



# **EXTENDING WORKING LIVES**

## **DRIVERS AND BARRIERS TO INNOVATION**

### **WORK PACKAGE 3 | TASK 4**

**COMPILED BY (ANALYSED COUNTRY)**

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# 1 Conclusion and summary

## **Summary - Extending working lives - Drivers and Barriers to Innovation**

The research paper “Extending Working Lives - Drivers and Barriers to Innovation” is separated into two basic parts. The first part of this research paper contains the supply side of labour. This part focuses on the workability and employability by topics of motivations, health, life-cycle orientation/ reconciliation of paid work and private activities, informal work/ volunteering and lifelong learning. Furthermore, this part deals as well with self-employment, work beyond the legal retirement age and various aspects of workability and employability. Special focus is laid on the macro and meso level of these topics, measures on the level of (national) policies and on the level of companies/ organisations that may extend working lives. The second part of this report is about the demand side of labour and contains financial incentives for the employment of older workers as well as non-financial incentives as well.

*“Extending working lives and raising the employment rate of older workers, aided by lifelong learning, are key responses to the demographic and welfare challenges of an ageing workforce. This research field will identify innovative, effective, sustainable and transferable private and public-sector strategies that encourage and enable older workers (1) to stay longer in employment (pre & post-retirement age) and (2) to intensify lifelong (vocational) learning in the later stages of their working lives.” (MoPAct<sup>1</sup>)*

### **Motivations**

Results show that collective agreements and retirement regulations are very important for motivational issues. In Denmark collective agreements are pervasive and there are quite a number of measures that intend to retain older workers. Examples are reduced working times or changes of responsibilities based on senior conversations. In Germany collective agreements are important as well and deal with sector-specific issues e.g. workers aged 60+ in shift work. The German Federation of Trade Unions for example uses an index to improve working conditions. In Belgium collective bargaining agreements cover companies with more than 20 employees. The collective agreements contain yearly planning to retain older workers in employment and how to hire new ones. Age management is a very important topic within the selected countries.

Retirement regulation is an important topic as well to extend working lives. In Denmark voluntary early retirement pension is made a less attractive option by means-testing. In the Czech Republic early exit is made unpopular as well via lower pension benefits. Delayed exit is supported by financial incentives. Finland has a flexible pension where workers can freely choose their retirement age (63- 68 years, to be raised to 65- 70 years). The flexible pension increases motivation through financial incentives. Though, it is still controversial if the flexible pension has any effect on prolonged working lives because actual retirement age has risen slowly. The lack of support for longer working lives by employers could be one reason. Main barriers concerning extended working lives are working conditions, preferences for leisure time, time pressure at work, changes in work tasks, bad work atmos-

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<sup>1</sup> For more information: <http://mopact.group.shef.ac.uk/research-fields/extending-working-lives/>

### **Example from meso level: the Netherlands - Sustainable employability**

In the Netherlands, three cooperative organizations introduced a digital portal to sustain employability with an Index targeting employees and employers as well. The Index includes for example skills, health and participation on labour market. Major barrier in this project or in general is the lack of funding to social innovation. Subsidies are inevitable for initiating and expand ideas. Especially regarding long development of this tool to guarantee a simple but suitable instrument to cover organisations from different branches. Main driver for the digital portal is continuous cooperation, communication and analyses between employer and employee or participants in general.

phere and uncertainty concerning the future of work. Commonly negative circumstances within these factors increase the probability of labour market exit via disability pensions. In Finland the share of older people receiving disability pensions strongly differs between regions and at least partly reflects labour market conditions, so that also workers who are not disabled retire via the disability scheme.

### **Health**

Health - the basement of workability - is a main driver or barrier for extending working lives. At the macro level Belgium launched a few measures to reduce occupational accidents and diseases, psycho-social risks and musculoskeletal disorders, especially for

older workers. Moreover health is not an independent topic affecting workability but is affected by work itself so that causality between work and health is bidirectional. In Belgium the Fund for Professional Experience tries to raise HR managers' awareness to cope with problems and needs of elderly workers. In the Czech Republic the Ministry of Labour and Social Affairs supports awareness towards age management and healthy ageing as well. Awareness and changing attitudes towards older workers in fields of health and Active Ageing are increasingly interesting because of a great number of workers with health issues concerning mental health or muscular/ skeletal problems. Drivers to maintain health are networks of social partners that not only deal with health but also with skill-related issues. These are the main pillars for strategies for managing ageing and shrinking workforces and supporting longevity or narrowing working and life longevity gap. One possible driver could be financial incentives for employers to create a healthy environment, good health conditions and age management measures improving workers' health. As seen in Denmark results display a constant development of less people suffering from mental illness. Poor mental health does not seem to be a great barrier to extending working lives in Denmark. In Finland results of studies exhibit that unemployment is impairing employability due to worsening health. Hence projects were initiated to maintain the employability of the unemployed. In Germany rising numbers of employees are complaining about mental strains for example because of the intensity of labour, timing and distribution of working time or unsatisfying job requirements. One barrier to extend working lives is mental strain but the main problem is its measurement, which is an important precondition for its prevention. In Italy new legislation on health and safety at the workplace has been implemented with new obligations for employers and employees in which under specific conditions any company or employer has to constitute a physician or doctor in occupational health. Improvements were reached especially by forcing SMEs to deal with health issues, they represent the large majority of Italian enterprises and workers. Major problem or barrier is the still low awareness of health measures to cope with an ageing workforce in Italy. Most companies still do not follow the law though it implies penalties for non-compliant companies. Another barrier is the supervision on safety at the workplace. Supervision of health and safety is one important issue to be

mentioned in the Netherlands and is supported by the Health and Safety Catalogue which is not mandatory. One advantage of this Catalogue is the reduction of regulatory and administrative burdens on companies (e.g. annual health reports) so that participating enterprises might expect less supervision. It is an innovative strategy for companies' independence and creativity to solve health issues and to shift responsibility from the macro to the meso level. Analyses display that 51% of the total workforce in 2010 were covered by the Health and Safety Catalogues. One of the most important drivers is exhibited by the just mentioned results from the Netherlands but from Poland as well: Cooperation between employers and health services which lead to a healthy lifestyle as well as to professional and social productivity among older workers. Especially awareness campaigns are addressed for the prevention of chronic diseases and for the support of physical health. A barrier to innovation for extending working lives in Poland is the healthcare system which still does not warrant adequate care due to lack of modernisation, medical infrastructure or awareness campaigns. In the United Kingdom research shows that experiences of older workers aged 60+ have a positive impact on safety practices at work. Overall experienced workers had fewer accidents whereas these injuries were more serious when they occurred. This topic is considered in Estonia as well because of the incapacity pension which is a pressing problem. With the disability pension reform which has been implemented on July 1<sup>st</sup> 2016, the government tries to activate over 10.000 workers with disabilities to enter the labour market again until 2020 by temporary sheltered employment, work-related rehabilitation or transportation support. Results will be evaluated in 2017.

### ***Life-cycle orientation/ reconciliation of paid work and private activities (Care)***

Another dimension of workability and employability is the life-cycle orientation/ reconciliation of paid work and private activities which are covered by five cycles: occupational, corporate, job-related, family and bio-social lifecycle. These dimensions are based on the recommendation laid down in the conceptual framework in Work Package 3. In particular this research report focuses as well on barriers as on drivers towards extending working lives connected with care issues as parenting or support of older people. Whereas care issues are a very important task in the Czech Republic and are linked with topics of paid care leave, flexible working time, care and

#### **Example from meso level: Germany – Dealing with taboo topic mental health**

An organization in Germany which is running seven nursing homes deals with mental health issues due to increasing prevalence of diagnosed mental illness. Since mental health problems are still declared as a taboo topic it is indeed very difficult to cope with. Driver for success was the recruitment of an external psychological counseling to guarantee anonymity and support trust of the employees. Another driver to innovation is as well governmental funding and positive attitudes towards new approaches to maintain a healthy staff.

support services or support of family carers, in Denmark informal care is only a minor topic. Formal care is more usual in Denmark. In the Czech Republic measures have been discussed and proposed to support flexible work for employees with private-care responsibilities for example through financial incentives for employers (lower obligatory social insurance contributions or tax-based relief). Main barrier in Finland is the income loss through informal care. This mainly affects women due to the gender-specific distribution of elderly care. To avoid the gender gap thorough pay loss it should be necessary to support the reconciliation of paid work and informal care. Also results from Germany show that care can be an additional reason for more frequent employment relationships in part-time and less in full-time, mainly concerning women. Since 2015 the public care insurance in Germany supports carers with substitute payments. Moreover employees in companies with more than 15 workers are legally

entitled to stay away from paid work partly or totally for up to 6 months and pay back loans in instalments. In companies with 25 employees or more, employees are entitled to reduce working time for at least 15 hours per week for up to 24 months. In Poland flexible work time for women seems to be a very difficult topic. This applies especially for those women who can be categorised as the “sandwich generation” (childcare and support of parents). Thus many women leave the labour market after they are 50 years old. If women leave the labour market in Spain due to childcare, reintegration into the labour market is more difficult than for men, especially in times of economic crisis. This problem could possibly exist in Poland as well. In Belgium there are many ways to ensure workability by reducing working time: career break, time credit system or thematic leaves. In Italy three main policies regulate or allow paid and unpaid leaves for workers: (1) Paid leave for three days per month for severely disabled relatives to care, (2) employees are allowed to leave work (paid) for three days per year in case of serious illness of relatives, (3) employees can take up to 2 years of paid care leave which can be splitted. Main barrier in Italy is as well the support of working carers especially in terms of counselling services.

### ***Informal work/ volunteering***

Volunteering of older people is a - quantitatively - very distinct subject within the European Union. While volunteering is usual for older people in the Netherlands (ca. 36%), it is unusual in Poland (ca. 1% outside religious organisations). Volunteering is mostly a clear defined concept. Belgian government for example promotes various measures for volunteering though none especially for older workers. One barrier for volunteering could be fulltime work. Opportunities for reducing working time are given by part-time/ partial pension as in Finland and Germany.

### ***Lifelong Learning***

Within the European Union one topic is essential to maintain older workers in labour market and to extend their working lives: LifeLong Learning. Especially results from Finland may display the importance of further training. Nearly half of older workers aged 50 till 64 reports that further training helps to increase the probability to maintain in work. Similar results can be observed in the Netherlands. Older workers with higher education tend to stay longer in the labour market. A remarkable effect can be seen in the case of women with higher education. These women stay longer in labour

#### **Example from meso level: Belgium - Individual further training plan**

A non-profit organization from Belgium specialized in further training plans of older workers aged 50+ to support the advancement of their careers by individual consultations. The organization even provides financial incentives for employees and employers. Idea of this programme is to promote older workers motivation, skills and career plan in a suitable environment. Driver for success is the specialized training for the needs of older workers.

market and have a positive impact on their partners retirement age. One possible barrier which occurs in the United Kingdom is the low investment of employers in further training for older workers as well as the low quality of training. Moreover in the Baltic countries despite the macro and meso levels, the micro level - motivation of individuals - is an important topic and may be a possible barrier against training too. A possible driver that may lead to higher education is for example paid educational leave for workers in the private sector financed by the Belgian

government. Since 1<sup>st</sup> of April 2015 this paid educational leave is financed by Belgian regional governments and also available to specific employees in public sectors. Educational proposals differentiate between regional governments. Training is even available for self-employed people. Whereas results

from Finland show a positive impact of further education on longer working lives, findings from Denmark show that training had no impact for older workers decision to retire. More effective in terms of longer working lives was part-time work or being encouraged by the employer to stay in the job as long as possible. In Germany a measure on macro level was evaluated and shows mixed results as well. A programme launched by the German government in 2007 allowed SMEs to reduce direct costs of training by half for workers aged 45+. Results exhibit that participation reduced the probability to be still employed 1.5 years after participation though it increased job mobility. In Italy where in 2015 learning activities of older workers over 45 years were very low, while financial incentives were provided by law since 1993, drivers seem to be: (1) financial incentives not only for “classic” further training (seminars, workshops, etc.), (2) awareness campaigns to encourage older workers motivation to participate, (3) companies’ support for older workers for training, (4) more information about paid/unpaid educational leave, (5) regulatory systems concerning tax benefits for employers. An interesting strategy from Latvia (2010- 2013) motivates older workers and increases participation by financial incentives depending on which age group workers belong to. Older workers who have less than 5 years left until retirement age receive full financial support for further training. Other age groups had to pay ca. 30% for training costs. In the Netherlands companies bear responsibility for further training.

### ***Self-employment***

The most widespread problem within the European Union concerning older workers is (long-term) unemployment. To avoid unemployment there are several strategies in practice. Especially self-employment is one to overcome unemployment and extend working lives. Often it is a matter of financial incentives to promote self-employment and to limit risks for those who start their own business. Although there are always risks in self-employment, experts consider that it is still a better option than unemployment for example concerning issues like health. Another strategy besides financial incentives is social entrepreneurs or mentors (older workers) to support and encourage younger people in self-employment. In general increasing numbers of older people starting their own business show that self-employment is an interesting opportunity to extend working lives. For example the Czech Republic registered an increase of ca. 50.000 self-employed people within seven years in the age group 50- 64 years. Results from Denmark show that self-employment is not used often although older people are interested in entrepreneurship. Projects or programmes for self-employment in Denmark are not specifically addressed to older workers which might be seen as a barrier. Research from Germany finds that elderly-specific consulting could prevent doubts concerning self-employment. Italian research considers solutions not only by financial incentives but rather supporting measures e.g. developing business or marketing plan and public or private networks to support training. Moreover awareness campaigns could be an option as well.

### ***Work beyond the legal retirement age***

Retirement is not an obligation within the European Union, thus it is possible to work beyond the legal retirement age. Benefits through work beyond legal retirement age can be seen on macro, meso and as well on micro level, e.g. remain active or work as a mentor to transfer knowledge. Working beyond the legal retirement age implicates working pensioners and delayed entry to pension. With a few exceptions, rising employment rates concerning older workers (55- 64) and working pensioners (70- 74) is a European tendency. One main driver for extending working lives as results from Denmark show is the educational level: The higher the educational level, the higher the probability to stay in work even after legal retirement age. A possible explanation might be financial incentives for delayed retirement. In Germany every person receives a pension benefit of 0.5% points for every additional month in work.

In Finland employees above the flexible retirement age of 68 are more attractive for employers due to exemption of mandatory pension insurance. In Italy working as a pensioner is difficult because of withdrawal from the labour market as a precondition to receive a pension. After withdrawal from the labour market it is difficult to re-enter. Research from Poland displays two main reasons for working beyond retirement age: (1) to remain active and (2) financial reasons, e.g. against the background of low pension benefit replacement rates. On the contrary there are factors discouraging retired persons to work. Precondition to work for pensioners is statutory retirement age. Thus many pensioners work on the black market which is a current problem in Poland. National policies do not deal with this topic yet. Another main barrier in Poland for extending working lives is the announcement of the new Polish government to lower the retirement age to 60 years for women and 65 for men.

#### **Example from meso level: Italy - Silver work programme**

Many programmes in Italy focus on silver work and especially on mentorship initiatives. That means in general that retired workers still work as a mentor with new or younger employees to share skills, competences and know-how. Silver work programmes support on the one hand extending working lives and active ageing, on the other hand these programmes support transfer of knowledge from one generation to another. A further positive aspect is the support of self-employment and start-ups through retired experts.

#### ***Financial incentives for the employment of older workers***

Part two of this report deals with the demand side of labour, especially with financial and non-financial incentives for the employment of older workers. These incentives may have different forms. For example in the Netherlands employers pay fewer social security contributions when hiring older workers aged 50+. Analyses show that mainly large companies use this sort of incentive. Another measure in the Netherlands is governmental coverage of sickness insurance pay for workers aged 55+ who have been unemployed previously for at least one year. Also in Spain wage subsidies and social security contribution reductions are important measures to retain older workers in employment and to extend working lives via higher attractiveness of hiring workers. This reduction is based upon age so that contributions for employees aged 60 in a permanent contract are reduced by 50%. For every following year contributions will be decreased by 10% points. In general labour cost reduction is a prevalent strategy in Europe. Belgian government as well supports labour cost reduction of older workers with specific age and wage level. Further labour costs are reduced when hiring older job seekers aged 45+ provided that they have been unemployed for at least 6 months. An innovative strategy from Belgium deals not specifically with older workers but supports low skilled workers with low wages (according hourly wages or full-time equivalent earnings) by a reduction of social security contribution. The initiative tries to motivate workers to switch from part-time to full-time employment by less social security contributions. Another strategy from a regional government in Belgium contains an employment bonus for employers who hire a 50+ year old worker with a permanent contract who has been unemployed. In the Czech Republic generational tandems consider younger and older workers at the same time. Employers get wage subsidies for age mixed teams for 6 to 12 months. One general finding from Denmark shows that subsidised employment decreases the duration of unemployment. Whereas findings from Finland explain that lower wages and lower social security contributions are no long-term options because of the already underfinanced scheme due to demographic developments. Moreover results show that advantages of financial incentives in a low-wage subsidy scheme in Finland (2006-

2010) were limited and thus positive effects were only empirically observable upon workers aged 58 or older. German results display a small increase of re-employment due to subsidies though there are differences between age groups. In Italy on the one hand results show a negative effect of subsidies mainly due to temporary and atypical jobs. On the other hand after subsidies were abolished in January 2016 it has been noticed that total hiring decreased among older workers aged 50+ especially concerning permanent contracts. In the United Kingdom there are no financial incentives for the recruitment of older workers. Instead of wage subsidies there is eligibility for tax credits but none especially for older workers. Tax credits are mainly focused on families and thus on younger workers. An efficient programme of subsidised employment for unemployed persons, not specifically for older workers, was initiated by Latvian government. Financial incentives were given up to 12 months and were very popular for older workers over 50 years. Results show that 26% of individuals in pre-retirement age found a permanent job. Moreover 75% of individuals in pre-retirement age found a job within three months. In general results about financial incentives or subsidies show different impacts on employment of older workers within the selected countries. Subsidies or financial incentives are most convenient for changing attitudes towards older workers especially for employers to “test” older employees’ skills.

### ***Non-financial incentives for the employment of older workers***

Extending working lives is not only a matter of financial incentives but also non-monetary support is important in this context. As already mentioned attitudes towards older workers concerning skill and ability is an important issue to extend working lives. Measures such as awareness campaigns in Belgium deal with stereotypes concerning older workers amongst employers. Awareness towards older workers is one of many fields of action in the Czech National Plan for positive Ageing which uses tools of age management. Another aspect deals with age discrimination legislation as examples from Denmark and Germany clarify. Age discrimination effects on older workers employment are: (1) direct factors concerning hiring and firing probabilities, inclusion to further training or promotion and (2) motivation effects of older workers due to employers’ attitudes. An example for anti-age discrimination is the Age Positive campaign in the United Kingdom which comprises a website about research and information about age and effectively managing ageing workforces of all generations. As results from the Netherlands exhibit older workers are still negative stereotyped which mainly concern hard qualities as flexibility, mental capacity or willingness to learn new skills. Thus there have been introduced many campaigns to support and deliver information for companies about age management and ageing workforces. An instrument used is the workability Index to implement age management.

An important issue concerning public non-financial incentives is employment protection. In most cases within the selected countries there is no special employment protection for older workers. In general employment protection depends on job tenure and thus does not affect hiring or employment of older workers. A barrier which affects hiring or employment of older workers is rather high labour costs of older workers.

## 2 What can we learn from the countries: Conclusion and summary

### Belgium

Extending working lives is one of the most prominent discussion topics among Belgian policy-makers, and the topic has been high on the agenda in the last decade. Belgium has a rapidly ageing population. In 2015, 15.9% of the population was at least 67 years old. In March 2016, the Federal Planning Agency predicted that this number will be close to 20% in 2030 and even reach 22.6% in 2060 (Federal Planning Agency, 2016). This puts severe pressure on the social security scheme in Belgium. In order to extend working lives, the federal government has recently raised the official retirement age to 67 (from 65). Despite this increase, the effective retirement age is still well below 60 (Contreras et al. 2013: 8). According to data from the OECD, the average effective retirement age in the period 2009-2014 was 59.3 years for women and 60 years for men. The gap between the official and the effective retirement age clearly is substantial.

Active aging became a hot topic in Belgium in 2005, when the Intergenerational Solidarity Pact (ISP, 'Pacte de Solidarité entre les Générations') was introduced as a response to the Lisbon strategy. The ISP was composed of three elements: wage subsidies, easy access to working time reduction with wage compensation and a pension bonus (Smith 2014: 2). Since this Pact was first introduced, many reforms have been conducted with the objective to further extend working lives.

