Pensions'

France

With 10.9% of its population currently unemployed, France is level with the European Union average for unemployment (a statistic which is skewed upwards by the current level of unemployment in Spain (26.5%)).[97] This has not helped France in its efforts to boost the number of older workers in employment – a figure which already fell well below the average for the European Union. In 2010 the percentage of 55-64 year olds in employment in France was 39.7% - the average at the time for the EU27 was 46.3%.[98]

France has been working hard in recent years to boost the number of older people in its workforce. Policies have included[99]:

- Restricting early retirement in the public sector
- Increase in taxes between 2007-2008 for firms that made use of early retirement schemes
- Liberalisation of systems allowing simultaneous employment and pensions
- Increase in the compulsory age of retirement from 65 to 70

As a consequence of these policies a significant growth in the older workforce has been reported in France. Employment rate of male workers aged 60 to 64 almost doubled between 2000 and 2010 from 11.1% to 20.2%. The employment rate for women also rose rapidly from 10.3% to 17.7% in 2000-2010.[100]

These successes have led the OECD to urge France to continue with a business as usual approach and pursue policies that reduce the possibility of early retirement. The organisation is particularly praising of plans to increase the statutory age of retirement from 60 to 62 and age of full pension entitlement from 65 to 67 between 2011 and 2017.[101] It also strongly favours the gradual retirement scheme which allows workers to reduce their working hours on reaching 60 (62 in 2017) and receive a proportion of their pension in return. The problem, however, is that very few workers are taking this option as it requires them to reach a mutual agreement with their employer who is required to approve their reduction in working hours. The OECD argues that more should be done to help employees in their negotiations with employers and thus make gradual retirement a more attractive and accessible option.[102]

Further work is needed however. A paper by Forette, Salord, and Brieu for the ILC-France has highlighted the problem of care for older people in France. With one million frail older people requiring long-term care in France there are calls for a focus on preventative care and improved public health messaging to help people stay healthier – and therefore able to work – for longer.[103] There is also a worrying problem in France of a lack of training for workers: the provision of training even for young workers is especially low. Whereas the in the UK (22.8%), Finland (18%), and the Netherlands (12.8%) a relatively high proportion of 50-64 year olds could report having received job-related training in 2002, just 5.1% of workers in that age category could say the same in France.[104] Greater on-the-job training will need to be offered in France to equip employees so that they can work longer.

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[97] Eurostat (2013) Unemployment rate by sex and age groups - quarterly average, % http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do?dvsc=9.
[98] Eurofound (2011) 'Older workers and employment'.
[99] Eurofound (2011) Ibid.
[100] Eurofound (2011) Ibid
[101] OECD (2012) 'OECD Thematic Follow-up Review of Policies to Improve Labour Market Prospects for Older Workers: France'
[102] OECD (2012) Ibid.
[103] Forette, F., Salord, J.C. and Brieu, M,A. (2008) 'Living Longer, Working Longer: A French Challenge', Paris: International Longevity Centre-France.
[104] Forette, F., Salord, J.C. and Brieu, M,A. (2008) Ibid.

Germany

Unusually across Europe, Germany experienced economic growth in the first quarter of 2013 – though only at a rate of 0.1%. Nonetheless, this has helped to keep Germany out of recession and allowed it to maintain its position as one of the healthiest economies in Europe.[105] In the past two decades, Germany has proved itself particularly effective in encouraging people to work longer. The rate of labour force participation of Germans aged 60-64 has more than doubled since 1992 to a rate of 44.2%.[106] Nonetheless, the demographic pressures in Germany will still require more people to work for longer. By 2030 the working age population is expected to have fallen from 50 million today to 42 million.[107]

As with many European countries, the country has introduced a progressive increase to the retirement age – by 2029 it will have increased from 65 to 67 years old. Benefit payments to early retirers have also been reduced so that claiming a pension before the age of 65 now results in a cut in benefits of 0.3% per month of early retirement.[108] The retirement age for workers with an assessed degree of disability has also been increased from 60 to 62.[109] These reforms have undoubtedly worked to increase the average work exit age: between 2006 and 2009 the average exit of women increased from 61.6 years to 61.9 and the average exit of men increased from 62.1 to 62.6 years.[110]

Gaps remain in the German approach however. Germany scores average marks for its formal and non-formal education of 55-64 year olds (and, indeed, of 35-44 year olds) – with around 28% of 55-64 year olds receiving education in 2007 Germany was far behind Sweden on 60%. In order to increase the education and training opportunities available to older workers, the German government intends to introduce greater flexibility to working time and open up more sabbaticals for its older workforce. The government has also introduced a programme called "WeGebAU" which offers subsidised training for 45+ year olds working in SMEs.[111]

In addition, the government has implemented a number of demand-side strategies to encourage employees to hold on to older workers for long. These include:

- Wage subsidies for recruiting older workers – uptake increased from 38,400 in 2007 to 51,500 in 2010[112]
- Job creation for long-term unemployed aged 58+[113]
- "Perspective 50 Plus" programme which has introduced regional employment pacts for older workers which aim to involve all appropriate regional and local actors to develop strategies for providing more and better employment for older workers[114]

[105] RTE News, (2013, May 15th) 'German economy returns to modest growth' http://www.rte.ie/news/business/2013/0515/392320-germany-economy/
[106] DW (2012, August 6th) 'Germany employs more older workers' http://www.dw.de/germany-employs-more-older-workers/a-16147223
[107] Duell, N. and Vogler-Ludwig, K. (2012) "EEO Review: Employment policies to promote active ageing: Germany" http://www.eu-employment-observatory.net/resources/reviews/Germany-EPPAA-Feb2012-final.pdf
[108] Duell, N. and Vogler-Ludwig, K. (2012) Ibid.
[109] Duell, N. and Vogler-Ludwig, K. (2012) Ibid.
[110] Duell, N. and Vogler-Ludwig, K. (2012) Ibid.
[111] Duell, N. and Vogler-Ludwig, K. (2012) Ibid.
[112] Duell, N. and Vogler-Ludwig, K. (2012) Ibid.
[113] Frerichs, F. (2006) 'Labour market policies for older workers: Great Britain and Germany compared' http://www.sektion-altern.de/shareddocs/presentations/frerichs.pdf
[114] Forum Partnerships (2006) 'Perspective 50 Plus: Employment pacts for older workers in the regions' http://www.oecd.org/cfe/leed/37729545.pdf

Greece

The plight of the Greek economy over the past five years has been well documented. As a result of a debilitating debt crisis, GDP has shrunk 20% since 2007 and output is expected to fall by a further 4.4% this year. Unemployment has soared to 26.8% - currently only just behind Spain at 26.9%.[115] From 2000 to 2008 employment rates amongst those aged 55 and above in Greece had been on the increase but once the full-force of the financial crisis hit, unemployment began to rise. From 54.6% in 2008, the employment rate amongst the 55-59 age group fell to 53.9% in 2010 (although falls in older worker participation have been less than those of 'prime-age' workers). The fall in employment levels has a pronounced gender divide with older men more likely to remain in employment than older women – largely due to the cohort effect of women having participated less in the labour force when they were younger.[116]

Currently, there are two major obstacles to the participation of older people in the labour market. Firstly, chances of re-employment for the unemployed decreases as people pass the age of 55. Secondly, older people are poorly represented on life-long learning training courses. The 2008 the proportion of older people enrolled on life-long learning courses was just 0.4% compared to 7.2% for the 25-34 age group.[117]

An important step was taken by in 2010 by the Greek government to encourage working longer with the implementation of reforms to the pension system, including[118]:

- Introduction of a statutory retirement age for men and women of 65;
- Creation of an automatic adjustment mechanism that will kick-in in 2020 and will incrementally increase the statutory retirement age in line with increases in average life expectancy;
- Reduction of pensions benefits for those entering retirement between the ages of 60 and 65;
- Change to pension allowance calculation so that it is based on average earnings over a whole lifetime rather than the 5 years prior to retirement.

