



ACTION:

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*Action 2: Comparative studies to analyse the results of coordinated policies in the primary, secondary and tertiary sectors by EU member states that have developed good practices*

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SUBJECT OF DOCUMENT

PROJECT TITLE:

«Comprehensive Study »

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COMPETENT

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**IOBE (With the participation of INE/GSEE,  
EKE Network)**

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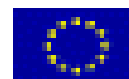
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**MINISTRY OF EMPLOYMENT AND  
SOCIAL PROTECTION**

**GENERAL SECRETARIAT FOR  
MANAGEMENT**

**OF COMMUNITY AND OTHER  
RESOURCES**



**EUROPEAN UNION**

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## **Introduction**

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The purpose of this study is to highlight the good practices of the EU member states regarding the management of active ageing.

The institutions involved in the abovementioned action are the Institute for Economic and Industrial Research (IOBE), the Institute of Labour (INE) of the Greek General Confederation of Labour (GSEE), and the network of the Economic and Social Council of Greece (EKE Network). IOBE, which undertook coordination of action 2.1 and the formation and coordination of the working group, was responsible for designing the study in relation to gathering, studying and recording public policies on the management of active ageing in the member states of the EU. INE/GSEE undertook the gathering and study of initiatives by European institutions on management of active ageing, and the EKE Network was responsible for gathering, analysing and recording good practices by Greek enterprises in relation to efforts to improve the status of older workers in the labour market. This comprehensive report is a synthesis of the individual studies designed by the institutions involved in this action.

It must be noted that since each institution has undertaken a distinct field of research on the subject of management of active ageing and since the different approaches may be based on different methodological frameworks, after initial meetings among all the members (researchers) appointed by each institution it was decided not to establish a single method for study but to retain the distinct character of the individual projects and to record them as complementary texts according to specific content areas consistent with the final detailed action plan described in action 2 of operation II.

## **Initiatives by European institutions relating to the management of active ageing**

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According to the INE/GSEE study, the general approach of the EU to active ageing enunciated at the European Council in Lisbon aims at activating the whole labour force of all ages and considers that proper adaptation to the ageing of the population is an issue of concern to people of all ages.

Furthermore, the International Labour Office, whose mission is to promote social justice and peace and protect the rights of older workers, has focused its efforts on recommendations to the states. The most comprehensive ILO text is the Recommendation of 1980. Among other things, it states that the member states are called on to map out a national strategy to promote equality of opportunity and equal treatment for workers of all ages. It also recommends the adoption of measures to combat discrimination against older workers, especially as regards access to career guidance, access to a job of their choice according to their qualifications and experience, and access to training and retraining. Finally, the measures should guarantee older workers' right to permanent employment. Furthermore, national strategies should take account of the importance of improving working conditions. The measures should be designed so as to permit older workers to remain on the job in acceptable conditions.

More specifically, the conclusions emanating from the study focus on the following findings:

- ✓ It is necessary to design and implement integrated strategies to extend working life in order to keep older workers in employment.
- ✓ It is important for enterprises to turn their attention to strategies to support a labour force consisting of older workers because their work is of great value.

- ✓ Measures must be developed to combat job discrimination, with particular emphasis on older workers.
- ✓ The potential of migration as a solution to demographic ageing must be examined.
- ✓ Cooperation must be developed among governments, the employer organisations and the social movements for the creation of a society capable of incorporating an ageing population.

## **Measures on active ageing implemented in EU states**

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According to the IOBE study, practices regarding the management of active ageing that have been successfully implemented in some EU countries (e.g. Finland, Czech Republic), owe their effectiveness to the fact that they do not include one-dimensional measures focused on the specific areas affected by the ageing of the population (employment, insurance funds) but consist of packages of complementary measures applicable to practically all social sectors (employment, insurance, health, education, social welfare, research, etc.). Some of these good practices implemented in the EU member states are presented below, grouped by the sector to which they refer.

### **Employment**

Older people's job experience and knowledge make them valuable additions to the labour market. Thus their reintegration into the economically active population is viewed as a necessity. However, it has become apparent from a number of member states of the EU (Finland, Sweden, etc.) that for employment for older people to be feasible it must be accompanied by the appropriate adjustment of jobs to the particularities and needs of their age group (e.g. work that is not detrimental to their health and is not physically taxing, ergonomics, shorter working hours/part-time employment). Furthermore, because of the high cost to enterprises of employing people with many years of prior service, one measure that was implemented consists of offering financial incentives to enterprises (such as tax relief, lower contributions to insurance funds) for the employment of older people (Germany). The adoption of measures to protect them from dismissal may also help increase older people's participation in employment (Sweden).