In light of this debate, the Belgian Minister of Economy, Employment and Consumer Affairs Kris Peeters has recently announced to take further measures. His focus is on four pillars: generating jobs for the unemployed, providing workable work for those who are struggling, establishing a solid basis for the Belgian social security system and resorting the competitiveness of the Belgian companies. In this way, the Minister has put the issue of "workable work" back on the agenda. This renewed focus on workability and older workers is much needed in Belgium, as a lot of work is still to be done. The Minister is currently working on a plan. Although some of his ideas have already been widely discussed in the media and among the public, the precise implementation of the plan is not yet clear. The reason is that the implementation will be discussed with the social partners. Nevertheless, some proposals have already spurred protests (e.g. the proposal to reform the traditional 38 hours working week).

Although the concrete implementation of "workable work" is still being discussed, the concept typically has three dimensions. Workable work is i) work that offers sufficient opportunities to learn and that motivates workers, ii) work that does not cause too much stress and iii) work that ensures a good work-life balance. For each of these three dimensions, firms can play an important role. Some examples are: how they organise work, how much attention they pay to learning, how much variety, flexibility and autonomy they grant workers, etc. The discussion on "workable work" is especially relevant for older workers, but it is not limited to them. Research suggests that in order to extend working lives, one should start early – preparing young workers to work longer than previous generations have.

What can we learn from the Belgian case? First of all, the topic of active aging and extending working lives is important and is widely discussed in the policy debates. In recent years, many reforms have been carried out or announced in order to tackle the issue. As will become clear in the remainder of this document, some of these reforms are positive while others appear to somewhat go against the idea of extending working lives.

The Belgian case is also interesting to examine because of the many levels of government, social partners, companies and other organisations involved. On the government side, most measures seem to be of a financial nature. Besides financial incentives, the government has set up a system of leaves that workers can rely on to reduce working time or temporarily stop working. If we look at the macro level the financial aspect represents the main incentive as the labour cost is particularly high in comparison to other European countries. The recent 'tax shift' is an important measure in this regard. Few innovative measures have been produced. In a series of reforms, the government has in fact made it more difficult for people to be eligible for such leaves (e.g. by raising the minimum age, or reducing financial support). Another example is the pension bonus, which was cancelled by the new government. Such reforms seem to be motivated predominantly from the cost perspective. Moreover, they appear to run counter to the idea that extending working lives starts by preparing and supporting young workers. Raising these barriers may lead to an extension of working lives on the one hand, but could also result in a reduced workability. Overall, neither the federal nor the regional or local governments have put forward innovative measures to encourage older workers to remain active or to stimulate companies to hire such workers.

On the meso level, an important measure is that private companies with at least 20 employees have to prepare a 45+ work plan, in close collaboration with the social partners (CAO 104). A 45+ work plan has the objective to ensure that older workers remain active for a longer period of time or to attract older workers to the company. Such a plan can tackle different areas. Again, there are some innovative ideas on how to address issues in certain areas, but very often companies keep using their traditional tool box. Examples are: coaching, offering training, evaluations with a HR manager, ergonomic changes of the work place, etc. Some companies already notice that the share of older workers among all workers is substantial. In other organisations, this is not (yet) the case. Nevertheless, even for those organisations a 45+ work plan can be a valuable instrument precisely because it is a pro-active measure. The role of social partners largely seems to inform workers on the existing systems and contribute to work plans proposed at the company-level. While the government's measures are mostly of a financial nature, the focus on the meso level is much more on training, coaching and other forms of support. Still, also at the meso level there is still a lot of work to be done. Companies are still hesitant to hire or keep older workers.

From this analysis it is clear that the Belgian case is striking, as Belgium is lagging behind in dealing with the issue of extending working lives. Only very few innovative measures are taken. The government is aware of the issue, but mostly acts through financial incentives and the system of leaves (which is in fact being reduced at the moment). This conclusion in a way is not very surprising, given the concerns about the high labour costs that firms have in general in Belgium, and about older workers in particular. The government thus appears to specifically target the main issue.

Companies and social partners mainly appear to adapt to the government policies and stay within the framework that the government sets up, rather than proposing innovative ideas (e.g. they are on the receiving end, rather than shaping the debate). Minister Peeters is organising consultations with the social partners and key players in the field (e.g. the team behind Experience@Work, which is one of the most innovative ways to approach active aging). Yet, it remains to be seen what the result of these consultations and the policy measures taken will be.

## **the Czech Republic**

In the EU comparison, the Czech Republic has very low unemployment rate at the moment, which is favourable also for the employment of the older workers. The main target of majority of the current policies is the up-skilling, (re)gaining or increasing of the qualification in order to enhance the employability of disadvantaged older workers.

In the general terms, we observe “the rectangulation of economic activity”. Now, more than before, majority of people of both sexes work (almost) up to the statutory retirement age. However, the work longevity after this threshold remains a challenging task to tackle.

Many of the examples of the good praxis are recorded in companies with international ownership. This in our view highlights the importance of transferability of selected programs and incentives in particular, as well as transferability of the general work place culture in general. In sociology the term of social remittances is used for the transfer of values and expectations between the host and resource country and can be applied and developed here as well (e.g. we can talk about “corporate social responsibility” remittance).

There is need to overcome cumulative disadvantages while keeping cumulative advantages. This principle works at individual, but also at the meso / organisational level. Many of the good practice examples are concentrated (cumulated) within one organisation. If particular employer holds one award of recognition of good practice, e.g. for gender equality, the organisation often applies for other similar awards.

There are already some tools available (e.g. Gender studies [toolkit](#); projects like [Podpora podnikatelek](#); web platforms and educational programs, awards such as [Podnikavá žena](#)), but are both visually and rhetorically aiming at younger people, such as women after maternity leave and their support to start own business or achievement of work-life balance. These tools could be easily used also for older workers / self-employed, if they would be presented more age- and gender-inclusively. The same holds for incentives and programs supporting work-life balance achievement.

Active older workers grow up for healthy younger workers. The issue of health is being addressed by macro policies, meso level programs and policies, and in-house policies at firm level. Mental health problems were the second most frequent cause of disability after diseases of the musculoskeletal system. While the interventions to maintaining the physical health are already available at the selected employers (e.g. via work place design, health interventions at the workplace, accessibility of health care professional, benefits in form of a gym fees covered, etc.), the interventions supporting the mental health are not so present or advertised.

Further, the Czech Republic has a lowest unemployment rate in EU comparison. It was around 5,4 % in May 2016, which represents 395 thousands of unemployed persons, the lowest share since 2009<sup>2</sup>. This situation is very favourable for many of the employees as well as for the general economic situation of the state. On the other hand, for already longer period employers complain about insufficient numbers of suitable employees, both for high demanding job positions and low skilled workers. As it is quoted in the media: "The domestic labour market is lacking qualified workforce with engineering and technical degrees, university and college graduates, so we are fighting for the government to accelerate the possibility of the arrival of workers from abroad," says the president of the Confederation

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<sup>2</sup> Source: [http://www.rozhlas.cz/zpravvy/domaciekonomika/\\_zprava/nezamestnanost-v-cr-je-nejnizsi-v-eu-firmam-aleschazi-novi-lide--1621647](http://www.rozhlas.cz/zpravvy/domaciekonomika/_zprava/nezamestnanost-v-cr-je-nejnizsi-v-eu-firmam-aleschazi-novi-lide--1621647)

of Industry and Transportation Jaroslav Hanak. But according to the director of the Czech Association of Meat Processors Jan Katina, the staff shortages are not confined only to skilled labour: "The issue of the desperate shortage of workers in our country, unfortunately, applies not only to skilled workers, but also to butchers and support staff."<sup>3</sup> So where there are low unemployment rates, there is no felt need to support (especially) older workers on the labour market on one hand, on the other there is growing need to invest in workability and maintaining the employability of those (older / ageing) workers who are available. And since the general preference seems to be to look for the younger workforce from abroad (e.g. Slovakia), the measures against age discrimination seems to be of importance too.

## Denmark

### *Continuing rising employment rates: Absolutely and in EU comparison*

Between 2000 and 2015, employment rates of older workers (55-64 year olds) in Denmark rose from 58% to 68% (Eurostat data). However, the bulk of this increase has been ongoing since 2010 where the employment rate stood at 62%. Within the EU only Germany, Estonia and Sweden have higher employment rates.

While part of the increase is due to cohort effects related primarily to higher education (and hence overall higher employment rates) among older workers, looking in more detail reveals an increase in participation rates for all educational groups. This increase since 2010 is due to reforms of the voluntary early retirement programme. A higher age of eligibility is being phased in at the moment (an increase from 60 to 62 years over the period of 2014 to 2019). The evidence suggest that this has an effect on employment rates of 60 to 64 year olds. With the employment rate of 55-59 year olds close to 80% a great majority of the lengthening of working lives has to come from increasing employment rates of people above the age of 60.

The reform of the early voluntary retirement scheme together with an increase and subsequent linking to life expectancy at 60 of the statutory retirement age are expected to make the Danish economy sustainable in the long term (DREAM, 2015).

### *Lessons*

The main lesson from Denmark is that reforms to the early voluntary retirement programme are working. The continued increase in the eligibility age (to the age of 64) will lift the employment rate of 60-64 year olds considerably. Of course, as with other countries, cohort effects, mainly driven by an increasing level of educational attainment play a part as well. The reform to the unemployment benefit system, limiting the time one can spend in unemployment to two years has closed one of the only remaining (longer) path ways to retirement before the age of the early retirement programme. It still remains to be seen if the scheme of 'senior-jobs' whereby municipalities have to offer full-time employment to unemployed individuals, who have exhausted their unemployment benefit and are within five years of early voluntary retirement (and are eligible) is financially sustainable. As it stands it provides a safety net for those becoming unemployed after the age of 56 (increasing in line with the age of eligibility for the early voluntary retirement programme).

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<sup>3</sup> Source: [http://www.rozhlas.cz/zpravvy/domaciekonomika/\\_zprava/nezamestnanost-v-cr-je-nejnizi-v-eu-firmam-aleschazi-novi-lide--1621647](http://www.rozhlas.cz/zpravvy/domaciekonomika/_zprava/nezamestnanost-v-cr-je-nejnizi-v-eu-firmam-aleschazi-novi-lide--1621647)

The issue of extending working lives features much less prominently in the policy debate compared to the pre-crisis period up until 2008. Hence, there is less political focus on the area and few political initiatives that address the issue directly. In terms of age management in companies, it is unclear how much more can be done over and above what is included in collective agreements. A number of SMEs have interesting projects, but rather than focusing on older worker per se, their main impact goes via improved human resource policies in general. It is difficult to assess how well good HR management policies in SMEs can scale across companies. Such initiatives – whether supporter by public subsidies or existing public infrastructure – are often driven by committed individuals or small management teams, making transferability difficult. Overall, older workers' job satisfaction is rather high, and the work-life balance is better for people aged 55+ than for younger workers.

Extending working lives may come into focus again as the economic climate is progressively improving and unemployment is falling.

### *Risks*

The first evidence from the increase in the voluntary early retirement programme is that there is still substantial working potential beyond the age of 60 in the case of Denmark. The main risk is that a small group people who are unable to work is being left behind without adequate social assistance. This is, however, not only a problem for older age group; but exiting from unemployment may be more difficult at older ages. There is indicative evidence that age discrimination may be part of this.

A related issue is the collective labour market pensions which are a prominent feature of the pension system in Denmark. Around 10 pct. of the population is without a (large) labour market pension saving, leaving them dependent on the flat rate statutory pension and supplements. Part of this group consists of individuals who are self-employed or have savings in other assets, but another part of this group is vulnerable with little extra pension saved.

Future research should focus on this potential group and be forward looking in the sense of focusing more on the age group 65-74 year olds from where a larger part of the extension of working lives must come in the longer term. Another avenue for future research is to assess how human resource policies towards older workers evolve during the business cycle. Are older workers in higher demand when unemployment is low?

## **Finland**

### *Finland's U-shaped ranking in older worker employment rates*

Between 2000 and 2015, employment rates of older (55-64) Finnish workers rose from 42% to 60% (Eurostat data). Yet, a comparison of 26 countries belonging to the EU back then or later for which data is available for 2000 and 2015 shows that Finland's relative position worsened recently (own calculation based on Eurostat data):

2000: Older worker employment rate: 42% (Rank 8)

2005: Older worker employment rate: 53% (Rank 5)

2010: Older worker employment rate: 56% (Rank 5)

2015: Older worker employment rate: 60% (Rank 8)

Unlike most other EU member states, the employment gender gap in Finland is negative<sup>4</sup>, and women enjoy a higher employment rate than men. When comparing the older worker employment rate by gender in the EU, we can observe that Finnish women rank 3<sup>rd</sup> but men only 14<sup>th</sup>.

Since mid-nineties to the end of the noughties Finland was successful in fostering active ageing. Partly this was due to the low commencement level, which was caused by both a culture of early retirement and a big recession of the early 90's. During the recession above all the older workers lost their jobs. The successive governments together with the labour market parties adopted successful well-being at work policies and improved working conditions. The reforms were made possible by the generally acknowledged fact that Finland is one of the most rapidly ageing countries in the EU towards 2030. The success manifested in increasing employment rates of the older workers as well as later effective retirement ages. Yet, it has been hard to assess which policies had exactly what kind of impact, also the increasing educational level cohort effects have been a factor raising employment rates of the older workers. During the last years Finland has not been able to keep up a similar progress and is behind its Nordic peers in the employment rate of the older workers. It has to be noted that the progress in the employment rate in Finland has been weak in general.

In Finland, the societal debate has been dominated by questions related to extending working careers and deferring retirement. Reforms have or are being implemented in both the pension and unemployment systems to address these goals. The employment in the older age groups has become more common and the expected effective retirement age has gone up. However, when companies are abandoning their operations or downsizing on their labour force, especially the older workers are under a threat of losing their jobs.<sup>5</sup> This is in contrast to many other EU member states.

Finland has since a long time had a successful tradition of tripartite negotiation process concerning labour market and social policies, as well as agreeing on taxation policies to support them. This is explained by the fact that Finland has one of the highest trade union densities in the EU. The consensus acquired through the tripartite negotiation process ensures the continuity of the chosen policies, hence making them more viable in the long run. The forthcoming pension reform of 2017 follows this institutional set up.

The 2017 pension reform can have a great impact on the employment of the older workforce as retirement age will be gradually raised, and employment alongside the partial pension benefit will be made easier. However, simultaneously measures need to be taken to ensure that the increase in retirement age will not transform into higher disability and unemployment rates at older ages. Regarding pensions, for the time being, changes to the survivors' pension are being studied by the stakeholders.

In Finland health inequalities exist between socioeconomic groups as well as labour market insiders and outsiders. The people outside occupational health care are often in a more precarious position when it comes to health care. This might uphold the persisting health inequalities and hinder their attachment to the labour market.

One could argue that Finland has a healthy institutional setting and a good policy environment (unemployment, retirement and ageing policies) in place to foster active ageing. However, they need to be

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<sup>4</sup> In Estonia the female employment rate is higher too. A negative gender gap here refers to the fact female employment rate is higher.

<sup>5</sup> Based on Böckerman et al. 2015 who compared Finland and Sweden.

complemented with good micro level initiatives and policies enabling people and companies to take the best use of these existing structures. Shortly put, good guidelines and policies exist, but there seems to be a lack in integrating them to successful programs at grass roots level. Even more awareness raising measures at workplace level might be needed. Stepping up cooperation between the numerous stakeholders (social partners, employment officials, social security institution, pension insurance companies, occupational health institutions) to address the quality of working life and workability questions could bring positive results.

Although, it has to be noted that Finland is still recovering from the industrial collapse that began in 2008. We cannot escape the fact that the economic situation and prospects at workplace play a significant role when people decide whether or not to exit the labour market, and this might partly explain the lack of success.

The Finnish society still enjoys many strengths when it comes to active ageing. In the Active Ageing Index, created by the UN and the European Commission, taking into account employment, participation in society, independent, healthy and secure living as well as capacity and enabling environment for active ageing, Finland ranks 5<sup>th</sup> in the EU. Especially good the situation is in the independent, healthy and secure living domain. Suggesting that, although Finland has had a relatively mild success in fostering active ageing during the last years, it still has a good solid foundation to build on.

## Germany

### *Rising employment rates: Absolutely and in EU comparison*

Between 2000 and 2015, employment rates of older (55-64) German workers rose from 37% to 66% (Eurostat data). A comparison of 26 countries belonging to the EU back then or later for which data is available for 2000 and 2015 shows Germany's relative position (own calculation based on Eurostat data):

2000: Older worker employment rate: 37% (Rank 13)

2005: Older worker employment rate: 46% (Rank 10)

2010: Older worker employment rate: 58% (Rank 3, higher: Denmark and Sweden)

2015: Older worker employment rate: 66% (Rank 2 higher: Sweden with 74%)

For men, rising general employment rates between 1993 and 2013 were caused by rising employment rates among those aged between 55 and 60 and, even more so, by those aged between 60 and 65 (IAQ 2015). It is only in this final decade prior to the traditional retirement age of 65 that there remains considerable potential for improvement. Among middle-aged men employment rates are close to 100 per cent, so the potential for improvement is small. In the case of women, low employment rates, especially among those aged under 40 with children, indicate that the potential for enhancing employment rates in younger age groups is high.

Among the 34 OECD countries, in 2014 German employment ranked fifth in terms of the employment rate in the 45–49 age group (86 per cent), seventh in the 50–54 age group (83 per cent), eighth in the 55–59 age group (78 per cent), twelfth in the 60–64 age group (53 per cent) and only twenty-first in the 65–69 age group (14 per cent, OECD 2016a). In Germany the decrease in employment rates after

the age of 50 is stronger than in other countries. If Germany could mitigate this shortfall, its total employment rate would increase considerably.

Employment rates do not take into account the number of weekly working hours. Older workers – especially those aged over 60 – are overrepresented in part-time employment (Brenke & Zimmermann 2011), so that their total number of working hours is lower than employment rates suggest. The share of older workers in part-time employment and in minor employment – work with a monthly wage not more than € 450 – has risen constantly since 1991 to reach more than 15 per cent of working men and 50 per cent of working women (Braun et al. 2014; WSI 2013; Brussig 2010). Therefore, in terms of total working hours the increase is smaller than it appears, and the gender gap is greater.

Three main factors that account for the increase in employment rates of older age groups in Germany are as follows:

First, due to cohort effects women with high employment rates entered the 55–64 age bracket, although their rates of employment remain far below those for men (e.g. Boll et al. 2013).

Secondly, the generally robust labour market has contributed to the increase. Among the 34 OECD countries, in December 2015 only three – Iceland, Japan, Korea – had a lower harmonised unemployment rate than Germany (4.4 per cent, OECD 2016b). Low unemployment rates do not merely reflect a low number of people in official unemployment, but also lead to a lower number of unemployed people leaving the labour market via other routes, for example, the disability scheme or early retirement.

Thirdly, and related primarily to the second factor are reforms aimed at enhancing higher employment rates, especially among older people. These political reforms are the topic of this contribution.

### *Lessons*

Germany's rising older worker employment rates have been vastly driven by cohort effects and political reforms aimed at higher financial incentives for employment. Cohort effects raised older worker employment rates primarily amongst women. At the same time it should be noted that employment rates can be misleading, since no differentiation is made between full-time employment and part-time employment. A stronger focus on number of working hours is necessary.

The potential of (additional) financial incentives seems to be vastly exhausted. Firstly, deductions for early retirement are but a weak incentive for the growing number of retirees whose entitlements are below basic old-age assistance. Secondly, the general pension level will decline in coming years, so that further deductions lead to increasing relative poverty. And thirdly, financial incentives have to rely on people's ability to work. If the latter is not given, financial incentives are mere pension cuts. Further adjustments of the legal retirement age to rising (healthy) life expectancy will be necessary, whereas here due to differing developments mean values across all groups of workers can be misleading. Possibly stronger regard to individual circumstances (health, skills, labour market in the own sector) can weaken resistance to further rises of legal retirement ages.

There are numerous innovative and partly creative cases of good practice measures on employers' level in Germany. Large corporations with their well-staffed and professionalised HR departments are

active in several fields of pro-employability measures, partly supported or urged by collective agreements. Yet, the vast majority of German workers is not employed in large corporations, but in SMEs (for family-owned/owner-managed SMEs there is the widely known term ‚Mittelstand‘) or even smaller companies, or the public service. And about 10% of people in paid work are self-employed.