A series of demand-side policies have also been introduced through the Social Partners Fund. Firstly, employers are offered subsidies for employing older workers – specifically those five years away from retirement. Older workers are also offered protection from dismissal on age-grounds and firms can avoid paying social security contributions in exchange for keeping jobs open for older workers. Private sector firms can also benefit from a Manpower Employment Organisation (OAED) scheme which encourages them to hire and train registered unemployed workers currently receiving benefits, in exchange for receiving the full amount of benefits that the beneficiary is entitled to.[119]

These policies will undoubtedly provide an incentive to hire older workers but it can only be a short-term solution: older people need to be given the skills necessary to make them competitive in the job market in their own right and help to contribute to the Greek economy. At present, however, little has been done on long-term training to ensure that older people are prepared for new employment opportunities as the country seeks to move over from an economy dominated by employment in primary industries to one characterised by tertiary and service industries.[120] Nor have any substantial efforts been made to encourage a cultural change in the perception of

[115] Eurostat (2013) newsrelease euroindicators – Euro area unemployment rate at 12.2% http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/3-01072013-BP/EN/3-01072013-BP-EN.PDF
[116] Karantinos, D. (2012) 'EEO Review: Employment policies to promote active ageing: Greece'. http://www.eu-employment-observatory.net/resources/reviews/Greece-EPPAA-Feb2012-final.pdf
[117] Karantinos, D. (2012) Ibid.
[118] Karantinos, D. (2012) Ibid.
[119] Karantinos, D. (2012) Ibid.
[120] Warwick University. (2000) 'Factors Affecting Retirement: Greece'. Coventry: Department for Educaton and Employment.

older workers. Research has shown that employers in Greece tend to view age as an inhibitor to productivity, rather than seeing the benefits that experience and knowledge can bring.[121]

[121] van Dalen, H. P., Henkens, K., & and Schippers, J. (2008). 'Dealing with older workers in Europe: a comparative survey of employers' attitudes and actions'. Tiburg: Tiburg University Press

Hungary

Hungary has seen comparatively lower levels of employment across all age groups, with Eurostat figures showing older employment (ages 55-64) rates at 36.9% (compared to 48.9% for the EU27).[122] Data from the OECD from 2011[123] indicates an effective retirement ages were 60.4 for men and 57.3 for women, well below the statutory retirement ages (at that time 63). The Hungarian Government has put steps in place to raise the statutory retirement age, rising sharply up to age 65 for both sexes by 2022. Age management policies a relative state of infancy, with much more emphasis being placed on getting younger workers into the labour market. Like other states that moved over to a market economy in the 1990s, and early retirement pushes as a means of making that transition, the legacy of early retirement and a lack of support for older workers remains.[124]

Various changes have been made to incentivise working longer and, crucially, taking a pension later. Pensions are a big political issue in Hungary, and the generous pension and pension benefits system has taken much criticism in light of its size as a proportion of spending - amounting to approximately a fifth of all centralised income as of 2010, not including the potential tax and contribution losses from early retirers[125] - at a time when the country is in a large amount of debt. Steps taken to counter early retirement include measures to increase the number of contribution years needed to receive a pension, removal of disability pensions, and taxes on pension income from 2013 onwards. Progress on removing incentives to take early retirement may be short lived, however. As an election looms in 2014, consideration has been given to reintroducing the 13 month pension system (removed in 2009[126]) as a lure for older voters.

The idea of what constitutes an 'older worker' is varies slightly in Hungary, with the generally accepted age of retirement relatively young. A survey of employers from five European countries in 2010 found large numbers of employers opposed to the idea of employees working even past 60, let alone 65 (the soon-to-be statutory retirement age).[127] However, some varied findings on social attitudes towards older workers in Hungary paint a complex picture. The same survey found that Hungarian employers were more positive towards older workers than in the other countries surveyed.[128] However, other survey findings have shown that in Hungary, age discrimination in employment is quite common, and a bigger issue than gender discrimination.[129] While activity of older women is increasing, inactive women still tend to be older, and less skilled.[130] The focus on younger rather than older workers can be seen in the vastly different participation rates of these groups in e.g. lifelong learning, with 15.8% of the 25-34 age group participating in job-related education and training, compared to only 2.5% of the 55-64 age group.[131]

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[122] Eurostat (2013) Employment rate of older workers http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tsdde100

[123] OECD (2011) Statistics on average effective age of retirement http://www.oecd.org/insurance/public-pensions/ageingandemploymentpolicies-statisticsonaverageeffectiveageofretirement.htm

[124] Eurofound (2012) Employment trends and policies for older workers in the recession.

[125] Cseres-Gergely, Z. (2012) Employment policies to promote active ageing: Hungary http://www.eu-employment-observatory.net/resources/reviews/Hungary-EPPAA-Feb2012-final.pdf

[126] Cseres-Gergely, Z. (2012) Ibid.

[127] van Dalen, H.P., Henkens, K., Henderikse, W. and Schippers, J. (2010) 'Do European employers support later retirement?', *International Journal of Manpower*, Vol. 31 Iss: 3, pp.360 - 373

[128] van Dalen, H.P. et al. (2010) Ibid.