## **Pensions**

As regards payment of pensions to beneficiaries, since the structure of the population has changed, in most EU member countries it is deemed necessary to restructure the pension system by changing the manner in which pensions are calculated, in conjunction with increasing the effective pensionable age, so that pensions are adequate to ensure pensioners of a decent living. Another important measure implemented in many EU member countries that have reached the Stockholm goal<sup>1</sup> is partial withdrawal from the labour market of people over 55. This measure combines the payment of reduced pensions to beneficiaries with the possibility of their full-time or part-time employment. The measure may also be implemented gradually until the beneficiaries fully retire and helps discourage older people from leaving employment via early retirement.

## **Education**

In the view of most EU member states (Germany, Finland, United Kingdom, Czech Republic, etc.), in order for older workers to be as competitive as younger workers, they must develop their individual skills and acquire qualifications which are in demand in the labour market. On this basis, in order for older people to remain active, their access to education and vocational training must be supported through education and lifelong learning programmes (United Kingdom, Germany, Finland, etc.). These programmes keep the people concerned abreast of new technological developments and equip them with the necessary occupational skills, enabling them to be absorbed in the labour market. It is also very important for the relevant programmes to be accompanied by strong research support and monitoring, ensuring their successful implementation and effectiveness (Finland).

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<sup>1</sup> European Council on Active Ageing, Stockholm 2001: It was decided that by 2010 50% of the population of Europe in the 55-64 age group should be working. Some of the countries that have reached or surpassed that goal are Sweden, the United Kingdom, Denmark and Cyprus.

## **Healthcare**

Older people have greater needs for healthcare services, since ageing is accompanied by diseases that appear over time. Thus the state must be armed with strong medical services capable of providing long-term care for older people in particular, mobile health and social services units for older people, as well as information on medical issues of concern to the elderly, with regard to both preventive and diagnostic testing (Germany, Czech Republic, Finland, etc.).

## **Social Welfare**

According to the recommendations of international organisations on active ageing (WHO<sup>2</sup>), of equal importance with their participation in economic life is older people's activity in society, which enables them to feel involved and useful. Withdrawal from employment should not mean withdrawal from life. What is more, as time passes older people will constitute a bigger and bigger part of the population. Thus some countries (Germany, Czech Republic, etc.) have created programmes to promote post-retirement activities for older workers through participation in volunteer programmes and involvement in social, cultural, environmental and other organisations. According to the WHO, it is also necessary to strengthen intergenerational solidarity and eliminate the social discrimination often directed at older people due to deeply entrenched views that older people are old-fashioned and untrainable in comparison with younger people.

We should not overlook other parameters capable of contributing to a drastic, immediate resolution of the problem, the most important of which are migration and the birth rate.

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<sup>2</sup> World Health Organisation

## **Migration**

The migratory movement towards the economically developed countries has been shown to alleviate the economic problems caused by the ageing of the population (USA, etc.). This is due to the fact that migrants increase the proportion of younger people in the population and augment the country's labour force. Migrants also renew the population because they have higher birth rates; in addition, they help increase employment and reinforce the insurance funds and the state economy as a whole. Therefore the contribution of migratory flows to the developed countries is of positive importance. However, the controlled attraction of migrants may only temporarily help eliminate the impacts of ageing, because it is foreseen that in the future migrant populations will acquire the demographic structure of the peoples of the economically developed countries.

## **Birth Rate**

The main reason for the phenomenon of ageing of the economically developed countries may be their low birth rates. Fewer births make population renewal impossible and change the demographic map, creating a bigger proportion of older and a smaller proportion of younger people. Thus the economy is characterised by lower employment, lower contributions and insurance institutions lacking viability. In accordance with the recommendations of the EU and WHO, therefore, a higher birth rate is of decisive importance in resolving the problems of ageing. Measures able to help increase the birth rate which have been adopted by most countries of the EU (Austria, etc.) include economic incentives (allowances and tax relief) to parents of two or more children, support for the family, support for working mothers (establishment of public day nurseries, payment of supplementary allowances) so as to achieve a balance between family and working life. A

higher birth rate and support for the family may be the most important goal, and achieving it may eliminate the problems that stem from ageing of the population, without any negative effects.