At the level of employers smaller than large corporations pro-employability measures are less widespread. In parts, action and non-action is less dependent on objective circumstances such as lack of skilled labour, demographic structure of the staff or financial situation or problematic/non-problematic sector in terms of employees' employability until legal retirement age. Action and non-action seem to be strongly affected by key persons' ideas and attitudes. Access to information on cases of ‚bad practice‘ or ‚non-practice‘ is hard to get. Yet, if action is fostered by HR department leaders, company leaders or the chair of the works committee, these actors could also be depicted as barriers. Therefore, in order to spread company-level measures, key actors have to be

- (1) Convinced that action is sensible. This could happen also via cost/benefit analyses showing advantages to both, employers as well as employees
- (2) Enabled to conduct measures and partly to assess these measures' effects in their own company.

Although our collections of ‚best practice‘ cases are focused on innovative measures, positive effects of simple and non-innovative measures should not be neglected. Back trainings, healthy food at the company site, sports offers in the area of health, or measures fostering a positive work climate, or some working time flexibility for working carers can yield positive cost/benefit ratios. They come not just with the advantage of easy implementation (since there are numerous role models) but with the advantage that due to their dissemination they are primary objects of scientific evaluation.

For numerous aspects of older worker employability the course is set at mid-age or even earlier. This applies to health, but also to lifelong learning (since otherwise workers unlearn how to learn), or motivation (the crucial mid-career phase which is often a plateau phase). Here, two different courses of action are necessary:

- (1) For mid-age workers early and far-sighted interventions to prevent a significant decline in employability as these workers become older
- (2) For older workers interventions to dampen further declines in employability or to even raise it, but also measures that enable workers with impaired employability to stay (full-time) employed.

In sum, the German case shows that policy reforms in the area of financial incentives can be successful, whereas here the generally positive development of labour demand has also been crucial. In terms of policy reforms, German reforms have been comprehensive since these reforms tackled all labour market exit routes (retirement, early retirement, unemployment, disability), yet as our policy reports show, partly similar reforms have been conducted in many European countries, even in southern European countries where one would expect resistance to longer working lives due to high unemployment rates in several age groups (and research shows that the idea that longer working lives harms younger workers' job prospects is still widespread and even fostered by unemployment rates).

The German case also shows that financial incentives have to be supplemented by enabling elements. Still, as shown in the preceding chapter, the very high prime age employment rates do not translate into high older worker employment rates. Increased efforts for higher employability can change this, with widespread positive effects on older workers, employers and even younger workers, the latter primarily due to positive effects on social security systems.

## Italy

This report aims at identifying and assessing structural drivers of and barriers to innovative, sustainable strategies for extending working lives and lifelong learning on the demand and supply side, in Italy. In particular the report provides an overview of the main policies, measures, initiatives and innovative solutions (to the extent that this is possible in the Italian context), implemented at both the macro and the meso levels for sustaining the participation of Italian older workers in the labour market and for prolonging their working life. It also offers suggestions and recommendations that might be useful to improve the situation on these issues in Italy, taking in consideration a range of key-dimensions and topics, interrelated to each other, focusing on both the supply and demand side (discussed respectively in chapters 2 and 3). In particular, with the aim of trying to “translate research in practice”, the proposed solutions and measures suggested/recommended have the goal to contribute to open a public discussion among policymakers and stakeholders involved in the challenge of better coping with the demographic trend and in particular with the ageing of the workforce. Obviously, we are aware that only through an actual and lively public debate and a “political willingness” of all potential relevant public and private actors, it should be possible to put in practice the policies and measures suggested in this report for supporting in Italy an innovative and sustainable management of the older workforce, contributing to the extension of working life and to the enhancement of lifelong learning.

Concerning the methodology, the report has been realized by using a mix of methods: literature review and expert interviews (details of experts interviewed and information about citation method are provided in the Annex). Results reported in paper include reflections on results obtained in previous task of the WP3 (“Extending Working Lives” of the MOPACT project, as integrated by the literature review and the expert’s interviews. The literature review has been carried out between April and June, whilst expert interviews have been realized in June. For each of the dimensions/issues discussed, were merged results from the literature review, expert interviews and reflections by the researchers. Chapter 2 of this report deals with the supply side, while chapter 3 with the demand side. In each section, the first part offers an analyses of the (innovative) policies and measures already enforced/implemented (“state of art”). The second part presents some ideas, suggestions and recommendations that might be introduced in Italy, in order to improve the “state of the art”, and offers, a contribution for a public debate on the these issues.

When compared with other European countries, Italy is a “late mover” in terms of willingness and ability to manage the older workforce both at the macro and the meso levels, and of promoting age management policies, employability and workability of older workers. The study highlights some interesting results. For example, in Italy the participation of older workers in the labour market and the extension of working lives, have been mainly promoted through a “coercive approach”, rather than by trying to raise older workers’ motivations in doing this, this resulting in a sort of “blocking strategy” pattern. Indeed, the pension reforms introduced from the 1990s, and especially the most recent one, the “Fornero reform” enacted in 2012, restricting access to early retirement and increasing retirement

age, actually “blocks” older workers in employment. In this context, it is recommended to move towards a “development” approach, aimed at raising the awareness of stakeholders for implementing currently missing policies and measures at both the macro and the meso levels, in order to raise older workers’ motivations in prolonging their working lives. A main way to do this is by improving working conditions of older workers, through a labour market reform. In this way, older workers will have available more possibilities for choosing the best suitable solution to remain active in employment, as opposite the current situation of just being “blocked” in the labour market. In this regard, it should be avoided too frequent “changes of the rule of the game” concerning the pension system (as happened in past years, this creating uncertainty and anxiety among older workers close to retirement, pushing them to - the wish of - retire as soon as possible). Instead, in this field, the main suggested solution is to introduce in the Italian legislation the possibility for a “real” gradual retirement (i.e. the possibility to start receiving the pension without quit the employment relationship - this currently being not possible in Italy) thus concretely allowing more easily older workers to prolong their working lives. On the other hand, taking into account heterogeneity of needs and expectations of older workers, as well as differences concerning their workability and employability, it should be implemented a set of coherent and stable measures allowing older workers to retire in a flexible way: later or earlier (but with a minimum threshold in terms of age and years of contributions), with related financial incentives/penalizations. At the meso level, Italian companies, traditionally have not been interested in investing in older workers, since in the past older employees have often been target of measures allowing them to access early retirement. However, in the last years enterprises are gradually changing their approach towards the older workforce. Particularly medium and large companies are implementing several innovative initiatives in order to engage, value and manage older workers, through a wide range of innovative activities and projects (e.g. training, initiatives fostering intergenerational collaboration, work-life balance measures, flexible working time arrangements, health promotion, corporate welfare programs, age management policies, etc.). However, several suggestions and recommendations have been identified for companies, in order to better value older workers, and for raise their individual motivation for extending their working life. For example, there is a need to strengthen changes in work organization, that have to be more adapted to needs and health of older employees (e.g. by offering more flexible working time arrangements, adapting/“redesigning” jobs according to workability, ergonomics). Furthermore, for the benefit of older workers as well as for improving the companies’ competitiveness, there is also the need to develop more and effective initiatives of continuous training for skills updating, and to introduce careers development/management programs and diversity management policies, by adopting the various interventions supporting a life-cycle approach of employees (e.g. promoting initiatives to the benefit of working carers). Among other measures recommended, there is the need of providing support (with appropriate policies and measures both at the macro and the meso levels) for the combination of volunteering and paid work, as well as for better reconcile paid work and informal caregiving (especially with measures targeted to women caregivers). This could be achieved by providing an organic and coordinated set of financial incentives, paid and unpaid leaves, recognition in terms of social contributions for pension benefits for workers of the time devoted to volunteering/caregiving. Concerning vocational training and lifelong learning, it is crucial to: foster policies aimed to develop a more structured national system of lifelong learning and adult learning (even with a more direct role of universities); strengthening its main components (programming, management, monitoring and evaluation); designing and offering a wide range of tools and methods of training (e.g. on-line courses/e-learning, classroom courses, workshops, etc.) suitable for different needs of older workers. To encourage older workers in further training participation, also a more organic regu-

latory system of (more generous) tax benefits available (even for employers offering vocational training) and paid/unpaid leaves may be of help, as well as to allocate public funds in a more balanced way between formal and other less formal kinds of learning. Companies have also to play a more direct role by investing in training for older workers, even stimulating know-how and skills transfer with young colleagues, and providing transversal training to older employees in order to support the transferability of their skills.

In a context (both national and supranational) characterized by low economic growth and with companies facing radical changes in terms of organizational restructuring and production technologies that might negatively affect employment growth in the future (e.g. technologies are “job saving”) it is also important to support self-employment. The latter might offer to older workers chances to return in the labour market (if unemployed) or prolong their working lives. For supporting self-employment of older people is suggested the development of (for free) information/advice, training services, technical and managerial competences, economic incentives and reduction of bureaucratic requirements for the start-up and the management of autonomous activities. It is also necessary to open a public debate for supporting work after retirement, that could be more easily stimulated also through the mentioned suggested introduction of a real gradual retirement, or by providing flexible working arrangements and stimulating companies to hire former managers/employees. However, all these solutions/suggestions, to be developed/implemented, require a stronger involvement/collaboration between public sector and all relevant intermediary bodies/stakeholders (e.g. employer’s organizations, trade unions, chambers of commerce, foundations, universities, research centers, etc.) even in order to support especially SMEs (which constitute the large majority of the Italian firms) in the implementation of a wide range of measures in the several dimensions discussed. Awareness campaigns, financial and non financial incentives, public-private networks, supply of services, collective agreement at the national and company levels may be some of the means by which public institutions and private/NGOs organizations may contribute to implement the most effective solutions for managing the older workforce. Concerning the demand side, the most relevant recommendation for supporting the employment of older workers (and the re-integration in the labour market of older unemployed people) is the reduction of the “tax wedge” (i.e. the difference between the salary costs of a single “average worker” to the employer and the amount of net income that the worker receives; it is very high in Italy), accompanied by a rationalization of available financial incentives linked to recruitment, that should be focused on a few and selected target of workers, among which older workers, especially older long-term unemployed people. At the same time for promoting the participation of older people in the labour market it should be enhanced the coordination among financial and non financial incentives, for example by developing active labour market policies (ALMPs) and the role/effectiveness of Public Employment Services (PES). The necessity of strengthening ALMPs and PES (as well as lifelong learning, wage subsidies, unemployment benefits, outplacement services) is also aimed to “counter-balance” the reduction of the Italian Employment Protection Legislation after the introduction of the last labour market reform (the so called “Jobs Act”), in order to provide specific support to unemployed older people for their reintegration in the labour market. Another recommendation is to develop awareness campaigns and to implement policies and initiatives to combat stereotypes about older workers, especially concerning their perceived low productivity (Principi, Fabbietti and Lamura, 2015), for example supporting investments in human capital within firms for their skills updating, and through training programs targeted to Italian managers, as they tend to judge more positively workers of the same age. In conclusion, in comparison with most of European countries, Italy shows a negative gap concerning the management of the older workforce, although there are some encouraging indications

about a growing interest in the public debate about work in older age. In Italy there is a need of a sort of “New Deal” among all public and private stakeholders (included NGOs advocating for older workers), to develop a comprehensive national strategy for implementing innovative measures both at the macro and the meso levels, for extending working lives and lifelong learning, and to raise the employment rate of older workers (avoiding, at the same time, the risk of an “intergenerational conflict” with young people).

## **the Netherlands**

- Dutch reforms draw attention to the need for more comprehensive reforms that concern not only changes in the old age pension, but also in the disability and unemployment benefit schemes in order to prevent substitution and discourage early exit from employment.
- From the practices reviewed for the Netherlands, measures which provide incentives for employers to invest in health prevention and make employers and employees jointly responsible for the rehabilitation process, could be considered for adoption in other European countries.
- Combining labour market and pensions policies with public campaigns aimed at changing public perceptions about older workers’ employment and at informing and engaging employers/employees about investment in employability can produce better incentive designs.
- The Dutch case offers a variety of age management measures and instruments which can initiate change in the company’s work organization and its handling of age issues, but also in enhancing and investing in the employability of its work force.
- There are a number of ways in which policies in the Netherlands try to incentivize older workers and employers to invest in life-long learning. These include activities that aim to raise awareness among employees and employers about the importance of life-long learning, a sector-based approach to enhance employer-supported training, but also targeted support for vulnerable groups, such as lower educated older workers, and increased support for SMEs.
- The case of the Netherlands suggest that there is scope for engaging labour and business in setting priorities for supporting the retention and hiring of older workers, and for developing and strengthening joint public and private partnerships to improve the delivery of labour market policies and services.
- The Dutch case can provide useful insights to finding a suitable model for cooperation and partnership that pays attention to the diversity of regional/local labour market needs. It also highlights the important role social partners and employer networks (both regional- and industry-based) play in ensuring the success and sustainability of such initiatives.
- Highlights the importance of a proactive and participatory approach in the planning and implementation of company measures (involving all relevant stakeholders e.g. employers, management, employees, employee representatives as well as external advisors and stakeholders).

## **Poland**

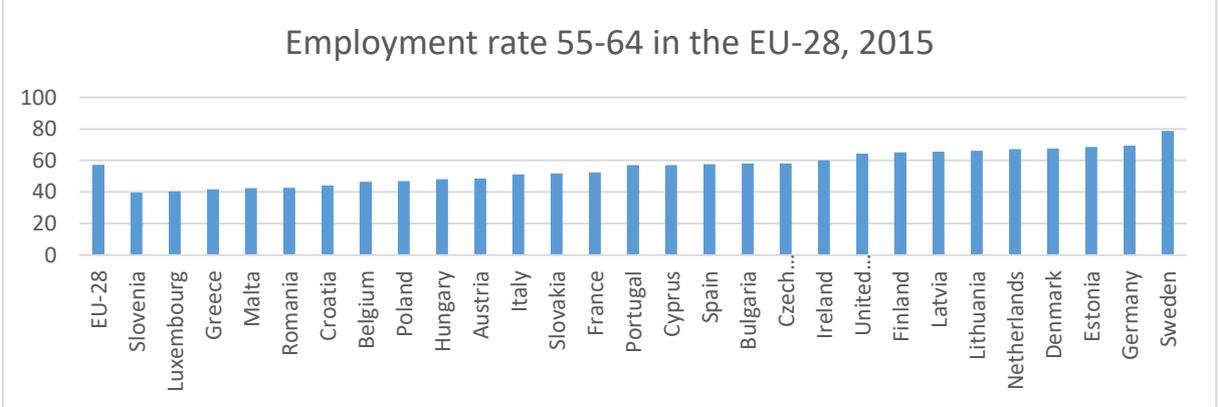
### *Introduction*

Poland is expected to face major demographic changes since a drop of 2 million Poles is foreseen between years 2008-2035, while the number of people aged 65 and over will drastically increase (by about 3 million people). This means that the proportion of people from this age group will grow from 13.9% to 23.2%<sup>6</sup>. Despite that, the current proportion of the elderly is relatively low compared to other EU Member States.

Statistics show considerable discrepancies between the Polish voivodships (regions). We observe overall that Poland is divided in two, with the north-west regions encompassing the lowest rates of people aged 65+, and the south-east encompassing the highest rates of seniors. We observe that the voivodships of Świętokrzyskie and of Łódź, located in the centre of Poland, are the ones with the highest rate of people aged 65+ with around 16% of the population.

Overall, the employment rate for Polish people aged 55-64 has increased from 36.7% in 2010 to 46.9% in 2015, which is encouraging, but still under the EU average of 53.7%. The gender segregated data shows significant discrepancies between men and women in this context, since the employment rate for men increased from 48.9% in 2010 to 57.6% in 2015 and from 25.9% in 2010 to 37.3% in 2015 for women. Compared with an EU average of 65% for men in 2015 and 50.0% for women, Poland is among the EU countries with the lowest employment rates among people aged 55-64 years old<sup>7</sup>. Table 1 below shows the situation of elderly's employment compared to the EU average and according to the different age groups, and table 2 position of Poland among other EU countries. We see that Poland is among the countries with the lowest employment rate among the elderly and that the older the age group, the lowest the employment rate is.

**Graph 1. Employment rate of the elderly in the EU**

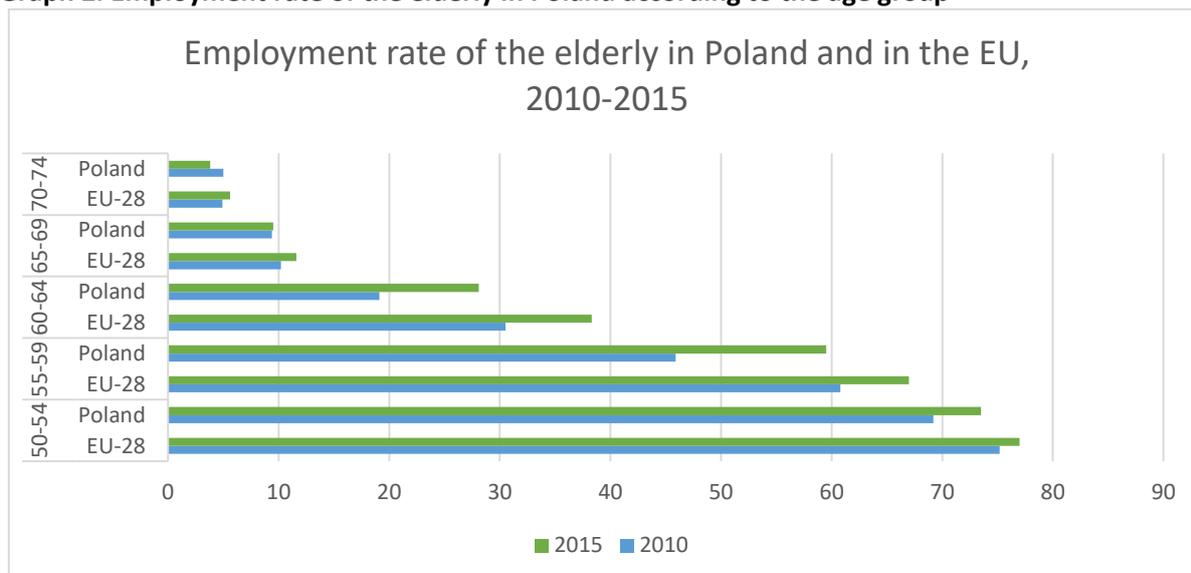


Source: own elaboration based on the Eurostat database

<sup>6</sup> <http://www.eapn.org.pl/wp-content/uploads/2013/07/Ubostwo-i-wykluczenie-oso%C5%82b-starszych.pdf>

<sup>7</sup> Eurostat database

**Graph 2. Employment rate of the elderly in Poland according to the age group**



Source: own elaboration based on the Eurostat database.

The graphs 1 and 2 above show that Poland lags behind its EU neighbours in terms of employment rate, which has an incidence on older people’s workability. Thus, despite the progress made in recent years, greater policy efforts are required to stimulate the potential of active ageing in the country in order to reach the standards of the Western Member States.

Poland has a higher share of older workers in temporary employment or self-employed, but a low incidence of part-time work. Indeed, 10.4% of people aged 55-64 work part-time, compared to an EU average of 22,1%. From a gender perspective, data shows that 14,7% of employed women aged 55-74 work part time, compared to 9.9% for employed men. The reasons for part-time employment in Poland have been declared as mainly being the impossibility to find a full-time job and because of illness or disability.

Overall, the Polish labour market is distinguished by an early age of exit from employment: as they reach 50, many women leave the labour market, while men do similarly between 50 and 60 years old.

More than 70% of men aged 55-64 who have completed tertiary education were working in 2012 and this proportion was less than 35% for those with less than upper secondary education. For women, the figures were 52 and 18% respectively<sup>8</sup>. We thus see the positive effect of education on the likelihood of working at older age, and the incidence of low education as a barrier to older people’s employment. It is also to be noticed in this context, that Poland is one of the EU countries with the biggest gap in life expectancy between highly and less-educated people.

The unemployment rate for people aged 55-64 in 2015 was 5.5% in Poland, which was under the EU average of 6.9%. The gender segregated data showed an unemployment rate of 5.9% for men (EU average: 7,5), and 4.8% (EU average: 6.3%) for women in the same year. The incidence of long-term

<sup>8</sup> [http://www.keepeek.com/Digital-Asset-Management/oced/employment/ageing-and-employment-policies-poland-2015/assessment-and-key-recommendations\\_9789264227279-4-en#page18](http://www.keepeek.com/Digital-Asset-Management/oced/employment/ageing-and-employment-policies-poland-2015/assessment-and-key-recommendations_9789264227279-4-en#page18)

unemployment (lasting one year and over) for the same age group was 50,3% of the unemployed population in Poland, lower than the EU average of 63,3% but higher than for younger age groups aged 25-54 at 39,2% (compared to an EU average of 48,5%)<sup>9</sup>.