[129] Kelly Services (2006) Kelly Global Workforce Index Survey results http://www.kellyservices.hu/HU/About-Us/Workplace-discrimination-in-Hungary-amongst-the-highest-in-Europe-with-older-workers-facing-new-hurdles/

[130] Fodor, E. (2005) 'Increasing female employment rates through flexible work arrangements: the case of Hungary: Statements and Comments' http://www.mutual-learning-employment.net/uploads/ModuleXtender/PeerReviews/70/HU_Fodor.pdf

[131] Eurostat (2009) 'Significant country differences in adult learning' http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-SF-09-044/EN/KS-SF-09-044-EN.PDF

Ireland

In 2010 Ireland received an €85bn rescue package to save its embattled economy.[132] Three years on and the country is making a steady recovery. Ireland continues to be boosted by its low corporate tax rate which is allowing it to attract foreign direct investment which is not only bringing money to the country but also creating new jobs. GDP grew by 0.4% in 2012 – slow, but significantly better than the continuing deep recessions in Italy and Spain.[133] The benefits of this growth have not yet trickled down to the population at-large, however. Unemployment remains at 14%[134] - giving Ireland the 5th highest unemployment rate in the European Union[135], and unemployment amongst older workers also remains high. In 2011 the employment rate for the population aged 50-64 in Ireland was 1.7% lower than in 2005 and 4.2% below the OECD average[136], although overall it has increased over the last decade (from 54.3% to 57.1% between 2001 and 2011).[137]

More will need to be done in Ireland to increase the number of older workers – projections from the Central Statistics Office suggest that by 2046 there will be 560,000 more older people than young in Ireland.[138] Actions have been taken[139]:

- Legislation introduced in 2011 to increase state pension to 66 in 2014 eventually scaling up to 68 in 2028
- Minimum paid contribution requirement is being increased from 5 years to 10 years
- Increased weekly income that can be received with a pension to €200 in 2007.
- In 2007 the Pre-Retirement Allowance for those aged 55+ was discontinued
- Employment Rights Rule Book produced in 2010 to promote the rights of older people with respect to age discrimination
- National Skills Strategy launched in 2007. Its aim is that by 2020 an additional 200,000 individuals will be required to go up one level on the National Framework of Qualifications. The National Training and Employment Agency is providing modular training courses for workers
- Labour Market Activation Fund began in 2010. It is designed to promote innovative market led activation measures for improving the employability of jobseekers by providing skilling and re-skilling courses.

Gaps remain in the programme however. A report by Stratton and Lundstrom highlights a number of these[140]:

- Continued culture of ageism amongst employers
- Employment rates of older people increased in low-skilled jobs but not higher-skilled professions
- Less well educated jobseekers still reluctant to go back intro training
- Reluctance of employers to hire an executive aged 45+.

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[132] BBC News (2010, November 28th) 'Irish Republic 85bn euro bail-out agreed' http://www.bbc.co.uk/news/world-europe-11855990
[133] The Economist, (2013, January 5th) 'Fitter yet fragile' http://www.economist.com/news/finance-and-economics/21569049-irelands-success-attracting-foreign-investment-has-its-drawbacks-fitter-yet?zid=295&ah=0bca374e65f2354d553956ea65f756e0
[134] Trading Economics (2013, May 29th) 'Ireland Unemployment Rate' http://www.tradingeconomics.com/ireland/unemployment-rate
[135] Eurostat, Unemployment rate by sex and age groups - quarterly average, % http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do?dvsc=9.
[136] OECD (2012) 'OECD Thematic Follow-up Review of Policies to Improve Labour Market Prospects for Older Workers: Ireland'
[137] OECD (2012) Ibid.
[138] Central Statistics Office (2013) 'Population and Labour Force Projections 2016-2046', Central Statistics Office: Dublin.
[139] OECD (2012) Ibid.
[140] Stratton, D. and Lundstrom, F. (2007) 'Older Workers and Employment Agencies in Ireland', Department of Enterprise, Trade and Employment: Dublin.

Italy

After a humdrum election and the appointment of Enrico Letta as Prime Minister, Italy now faces a struggle to put its economy back on track. The problem for Italy's workers is that the recession has caused the collapse of many of Italy's central industries. Every day, 167 retail units are closing, and since the start of 2013 the country has lost over 31,000 companies.[141] As a result, the unemployment rate in Italy is currently at 11.5% - increasing by 50,000 between February and March 2013.[142]

The country has been taking steps to try and encourage people to work longer.[143]

- From 2008 it has been possible for workers who have reached the minimum limit of contributions to combine pension income with work income.
- Increased flexibility in retirement age in 2012. Age was established at between 66 and 70 for men. Minimum retirement age for women is 62 but will be increased to 66 by 2018.
- Since 2009 employers who hire older workers who have paid in 35 years or more of social security receive a mobility allowance benefit from a reduction in their social security contribution per worker.
- Public grants made available to companies who hire managers aged 50+
- In 2010 guidelines were established to revitalise vocational training.

As a result of these reforms, the employment levels of older workers have increased. In 2001 whilst just 40.2% of people aged 50-64 in Italy were in employment that rose to 49.6% in 2011.[144]

One of the areas where Italy falls short (as with many European countries) is in tackling the culture of age discrimination. Italy has not implemented fully the European Directive on Age Discrimination and the OECD has criticised the Italian government for failing to improve working conditions in Italy to make them more accessible for older workers.

As with other European countries, overcoming stereotypes will be key to encouraging longer working in Italy. A paper by Lazzazara found "overwhelming evidence of age discrimination against older workers" in Italy.[145] It argues that there is an assumption that increasing training opportunities for older workers will overcome this, but low uptake of training places and continued discrimination by employers means that they bear little fruit. In addition, Italy falls far behind in the employment of older women – and women generally. Italy has one of the lowest employment rates for older women in the EU. The result is not only are they unable to support the national economy, but their average wealth is only just above the national median.[146] Targeted campaigns to overcome the stereotypes against older people generally and women in particular will be needed, coupled with supply-side policies that help these groups feel valued, motivated, and suitably skilled to re-enter or prolong their stay in the national workforce.

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[141] Orsi, R (2013, April 23rd) 'The Quiet Collapse of the Italian Economy', The London School of Economics http://blogs.lse.ac.uk/eurocrisispress/2013/04/23/the-quiet-collapse-of-the-italian-economy/

[142] Trading Economics (2013, 30th April) 'Italy Unemployment Rate Steady at 11.5% in March' http://www.tradingeconomics.com/italy/unemployment-rate

[143] OECD (2012) 'OECD Thematic Follow-up Review of Policies to Improve Labour Market Prospects for Older Workers: Italy'

[144] OECD (2012) Ibid.

[145] Lazazzara, A. and Bombelli, M,C. (2011) 'HRM practices for an ageing Italian workforce: the role of training', *Journal of European industrial training*, 35(8), 808-825.