## **Management of active ageing in Greek enterprises**

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The survey of Greek enterprises conducted by the EKE Network was based on a sample of 27 enterprises. The necessary data were collected in a questionnaire sent to enterprises over the Internet. Due to the small size of the sample, it would not be safe to extend the data to apply to all Greek enterprises. Nevertheless, the findings of the survey are an important indication of the existing situation in Greek enterprises vis-à-vis active ageing. This is true because the enterprises that are members of the EKE Network are characterised by a better awareness of social and employment issues. Thus this survey records the characteristics of employment of people 55 and older in enterprises that favour policies and measures regarding the management of the labour force under consideration.

According to the EKE survey, the responses to a total of 27 questionnaires indicated that the workers in the survey's target group (workers aged 55 and older) constituted a mere 8.76% of all employees in the sample, 7.57% of whom were men and only 1.19% women. The above leads us to the conclusion that the proportion of older people employed in the enterprises in the sample is small and that most of those employees are men. Specifically, older women appear to be employed mainly in the services sector (20% in the banking sector, 50.4% in state telephony, 8.4% in retail trade). Similarly, older men appear to be employed mainly in the public services sector (72.5% in state telephony). As regards type of work, about half appear to be employed in administrative services, a significant percentage in production and slightly less than 4.3% in other auxiliary jobs. With regard to the educational level of the target group, most were high school graduates. In addition, foreign language and computer skills are utilised on the job by 65% and 88% of older people respectively. According to the employers' responses, policies encouraging early retirement are adopted by companies in the

broader public sector as well as in subsidiaries of multinational companies, and enterprises note a lack of policies to extend the working life of people in the target group.

Some of the survey's main conclusions are that working people 55 and older have a lower rate of participation in the production process than the other age groups. In addition, the participation of women of this age group in employment appears to be characteristically low. Employment of the group under consideration varies depending on the sector in which the older people are employed. Regarding the occupational status of older workers in the EKE Network enterprises, a large proportion of industrial workers perform manual or technical jobs and do not change jobs as they grow older. As regards the educational level of the target group, most of the workers appear to be secondary school graduates, and their occupational status and the sector in which they are employed vary according to their educational level. Furthermore, the enterprises make use to a large extent of the foreign language and computer skills of the workers in the age group under consideration. Finally, it was noted that in the Greek enterprises in the sample there was a lack of training/lifelong learning programmes and programmes to extend the working life of workers in the target group, particularly when the practices of Greek enterprises are compared with those of their European counterparts.

## Concluding Remarks

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In conclusion, the practices implemented by the member states in order to conform to the Lisbon and Stockholm European Council decisions are effective when they are all-embracing, affect all sectors of economic and social life involved and benefit society as a whole. The measures are reinforced when their content is such that they are acceptable to all the parties concerned. What is more, the main aim of policymakers is for the measures to be suitably adapted so that they are the object of social consensus, making participation of older people a right and a free choice rather than an obligation.

The policies implemented by EU member states are adapted to the needs, particularities and cultures of the individual peoples. There is therefore a diversity of strategies, practices and measures that reflects the public and business life of each country. The Scandinavian countries boast successful, all-round policies on active ageing, and support a welfare state of a high calibre. The United Kingdom implements successful measures to boost employment among workers 55 and older, but at the same time its welfare state is mediocre. Countries of central/continental Europe have strong state welfare systems and focus mainly on reform of their pension systems. Employment of people over 55 in Greece is close to the European average (for 2003: EU15 = 45.1% and Greece = 46.5%, and for 2004: EU15 = 45.9% and Greece = 43.5%)<sup>3</sup>. Certain indications concerning the features of the employment of older workers and the active ageing policies implemented by Greek enterprises can be derived from the EKE Network survey. The survey determines from the sample data that whereas the problem of ageing is particularly perceptible, neither the state nor the enterprises under consideration appear to implement any measures in favour of active ageing. According to the EKE Network, certain successful policy mixes implemented

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<sup>3</sup> Data on employment in European countries from Eurostat

by our partners (progressive retirement, part-time employment of older people, lifelong learning, etc.) may constitute the first step in designing a complete strategy for managing active ageing in Greece.