In addition, it is to be observed that full-time earnings for 55-64 year olds are slightly above the earnings of the 25-54 year olds, and the share of part-time work for the same age group was lower than the EU average, while self-employment is on average more common than in other countries.

Data regarding the elderly's perception of health is worth mentioning, since among the age groups 55-64, 65-74 and 75-84, we observe that except for the age group 55-64, which perceive their health as more good than bad, the other age groups perceive it as more bad than good. Moreover, we observe huge differences with the EU average, with the figures for Poland being sometimes twice as higher than the EU average as far as the proportion of people perceiving their health as bad are concerned<sup>10</sup>.

Polish people are among the most distrustful people in the EU. Country-specific factors and historical socio-economic events related to communist times contribute to this phenomenon. After 1989, the wish is made to build a new social capital creating local communities and move toward less individualism<sup>11</sup>.

#### *Policies at the national level addressing the issue of Active Ageing*

After the EU accession, as a member of the EU, Poland had to adjust its policies to the goals and priorities of the EU, which included active ageing. Hence the determination from the Polish government to achieve the goal of an employment rate for people aged 55-64 of 50% by 2020 as a part of the Lisbon strategy. The latter has the aim of creating a more competitive European labour market through the intensive exploitation of knowledge as a basic factor building competitiveness. Moreover, the basic goals of the strategy imply innovation, entrepreneurship, and social cohesion.

Almost no active ageing program can be implemented without the State, since they imply systemic solutions which need to be elaborated at the national level, and since they encompass legislative, institutional and financial elements that are crucial to its creation. Moreover, the financial contribution of EU funds to projects related to active ageing are also indispensable to a good conception, implementation, and evaluation of programmes aiming at improving the living conditions of older people and extending working lives through better employability and entrepreneurship.

The Polish government's interest in the development of active ageing policies started in 2004 with the accession of Poland to the EU and intensified in 2012 with the European Year of Active Ageing. After the implementation of several diverse programs aiming at increasing the participation of the elderly from different angles, two important programmes "Solidarity Between Generations" (thereafter SBG) and "ASOS" were implemented and are still being implemented in Poland until 2020.

The programme SBG, implemented in 2009 and updated in 2014, has the objective of establishing tools to contribute to reaching the goal of 50% of employment among older people in 2020. This goal is

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<sup>9</sup> Eurostat database

<sup>10</sup> Thus, we see that 31.2% of Poles aged 55 to 64 perceive their health as good, while the EU average is of 45%; that 18,4% of people aged 65-74 are perceiving their health as good while the EU average is of 38.4%; and that 22.4% of people from the same age group perceive their health as bad compared to an EU average of 13%. Lastly, among people aged 75-84, 10% of Poles of this age group perceive their health as good while the EU average stands at 26.8%, and 37.7% of Poles perceive their health as bad compared to an EU average of 21.1%.

<sup>11</sup> <https://www.researchgate.net/publication/268290054> Determinants of Building Social Capital in Poland

realized through addressing to both the demand and supply sides. From the demand side, SBG implements solutions for people over 50 years old to encourage them to remain in employment for as long as possible and develop skills and competencies that are indispensable on the labour market through training and lifelong learning activities. From the supply side, the programme creates initiatives encouraging employers to recruit and hire older people through reduction of labour costs and awareness campaigns.

The programme acts on age discrimination, on support to older people with health limitations and disabilities, on the improvement of working conditions, on healthy ageing, and on gender equality, as well as organizes professional training programmes<sup>12</sup>. The program started with the implementation of legislative changes in the area of labour law. It thus established a limitation on “bridging pensions”, reduced the number of granted paid sick days, promoted age-management among companies, and opened childcare facilities enabling mature women taking care of their grandchildren to have a professional activity<sup>13</sup>. Between 2008 and 2010, the positive effects of the programme’s implementation could be observe, notably regarding the increase of skills through training, financial help offered to farmers, and regarding the figures of elderly’s employment rate (+1.3% for men, 3,5% for women)<sup>14</sup>.

The long-term effects of the programme are difficult to assess since the last evaluation in date is the one made in June 2010 and encompassing the analysis of achievements made by the programme in two years time. However, the short-term success of the programme lies in the fact that the latter has been implemented at regional and local level, since local institutions are closer to people than policies implemented for the whole country at national level, and are more likely to identify the drivers and barriers to those policies’ implementation. The evaluation of this programme can be found in the MO-PACT report “Conceptual Framework on the active ageing policies in Employment in Poland” by I. Styczyńska<sup>15</sup>.

The ASOS programme 2014-2020 has been introduced by the Polish Ministry of Labour and Social Affairs in the continuity of the one implemented for 2012-2013 and aims at boosting older people’s social and professional activation and at moving the initiative of implement active ageing policies to the local level. The programme has four priorities: 1) education of older citizens: educational trainings, volunteering training, and promotion of lifelong learning among older people with the Universities of the Third Age, 2) social participation promoting people’s integration within senior generations and between younger and older generations: social activity, including volunteering, promotion of physical activities, tourism and recreation, encouraging cultural activities, building social networks, and preventing social inclusion 3) social participation of older citizens: activity of senior citizens in their local communities, participation in social/public life, and building a positive image of ageing, and 4) social services for senior citizens: training of volunteers, support of self-help, increasing the access to social services in various areas such as culture, education, sport and tourism<sup>16</sup>.

The creation of those four categories was preceded by the public consultations, where associations of elderly, non-profit organizations, and other relevant stakeholders were introduced to take part in the

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<sup>12</sup><https://www.premier.gov.pl/wydarzenia/decyzje-rzadu/program-solidarnosc-pokolen-dzialania-dla-zwiekszenia-aktywnosci-zawodowej.html>

<sup>13</sup> [http://analizy.mpips.gov.pl/images/stories/publ\\_i\\_raporty/50+Solidarity\\_across\\_generations.pdf](http://analizy.mpips.gov.pl/images/stories/publ_i_raporty/50+Solidarity_across_generations.pdf)

<sup>14</sup> [http://www.mpips.gov.pl/gfx/mpips/userfiles/File/Analizy/Sprawozdanie%2050\\_plus\\_01\\_2011.pdf](http://www.mpips.gov.pl/gfx/mpips/userfiles/File/Analizy/Sprawozdanie%2050_plus_01_2011.pdf)

<sup>15</sup> <http://www.case-research.eu/sites/default/files/publications/S%26A%20470.pdf>

<sup>16</sup> <https://www.mpips.gov.pl/seniorzyaktywne-starzenie/rzadowy-program-asos/>

dialogue. Based on their requests, and their identification and assessment of the problems existing in the regions, the program was created and implemented at national level.

In 2014, an updated version of the programme has been implemented and budget limitations intervened within each of the four categories. Thus, priority 1) saw 30% of its budget cut, priority 2) experienced 40% of budget cuts, and both priorities 3) and 4) had to deal with 15% of budget cuts. This updated version also implemented the long-term senior policy approach in Poland for years 2014-2020, which tackles the main issues related to the population's ageing and active ageing: the adaptation of skills and qualifications of older people to labour market needs; developing a softer and less hostile corporate culture and working environment for people over 50; supporting activities stimulating professional activity among older people; and encouraging the concept of active and healthy ageing. These measures aim at using the potential of people aged 50+ on the labour market at the maximum in order to enable them to be financially and physically independent for the longest time possible.

Overall, the main goals of the Polish priorities of policies relative to active and healthy ageing are care services (caregivers' trainings, prevention, lifelong learning, etc), research initiatives on age friendly working environments, and other local initiatives focused on other issues and focused on the regional level. The section below describes the most socially innovative projects and initiatives from both demand and supply sides in the context of active ageing according to the themes of employability, health, life-cycle orientation, care, informal work, lifelong learning, self-employment, as well as financial & non-financial incentives for the employment of older workers. The section also analyses the drivers and barriers to the policies relative to the studied themes of active ageing.

It is to be noticed that apart from those programmes, there are many local initiatives, notably at municipal level, that are multidisciplinary. For example, the Warsaw-based program *Warszawa Przyjazna Seniorom* (Warsaw friendly to the seniors), has three goals to deal with the situation of active ageing in the capital city of Warsaw: increasing social activity (relative to the issue of health), increasing professional activity (relative to the issue of employability), and help the seniors to remain independent<sup>17</sup>. The sections below give examples of socially innovative initiatives in the context of active ageing. They have been selected either by previous reports or evaluation studies, or by personal selection according to the following selection criteria: 1) local specialization 2) targeting the 50+ 3) targeting specific areas of industry and/or services, 4) adding a gender perspective 5) using multidisciplinary elements (IT, educational sessions, field trips), and 6) tackling at least two issues of active ageing.

## Spain

### *Background*

- Average retirement ages have gradually risen for men, from 60.9 to 62.2 years. In contrast, the female average retirement age remained stable at 63.1 years.
- There is no mandatory retirement age, although, sectoral exemptions to otherwise legislated non-mandatory retirement exist in Spain for public servants (65 years), judges (72 years), or professors at public universities (70 years).
- Pension reform in 2011 determined that the normal retirement age for all be raised gradually to 67 years by 2029, while the earliest age at which someone may retire on a state pension was raised with immediate effect from 61 to 63 years.

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<sup>17</sup> [http://www.wpek.pl/pi/85775\\_1.pdf](http://www.wpek.pl/pi/85775_1.pdf)

- The Global Financial Crisis (GFC) in 2007 caused a major recession in Spain leading to dramatic increases in unemployment. There were continued increases in labour market participation rates, especially among the older working age population. Between 2005 and 2014 participation rates among those aged 55 to 64 rose 9 percentage points to 55 per cent. At the same time, unemployment rates for older workers rose by 14 percentage points.
- Doors were gradually shut on opportunities for early retirement. Exceptions however have remained. Early retirement is available to those with at least 38.5 years of contributions, although it is penalised with a benefit reduction of at least 7 per cent per year. At the same time, there are rewards for late retirement with an increase in pension between 2 per cent and 4 per cent for each additional year spent in work after reaching the pensionable age.

### *Lessons*

Management perceptions are that older workers just want to retire, which dictates management policy and practice. High youth unemployment and perceived older worker retirement intentions might explain the absence of many extended working lives initiatives in Spain.

Age management practices invest in making older workers 'workplace leaders' to facilitate retention through enhanced status, and to assist in knowledge sharing through cascading of skills. Take up of these practices is limited and there may be potential for wider applications.

Redeployment (or workplace adaptations) of (for) workers with current or emerging work limiting conditions, relatively common in the manufacturing sector, could be adopted more widely in the service sector.

## **the United Kingdom**

### *Background*

- The average retirement age has gradually risen. For men, from 63.3 years in 2005 to 64.1 years in 2014; and for women from 61.4 to 62.4 years.
- From 2011 there was no mandatory retirement age in the UK, but businesses retain the right to retire staff if they can demonstrate retirement at a given age is an essential part of their business's commercial strategy.
- The state pension age will gradually rise. The Pension Act of 2014 brought forward the increase in the state pension age agreed a few years earlier from 66 to 67 years to be achieved between 2026 and 2028.
- Efforts to promote labour market participation of those aged over 50 had been evident for some time prior to the Global Financial Crisis in 2007. However, following this labour market participation rates, especially for the older working age population increased further.
- This was accompanied by increases in unemployment, although employment rates remained high.

### *Lessons*

Age discrimination legislation in the UK means that policies typically have to be targeted at the entire workforce rather than subgroups, such as older workers (Non-discrimination mainstreaming).

Many initiatives are simple; they utilise a lifecycle approach that recognises how workplace needs and performance relate to the needs and performance of workers. This requires the identification of good workers and performance management practices that allow good workers to perform in the workplace within the constraints of pressures external to the workplace.

Employers need a focus on employee well-being and workplace satisfaction. This can be best achieved through a life cycle approach to workplace organisation. Strategies under this framework should include:

- flexible working times,
- taking into account time constraints for those with caring responsibilities,
- Continued human capital investment - no age limits on training opportunities, especially high investment training (apprenticeships),
- opportunities for phased retirement (requiring guaranteed pension rights),
- redeployment (or workplace adaptations) of (for) workers with current or emerging work limiting conditions,
- Mentoring of new staff by experienced (often older) staff

## **the Baltic countries**

In 2011, Eurostat reported that the Baltic states are among the eight Member States where population has declined during 2011 (Robustillo et al. 2013). This is a result of the negative natural change supplemented by negative net migration (or offsetting positive net migration in case of Estonia) (Robustillo et al. 2013). Although the trend is no different from the other European countries, this clearly exemplifies the urgent nature of dealing with population ageing and supporting active ageing in the labour market and lifelong learning throughout the life-course.

Some particular challenges can be highlighted for Baltic countries concerning active ageing and longer working lives. In general, all three Baltic countries fare relatively well in European context in terms of employment in old age. Employment rates in the 50-74 age group have been above the EU27 average in all three Baltic countries. In 2014, employment rate of 55-64 year olds in Estonia (64%) was recorded the third highest among EU countries after Sweden and Germany, while Latvia and Lithuania also stood among the ten countries with highest old-age employment rates in EU with 56% in both countries according to Eurostat. This is largely motivated by relatively low replacement rates of pensions and the possibility to receive pensions and income from work simultaneously. Financial reasons are among the strongest motivator to remain in employment in the Baltic countries (Nurmela, Osila, and Leetmaa 2014). Nevertheless, a particular challenge for employment in old age is the low (healthy) life expectancy in Baltic countries. Furthermore, there is a large gender gap that feeds into gender inequalities in older age cohorts. For instance, among the EU countries, Lithuania and Latvia stand out with the lowest male life expectancy at 2013 (68.7 and 69.1 years respectively) while Estonia has fifth lowest life expectancy for males (71.6 years) (Eurostat). Women can expect to live between 9.7 and 10.9 years longer than men in 2013 in the Baltic countries. In terms of expected healthy life years at birth, Estonian women are four years and men 8 years below the EU average. In Latvia the figures are 3 and 7

and in Lithuania men are 5 years below the EU average and women have managed to caught up to the average woman in the EU. The situation for Baltic States has improved since 2004 but the growth of healthy life years has stopped and regressed a little for Estonia and Lithuania. These trends have revealed in a high share of men being inactive due to illness or injury before retirement. This puts an **emphasis on population health with particular attention on men's health, including workplace level health promotion and occupational health and safety.**

People in the Baltic countries generally believe that flexible working opportunities or training is not widely available to older age groups in the labour market, which is an important reason to stop working (Nurmela, Osila, and Leetmaa 2014). Due to low implementation of flexible working time arrangements, this is generally not recognised as a measure to support smooth transitions between employment and retirement. Nevertheless, several company level practices have proved that flexible working arrangements can motivate longer working lives. Thus, Baltic countries could make use of **flexible working time arrangements** through **motivating employers to offer** these arrangements and **motivating and raising awareness among older workers to increase take-up** of flexible working time opportunities.

There is also an increasing concern in growing gender difference in educational attainment. In particular, gender differences in attainment of tertiary education vary between 17 to 25% points (Nurmela, Osila, and Leetmaa 2014). Against this background, participation rates in education and training in pre-retirement age (55-64) are relatively low, although remaining around EU27 average. Thus, there is a need to **support labour market transitions in old age through active participation in education and training throughout the life-course.**

Difficulties in finding good practice examples in companies and discussing these from the perspective of older workers illustrated the importance of the **awareness of age management in companies.** For instance, in Estonian case most employers do not think about the issue of ageing and its influence on available workforce. 82% of employers had not assessed company's risks arising from the issue of population ageing and 77% of employers did not consider that the proportion of older people in their personnel would significantly increase over the next five years (Espenberg et al. 2012). Also, employers/ HR professionals often do not label their workplace practices as those supporting active ageing and age management, even though the practices do exist. Thus, understanding of the concept of age management seems to be low.

In general, the concept of active ageing and its implementation in policy framework is still developing in Baltic countries. In 2014, Estonia and Latvia were working towards introducing a national level strategic framework for active ageing while, in Lithuania, the period for the previous action plan on tackling ageing had just ended (Nurmela, Osila, and Leetmaa 2014). Thus, a comprehensive policy framework for tackling ageing related challenges in these countries is still a new concept. This is not to say that there are no measures introduced for supporting active ageing. Several good practices can be highlighted both on national as well as company level which will be discussed in the current report. However, the effectiveness of these measures has in most cases not been analysed in depth which makes it difficult to highlight particular success factors.

Further, analysis of company/organisation level practices has shown that lack of qualified labour, high labour turnover has led several companies to make an effort towards retaining their employees in the

company and building long and stable employment relationships. In addition, availability of several financial instruments has led to various project-based initiatives to supporting employment of older workers. Current report highlights some of the practices identified as examples of what is done by various companies and organisations. This should not be treated as a full overview of practices but a collection of some examples identified in the course of research within the Mopact project based on data collected from expert interviews, national expert reports and case studies during 2013-2015. The current report is mainly targeted towards solutions that have been taken and tested in Baltic countries, serving as a collection of examples of activities with the aim to support longer working lives.

### 3 Supply side

#### 3.1 Workability / employability

##### Denmark

Comprehensive knowledge about general working conditions is available from two large surveys conducted by the National Research Centre for the Working Environment in 2012 and 2014. The surveys cover current employees and is therefore prone to some selectivity in the results of the oldest group of employees (55-64 years old), i.e. those in bad health may not be working and thus are not covered by the population surveyed. In 2012, around 90 pct. of respondents in the age group among 55 to 64 year olds state that their ability to honour the physical requirements in their current job was good or better with 60 pct. saying very good or excellent. The same percentages were found for the psychological requirements. Moreover, these percentages are not very different from those found for younger workers, though fewer older workers are likely to answer excellent.<sup>18</sup>

When it comes to work-life balance as measured by the response to the question of how often work requirements take away energy from life outside of work, older workers are doing comparatively better than younger workers.

This suggests that on average – measured narrowly – working conditions do not constitute a main barrier for extending working lives. However, it is important to keep in mind the ‘group of 10 pct.’ (cf. above) as well as those individuals on the borderline of entering this group. This group may be particularly hard hit by requirements to extend working lives.

##### *Social partners*

Collective agreements are pervasive in Denmark. Collective agreements for public sector workers contain a number of measures intended to retain older workers (first introduced in 2008 and subsequently modified in 2012). They stipulate the right for the employee to a ‘senior conversation’ (or senior age management consultation) as part of the yearly evaluation of the employee (the exact age at which

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<sup>18</sup> Detailed statistics from the working condition survey are obtained from: <http://data.arbejdsmiljoforskning.dk/webview/>

the 'senior conversation' begins is determined locally at the workplace or city council). The employee has the right to say 'no, thanks' and have the yearly evaluation as any other employee.

The 'senior conversation' is the starting point for a dialogue on how job demands from elderly workers and the workplace leader (if any) can be met to the satisfaction of both parties. Broad instruments are available which cater both to employee wishes (reduced working time, changes of responsibilities) and employer instrument to retain workers which would otherwise retire (early) – e.g. increased pension contribution.

Many *private* collective agreements now also include the possibility for the employee to negotiate with the employer part time employment where the reduction in working time is partly financed by reducing pension contributions. This can happen from five years before the official retirement age (currently 65, but gradually increasing in the future). Depending on the agreed labour market pension contribution rate for the workplace up to a 10 percent reduction in working time can be financed by reducing pension contributions in the period leading up to retirement.

## Finland

v. Werder and Thum (2013) refer to Tuominen (2013) who assessed the reasons for relatively early retirement. For 65% of those who retired before 63, health did not affect the retirement decision, whereas the share rises with educational level. v. Werder and Thum (2013) conclude that this could reflect the level of physical demand in the job, so that amongst those with low education (and a higher frequency of physically demanding jobs) health is more often a reason for early retirement. More important than health are work, working conditions, leisure time, and especially time pressure at work, changes in work tasks and inflexible working hours. Also mentioned by retirees was work not considered meaningful by them, bad work atmosphere and uncertainty concerning the future of work (v. Werder / Thum 2013). Tuominen (cited after v.Werder/Thum) also states that employers' efforts to support employees to work longer did not change after the introduction of flexible retirement in 2005.