[146] Social Situation Observatory (2010) 'Wealth and labour force participation of older women' http://www.socialsituation.eu/monitoring-report/wealth/wealth-and-active-participation-of-elderly-women

Latvia

While its population is ageing at a similar rate to the rest of the EU, Latvian life expectancy still lags behind other countries and its own state retirement age. The recession has had a particular impact on rates of older workers in Latvia, with older workers aged 55-64 and 65-74 making up only 13.1% and 2.3% of all employees, respectively[147] in 2010. Latvia has particular issues with long term unemployment of older people[148] and are reportedly experiencing worse unemployment as a result of the economic recession, compared with younger age groups where unemployment rates have stabilised or fallen.[149] A lack of demand for labour (such as contraction in the construction industry affecting male employment in particular), and pension law changes have been suggested as cause for this decline.[150]

Despite this, figures for rates of employment of the 65-74 age group compare favourably to the rest of the EU, with 9.7% of this group in employment compared to 7.9% average from 2011.[151] However, economic necessity is the likely cause of these rates, rather than extended healthy and active ageing. Latvian over 65s are at particular risk of poverty, and older workers eligible for pension payments are allowed to claim alongside receiving a full salary, reportedly to protect this group from poverty.[152]

Targeted approaches to support the older working population in Latvia have not been a key focus, as employment for this group was on the rise between 2001 and 2007.[153] However, some more general laws on employment have an impact on older workers. E.g. the Labour Law enshrines measures such as prioritising the safety of workers with less than five years until state pension age in redundancies; linking redundancy payments to length of service, as well as general age discrimination law.[154] Options for early retirement have been curtailed, and those taking early retirement have had the pension rates they receive cut from 80% to 50%.[155]

Elsewhere, investment in unemployment benefits, while not focussed on older people, has led to an increased uptake in 'supportive, informal, professional and vocation education programmes' by the over-50s.[156] Latvia has also adopted the EU policy guidelines on lifelong learning alongside planning improvements in the legislation and further investment in the lifelong learning system, although on this progress is ongoing.[157]

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[147] Eurofound. (2011) Impact of the recession on age management policies http://www.eurofound.europa.eu/pubdocs/2011/753/en/1/EF11753EN.pdf
[148] Eurofound (2013) Role of governments and social partners in keeping older workers in the labour market http://www.eurofound.europa.eu/pubdocs/2013/23/en/1/EF1323EN.pdf
[149] Eurofound. (2011) Ibid.
[150] I Eurofound. (2011) Ibid.
[151] Eurofound (2013) Role of governments and social partners in keeping older workers in the labour market http://www.eurofound.europa.eu/pubdocs/2013/23/en/1/EF1323EN.pdf
[152] Ibid.
[153] Eurofound. (2011) Impact of the recession on age management policies http://www.eurofound.europa.eu/pubdocs/2011/753/en/1/EF11753EN.pdf
[154] Eurofound. (2011) Ibid.
[155] Eurofound. (2011) Ibid.
[156] Eurofound. (2011) Ibid.
[157] Dimdins, G. (2007) Increasing Employment of Older Workers Through Lifelong Learning: Statements and Comments. http://www.mutual-learning-employment.net/uploads/ModuleXtender/PeerReviews/32/Latvia_IS07.pdf

Lithuania

Lithuania's economy offers a startling contrast to much of Europe. Whilst the average GPD growth rate across the EU in 2012 was stuck at -0.3%, the Lithuanian economy grew at a rate of 3.7%.[158] Although this growth has not yet had the desired knock-on effects on the labour market. Lithuania's official unemployment rate climbed to 12.4% in February 2013 from 11.4% in December.[159] Currently, however, Lithuania boasts an above average labour activity rate compared to the rest of Europe. Amongst those aged 55-59 in Lithuania just 26% are inactive compared to the EU average of 34.3% and in the 60-64 age range Lithuania edges the EU again with a 63.5% inactivity rate compared to 67.6%.[160] Despite this promising signs, problems do still exist; the country also experienced a decline in the employment rate for those aged 55+ as a result of the global recession.

The Lithuanian government has made moves to tackle these problems and make it more financially appealing for workers to remain in work longer[161]:

- The December 2009 Law on the Recalculation of Social Benefits reduced state pensions, social insurance old age pensions, and early old age pensions
- Amendment to the Law on State Social Insurance Pensions came into effect in Lithuanian in January 2012. This has set in motion a gradual increase in the statutory retirement age from 62.5 (men) and 60 (women) to 65 (both) by 2026
- Changes to the law introduced in January 2012 restricted early retirement to those with not more than 5 years left until old age retirement, who have paid into state social insurance for at least 30 years, and who are not in receipt of any other benefits.

However, there are still few opportunities for workers to participate in life-long learning, there are no vocational services available for older people, workplace conditions are not adapted for older people, negative stereotyping of older workers persists, and the current pension scheme is still structured so as to encourage early retirement.[162] According to Eurostat, just 0.6% of total individuals aged 55-74 were involved in training or education in Lithuania in 2010.[163] There are no special working conditions written into Lithuanian law to support older workers research showing a significant link between older people remaining in work and the quality of their working conditions.[164] Lithuanian law does provide a legal-base for working part-time or flexible hours but this is rarely enforced so that in 2010 just 8% of Lithuanian workers were working part-time.[165]

In response, the Lithuanian government set up in January 2012 the Programme for the Activity of Older People and Solidarity between Generations. This aims to promote opportunities for better education for older people and to develop solidarity between generations through public awareness and sharing of best practice in terms of welcoming older people into the labour market.[166] Such policies offer a positive way forward for encouraging longer-working in Lithuania but they are currently in their infancy.

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[158] Eurostat (2013) Real GDP growth rates http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&plugin=1&language=en&pcode=tec00115n
[159] Global Post (2013, March 7th) 'Lithuania official unemployment climbs to 12.4%' http://www.globalpost.com/dispatch/news/afp/130307/lithuania-official-unemployment-climbs-124-percent
[160] Gruzevskis, B. (2012) 'EEO Review Employment policies to promote active ageing: Lithuania' http://www.eu-employment-observatory.net/resources/reviews/Lithuania-EPPAA-Feb2012-final.pdf
[161] Gruzevskis, B. (2012) Ibid.
[162] Gruzevskis, B. (2012) Ibid.
[163] Gruzevskis, B. (2012) Ibid.
[164] Eurofound (2011) 'Volunteering by older people in the EU', European Foundation for the Improvement of Living and Working Conditions: Dublin. http://www.eurofound.europa.eu/pubdocs/2011/34/en/1/EF1134EN.pdf
[165] European Commission (2012) 'European Employment Observatory Review: Employment Policies to Promote Active Ageing 2012'.
[166] European Commission (2012) Ibid.

Luxembourg

The previously industrial base to the Luxembourg economy has declined markedly since the 1970s – replaced by service industries dominated by banking. This has left Luxembourg in a precarious and volatile position when the financial crisis struck in 2008.[167] Currently, at least, Luxembourg's economy is witnessing slow growth – the average for 2012 was 0.2%.[168] At 5.5%, the unemployment level in Luxembourg is half the average for the European Union.[169] Employment of older people in Luxembourg is 7.5% below the average for the OECD however.[170]

The country has been taking important strides to help encourage longer working[171]:

- As of 2011 although the legal age of retirement has remained the same (65[172]) but the amount has been adjusted to benefit those who choose to work for longer
- Labour-related aspects of the European Directive on Age Discrimination were transposed into the Labour Code in 2006
- Creation of an agency in 2012 to review working conditions and raised awareness of their importance with employers
- Public Employment Service reformed in 2009 so that it no longer simply manages unemployment but also promotes employment opportunities for its clients
- "Fit4job 45+" was launched in 2010. This provides close proactive supervision of persons who have lost their jobs and offering them tailor-made training.