## Germany

### *Social partners*

As an expert<sup>19</sup> pointed out, 70% of German employees are not covered by a collective agreement. They don't even have a works committee. The question is how to reach this huge share of workers and not just those in large companies who are already well-organised. There are prominent measures and companies, yet crucial actors would also be officials from occupational safety and health protection and other government institutions, although their staffing is insufficient.

Another expert agrees with the low coverage from collective agreements, yet points out that the advantage of such agreements is that they can take into account sector-specific circumstances.

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<sup>19</sup> On June 30 2016 an expert talk on MoPAct Work Package 3 issues took place in Berlin. Several experts and stakeholders took part. The talk was recorded and transcribed and used for this report. The MoPAct Work Package 3 group promised confidentiality to the experts and stakeholders, therefore their statements are merely referred to 'an expert's' statements.

DGB (German Federation of Trade Unions) introduced the index ‚Gute Arbeit‘: General working conditions and several sub-aspects are evaluated based on employee surveys. Although the definition of several point ranges as ‚bad‘, ‚average‘ etc. is part of trade unions‘ job (since they want improvements for workers, possibly they depict working conditions worse than they are), the index can be a good tool for intertemporal or intersectoral comparisons. Further, EVG (labour union for railroad employees) and Deutsche Bahn agreed on a collective agreement which contains measures in several fields such as qualification, health, employment security, part-time work for older workers and family life. The demographic labour agreement is being evaluated and further developed once per year. A key feature is part-time work for those 60+working in shift work (working hours are shorter, pay cuts are marginal). Further, more individual freedom in terms of working time is supposed to improve employees‘ work-life balance. A health programme contains prevention and health promotion for older workers. Amongst other things (information, check-ups, sports) the programme also contains mental training.

Similarly, IG BCE (Industrial Union Mining, Chemistry, Energy) and BAVC (Federal Employer Association Chemistry) agreed on the collective agreement ‚working lifetime and demography‘. Core components are long-term working hours accounts (subsidised from the demography fund of the sector where companies pay in for each employee), partial retirement, partial pensions (can also be subsidised from the demography fund), own-occupation disability scheme (also subsidised), and pension contributions from the demography fund. Most of the features could reduce labour supply.

## Italy

### *Supply side*

According to the definitions adopted in this project, the following analyses of the supply side of labour refers to innovative and sustainable approaches and solutions aiming directly (“immediately”) at enhancing both the employability and workability of the ageing workforce/older workers, in order to make/keep them able, prepared and willing to prolong their working life/extend lifelong learning. This section is structured as follows. First, in analyzing drivers and barriers of extending working lives (EWL), the study focuses on workability and employability (section 2.1), taking in consideration some key-dimensions in which these concepts can be declined. Then, the analysis will be focused on initiatives supporting self-employment and work beyond retirement age of older people (sections 2.2 and 2.3), as well as on other possible aspects (section 2.4). In each sub-section, articulated in macro and meso levels, the first part discusses the policies and measures already enforced/implemented (i.e. the state of art) in Italy. The second part offers some ideas, suggestions and recommendations to improve the “state of art”, providing a contribution for a public debate on these issues.

### *Workability and employability*

Workability and employability are usually used within labour sciences to assess the capacity of work of an ageing workforce/older workers. The term workability refers to individual (older) workers‘ ability to master the work-life challenges he/she is confronted with. Workability is linked to the ability held for a given job considering health, skills, values, etc. Employability, that is a multi-dimensional concept, in general refers to a person’s capability for gaining and maintaining employment in the light of individual aspects as knowledge, skills and abilities, and external aspects as legal framework, policies and attitudes both at the institutional and the organizational levels (Naegele and Bauknecht, 2013; Socci

and Principi, 2013). In the following sub-sections, the issues of workability and employability will be declined/analyzed in relation to the “dimensions” of motivations, health, reconciliation between paid work and both care and volunteering, lifelong learning, paying specific attention to a life cycle-approach.

## **the United Kingdom**

The concept of ‘employability’ plays a crucial role in informing labour market policy in the UK, the EU and beyond as discussed by McQuaid and Lindsay (2005). The concept, however, is not well understood and a number of different definitions exist. Employers tend to focus on individual qualities and competencies that meet the needs of employers (CBI, 1999), whilst the definition conceived by the UK government is broader covering the encouragement of the development of skills, (HM Treasury, 1997). Even broader definitions include the interaction of personal circumstances and the labour market (DHFETE, 2002), which follow approaches suggested by Hillage and Pollard (1998). Here the idea of both gaining employment and maintaining employment are considered as well as movement between roles and different jobs.

### **3.1.1 Motivations**

#### **Belgium**

One of the most commonly discussed issues with regard to older workers is that they are no longer motivated. At the macro and the meso level, several initiatives have been put forward to address this issue. In the 1970s, several systems of early retirement were set up in Belgium. More recently, these systems have been criticised and now attention has shifted to motivating workers to remain active (instead of offering ways to exit the labour market).

#### **3.1.1.1 Macro level**

#### **Belgium**

In Belgium, the Collective Bargaining Agreement n°104 (‘CBA n°104’) was recently adopted, making it mandatory for companies with more than 20 employees to produce a yearly plan on how to main older workers in employment and how to hire new ones (Service Public Fédéral Emploi, 2012). Also, in addition to its ability to steer the private sector through regulation, the State is the biggest employer in Belgium. As such, it is all the more concerned with age management and active ageing in general (Delta Lloyd, 2012). The idea of age management is important, and it is discussed in all sections of this report.

Belgium has set up various measures to accommodate the wish of older workers to have a reduced and more flexible workload while maintaining a certain standard of living. Consequently, in case of a voluntary demotion or job transfer which would result in a reduced workload and subsequent wage loss, workers can apply to the National Employment Office (ONEM) for an allowance which duration and amount are positively correlated with age. Similarly a time-credit system (crédit temps) has been

set-up for workers switching from fulltime to part-time employment so as to mitigate wage loss. More details on the different schemes available to take leave or reduce working times can be found below.

The Belgian government has also set up various measures aiming to make sure that working in older age is financially interesting. For instance, workers who were under the regime of unemployment with company supplement (UCS - formerly conventional early retirement) can keep the company supplement in addition to their wage if they find a job. An outplacement procedure with specific characteristics for older workers (e.g. registering is mandatory for six months) has also been set up (Eurofound, 2002).

## Czech Republic

When looking at the shares of economic activity and its development between the census years 2001 and 2011 we could see that in 2011 there were almost two times less economically active persons in the age group 15-24 years than it was ten years ago (8.9 % vs. 14.1 % in 2001). Entry into economic activity is predetermined by the education system and is differentiated depending on demands for training at various jobs. Over the years, this phase was being prolonged, as young people enter the labour market on average at a later age than cohorts of their parents. To some extent, this postponement is also in anticipation of difficulties when entering the labour market (rising unemployment rates of graduates) and in anticipation of economic activity period prolongation in total (postponement of the statutory retirement ages for younger cohorts). Since the shares of economically active persons aged 25 to 45 years are almost constant (around 25 % in both 2001 and 2011), we can trace the compensation for this trend in (almost) doubling in the number and proportion of economically active people aged 55-64 years (14.5 % vs. 7.9 % in 2001). It is however interesting to note that despite this dynamic, the share of economically active persons aged 65 and older has not notably increased between the census years (1.2 % in 2001 and 1.9 % in 2011; Vidovičová, Wija 2015: 43).<sup>20</sup> So the working life is not continuously extending, but is rather compressed into the time before (statutory) pension age. The demography labels similar phenomenon in different context as "rectangularisation of mortality". The development in the mortality trends quite notably resembles the dynamic of the economic activity rates: while in 2001 the number of people was gradually "disappearing" from the labour market in rather broad age ranges starting higher middle age, thanks to "rectangularisation of economic activity", already in 2011 greater proportion of people reached the statutory retirement age, and then suddenly left the labour market. Labour market drop out ("mortality") could be also via the invalidity pension or other early retirement pathways, but happening more closely to the statutory retirement ages. Further potential of employment growth may be seen, just like in the case of life expectancy, especially in the growth of economic activity particularly in latter age groups. Another parallel between these concepts lies in the fact that after a modal age of death or retirement a certain number of "survivors" remains, in our case those with extended working careers. They are, however, a minority and share some common features, such as higher education, work and career related values, residence in the larger cities and regions with low unemployment, etc.

The drivers of the above described change can be at least partially explained by the pension reform. The increase in the retirement age for men and childless women<sup>21</sup> to 63 was introduced already in 1995 and was accompanied by other efforts to make retirement less popular. These changes included

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<sup>2020</sup> Vidovičová, L., Wija, P. 2015. Pracovní dlouhověkost. Východiska, příležitosti, výzvy. Praha: Konfederace zaměstnavatelských a podnikatelských svazů ČR.

<sup>21</sup> Women gain one year for each child with a minimal statutory retirement age of 59 years.

lowering pension benefit in case of early exit, introducing support for delayed exits in 2001, and increasing the necessary insurance period from 25 to 30 years in 2010. In 2010–12, there was a so-called ‘small pension reform’, including raising the retirement age for younger cohorts and both sexes and introducing a rule for a further increase with no age ceiling and a further gradual increase in the necessary insurance period up to 35 years (including non-contributory periods covered by the state). The retirement age will be 67 from 2044 onward, and unless overruled by new governments, it will rise continuously so that those born in 2012 will have a legal retirement age of 72 years and 10 months (Loužek, 2014).

Although the increase in retirement age is discussed in media and among some of the social partners with criticism, the statutory retirement age does function for many employees as a clear goal post. Many of them in various surveys claim to (plan to) exit the labour market at exactly this point in their life course. The gradual postponement of the statutory retirement age helps to change the mind set of (not only older) workers, who now clearly see the work-longevity as a part of their future. That in response helps them to stay motivated, e.g. reversing the “early exit culture”.

The cultural values in general should not be underestimated, as they produce the context in which the later life decision related to economic activity are made. Typical example could be the coordination of retirement decisions among the married couples, which could be broadened to other peers, friends and wider community’s habitual practices. As women are often the primary carers for both younger and older generation, provisions helping these women to stay, combine and/or to return to labour market influence also their husbands’ work motivation and needs (Dudová, 2015a).

## Denmark

### *Financial incentives*

Financial incentives to work late in the career is not much different from those for younger workers. Individuals eligible for the voluntary early retirement pension (see Barslund, 2015), which have exhausted their unemployment benefit (i.e. have been unemployed for two years or more) and are within five years of the eligibility age for voluntary early retirement pension have the right to receive a so-called ‘senior job’ (see section 3). People aged 50 years or above are entitled to benefit for public financial incentives for the employment of older workers after having been unemployed for 13 weeks (see section 3.2).

The age of eligibility for voluntary early retirement pension is itself increasing such that from 2023 the age threshold will be 64 years. However, still fewer workers will satisfy eligibility for the voluntary early retirement pension and further means testing has also been built into the system making it a less attractive option the more an individual builds up labour market and/or voluntary private pension savings. At current projected rates of future uptake the voluntary early retirement pension is set to play a negligible role in 2040.

An interesting feature of the quasi-mandatory labour market pension system in place in Denmark, whether it could lead to people leaving the labour market earlier than they otherwise would have done. There are two issues involved. One is the issue of means-testing of pensions, which can result in very high effective tax rates on pension savings late in the career. Examples can be made where the effective tax rate approaches 100 pct. (on labour market pension savings) (see also section 2.3). This

provides a disincentive to work late in the career for some mainly low-paid groups on the labour market. The second issue relates to the fact that other groups on the labour market have built very substantial pension wealth when they reach their early 60s. Some of those individuals may choose to retire earlier while receiving a pension from their private labour market pension.

#### *Non-financial incentives*

As discussed in section 2.3.2 motivations to work for older employees has been the subject of a number of surveys. Flexible working time and clear communication and appreciation of the work being performed from management are seen as very important (see Barslund, 2005).

## **Finland**

Finland has been reforming its pension system relatively actively lately. A major reform was implemented in 2005, and labour market parties and the Government agreed on a pension reform in autumn 2014. This reform was later approved in the Parliament, stipulated into law and it will be fully implemented in the beginning of 2017, thus we will refer to this reform in our text as 2017 reform. Already before the 2005 pension reform, effective retirement age and employment rate were increasing quickly. Yet this started from a low level (Jokinen 2012: 4) and is partly explained by a rising number of part-time pension<sup>22</sup> workers (Ilmakunnas/Ilmakunnas 2006: 6).

In 2009 the Prime Minister proposed the increase from 63 to 65, yet without prior talks with social partners. After criticism and strike threats the proposal was withdrawn in favour of a joint statement of the Prime Minister and trade unions to extend working lives by three years until 2025 (Kautto 2012: 17). The previous government that came into office in 2011 stated it will not raise the retirement age but raise labour supply at various life phases ('beginning, middle, end', cf. Kautto 2012: 17).

In 2014 the labour market organisations and the Government agreed on the gradual increase of the retirement entry age from 63 to 65 for those born after 1955. Not all unions signed the agreement. For example, Akava ('a trade union confederation of affiliates for highly educated people', [www.akava.fi/en](http://www.akava.fi/en)) did not sign the agreement since they consider incentives to work to the age of 65 too weak. However, Akava participated later in the preparatory work on the pension reform.

#### *Past and forthcoming reforms*

The 2005 reform (approved by Parliament in 2003) linked the benefit level to the development of life expectancy (residual life expectancy at 62, s.a. Takala et al. 2015: 2). This could lead to significant declines in benefit levels, and it is up to the individual if this gap is filled with additional working years or private savings or if less wealth in old age is chosen, whereas politically the reform was presented that working longer is the option (Börsch-Supan 2005: 22). The pension reform 2017 moderates the impact of the life expectancy coefficient and it further introduces another automatic balance mechanism to the pension system – linking retirement age to changes in life expectancy. First the retirement age will gradually rise to 65 in 2027 after which it will be linked to changes in life expectancy. The aim is to retain the ratio of time spent working to the time spent in retirement stable if the life expectancy increases (Reipas/Sankala 2015).

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<sup>22</sup> Sometimes also referred to as partial retirement (see e.g. Eurofound 2016)

The 2005 reform replaced the statutory retirement age of 65 with a flexible retirement age ranging between 63 and 68. With the 2017 reform, the upper and lower age limits will gradually rise by three months and will be between 65 and 70 in 2027. From then on the lower limit will be linked to changes in life expectancy that is calculated for every age cohort at the age of 62. The changes in the upper limit will be decided separately.

The 2017 reform will bring changes to accrual rates, as the age-based accrual rates will be abolished. A generic 1.5 % accrual rate will apply to all. An incentive to keep working will be given in the form of a 4.8 % yearly pension deferral for those who do not take up pension at the lower age limit of flexible retirement age. In addition, people might want to mitigate the impact of life expectancy coefficient by working longer too. It is yet too early to fully analyse the impact of the coefficient on people's retirement behaviour as it was only implemented in 2010 (Nivalainen, 2015: 8). In 2015 the average age for persons having retired on old-age pension was 63.6 years which implies that the retirement at the earliest eligibility age is still the norm (Kannisto, 2015).

#### *The concept of flexible retirement age*

The retirement age is 'flexible', and financial incentives for working longer still exist although the age-based accrual rates will be abolished and replaced with a general 1.5 % accrual rate. From 2017 on working past the earliest eligibility age will defer the pension with a 0.4 % increase per month. Simultaneously person will accrue more pension with a 1.5 % accrual rate from their earnings. In the old system (still valid till then end of 2016), the accrual rate is 1.5% until the age of 52, and 1.9% from 53 to 62 and then 4.5% from 63 to 68 (s.a. Takala et al. 2015: 2).

When introduced with the 2005 pension reform the sharply increasing accrual rates were seen to "create an incentive to work longer" (Börsch-Supan 2005: 23f.). Also, a survey shows that most employees working beyond 63 were motivated by the increase, yet on the other hand one third stated that this had not been significant, Tuominen 2013: 21f.

Barr (2013: 58) points out that there is large spike in the number of people who retire at the earliest possible age and puts into question the incentive effects of the 4.5 % accrual rate. Barr (2013: 57) continues to criticise the age-based accrual rates as he finds them to be more beneficial for persons with high earnings after the age 63 and people with short career. Barr states that deferral of the accrued pension capital, instead of age-based accrual rates, should be understood as more actuarially fair incentive to delay the take-up of a pension as it takes into account the whole pension wealth accumulated till that age. Thus the 2017 reform very well responds to the criticism pointed out by Barr.

Though the system is 'flexible' it incentivises workers to work for several years after the age of 63. As Börsch-Supan (2005: 38) write regarding the 2005 reform when the flexible retirement was introduced:

"The introduction of a 'window of retirement' is a smart move because it avoids the politically highly controversial increase in the normal retirement age. Giving individuals a choice is politically appealing and diffuses many issues",

whereas on the other hand he (2005: 39) states that the drawback is the unclear message to the population what can be considered the 'normal' retirement age.

The 2017 reform introduces a new 'goalpost' in the form of a target retirement age. It is a psychological target rather than a parameter of the pension system or an economical incentive (Tikanmäki et al.,

2015: 98). Every age cohort is given a target retirement age, i.e. the age when the impact of the life expectancy coefficient will be compensated by postponing the retirement. A clear challenge will be in informing the idea of a target retirement age to the general public. If it succeeds it can help in bringing the “normative” retirement age up from the lowest eligibility age, as currently people retire on average very near the earliest eligibility age. This could give people a boost to prolong their working careers. Currently, the target retirement age has not gained much attention and the discussion revolves around the earliest eligibility age

Such an amendment was suggested by Barr (2013: 77) in his evaluation of the Finnish pension system. Barr recommended that the terminology should be revised so that the earliest eligibility age would not become the social norm of retirement. Introducing the target retirement age is an attempt to fulfil this objective.

The retirement ages have been harmonised across sectors and occupations but some people working in the public sector still have different retirement ages due to transitional provisions dating back from late 1980’s, but their amount is decreasing all the time.

Despite the accrual rates, the 2005 reform increased the number of people already retired at 64, so that the low retirement entry age after the reform pushed some workers from early retirement to early regular retirement (von Werder/Thum 2013: 22): “Few Finns still retire in the very early 60s and take advantage of the monetary benefits to stay in work” (22f., Takala et al. 2015: 2 state that half of those still active retire at 63). Also Braconier (2010: 23) states that the 2005 reform reduced the number of people still working at/till 65. In contrast to the dismal view of the 2005 reform’s effects, Jokinen (2012: 4) states that after the reform the increase in retirement age continued (e.g. between 2005 and 2011 the expected effective retirement age for 50 year-olds increased from 61.1 to 62.4). In 2015 the expected effective retirement age had grown to 62.8 years (Kannisto 2015). Although Jokinen (2012: 4) states ‘after’ the 2005 reform, not ‘due to’ the reform, he (2014: 5) also states that in Finland

“the most important measure might appear to be the flexible and encouraging pension system, which has produced positive short-term results in Finland, where the reform has been a clear success and has been regarded positively among all stakeholders”.

Jokinen also (2012: 4) emphasises the general employment situation, higher education amongst the new old and better working conditions as relevant factors. In addition, pathways to early retirement schemes were tightened before and as a part of the 2005 pension reform. These changes played some role in increasing the employment rates and expected effective retirement ages.

#### *Who accepts the flexible retirement age?*

Based on a survey (2011) covering 1894 workplaces and which had a high (81%) response rate, Tuominen (2013: 13) shows employees’ and employers’ attitudes towards the new retirement ages. Somewhat surprisingly, the view that the lower age limit of 63 is too high is more widespread amongst employers (21%) than amongst employees (3%). As Tuominen (2013: 15) notes, this view is most strongly supported in the private sectors and in physical work fields (construction, hotels and restaurants) and in some public sector areas (health care, social services). Therefore, one may conclude that employers consider 63 too high mainly in physically or mentally demanding areas. Regarding the upper age limit, there is some uncertainty among employers on the impact of ageing to the productivity of the employee.

The idea to raise the age limit of 63 gained only weak support, whereas unsurprisingly support is strongest amongst employers who need to raise their number of employees (Tuominen 2013: 16).

Also the share of employers (66%) considering the maximum age of 68 too high is higher than the share of employees (44%) holding this view. In the case of the age limit of 68 years, Tuominen (2013: 15) states that although the number of employers considering 68 too high is high (66%), the number declined between 2004 and 2011. Further, the number of employers stating that employees can work until 65 or 68 has risen (from 50% to 58% and from 21% to 26% respectively, Tuominen 2013: 18).

Importantly, 78% of employees who used the flexible retirement age between 63 and 68 state that they had been freely able to choose their retirement age, only 17% said this had not been the case (Tuominen 2013: 16). Given that it is at least conceivable that employers use some 'internal rule' determining their workers' retirement age, this is a very positive result and a positive finding concerning Finnish employees' older worker policies. Further, this was more freedom of choice than older private sector employees expected in 2003 (Tuominen 2013: 16). Another positive finding is that both employers and employees give nearly congruent answers to the question on who decided: 83% of employers and 78% of employees stated that the employee decided, 12% of employers and 15% of employees state that both decided, and only 2% of employers and 7% of employees stated it was the employer's decision. Yet, if an employee wants to work past the age of 63, the decision is mostly collective (67% of employers state this) or the employee's decision (26, no figures on what employees state). Employers mainly decided based on labour needs, but if employers want to reduce their workforce they are less interested in employees' participation in the decision (Tuominen 2013: 17).

These results give valuable insights into the mechanisms of the flexible retirement age and who decides if decisions become necessary if there is not default retirement age. Although figures suggest that it is mainly employees' decision to work longer, this could partly depend on labour demand. Yet still, at least figures from 2011 show that amongst retired persons 79% state that their employer would have accepted a longer working career, but most of these retirees (71%) would not have wanted to work longer. Only a small minority (11%) state that they would have liked to work longer and their employer would not have accepted this. As Tuominen (2013: 18) notes: "it is important to establish the reasons lying behind the incapacity or unwillingness...". The result is that work and working conditions have been important (primarily amongst those retiring at or under 63), leisure time and hobby have been important, health somewhat less (and considerably less amongst those who retired at 66-69), and the family situation (less important than health, Tuominen 2013: 19). Open questions led to various workplace factors advancing the decision to retire early, such as time pressure at work, task changes, inflexible working times, poor administration and poor atmosphere at work. One (possibly often neglected) factor had been lack of support for continuing work: "Had they been asked to continue at work, they would have done so" (Tuominen 2013: 20). More than half of open answers were work-related and less than 10% were health-related (Tuominen 2013: 20), showing that also amongst pre-retirement workers working conditions can extend working lives.

#### *Maximum benefit level*

Prior the 2005 reform, the earnings-related pension could not be higher than 60% of the highest pensionable wage during working life: "This mechanism created a major disincentive to work once this cap was reached since further work could not increase retirement benefits" (Börsch-Supan 2005: 24). In contrast, working longer did not increase the pension level but reduced the number of years in retirement (Börsch-Supan 2005: 24). Since 2005 the pension is accumulated from every working year and

there is no cap on the replacement rate. As Börsch-Supan's simulation analysis shows, the abolishment of the cap provides strong incentives to work longer than until 63.

### *Pension indexation*

Since 2005, pensions are based on a worker's earnings each year, indexed with an 80% wages and 20% cost-of-living mixture. Prior to 2005 this index was a 50-50 mixture. Thus indexation of a worker's contribution record is more generous because the wage element rises from 50 per cent under the old system to 80% accruals after 2005 (Barr 2013: 53). While this increases the incentive to work longer, the change of the working-age index made the system costlier than the old one (Börsch-Supan 2005: 26).

If wages rise faster than cost-of-living, pension rises according to wage rises lead to higher pensions and therefore stronger incentives to work longer (bonuses and deductions for working longer or shorter have a higher value).

### *Early retirement*

Early retirement has been gradually phased out in Finland (after the 2005 reform it was possible between 62 and 63). There was an 'actuarial adjustment' that amounted to a benefit reduction of 0.6% per month or 7.2% per year, and retirement before the age of 62 was no longer possible (Börsch-Supan 2005: 24). This early retirement option was totally abolished in 2014. However, the 2017 reform will introduce a 'years-of-service pension' scheme for those in physically or mentally burdensome jobs who have worked for at least 38 years and have a minor reduction in working capacity. The age limit of years-of-service pension will be 63 years of age till 2027.

In some cases the legal retirement age can be lower than 63, this is in some special fields (e.g. military personnel) or related to job entry year (Virtanen et al. 2014: 2). Tuominen (2013: 12) refers to public sector workers being able to retire before 63, yet the author also points out that the number of persons eligible for retirement before 63 declines and is approaching zero due to the abolishment of individual retirement ages.

### *Calculations of reform effects*

Based on stochastic life cycle estimation, Lassila et al. (2015: 8) argue that the pension reform 2017 will extend working careers by 5 months on average till the year 2025 and by 9 months till 2035, compared to a situation where there would be no reform. Regarding the pension reform, Lassila et al. (ibid.) target some criticisms towards the fact that the unemployment pathway<sup>23</sup> to retirement is not completely abolished and that a new 'years-of-service pension is introduced that allows some people to retire prior to the statutory retirement age.

The age limit for unemployment pathway will be set to 61 years of age for those born 1957 or after, meaning that one should not have consumed all 500 days of the benefit prior to turning 61 years in order to keep receiving them till retirement age. Thus, basically the unemployment tunnel starts at the

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<sup>23</sup> Or unemployment tunnel which means that people close to retirement age are entitled to an extended period of earnings-related unemployment benefit instead of the normal 500 days.

age of 59 years (500 days prior to 61 years). And it has been preliminary agreed that in 2019 the age limit will go up to 62 years of age.

The current part-time pension will be abolished and replaced with an actuarially neutral partial early old-age pension that is less generous. The new partial pension benefit is totally decoupled from work and social benefits and can be freely taken alongside them. It still remains to be seen how popular this new partial pension will be and how will it impact labour supply (Lassila 2015: 25).

Tikanmäki et al. (2015) microsimulated the impact of the 2017 reform and concluded that working lives will be extended as a result of the reform. However, the increase in the length of the working lives will be less than the increase in the effective retirement age. The study suggests that the working lives of the 1970 birth cohort will be extended by 1-2 years, more for the highly educated and less for the lower educational groups. The less educated tend to retire earlier and draw disability pension more often. For younger age cohorts the reform will have an even greater impact on their working lives as the retirement age is expected to raise more.

#### *Unemployment policies*

The normal unemployment scheme consists of unemployment allowance (basic provision), earnings-related unemployment benefits and labour market support (Kyyrä/Ollikainen 2008: 2051). Those born in 1950 or later cannot enter 'unemployment pension' (i.e. completely abolished in 2014, cf. Kautto 2012: 8).

In 2016, those who are 60 or older when their earnings-related unemployment benefits expire can receive unemployment benefits until retirement (so called 'unemployment tunnel'). Since benefits expire after 500 working days (about two years), the 'tunnel' starts at 58. Previously, when the age limit was 57, Börsch-Supan (2005: 41) concluded that for those who want to or have to retire early, the unemployment pathway option is highly attractive. Especially in the late 1990s the unemployment tunnel was an attractive option to exit the labour market for the people aged 55 to 59 (ETK 2013:51).

v. Werder and Thum refer to the interview statement by Reija Lilja (LER). She pointed out that the chances for an unemployed between 60 and 64 to find work within 12 month is below 10%. Parts of this may be caused by closeness to retirement age, since employers could be reluctant to hire people who'll retire soon afterwards (v.Werder/Thum 2013). Yet, as the authors point out, chances of re-employment drop earlier, so that for those of 45 years of age the probability to find work within one year is below 50%. In the interview Reija Lilja (LER) stresses that this problem exists over all educational levels and is not explainable by deteriorating productivity measures (v. Werder / Thum 2013)

The number of unemployed persons considerably declined from the 1993/1994 peak of >16% to >6% in 2009 and rising again to about 9.3% afterwards primarily due to a rise amongst males (Työvoimatutkimus, 2016). Jokinen (2012: 4) states that structural unemployment amongst older workers is a problem (in 2013 70% of the unemployed 55+ were unemployed since at least one year, i.e. long-term unemployed according to ILO definition, Takala et al. 2015: 2).

One factor is that older workers are overrepresented amongst those losing their job. This is exceptional, since in other countries older worker unemployment is more a problem of low re-hiring chances (Böckerman et al. 2015). Takala et al. (2015: 2) state that high older worker unemployment is also caused by their low educational status.

In the publication by Kyyrä/Ollikainen (2008: 2069) conclude from their calculations that most people on extended benefits do not return to work until retirement (Kyyrä 2010a: 6). About one half does not look for a job until retirement (Kyyrä/Ollikainen 2008). As Braconier (2010: 11) remarks, the combination of generous replacement rates with weak activation (e.g. in contrast to Denmark) “is unusual among OECD countries”. Referral to an active labour market programme after 100 weeks is late compared to Sweden (60 weeks) and Denmark (40 weeks; cf. Braconier 2010: 13). The gap between (high) official older worker unemployment figures and (low) Labor Force Survey unemployment shows that “many individuals receive unemployment benefits but do not consider themselves job seekers” (Braconier 2010: 20).

Yet, the higher age threshold for the unemployment pipeline (57 instead of 55) in 2005 resulted in a large drop in the number of long-term unemployed in the 55-59 age bracket after 2005 (from ca. 25 000 to ca. 10 000 in 2009), whereas in the lower age groups (50-54) numbers declined merely slightly and in the higher age group (60-64) numbers rose slightly (Braconier 2010: 21). Further, those in the eligibility age bracket are targeted by private sector employers for dismissals (Kyyrä 2010a: 6 based on Kyyrä/Wilke 2007).

Based on sequence analyses and trajectory analyses, Kurvinen et al. (2016) assessed the labour market attachment of people over the age of 45 who were laid off in 2005. The people were followed for 8 years. The study concluded that the re-employment of the age group of 55 to 60 years is a socially selective process, in which many individual features such as age and sex, but above all education play an important role. The highly educated succeeded much better in re-employment and in attachment to labour market compared to other groups who were laid off. One conclusion is that among those of 46-55 (at the time of redundancy) almost 60 % succeeded very well later in working life when analysed in a sequence analysis. Although the results were surprisingly positive when it comes to re-employment of older workers, among those who were laid off during a recession a considerable number stayed permanently outside of the labour market.

An increase in the age threshold in the unemployment tunnel postponed unemployment entry and rose employment exit age by 1.3 months. Further increases will further increase the age threshold (Kyyrä 2010a: 33). However, based on register data Rantala and Jauhiainen (2011) simulated the effects of economic fluctuations and changes in the eligibility age to unemployment tunnel and concluded that rising the eligibility age would not reduce unemployment or increase employment as significantly as previously since the threshold is already relatively high and not all the unemployed are entitled to an earnings-related unemployment benefit. Thus the impact of the unemployment tunnel is somewhat contested.

All in all, reforms have shortened the possible time in pre-pension unemployment from 12 years (53-65) in the early 1990s to 6 years, and the lower pension age of 63 reduced it even to 4 years (Kautto 2012: 14).

The Government decided in autumn of 2015 to shorten the period of earnings-related unemployment allowance from 500 days to 400 days, and of those with a work history of less than three years the period will be cut to 300 days. For people over 58 years of age the period will remain as 500 days. The reform will take effect in the beginning of 2017.

### *Disability policies*

The disability pension is still the major labour market exit route before retirement. In 2011 more than 20% of the 61-year-olds received disability pension benefits (KELA 2011).

In contrast to the *ordinary disability pension*, previously existed a scheme (from 1986 to 2005) *individual early retirement pension* that had an age threshold. The lower age limit was raised from 55 to 58 in 1994 and to 60 in 2000. The scheme was abolished in 2005. However, in the ordinary disability pension the medical criteria are more lenient for people over 60 years of age. (Korkeamäki/Kyyrä 2012: 446).

Disability is the main early retirement exit route in Finland (Korkeamäki/Kyyrä 2012: 439), whereas Takala et al. (2015: 2) state that the number of retirees retiring into disability pension has been declining (possibly also due to the fact that since 2005 those at least 63 old do not have access to disability pension since they can enter 'normal' retirement, Takala et al. 2015: 3). The authors refer to Saurama (2004) who shows that bad health is disability pensioners' main reason for retirement, yet also straining work is a crucial factor. Medical examination is conducted by a doctor chosen by the applicant and not a special insurance physician, which "makes it more likely that non-medical criteria are taken into consideration" (Braconier 2010: 22). The final decisions on disability pensions are made by specialized insurance physicians of the pension insurance companies.

Further, 'social factors' (i.e. non-medical factors) after 60, are taken more into account when deciding whether or not to grant the disability pension (Börsch-Supan 2005: 26). Korkeamäki and Kyyrä (2012: 461) find out that the inclusion of non-medical factors raises the number of disability benefit recipients (they also refer to Börsch-Supan 2007 who has concluded this). The authors (2012: 467f.) conclude that eligibility criteria should be strict, and that non-medical factors distort labour supply, so that those not disabled retire via the disability scheme (employers did not encourage disability exit during downsizing). This is supported by the finding of Braconier (2010: 22) that in Finland regional unemployment and disability are positively correlated.

Since the mid noughties there has been a declining trend in starting disability pensions (TELA 2015). Simultaneously, the proportion of partial disability pensions of all commencing disability pensions has increased from approximately 19 % in 2005 to approximately 34 % in 2014 (TELA 2015). This is mainly explained by the prevalence of partial disability pension in the public sector.

Calculating the effects of the previous Finnish pension reforms, Kyyrä (2010a: 32) states that the abolishment of individual early retirement has been the most effective for longer working lives (increase of retirement age by 3.4 months).

Comparable to the Dutch case, in Finland employers have to bear part of the disability pension costs, which can lead to higher costs until retirement, this is true for companies with at least 50 employees (Korkeamäki/Kyyrä 2012: 447). With experience rating, the employer's contribution is adjusted to reflect the costs of its workers' disability benefit claims in comparison to other employers (Kyyrä/Tuomala, 2013). This rating should incentivise employers to take preventive measure (the ex-ante effect) or to get disabled employees back into work (the ex-post effect). Korkeamäki and Kyyrä (2012: 467f.) stated that seemingly both effects can be observed and remark that this could be interesting for other countries (they concede that e.g. spillover effects to other exits than disability are not clear yet, and possibly this affects hiring decisions).

However, having used panel data on all employers and employees in the private sector, Kyyrä and Paukkeri (2015) could not find any evidence that firms would be incentivised with the experience rating. The volume of disability pensions and sickness allowances was not significantly reduced with the experience rating.

Temporary disability pension exists as a separate benefit in the pension system. If disability lasts less than one year (workability restored due to rehabilitation and medical treatment), the affected person does not enter permanent disability pension but instead is offered a temporary disability pension also known as cash rehabilitation benefit (Laaksonen/Gould 2014). As the authors note, after 1 year mostly temporary disability continues but before 2 years have passed a final decision between work and permanent disability pension is made (in the case of mental disorders the decision takes longer than with physical sicknesses). For those 55-62 the rate of return to work is at only 15% (Takala et al. 2015: 7).

Since 2012 due to new legislation employers have to report to occupational health if a workers total number of sickness days is 30 days, and at 90 days the worker has to provide a certificate to social insurance of a health specialist in which a plan of return to work is described. Success is limited for the time being (Takala et al. 2015: 7).

With qualitative interviews as method, Liukko and Kuuva (2015) examined the cooperation and division of liability of the stakeholders promoting continued working and return to work of people suffering from work incapacity. The study concluded that as there are many parties involved in the process, the central problems concern the distribution of liability in vocational rehabilitation, issues related to transition periods of the rehabilitation process and the communication between parties involved. They point out that since a long time the institutional structure of the Finnish work capacity management has been criticised as being fragmentary.

Also, the incentives to work while withdrawing a (partial) disability pension might need to be ameliorated. And such a reform is being investigated, and it is included in the current Government programme. Currently, a person on a disability pension might see his net income reduced when starting to work (more), and thus earning more, which might simultaneously decrease his disability or other benefits even more and materialize in a negative net result. A working group is studying the possibilities moving to a linear model where taking up work alongside a disability pension would always pay off, and thus reduce the disincentives to get employed.

Rehabilitative work is supposed to

- Maintain the working capacity of the unemployed and social capacity building focus
- Prevent labour market exclusion by supporting the capacity building and activity of the claimant (Kangas 2014)

## Germany

*Retirement policies*

*'Pension with 67'*

Since 2012 the legal retirement age will rise in monthly steps from 65 years (beginning with the 1947 cohort) to 67 years (for the 1964 cohort and those born later). The rise is 1 month per year in the beginning (those born in 1947 had the legal retirement age of 65 years and 1 month) and after twelve years it will accelerate to two months per year. The first 'retirement at 67' year will be 2031 when the cohort of 1964 will be 67 years old. With more than 1.3 billion births p.a. (FRG and GDR combined) the cohorts 1961 – 1966 are the strongest cohorts in Germany with a peak in 1964, so the reform will be largely or fully in effect when the strong cohorts approach retirement.

For those who do not raise their individual retirement age the new regulation cuts pensions by 0.3% per month of earlier retirement, or 3.6% per year: With a constant retirement age the new regulation is a pension cut of 7.2%. Yet, the reform will change the development of the pension level, so those retiring at 67 will have pension higher by about 5% than they would have had with 65 under the old regulation. The break-even point is at roughly 14 months after the age of 65 under the assumption of earnings at the lifetime average (Gasche 2011), so for neutral total financial effects it is enough to work until 66.2.

A simulation analysis (Fehr et al. 2010) predicts that the reform will delay retirement by 10.8 months, which results from a rise of more than one year for medium- and high- skilled workers and virtually no change for low-skilled workers.

According to SGB IV § 154 (4), beginning from 2010 government has to report on the employment of older workers and to deliver an estimation

“if the increase in the legal retirement age can be considered reasonable and if the adopted legal rules can further exist, this under consideration of the situation on the labour market as well as the social and economic situation of older employees” (own translation and with changed syntax).

Between the time before and after the 2007 pension reform, the expected retirement age of those fully affected – born in 1964 or later – rose by two years. The rise was weaker among those with an increase of the legal retirement age of less than two years (Coppola & Wilke 2010). This suggests that people are well-informed about the reform's effects on their cohort's legal retirement age and are adjusting their life planning.

#### *New early retirement scheme: 'Retirement with 63'*

In 2014 the German Federal Government introduced the 'Retirement with 63' scheme without deductions for those who have at least 45 contribution years. Besides paid work, times of child-rearing, informal elderly care, sickness/rehabilitation benefit receipt, military service or alternative service, and unemployment benefit receipt are also taken into account as contribution years. For each of these activities there is a maximum number of years that can be counted as contribution years. Periods of unemployment in the two years before early retirement age are taken into account only if unemployment is caused by company shutdown, so that workers cannot voluntarily become unemployed two years before early retirement age and bridge the time to 'Retirement with 63' with earnings-related unemployment benefits.

'Retirement with 63' is only applicable to the cohorts of 1951 and 1952. For those born later, the retirement age rises by two months per year to age 65 for the cohorts to 1964. Financially, this exit option is highly attractive. Those who are eligible for 'Retirement with 63' and nevertheless continue to work

beyond the age of 63 receive higher monthly pension benefits after retirement. Nonetheless, contributions and taxes during work are high and benefit increases due to later retirement are low, so that a worker has to become about 100 years old for financially positive net effects from later retirement, despite eligibility to 'Retirement with 63'. The number of months in retirement needs to be high enough so that, multiplied with the benefit increases due to later retirement, the total sum of higher pension benefit income is as high as additional contributions and taxes during additional working months or years.

Before the introduction of 'Retirement with 63', employment of those aged 63 and older constantly rose. 'Retirement with 63' reversed this trend, resulting in declining employment rates among this group (Bundesagentur für Arbeit 2015). Negative effects have been strong, especially for jobs in mathematics, informatics, sciences and engineering, since such workers are men with no career interruptions due to unemployment or parenthood, and are mostly non-academic technicians, since academics seldom have 45 contribution years due to late-career entry (IW 2015a). Institut der deutschen Wirtschaft Köln (IW 2015b) calculates that the scheme strongly exacerbated the lack of skilled labour in these jobs in particular, since the number of workers aged 63 and older fell by about 20 per cent in the quarters 2014 III, 2014 VI and 2015 I (latest figures available).

'Retirement with 63' reduced employment rates (e.g., Braun et al. 2014) and mainly benefited those whose health and skills would allow for later retirement. The notion that workers with 45 contribution years entered the labour market early and are therefore low-skilled workers with low employability was disproved. The reform was not sufficiently targeted at those whose labour market position was weak due to poor health or insufficient skills. This points to the need to grant special and financially comfortable exit routes not on issues only vaguely related to employability, but on employability itself, for example, physical and mental health status, skill levels, and labour market conditions.