There is a feeling, however, that Luxembourg needs to do more to reform its pension system. The burgeoning private sector pensions system has largely masked the need for reform in response to demographic pressures. The latest round of reforms came into effect in January 2013 have made very little difference to the pensions bill in Luxembourg. With pension levels significantly higher in Luxembourg than in neighbouring countries, questions remain over the sustainability of a system that relies on significant levels of economic growth.[173]

[167] University of Luxembourg (2013) 'Luxembourg economy' http://wwwen.uni.lu/welcome_to_luxembourg/facts_and_figures/luxembourg_economy
[168] IndexMundi (2013, February 21st) 'Luxembourg Economy Profile 2013' http://www.indexmundi.com/luxembourg/economy_profile.html
[169] Eurostat, Unemployment rate by sex and age groups - quarterly average, % http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do?dvsc=9.
[170] OECD (2012) 'OECD Thematic Follow-up Review of Policies to Improve Labour Market Prospects for Older Workers: Luxembourg'
[171] OECD (2012) Ibid.
[172] International Benefits Network (2013) 'Luxembourg – An Overview of Employee Benefits' http://www.intlben.com/country-profiles/luxembourg-employee-benefits-state-mandatory-private-pension-plans-taxation.pdf
[173] Pension Consulting and Management International (2013, January) 'Pension reform from 1 January 2013 a reality in Luxembourg', PECOMA http://www.pecoma.lu/cms/upload/PECOMA_Newsletter_Pension_reform_01.01.13_English.pdf

Malta

Although the global financial crisis did not spare Malta, the country was one of the least effected by the downturn. Though its tourism industry was hit-hard, Maltese banking largely weathered the storm so that in 2009 GDP contraction was limited to 1.9%. As a result of Malta's steady recovery, the country's unemployment figures remain low. At 6.6% unemployment in the first quarter of 2013 Malta registered the 4th lowest unemployment level in the European Union.[174]

This is partly due, however, to withdrawals from the workforce. The employment rate in Malta is 8.8% lower than the EU average and the gap increases further (to 11.6%) among 55-59 year olds and grows larger still (to 16.3%) for those aged 60-64. There is also a significant gender divide in Malta. While 74.6% of males in the 55-59 age group are in employment, the figure shrinks to 22.5% for women. The main reason for this withdrawal from the workforce (generally and also specifically for women) is not due to retirement but a culture in which families are the main care units for the old, young, or disabled. Many of those who are out of work are not looking to re-enter the workforce due to their care responsibilities. Unless changes are made to Malta's care and labour laws, the number of people exiting the workforce to care for friends and relatives will increase as the population continues to age. The size of the Maltese population aged 55 years and older increased by 1.2% between 2008 and 2010, double the EU average increase.[175]

In response to this ageing population, the Maltese government have introduced a number of reforms[176]:

- In January 2007 the minimum retirement age was increased from 60 years for women and 61 for men to between 62 and 65 for both men and women
- Two further pension reforms were disrupted by the impact of the financial crash. These were to make private pensions compulsory and allow for the setting up of voluntary pension schemes. The government's postponement over these reforms has been criticised
- University of Malta has been encouraged to accept more mature students through the growth of part-time evening courses
- Employment and Training Corporation (ETC) provides training for unemployed persons aged 40+. There appears to have been a low uptake of these schemes however
- Community Technology Learning Centres (CTLCs) are being developed into centres of life-long ICT, literacy, numeracy, and business skills learning
- As of 2008 workers of pensionable age under the 65 are able to work without losing pension entitlements. As of 2011, over 10,000 pensioners were still working and receiving a pension thanks to this scheme
- ETC has developed a scheme for subsidising employers who employ persons aged 40 and over
- Publicity campaigns have been launched to promote active ageing. These promote the qualities of older workers and encourage older workers to improve their employability through lifelong learning.

As with other countries across Europe, analyses of Malta's existing strategies for encouraging longer working focus on the need for a mentality change both amongst employers and potential employees. Not only do employers continue to see older workers as a liability – the government has recently continued to encourage early retirement schemes to facilitate privatisation. The government of Malta is currently the country's largest employer but they themselves are not offering extensive life-long training for their employees.

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[174] Eurostat, Unemployment rate by sex and age groups - quarterly average, % http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do?dvsc=9.

[175] Debono, M. (2012) 'EEO Review: Employment Policies to promote active ageing, 2012: Malta' http://www.eu-employment-observatory.net/resources/reviews/Malta-EPPAA-Feb2012-final.pdf

[176] Debono, M. (2012) Ibid.

Netherlands

The Netherlands saw a huge fall in labour market participation of older men between the 1970s and 1990s (from 81 per cent in 1971 to 42 per cent in 1993). But it has also witnessed the sharpest increase among OECD countries during the subsequent decade (up by more than 16 %). The fall in participation between the 1970s and 1990s was attributable to "a generous social security system that has actively promoted early retirement".[177] Employment reforms introduced after 1995 played a major part in these changes. The Dutch Government introduced Age Discrimination Legislation, information campaigns, age management initiatives and policies to promote part time and flexible working.[178] Alongside these reforms Dutch citizens saw a move away from collective insurance rights, reducing financial incentives to retire early, the removal of early retirement options, and restrictions to unemployment and disability benefits, developed in cooperation between the trade unions, the public and public authorities.[179]

Currently, the Netherlands is experiencing very low levels of unemployment (6.6%) and as of 2012, employment rate of older workers was at 58.6%[180], and also has the highest rate across the EU of part time workers in older age groups.[181] Despite these positive figures, transitions from long-term unemployment seem to be difficult for older people; between 2008-2010, 57% of the long term unemployed were in the 55-64 age group.[182] Recently, the Netherlands have been particularly good at adjusting policy to deal with financial crisis, through both agreeing to raise the statutory retirement age and extending incentives for training employees.[183]

Various measures have been taken to abolition existing structures which incentivised early retirement. Plans are in place to raise the official retirement age from 65 (and one month, a change brought in in 2013) up to 67 by 2024 at the latest.[184] Quite recently, a saving scheme enabling workers to save, which was predominantly used as a means to retire early, has been replaced with a new 'vitality agreement', providing in-work bonuses for employees aged 61-65 and employers of people aged 62-65; mobility bonuses for employers hiring someone older than 55, and funding for additional assistance throughout a career.[185]

Dutch employers have taken a key role in shaping support for older workers, and these issues are understood well at a company level. However, in practice, employers do not seem to be making the changes needed, with, e.g. limited investment in skills and employability of older workers. This is despite higher than average rates of lifelong learning compared to the rest of the EU.[186]

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[177] Sigg, R. & De-Luigi, V. (2007) 'The success of policies aimed at extending working life', International Social Security Association.
[178] Sigg, R. & De-Luigi, V. (2007) Ibid.
[179] Sigg, R. & De-Luigi, V. (2007) Ibid.
[180] Eurostat (2013) Employment rate of older workers http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tsdde100
[181] Eurofound (2012) Employment trends and policies for older workers in the recession.
[182] Skugor, D. and Bekker, S. (2012) 'EEO Review: Employment policies to promote active ageing: The Netherlands' http://www.eu-employment-observatory.net/resources/reviews/Netherlands-EPPAA-Feb2012-final.pdf
[183] Eurofound (2012) Employment trends and policies for older workers in the recession.
[184] OECD (2013) 'OECD Thematic Follow-up review of policies to improve labour market prospects for older workers: Netherlands' http://www.oecd.org/els/emp/Older%20Workers%20Netherlands-MOD.pdf
[185] Skugor, D. and Bekker, S. (2012) Ibid.
[186] Skugor, D. and Bekker, S. (2012) Ibid.

Poland

The Polish economy continues to struggle in its efforts to pull itself out of recession. Unemployment has remained high throughout the economic crisis. April 2013's unemployment rate of 14% was the highest April unemployment figure for 5 years.[187] Employment levels are particularly grim for older workers. At 45.8% and 19.1% respectively, Poland is 15 percentage points and 11 percentage points behind the EU average for the employment of 55-59 year olds and 60-64 year olds. The situation is particularly bad for women with just 12.7% of 60-64 year old women currently in employment in Poland.[188]

A number of policy reforms have been introduced to promote longer working in Poland. These include[189]:

- As of December 2010 retirees in Poland can combine their pension so long as they have reached the national retirement age (65 for men and 60 for women)
- From 2013 the retirement age is being increased by one month every 4 months. The level of 67 years will be achieved for men by 2020 and for women by 2040.
- Programme 45/50 PLUS provides on-the-job and vocational training for older people to help them return to the job market.
- In 2008 the government launched the "Solidarity between Generations Programme" which aims to achieve an employment rate of 50% for persons aged 55-64 by 2020. The programme aims to achieve this through a number of schemes including: improving working conditions for older people, training for 50+ year olds and encouraging employers to offer services that promote a work/life balance which helps women to take up employment.
- As of 2009 employers are exempt from paying into the Labour Fund for employees aged 50+
- As of 2008 employees aged 45+ have been able to use the services of the Labour Office for vocational training and financing the cost of personal qualifications. As of 2010, with consent of employees, paid educational leave became permissible. Although these schemes are seen as very progressive, their impact has been limited. In 2010 just 601 employees aged 45+ received training support through the Labour Office.
- One of the most innovative ideas has been the creation of "Third Age Universities". 350 universities have registered to a scheme designed to promote more flexible learning for older people.

One of the main critiques of Poland's approach has been that it lacks a comprehensive approach. Holistic action is needed in the labour market, social security, health, taxation, and education. There is a need to increase employment opportunities for women and provide institutional care for children. There is also a need to overcome a culture of ageism in which older workers are very often pushed out of workplaces as they increasingly come to be seen as a liability.[190]

[187] The News Poland (2013, May 24th) 'April unemployment highest in 5 years', http://www.thenews.pl/1/12/Artykul/136629,April-unemployment-highest-in-five-years
[188] Sienkiewicz, L. (2012) 'EEO Review: Employment policies to promote active ageing: Poland'
[189] Sienkiewicz, L. (2012) Ibid.
[190] Perek-Białas, J. and Turek, K. (2012) 'Organisational-level policy towards older workers in Poland', *International Journal of Social Welfare*, Vol 21, pp: 101-116.

Portugal

In 2011 Portugal received a €78bn bailout package from the IMF and has been on a difficult road to recovery ever since.[191] Current projections anticipate a contraction of economic activity of 2.3% for 2013 after the economy shrank by 3.2% in 2012. In the first quarter of 2013, unemployment in Portugal grew to 18%.[192] This means Portugal currently has the third worst unemployment rate in the EU with only Croatia and Spain recording higher unemployment figures.[193] Unsurprisingly therefore the unemployment rate amongst Portugal's 55-59 age range is higher (by 3%) than the EU average.[194]

Policies enacted to boost employment levels of older workers in Portugal include:[195]

- Law that allowed early retirement on reaching 58 has been withdrawn
- Progressive increase of retirement age from 60 to 65 began in 2006
- New Opportunities Initiative gives preferential access for older people to lifelong learning. So far, however, this has registered a very small number of workers aged 55+
- National Employment Plan 2008-2010 looked to improve working conditions for older workers
- All workers of 50+ are now required to carry out annual general medical exams
- Intervention Programme for the Senior Unemployed was launched to stimulate job creation for older workers. From 2008-2010 this reached just half of the number of unemployed it was expected to reach (90,000 people)
- In 2010 the social security contributions payable by employers for older workers was reduced
- A television and radio campaign entitled "National Campaign for the Promotion of Active Ageing" was launched.

Problems remain, chief amongst which are the immediacy of the issues facing the Portuguese economy. There are concerns that the need to increase labour productivity and reduce costs will result in a complete disregard for the question of active ageing.

The huge gap in digital skills between young and old in Portugal, which is keeping older people out of work, is a further problem common across Europe.[196] The need to increase digital literacy amongst older people only increases with growing shifts toward a services in the economy.

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[191] BBC News (2011, May 4th) 'Portugal reaches deal on EU and IMF bailout' http://www.bbc.co.uk/news/business-13275470
[192] Tremlett, G. (2013, May 9th) 'Portugal's unemployment rate hits 18%' http://www.guardian.co.uk/world/2013/may/09/portugal-unemployment-government-cuts
[193] Eurostat, Unemployment rate by sex and age groups - quarterly average, % http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do?dvsc=9.
[194] Nuamann, R. (2012) 'EEO Review: Employment policies to promote active ageing: Portugal' http://www.eu-employment-observatory.net/resources/reviews/Portugal-EPPAA-Feb2012-final.pdf
[195] Nuamann, R. (2012) Ibid.
[196] Centeno, L, 'Ageing and Perspectives of the Struggle against Age Barriers towards Employment', *Colecção Estudos*, No 38, EFP, 2007.

Romania

Romania witnessed high growth rates between 2000 and 2007 before the European economic crisis which led to some of Europe's most significant austerity measures being introduced. In 2010, e.g. employees in the public sector saw 25% salary cuts whilst unemployment benefit was reduced by 15%.[197] Despite the growth between during the noughties, the overall economic activity rate was fairly stable at between 62 and 63%. However, during this same period, the employment rate of 55-64 year olds increased from 38.5% (2002) to 43.1% (2008). Since 2008 the employment rates of 55-64 year olds has fallen to 40%. Using the same statistics from 2000 to 2010 (instead of 2002 to 2011), Romania is one of only two countries which has seen the employment levels of older workers fall.[198]
There are significant differences between the levels of employment of older male and female workers. In 2011, the rate of employment for men aged 55-64 was 48.9% compared to 32.2% for women.

The main policy instrument used in Romania impacting on the levels of employment of older workers has been state pension reform. Reforms in both 2000 and 2010 (Unitary Pension Act) have led to increases in the age of eligibility for state pensions. However, Romania suffers from relatively low life expectancy and as such has limitations on how far these measures can be taken.