#### *Early retirement*

Early retirement with reduced pension is possible from the age of 63 (OECD 2012b). The increase from 60 to 63 stepped in between January 2006 and December 2011 (Giesecke/Kind 2013). For women born before 1952 § 237a SGB VI still provided pensions at 60 if several preconditions are met: They have to have a qualifying period (Wartezeit) of at least 15 years, 10 years have to be collected due to paid work after the age of 40. The age of 60 (for those born in 1941) rose stepwise to 60 and 11 months (for those born in May 1944).

Based on GSOEP 1991-2011 data (German Socio-Economic Panel, n = 2110 males between 55 and 63) Giesecke and Kind come to the following conclusions: Besides several factors on the individual level fostering return to employment like lower age within the 55-63 group, good subjective health (very strong effects), non-participation in pre-retirement programmes (very strong effects, unsurprisingly), a non-unemployed partner, or living in Eastern Germany (probably due to a more flexible labour market there) the reform positively affects re-employment probabilities. In their calculation the effect amounts to about 17% for one year of higher early retirement age. The authors (2013) state that calculations show that reforms in the unemployment benefit system, e.g. shorter and longer benefit durations during the observation period, do not lead to wrong results.

#### *Early retirement reform*

Retirement benefit reductions of 0.3 per cent per month for retirement before the age of 65 were introduced in 1997. This led to later employment exit, especially in the case of men. Yet the time gap

between employment exit and receipt of pension benefits became wider, indicating that to some degree people were unemployed instead of early retired, which mainly affected those with a weak labour market position. Further, the reform led to retirement delay by five months, mainly due to effects among non-manual workers (Giesecke 2014). This suggests that here also the effect of financial incentives is weakened if workers' capabilities to prolong working lives are insufficient. Part of the explanation for effects on later labour market exit primarily among non-manual workers is the disability scheme. Allowing workers with severe disabilities to retire via this option at 63 (Giesecke 2014) could be used as a proxy for closed formal early retirement routes.

Following this reform, between 2006 and 2011 the minimum age for early retirement was raised from 60 to 63. This increased reemployment probabilities of those without a job, since the option of a comfortable labour market exit via the early retirement scheme had been closed. This had positive effects on employment rates (Giesecke & Kind 2013).

German early retirement reforms have increased employment rates. Yet results for manual workers show that some groups can use the disability scheme as an alternative pathway out of paid work, which weakens the positive employment effects of early retirement scheme reforms. Less generous conditions in this scheme and the unemployment scheme leave people with low workability/employability with having to continue to work despite health problems or pension benefit cuts. Further, positive employment effects primarily among non-manual workers raise earnings inequality since this group's mean wage is higher.

#### *Abolition of the state-subsidised gradual retirement programme*

No new entrants to a government scheme that provided subsidies for gradual retirement were allowed after 2009. Employees who were at least 55 years old and worked for three out of the last five years could use the scheme to reduce their working hours to 50 per cent of a full-time equivalent. The resulting income from wages was increased by 20 per cent by subsidies from the Federal Employment Agency. Additionally, pension contributions for the half-time job were as high as would have been the case with the person working 90 per cent of full-time hours, also financed by the Federal Employment Agency.

In 2007 and 2008, out of approximately 3.3 million employees aged 55 or older, about 530,000 were in part-time work and about 100,000 used the scheme. Ninety per cent of participants chose not to retire smoothly by working part-time for six years, but instead retired using the new early 'block-model' retirement scheme – three years of full-time work followed by three years in the 'passive phase' or *Freistellungsphase* (e.g., Keese et al. 2006; Wanger 2010). Further, the proportion of those in physically burdensome work using the scheme was relatively low. Instead, it tended to be used by white-collar workers, with those in physical work more likely to use the disability scheme to exit the labour market (Wanger 2010).

Numerous studies show that part-time work at older ages reduces labour supply, primarily since positive effects on employment rates are weaker than negative effects on the number of weekly working hours. For example, this has been demonstrated in a government-funded Austrian programme similar to the German program (Graf et al. 2011), for a Belgian program allowing for a working time reduction of 20 per cent without income losses (Devisscher & Sanders 2008), and for another Belgian program

partly compensating for wage decreases due to part-time work (Albanese et al. 2015). Lastly, an analysis of a Finnish old-age part-time employment has shown that part-time pensions attract those who would otherwise have worked full-time (Kyyrä 2010a).

German data show that part-time work schemes for older workers do not increase employment rates (Boockmann/Göbel 2012). Börsch-Supan and colleagues (2015) suspect that public subsidies to work part-time raise hourly wages for part-time workers above hourly wages of full-time workers and therefore incentivise workers to reduce labour supply. Yet effect size depends on the share of workers preferring high hourly wages to high total wages. The higher the share of those doing so, the stronger is the negative effect on labour supply. If a high share – or the entire complement – of workers prefers high total wages, the negative effect of the part-time scheme on labour supply is weak or absent, since the scheme is barely used, or not used at all.

The abolition of the state-subsidised programme decreased employment, not only since part-time models allowing for block leave after full-time work reduce labour supply, but also since subsidised real part-time models reduce labour supply due to negative effects on the number of weekly working hours that are not being outweighed by positive effects on the number of working years. Positive total effects can result from micro-targeting of groups who would completely drop out of the labour market without the option of subsidised part-time work.

#### *Unemployment policies*

One expert stated that with longer working lives, unemployment policies (instead of early retirement) are more focused on the older unemployed, now even the 60-64-year-olds. Yet, there is no need to ‘invent unemployment policies twice’ since for the old the same measures work as for younger groups, just these measures are used less. In sum, the experiences with unemployment policies and their effects on the older are encouraging. According to the expert, older unemployed should just be integrated into activation measures as younger unemployed, just this would be a considerable leap forward. Experiments with age-specific measures were conducted, yet vastly abolished. The expert states that in various respects age-specific measures are not sensible. For example, the temporary compensation of the wage drop between the pre-unemployment job and the new job is considered sensible by the expert, but this should apply not only to the older unemployed.

Between 1999 and 2010, the unemployment rate of German workers aged over 54 declined, almost reaching the level of younger workers, and starting from a level more than twice as high (Brenke & Zimmermann 2011). As is the case in most European countries, older German workers rarely lose their jobs, but if they do, their re-employment chances are bleak. Between the ages of 35 and 49, re-employment chances are roughly age-independent, but thereafter they decline with increasing age (Frosch 2006).

#### *Eligibility for earnings-related and flat-rate benefits*

Before 2005, after a period of unemployment initial earnings-related Unemployment Benefit (replacement rate 60–67 per cent) dropped to Unemployment Assistance (replacement rate 53–57 per cent) and if the latter was under the minimum level of subsistence, Social Assistance filled the gap (Krebs & Scheffel 2010). The duration of earnings-related benefits depended on age and the number of contribution years, and could last for up to 32 months.

In 2005 Unemployment Assistance and Social Assistance were replaced by the low flat-rate means-tested Unemployment Benefit II for the long-term unemployed, which was €404 in 2016, with housing costs – rent, energy – paid by government. In 2006, a second reform shortened the duration of the earnings-related Unemployment Benefit I, which recipients were eligible for in the first phase of unemployment and is at 60 per cent – or 67 per cent for those with children – of the mean net earnings in the 12 months before unemployment. Previously, it was widely used to bridge the time between work and retirement (Dlugosz et al. 2009).

These unemployment benefit reforms probably increased older workers' search efforts (Duell & Vogler-Ludwig 2012), since declining unemployment benefit generosity reduces older jobseekers' reservation wages, while high reservation wages can be an important obstacle to re-employment (Dietz & Walwei 2011). Further, decreased generosity has reduced incentives to use unemployment as an early retirement scheme (Duell & Vogler-Ludwig 2012).

Dlugosz and colleagues (2009) found evidence that shorter durations of earnings-related benefits reduced unemployment, especially for the oldest group (57–64), which exhibited the strongest decline of the duration of earnings-related unemployment benefits. This conforms with the idea that reservation wages decline as the date of benefit expiration approaches (Holmlund 1998), so that the period when the probability of re-employment is high – before the end of eligibility – occurs sooner. This reduces unemployment because it shortens the mean duration of unemployment. For political reasons, in 2008 the Federal Government almost entirely reversed the benefit duration reform (Dlugosz et al. 2009) by raising maximum benefit duration for some age groups. Boll and colleagues (2013) have suggested that a reversal of this policy change could increase labour supply.

A study by Krebs and Scheffel (2010) found that the first reform reducing the benefit level for the long-term unemployed lowered equilibrium unemployment from 7.5 to 6.4 per cent. The reform induced the long-term unemployed to increase search efforts to escape lower benefits, and compelled the short-term unemployed to increase search efforts, since the threat of long-term unemployment increased. They found that the second reform – which shortened the duration of earnings-related benefits – reduced the unemployment rate by only 0.1 percentage points. One explanation by Krebs and Scheffel is that shorter durations of earnings-related unemployment benefits only affect those coming close to the new exhaustion period, while those finding work sooner are not affected. Yet, this result of weak effects is partly caused by the model specification, indicating that the low values should be interpreted cautiously and as a lower bound. Krebs and Scheffel concede that effects on unemployment rates depend on the strength of the effect of benefit rates on job-finding probability. The shorter duration of earnings-related benefits reduces mean unemployment benefit replacement rates.

In Germany older workers with a lower level of formal education have a significantly higher probability of entering unemployment, and transitions to unemployment are most likely at ages 58 and 59 (Buchholz et al. 2013), that is, long before early retirement options are available. Therefore, the reforms increase employment as well as economic inequality before retirement. Further, due to significantly lower retirement incomes – controlled for various factors – for those who become unemployed before retirement (Buchholz et al. 2013), post-retirement inequality rises.

#### *Search requirements*

Coming into effect in 2005, the Hartz reforms widened the definition of reasonable work (Klinger & Rothe 2010); now work is reasonable if the person is capable of doing this work physically and mentally. Unemployed people may not refuse to take up a job if it is not suitable to their level or type of education, because the job location is further away than past employment positions, or because the job is unattractive due to subjective considerations. Further, sanctions for those violating the rules were increased. Sanctions can be deductions of the cash benefits of current €404 by 10 per cent for minor offences such as not attending an appointment at the employment office, and 30 per cent or even 60 per cent, especially for those refusing job offers once or several times.

Additionally, what was known as the '58-rule', which released jobseekers aged 58 or older from the obligation to prove job search, was abolished in 2008. In 2004 the '58-rule' was used by three-quarters of the target group (Keese et al. 2006). The reform decreased reservation wages (Duell & Vogler-Ludwig 2012) because, due to job search requirements, unemployment became less attractive compared to taking up a new job. Lower reservation wages among the unemployed increase job-finding probability, but reduce the wage floor (Beramendi & Cusack 2009). A lower wage floor increases overall earnings inequality, while higher job-finding probability may have effects in the opposite direction if accepted wages are higher than pre-reform unemployment benefits.

#### *'Einstiegsgeld' ('Integration Bonus')*

If former long-term unemployed start to work (employed or self-employed) they can get the Integration Bonus "if this is necessary for the integration in the general labour market" (Social Security Code II, § 116b, own translation). This can be paid out for up to 24 months; the amount is normally at 50% of the standard rate of flat-rate long-term unemployment benefits. For each further person in the household it can be 10%points higher. Yet, there is no legal entitlement to this Bonus. Based on individual circumstances, the local job centre decides if it is paid out (BMAS 2015). Further, the level should be based on unemployment duration and household size/the number of dependents, and "the Integration Bonus can also be paid out in cases where need for assistance ends due to or after the uptake of the new occupation" (Social Security Code II, § 116b, own translation). Therefore, there is considerable leeway for local job centres.

#### *Integration of long-term unemployed workers*

One expert pointed out that old-age unemployment and long-term unemployment are too often treated as one issue, although they overlap yet do not always belong together.

The expert also considered the programme 'Perspectives 50plus – employment pacts for older workers in the regions' ('Perspektive 50plus- Beschäftigungspakte für Ältere in den Regionen', the third programme period runs from 2011 to 2015) a success. It included about 80 regional employment pacts with >400 job centres (October 2013, telephone information). It is considered to be successful since it activated 200,000 out of 550,000 older long-term unemployed and placed about 70,000 of them on the regular labour market (admittedly, a third of them with wage subsidies, and only three per cent of them over 60). The pacts included further vocational training, job application training, internships and wage subsidies. Individual counselling and coaching is considered to be a crucial aspect (Duell/Vogler-Ludwig, 2012).

In November 2014, the Federal Ministry of Labour and Social Affairs stated that against the backdrop of rising employment rates and declining unemployment rates in Germany, the long-term unemployed's (>1 year of unemployed) situation has not improved much. One quarter of them is 55 years old or older. 'Age over 50' is one of the factors the Ministry considers a barrier to reintegration. The Ministry plans to

- (1) Improve the quantitative advisor/unemployed- relation in order to improve the advisor's know how concerning the individual unemployed's situation. The Ministry supports local Job Centres in their efforts to open additional activation centres. Here, the unemployed can get comprehensive support in order to solve problems (social, psychological, health wise, educational, motivational) which are barriers to reemployment. This also includes help concerning addictions, debts, and mobility (in some regions it can be difficult or impossible to drive to work without an own car, and an own car is often beyond the financial means of the long-term unemployed). The activation centres will be prepared in 2015 and should be in complete operation at the beginning of 2016. Existing activation centres in the Job centres are to be made more prominent as role models so that a comprehensive network of these activation centres can be established.
- (2) Contact employers and to educate employees even after they began their new job. Another measure is to cancel out lower performance capability with (stepwise declining) employment subsidies.

The programme (1 and 2) (€ 885 million) will be partly financed from the European Social Fund (€ 470 million), will last from 2015 until presumably 2019 and will support up to 33 000 participants. Job centres are to start in the first quarterly period of 2015.

- (3) Use public employment means for those long-term unemployed without chances on the normal labour market. This is mainly focused on those with health impairments (and those with children), i.e. this will affect many older long-term unemployed.
- (4) Pay wage subsidies to employers of up to 100%. This should be accompanied by Job centres and other actors, primarily local authorities with measures for the preparation for the new job or during the new job. One idea here is that jobs could begin with a low number of weekly hours, rising stepwise.

The programme (3 and 4) is supposed to start in July 2015. Compared to (1 and 2) the budget is far lower (€ 75 million in the first year and € 150 million in each of the following years) and the number of participants (up to 10 000) is smaller, which also results from the fact that the target group is smaller.

- (5) Improve the health situation of the long-term unemployed. Although the Federal Employment Agency as well as local Job centres already pay heed to health promotion and sickness prevention, the Ministry (also stating that health promotion can markedly improve employability) wants to intensify the dialogue with the Federal Ministry of Health, local health insurances and the German Federal Pension Fund on the issue of 'unemployment and health'. One goal is to improve the access for long-term unemployed to health promotion, sickness prevention and occupational rehabilitation (this is the cause for the inclusion of the German Federal Pension Fund, because the Pension Fund is responsible for occupational rehab measures). One issue is that goods and services for the job inclusion of the disabled, laid down in the Social Security Code IX, should be more open to the long-term unemployed with health impairments.

Despite these measures, which are targeted on long-term unemployed in general and not just the older long-term unemployed, one expert stated that there are considerable obstacles to the re-employment to some long-term unemployed, and a large part of this problematic group is older. Basically they are not employable, some have applied for pensions yet were rejected. The expert criticised that with those people nothing happens since unemployment policies are just focused on re-employment, whereas at least in the medium term re-employment is unrealistic for this group. Here, the expert states that considerable innovations are necessary to re-integrate them into society and suggests measures like e.g. supportive care.

### *Disability policies*

More than half of new entrants into disability benefits receipt is between 50 and 60 years old (Bäcker 2012).

In Germany, early retirement via disability schemes has been made more difficult. With about four per cent of the population between 20 and 64 (a long-term stable figure), Germany has low disability rates, and about half of the disabled were employed in the late 2000s, which is a high proportion (Duell/Vogler-Ludwig 2012).

In 2001 a reform abolished the distinction between disability and occupational disability (the former meant someone is unable to work at all for health reasons, the latter means someone cannot work in the job he/she did before occupational disability occurred). Especially for those born after 1960 the status security vanished, so that employment in a different (lower pay, lower status) job is considered appropriate (Bäcker 2012). This should increase the employment of older workers.

Someone can be fully disabled (unable to work 3 hours or more per day in a 5-day week) or half disabled (able to work between 3 and less than 6 hours). In the latter case, government benefits are half as high, no matter if the person really works or not (the ability counts). Yet, if someone cannot get a part-time job for labour market reasons, whole disability benefits are paid (in this case the pension insurance acts partly like an unemployment insurance).

Since 2001 someone able to work for only 6 hours is no longer considered disabled, although a full job is normally 8 hours per day (Bäcker 2012).

If someone applies for disability benefits, official doctors check the documents and decide if rehab could re-establish workability (Bäcker 2012).

Disability benefits are calculated like pensions. Therefore, theoretically they could be especially low if someone becomes disabled when younger. In order to avoid this, the calculation assumes that someone has worked until 60. Before the reform of 2001, the time between 55 and 60 counted only one third. Also in 2001 new deductions for the time before 63 were introduced (0.3% per month, as in the 'normal' retirement scheme. This age of 63 will be raised stepwise to 65 until 2024, yet the maximum of deductions will remain at 10.8% (for three years; cf. Bäcker 2012).

Until 2004/2005 there had been a long-term decline in the share of disability pension recipients in the total number of newly retired persons, afterwards there had been a slight rise (especially since 2008). Further trends are the rising share of women, the declining age of the new applicants (now this trend

has stopped). Still, most of the disability pensions are full pensions (Bäcker 2012: 6). As Bäcker (2012: 7) notes (own translation):

“The labour market and the employment opportunities for older workers are crucial for the number of applicants and the granting of disability benefits, especially concerning the ‘specific perspective (‘konkrete Betrachtungsweise’). If labour market conditions improve, there is a potential easing; conversely, rising unemployment and a ‘closed’ part-time labour market can lead to a rise in new entrants into disability pensions”

Bäcker (2012) argues that the reform of 2001 was partly based on the argument of better employment opportunities, whereas he states that against the backdrop of the long-term decline in the number of new entrants into disability pension the effect of the 2001 reform should not be overestimated.

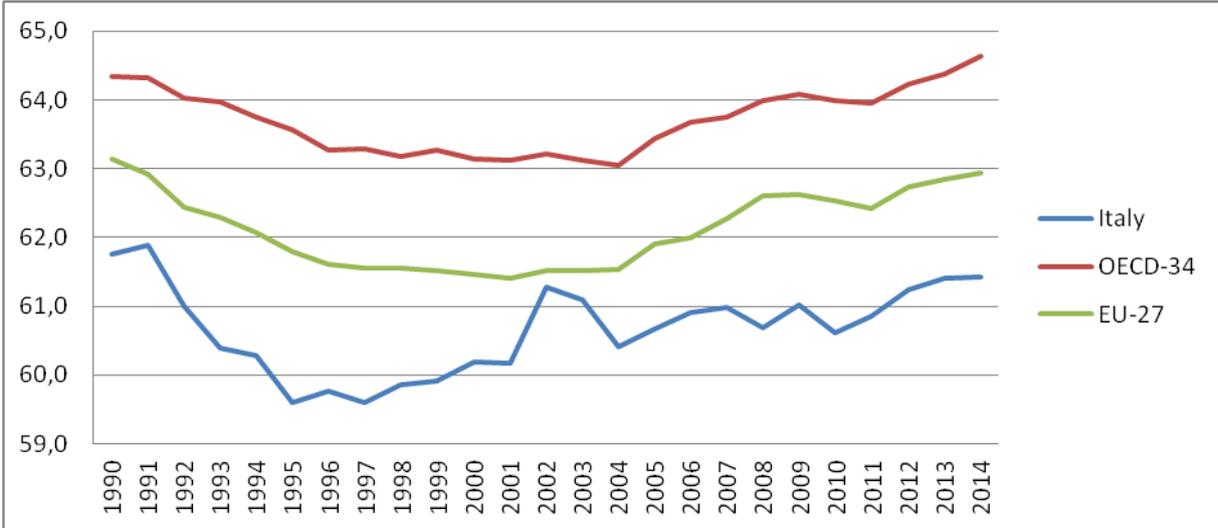
Employers creating new jobs for seriously disabled persons who are unemployed can get a subsidy of up to € 10 000 per job (OECD 2012b).

**Italy**

At the macro level the promotion of the participation of older workers and the extension of working lives have been pursued mainly through a “coercive way”, rather than by trying to raise older workers’ motivations in doing this.