There are few labour market initiatives aimed at increasing the number of older workers. There is in place however, an initiative which subsidises the workplace for those in their last three years before retirement (and for the over 45s who are unemployed) but these policies are "not funded and implemented"[199] while at the same time, "The labour market and its actors are still relatively less positive to older workers".[200]

Romania has established a National Council for Elderly (NCE) in 2000, a "public interest institution…designed to foster social dialogue between the elderly and public authorities". Whilst it does advocate to Government, the NCE has not focussed actively on issues around older workers.[201]

[197] Mocanu, C. (24-25 May, 2012) How to change attitudes through economic recession and austerity. Peer Review on "Extending Working Life: The tripartite cooperation and the role of the Centre for Senior Policy programme"
[198] Eurofound (2012) Employment trends and policies for older workers in the recession.
[199] Mocanu, C. (24-25 May, 2012) How to change attitudes through economic recession and austerity. Peer Review on "Extending Working Life: The tripartite cooperation and the role of the Centre for Senior Policy programme"
[200] Mocanu, C. (24-25 May, 2012) How to change attitudes through economic recession and austerity. Peer Review on "Extending Working Life: The tripartite cooperation and the role of the Centre for Senior Policy programme"
[201] Mocanu, C. (24-25 May, 2012) How to change attitudes through economic recession and austerity. Peer Review on "Extending Working Life: The tripartite cooperation and the role of the Centre for Senior Policy programme"

Slovakia

The Slovak economy has been one of the most dynamic in recent years largely due to its ability to attract foreign investment. Despite some positive news for the economy, unemployment remains a major challenge for the government of Slovakia. The country has the 4th highest unemployment level in the European Union[202] and is among Member States with the highest youth and long-term unemployment.[203]

A positive employment story for Slovakia has been the increase in the activity levels of older workers in the last decade. As a result of the increase in the retirement age the employment levels for men aged 55-64 increased from 35% in 2000 to 54% in 2010 – level with the European Union average. The employment level for women of the same age has also increase – from 10% to 28%. Nonetheless, the average effective exit age from the labour force remains very low. For women it is the lowest in the EU. Unemployment figures for older workers are amongst the highest in the EU. There are several reasons behind this early exit age and high unemployment levels. Early exit opportunities, skills shortages, low participation in adult learning, and the stringency of labour regulations are all working to push workers out of the labour force early.[204]

Efforts have been made in recent years to reverse these trends:

- Retirement age increased from 60 (men) and 53-57 (women) to 62 for both[205]
- In 2008 the minimum contribution period for entitlements was increased from 10 to 15 years[206]
- In March 2011 the law allowing early pension and continued work was disallowed with the aim of discouraging early retirement[207]
- The country has used the €1.5bn fund received from the European Social Fund in 2007-2013 to invest in education and training. From 2007 to 2011 24,000 new jobs were also created – though these were not specifically for older people. The project is aiming to establish a life-long learning culture in Slovakia.
- In 2011 the government launched the Active Ageing Strategy. This is currently consulting on means to increase the activity of older workers in Slovakia[208]
- Participation of adults in education and training is very low in Slovakia (0.8% of the 50+ population compared to 4.4% as an average across the EU). The 2011 Lifelong Learning Strategy acknowledged this gap and aims to improve promotion and motivation to participate in life-long learning.[209]

Analysts of these reforms have commented on their sporadic nature and lack of an overarching structure. For instance, decisions over how to improve workplace conditions for older workers are down to the goodwill of employers. The only laws on working time regulations concern health care professionals aged 50+. Age management practices are the responsibility of companies and tend to only be adopted by larger organisations. The activation measures that are in place are currently failing to address the specific problems of unemployment.[210]

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[202] Eurostat (2013) Unemployment rate by sex and age groups - quarterly average, %http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do?dvsc=9.
[203] Europe 2020 (2013, 29th May) 'Europe 2020 in Slovakia' http://ec.europa.eu/europe2020/europe-2020-in-your-country/slovensko/index_en.htm
[204] Vagac, L. (2012) 'EEO Review: Employment Policies to Promote Active Ageing: Slovakia' http://www.eu-employment-observatory.net/resources/reviews/Slovakia-EPPAA-Feb2012-final.pdf
[205] Vagac, L. (2012) Ibid.
[206] Vagac, L. (2012) Ibid.
[207] Vagac, L. (2012) Ibid.
[208] European Commission (2012) 'European Employment Observatory Review: Employment Policies to Promote Active Ageing 2012'. p. 5
[209] European Commission (2012) Ibid.
[210] European Commission (2012) Ibid.

Slovenia

Slovenia achieved independence in 1991 and peacefully and steadily progressed from that year onwards. Since the recession, the socio-economic situation has taken a turn for the worse.[211] The contraction of the economy has resulted in reduced private spending, job losses, and wage cuts.[212] As a result Slovenia's unemployment rate hit 13.4% in March 2013 – though that was a slight decrease from the figure of 13.6% in February.[213]

Traditionally, Slovenia has been characterised by policies that favour earlier retirement and as such has had one the lowest activity rates for the 55-64 age range. In 2011 only Malta had a lower employment rate in this age category.[214] In 2010 the employment rate amongst Slovenian workers aged 55-59 was 46.9% - 13% below the average for the EU. For workers in the 60-64 age category that figure was 19.5%, 11% below the EU average.[215]

In response, the Slovenian government have introduced a number of reforms in recent years:

- 2010 Pension and Disability Insurance Act began the process of increasing the pension age from 63 for men and 61 for women to 65 for both men and women by 2016. Early retirement is allowed but with penalties. The act was heavily rejected in a 2011 referendum, however. This postpones the changes rather than ending them completely.[216]
- 2010 Labour Market Regulation Act extended availability of unemployment benefits for older workers by one month.[217]
- Encouraging age-neutral advertising of job vacancies, improving communication about retirement plans, and improving workplace layouts to make them more accessible for older workers. Flexible working practices and additional leave have also been introduced as a carrot to encourage people to stay in work for longer.[218]
- Government's "Review of measures to promote active ageing" proposes training and education measures to help older worker gain and retain jobs. It suggests using mentorship and job rotation schemes to help older workers develop new skills.[219]
- Subsidies have been introduced. In 2010 there were about 4,500 subsidised contracts of employment for older workers.[220]

There are still concerns, however, that employers are not taking the question of an ageing population seriously and continue to push the traditional stereotypes of older workers.[221] There are issues with changing the expectations of older workers in Slovenia. A recent Eurobarometer survey found that Slovenians expect early retirement. Only 16% said that they would like to work beyond retirement age compared to a European Union average of 33%.[222]

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[211] The Economist (2013, April 26th) 'Slovenia is changing' http://www.economist.com/blogs/easternapproaches/2013/04/slovenia
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[222] European Commission (2012) 'Active Ageing', Special Eurobarometer, No. 378.

Spain

Spain is among one of the worst affected countries in Europe by the financial crisis. With an unemployment rate of 26.9%, they currently have the highest rate in the EU – although much of this figure is due to the stratospheric rates of youth unemployment (56.5%).[223] Rates of employment for older workers (aged 55-64) have fallen from their peak in 2008 from 45.6% to 43.9% of older workers in 2012.[224] While activity rates of older Spanish workers have not been poor, employment rates have stayed lower than the EU average rates. A main contributory factor is the low rates of female labour force participation (which draw down the average levels).[225]

In 2011 the 'Social and Economic Agreement for Growth, Employment and Pension Guarantees' brought in a series of modernisation changes for the social security in Spain. Among other things, this law brought in a gradual increase in retirement age from 65 up to 67 between 2013 and 2027; an additional bonus to be added to the pension if it is taken after the age of 65; and the provision for workers to continue to work for themselves and receive a pension at the same time (although with stipulations on the amount they are able to earn).[226] The period used for calculating pensions has also risen from 15 to 25 years, and a new sustainability factor has been introduced. The system will be reviewed every five years until 2027, when a revision based on life expectancy at 67 will be made.[227]

The Government have made efforts to promote partial pension schemes. These work through an employee aged 60-64 stepping down their workload to approximately 25% capacity, the remainder of which will be filled by a new employee. However, there were issues with this scheme as a method of managing the labour force, as employee numbers do not decrease.[228] Other incentives include a reduction in an employer's social security contributions if they employ older employees from the age of 60 upwards.[229]

Social partners, as in other countries, play an important role in encouraging the extension of working life in Spain. They recently came together to sign a comprehensive active ageing strategy for 2012-2014.[230] The Council of Ministers adopted the strategy in 2011, which contains guidelines for action in the following areas:[231]

- Promoting the retention of workers aged 55+, e.g. through partial and phased retirement options, financial incentives, expanded training opportunities and lifelong learning
- Improving working conditions, particularly in the areas of health and safety
- Facilitating returns to the labour market and employment for older workers, e.g. via training and recruitment incentives for employers and ensuring social support in periods of unemployment

[223] Eurostat (2013) newsrelease euroindicators – Euro area unemployment rate at 12.2% http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/3-01072013-BP/EN/3-01072013-BP-EN.PDF
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Sweden

Across the EU, Sweden has the highest levels of labour force participation for older workers, with a rate of 77% in 2012.[232] In addition, the employment rate is also the highest in the EU, demonstrating that 73% of the population aged 55 to 64 were employed in 2012.[233] Population ageing has been long established as a policy priority in Sweden.[234]

The performance of the Swedish system was built on the political consensus that emerged in the 1990s on the need to promote longer working lives in order to ensure long-term sustainability of funding for the welfare state.[235] This consensus resulted in a number of reforms to the pension system and changes to the programmes that allowed early retirement. The new pension system combines a contribution-defined pension with a flexible retirement age, which has encouraged later retirement. A gradual retirement option was eliminated through these reforms, although the flexible retirement age allows one to claim pension benefits from the age of 61 whilst still in employment.[236]. However, there are built-in incentives to put off retirement within the system, such as a reduction in the monthly pay-out (as the pension is paid out over a longer period).[237] Current trends suggest a postponement of labour market exit amongst older workers, with the average age of labour market exit increasing from 62.1 in 2001 to 64.4 in 2010; the average age amongst men rose to 65.0 in 2010.[238] Overall, the reforms have the effect of incentivising workers to pursue work-related income rather than income from pensions.[239]

As well as encouraging individuals to delay retirement, systems incentivising employers are also present e.g. offering long-term contracts to older workers entitles Swedish employers to a subsidy of up to 75% of the salary of the older worker.[240] Many contributions to the public system no longer apply from the age of 65, meaning social contributions paid by employers for workers aged 65+ effectively equates to 10.21% of wage costs rather than the standard around 31%.[241] In addition, employers' special contributions on wages and tax for business activities have been abolished for workers over 65.

The main features of the Swedish system that encourage longer working lives are often noted to rest in approaches to lifelong learning and active labour market policy. Adult education and on-the-job training feature widely and have high rates of uptake amongst the general working age population and older workers, and this uptake is high relative to international comparisons. This prevalence may be partly explained by the role of social partners and the historically well-developed social dialogue in Sweden between government, employers, and workers.[242] Activation plays a significant role in Swedish labour market policy. There are no programmes designed specifically to target older workers, but a notable proportion of individuals taking up job search and recruitment support are aged 55+.[243]

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[232] Eurostat (2013) Population, activity and inactivity – annual averages (lfsi_act_a).
[233] Eurostat (2013) Employment rates by sex, age and nationality (%) (lfsa_ergan).
[234] OECD (2012) 'Policies to improve labour market prospects for older workers: Sweden'
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[243] Anxo, D. (2012). Ibid.

UK

The United Kingdom has one of the higher rates of employment of older people in the EU, with Eurostat figures showing older worker employment at 58.1%.[244] Unlike some other Member States, the UK does not have the same culture of early retirement, and research has suggested that employers are aware of the need to utilise an older workforce in the not-too-distant future.[245] The 2005 review of older labour-market policies by the OECD found that the UK had moved further than most other Member States to eliminate incentives to early retirement and to create incentives to stay longer in work.[246]

The UK has taken a number of steps to reform retirement age; first with the Employment Equality (Repeal of Retirement Age Provisions) Regulations 2011 to eliminate the default retirement age (previously the age of 65).[247] The State Pension Age has been aligned for men and women (from 60 for women and 65 to men). There are legislated rises of the State Pension Age up to age 66 by 2020, age 67 between 2034 and 2036 and to 68 between 2044 and 2046.[248] However, there has been discussion around speeding up these increases, with the Pensions Minister Steve Webb MP commenting that the current planned increases are "too slow".[249] A White Paper, published in early 2013, lays out plans to have reviews of the state pension age every five years, with decisions taking into account changes in the life expectancy of the population.[250]

The UK has a much larger private pensions market compared to many EU Member States. Outside of the State Pension changes (a Single-Tier system has been proposed, although not yet legislated for[251]), the private market has seen a move from defined benefit to defined contribution schemes; this has reduced both the incentive and ability of people to retire earlier.

The UK Department for Work and Pensions has conducted research exploring how behavioural change interventions can be used to ensure effectiveness of policies in place which shape extending working lives and retirement age. The focus on the importance of employers and their ability to enable (or prevent) people from working up to and beyond State Pension Age has led to the production of a guide for employers on managing ageing workforces with multiple generations.[252]

There are some general concerns, such as the lack of investment in lifelong learning of employees by employers, who have typically not seen this as their responsibility.[253] Measures such as the introduction of the Equality Act (2010), which outlaws direct and indirect discrimination against people based on their age; and the 'Age Positive' initiative, show willing, though the results of their efficacy are difficult to measure and evaluate.[254]

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[249] The Telegraph (2011) 'State pension age to be lifted to 67 a decade earlier than planned' http://www.telegraph.co.uk/finance/personalfinance/pensions/8757031/State-pension-age-to-be-lifted-to-67-a-decade-earlier-than-planned.html
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