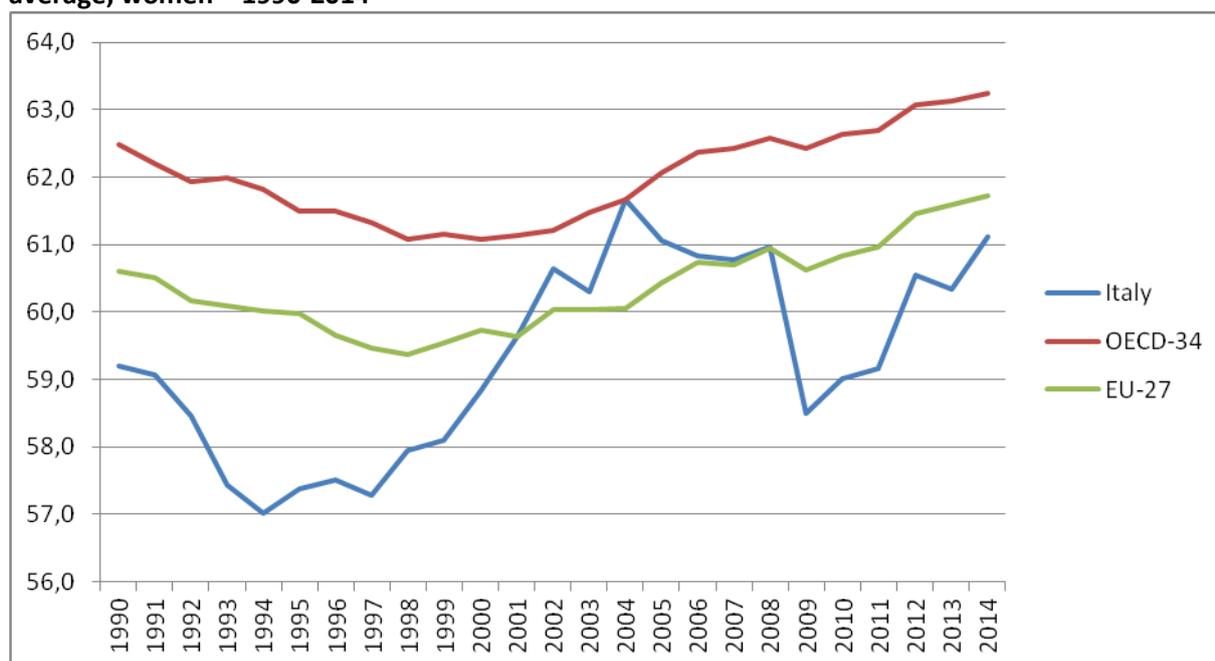
From 1990s, Italy has implemented several pension reforms, mainly aimed at guaranteeing the sustainability of both the social security/welfare system and of public finances, by gradually rising the statutory retirement age and by restricting the access to voluntary early retirement schemes. Italian pension reforms, included the most recent one, enacted the 1<sup>st</sup> January 2012 (Law 214/2011; the so-called “Fornero reform”; for more details see Socci and Principi, 2013; Bauknecht, Socci and Principi, 2015), have actually contributed to increase the average effective retirement age and indirectly to extend working lives (see Graphs 3 and 4).

**Graph 3. Average effective age of retirement in Italy, in 34 OECD countries average and in EU 27 average; men – 1990-2014**



Source: OECD Ageing and Employment Policies - Statistics on average effective age of retirement

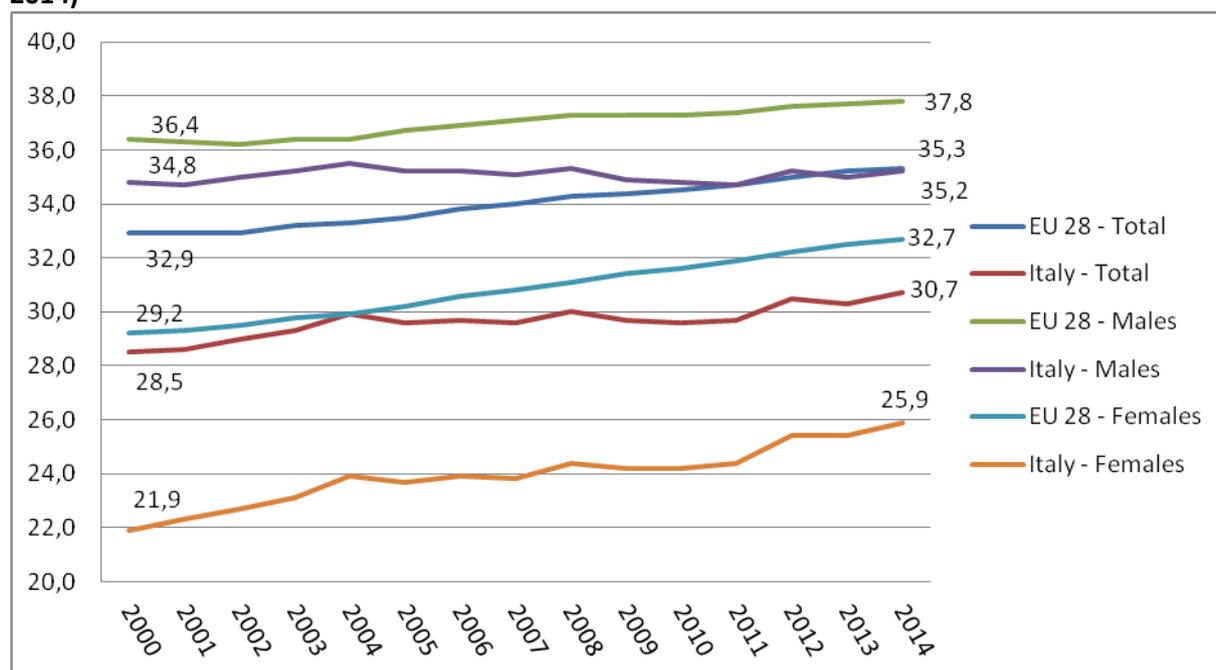
**Graph 4. Average effective age of retirement in Italy, in 34 OECD countries average and in EU 27 average; women – 1990-2014**



Source: OECD Ageing and Employment Policies - Statistics on average effective age of retirement

However, in the Italian context still persist some criticisms about these issues. On the one hand, the effective average retirement age in Italy is still below both OECD and European averages. On the other hand, pension policies, included the “Fornero reform”, have pursued the goal of extending working lives mainly in a “coercive way”, rather than by trying to raise older workers’ motivations in doing this, resulting in a sort of “blocking strategy” pattern, since the restrictions to access early retirement and the increase of retirement age, actually “block” older workers in the labour market (Thijssen and Rocco, 2010; Checcucci, 2013; Principi et al., 2015). In particular, from 2000 to 2014 the duration of working life in Italy (see Graph 5) has grown of 2.2. years (females: + 4 years; men: + 0.4 years), but, despite the mentioned “coercive approach” aimed at extending working lives in this country, in 2014 the value of this indicator (i.e. 30.7 years) was not only below the EU 28 average (i.e. 35.3 years), but also the lowest in Europe, and this was also the case for data women (Italy: 25.9 years; EU 28 average: 32.7 years).

**Graph 5. Duration of working life in Italy and in EU 28 average; total, men and women (2000-2014)**



Source: EUROSTAT, 2016

In this scenario, the Government introduced in the Stability Law 2016 an experimental measure, enacted on 2<sup>nd</sup> June 2016, aimed at promoting part-time work for older employees (63+) of the private sector close to retirement, having at least 20 years of contribution to access old age pension (as required by the “Fornero reform”). In the implementation of this initiative, based on an agreement among older workers and employers, older employees’ working hours will be reduced between 40% and 60% instead of full-time. The pay will be reduced proportionally at the reduction of working hours, but workers will receive in their wages the same social security contributions (tax free; to be paid from their employers) as they had been working full-time, plus full coverage of the “imputed contributions” guaranteed by resources allocated by the public sector. Total public funds available for funding this experimental measure will be 60 millions of euro in 2016; 120 in 2017; 60 in 2018. The payment of social security contributions, included “imputed contributions” is what it could make this initiative attractive for older workers, whereas the benefit for employers is that they would have lower wage costs due to the reduction of working time of older employees. In the perspective of the Government this measure (the so called “Part time agevolato”, i.e. “subsidized part time”) is based on a principle of active ageing, because it allows gradual exit from the labour market of older workers involved, raising their motivations to stay at the workplace and to extend their working lives.

In a quite contradictory way, the Government (discussing with stakeholders as the President of INPS, i.e. the Italian National Social Security Institute, and trade unions) is studying the introduction in the Stability Law 2017 of greater “flexibility” in the pensions system, in order to make it easier for older people “over 63” (working in both public and private sectors and as self-employed) to retire before the statutory retirement age set up by the “Fornero reform”<sup>24</sup>. This since these workers were going to

<sup>24</sup> Before the 2011 pension reform, the statutory retirement age (to receive old-age pensions) was 65 years for men and 60 years for women. After the last Italian pension reform the statutory retirement age has been increased to 66 years for men employed in the private and the public sector and for women working in the public sector. For women working in the private sector the new requirement was instead 62 years, and 63.6 for self-employed women. From January 2018 onwards, all workers of both genders will retire at the same age, 66 years and 7 months, and from January 2019 retirement age will increase

retire, but after the enactment of the law, “suddenly” and undesirably, resulted as “blocked” in the labour market still for some years. However, older workers that will choose this option will have some economic penalizations. This new proposal (that probably will be introduced as an “experimentation” between 2017-2019) allowing a new form of early retirement (the so called APE – Anticipo Pensionistico) will be managed by INPS and should be funded through loans granted by banks. Older workers choosing this option will pay a monthly fee for 20 years to the bank, to have this opportunity. This is the “state of the art” of such new proposal of early retirement at the moment in which this report is written, and obviously the implementing process of such initiative has to be monitored in the next months. However, this measure, as well as the mentioned initiative supporting part-time work for older employees, have been conceived by the Government as initiatives for introducing more flexibility in the retirement transition<sup>25</sup> (but without the goal of radically changing the general structure of the pension system) in order to give more “choices” between work and retirement for older workers.

At the same time, from the point of view of the Government and of the stakeholders, these initiatives, as past plans and regional pilot projects for implementing the so called “generational relay”<sup>26</sup> would have also the aim of providing more opportunities for young people to access the labour market (i.e. the unemployment rate of people aged 15-24 is very high in Italy; in 2015 40.3% vs. 20.3% in EU 28 average). Despite this, however, it should be avoided at both political and cultural level any kind of support to the “young in/old out” pattern, whose weakness has been widely demonstrated by the socio-economic literature (i.e. the lump of labour fallacy; see Walker, 2007; Reyneri, 2011). Furthermore, these initiatives are expensive for tax payers, because funds have to be allocated by the public sector. However, the Government, in collaboration with trade unions and other stakeholders, in the design of mechanisms for funding the new early retirement scheme (i.e. the so called APE) is trying to avoid a big burden for public finances, involving financial intermediaries (banks, insurance companies) for mostly funding the implementation of such measure.

Concerning labour market, even as a consequence of the adoption of important reforms from the mid-90s (e.g. Law 196/1997, the so called “Treu Package”; Law 30/2003, the so called “Biagi Law”) and in a context of general employment growth, the employment rate of older workers (55-64 years) has grown continuously from 2000 onwards. In the last decade the trend of main labour market’s indicators relative to Italian older workers shows a gradual improvement (i.e. increasing of both employment and activity rates), even though some critical aspects still persist (i.e. huge gender gap in labour market participation; activity and employment rates below the European average; raising of unemployment rate) (see Graph 6).

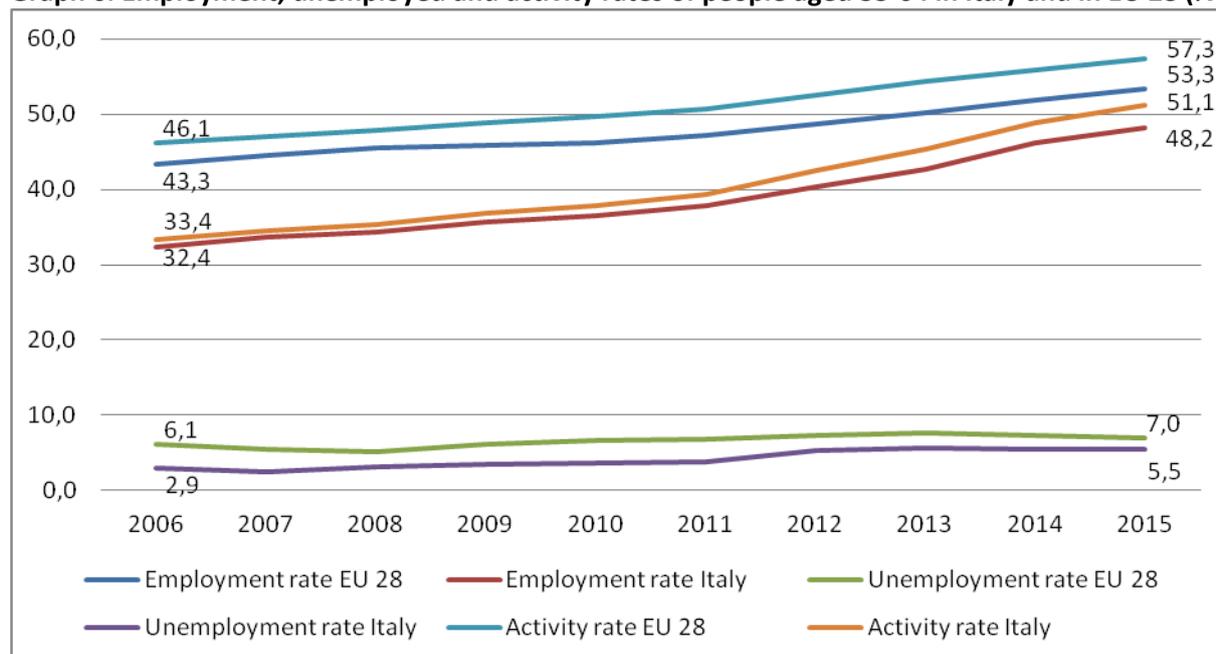
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automatically in line with life expectancy at 65 years. The “Fornero reform” introduced also stricter requirements to access the main public early retirement scheme available in this country (i.e. “seniority pension”, based on a combination of age and years of work contributions, now simply called “early retirement scheme”). For example, for men over 42 years of work contributions (over 41 for women) are now needed to access this scheme, while they were much less in the past (i.e. 35 years).

<sup>25</sup> Anyway, concerning flexible mechanisms, there are specific early retirement policies for people that carry-out arduous works and for women aged 57-58 years old with 35 contribution years (through the so called “opzione donna”, i.e. “option woman” plan). For details, see Bauknecht, Socci and Principi, 2015.

<sup>26</sup> The “generational relay” is a policy/program discussed and implemented several times in Italy and launched last time in 2012 with the aim of reducing working hours of older workers (e.g. by shifting from a full-time to a part-time contract) and to simultaneously encourage recruitment opportunities for young people in the same companies (e.g. through part-time/apprenticeships contracts), to deal with high youth unemployment (for more details, see Socci and Principi, 2013; Bauknecht, Socci and Principi, 2015).

**Graph 6. Employment, unemployed and activity rates of people aged 55-64 in Italy and in EU 28 (%)**



Source: EUROSTAT, 2016

The increasing participation of Italian older people in the labour market was mainly boosted by the enforcement of pension system's reforms. Indeed, another aim of these reforms was to enhance the labour supply of older workers (55 to 64), fostering the participation of older people in the labour market. However, as stated above, these reforms, which gradually raised retirement age and restricted previously available early retirement schemes, have mainly "blocked"/forced older people to remain in the labour market, rather than to stimulate older workers' motivations to extend their working lives. On 3 December 2014 the Italian Parliament approved the Law 183/2014 (the so called "Jobs Act"), containing the guidelines for further labour market's reforms. The government adopted eight legislative decrees for implementing the delegation law (Ichino, 2015). According to OECD (2015a; 2015b), the main goal of the "Jobs Act" is to make the Italian labour market more flexible and inclusive, by introducing measures aimed to rationalize employment protection, expand active labour market policy, make social protection more effective, and boost labour force participation of women, young and older people. With respect the effects of this reform, it is not clear if it is able to raise older workers' motivations in extending working lives (see sub-sections 3.1.1 and 3.2.1).

#### *Solutions/measures suggested/recommended*

Introduction of a "real" gradual retirement. Italian people could more easily work longer (and could be more motivated in doing this) if they could start to receive a pension without stopping working/interrupting the employment relationship. Indeed, one main requirement, established by the law, to start receiving a pension, is that the older worker must quit the employment relationship (i.e. it is not possible to claim for a pension in presence of an ongoing employment relationship). Curiously, after having retired, retirees can re-enter the labour market. In essence, as in many other European countries, the Italian government – through the introduction of a specific reform of the pension system – should allow workers to start receiving the pension without quitting the employment relationship, thus introducing *the facto* gradual retirement.

Taking into account heterogeneity of needs of older workers, to introduce a coherent and stable set of flexible measures for supporting retirement of older workers, allowing for example flexible retirement age until 70 providing also financial incentives, as well as facilitate/establish specific requirements to access early retirement according to workability, or to personal/familiar reasons (even with economic penalizations). The key-message is to provide older workers with possibilities to choose (i.e. to avoid the “coercive” approach).

The “Jobs Act” introduced conditionality for unemployment benefits (no more differentiated according to age of workers/beneficiaries), requiring recipients to participate in activating measures proposed by the Public Employment Services (PES). Therefore, at the macro level there is a need to fund and develop specific active labour policies as well as to support organization and effectiveness of PES (the latter in general are not well functioning, especially in Southern Regions, and have low performances in matching demand and supply of labour; Experts 1 and 2). This could better sustain the offer of structured and tailored activation programs (e.g. by training/learning initiatives) for older unemployed people, useful for strengthening/updating/developing their skills, competences, employability and workability. These policies and measures would have positive consequences in raising older unemployed workers’ motivation in remain active in the labour market/to prolong their working lives.

## **Netherlands**

The Dutch case draws attention to the need for more comprehensive reforms which concern not only the public old age pension, but also other benefit systems, such as the disability and the unemployment schemes in order to restrict access to alternative pathways to early exit. Research has shown that as early retirement schemes in old age pension systems are becoming increasingly inaccessible due to policy changes and reforms, disability benefit schemes, if not reformed to the same degree, can become a “benefit of last resort” (Prinz and Thompson 2009, p. 44).

Policies aimed at increasing the labour supply of older workers, such as the abolishment of the early old age retirement scheme, the raising of the retirement age and the extensive reform of the disability benefit system, were key measures contributing to the positive trends in the employment of older workers.

*Implementing comprehensive reforms not only in the public old age pension, but also in other benefit systems in order to avoid substitution via disability or unemployment*

Reforms of the old age pension introduced substantial changes to all three pillars of the pension system. The abolishment of the early retirement scheme (VUT) in the public pension system started in the civil service sector in 1997 and by 2006 it has been implemented in all sectors. The raising of the statutory retirement age from the age of 65 to 67 by 2021 is being implemented stepwise also adjusting it in line with the development of life expectancy from 2021 onwards. Changes have also been implemented in the second pension pillar (occupational pension schemes) increasing the minimum age at which occupational pensions can be claimed (min. 62 years) and by actuarially reducing the pension amount if taken before the legal retirement age. The third-pillar provides employees the option for individual insurance (e.g. life insurance). Up until 2012, the third-pillar system also offered individual savings accounts for workers (OECD, 2014a). This so-called life course savings programme, which was introduced in the third pillar in 2006, was considered as an innovative savings system and way to rearrange social security in the Netherlands. The programme allowed Dutch workers tax-free saving of up to 12% of their earnings to finance periods of unpaid leave, such as

sabbaticals, holidays, care leaves, education and training courses or gradual retirement, while retaining employment (Delsen and Smits, 2014). Participation in the scheme was voluntary for employees and employers had the option to pay contributions to their employees' savings. The life course savings scheme was discontinued in 2012, when the Government decided to replace it with a new scheme, the so-called Vitality Scheme. The new scheme was expected to start in 2013, but due to budgetary reasons the Government decided not to introduce it. Delsen and Smits (2014) in their assessment of the life course savings scheme show that if some of the programme's features had been readjusted it could have been made a more efficient and effective tool to improve work-life balance and to extend working life.

In addition to reducing access to early retirement in the old age pension scheme, the Netherlands has implemented particularly extensive reforms in its disability benefit system, and following these reforms inflow into disability has decreased significantly in a relatively short period of time (Van Sonsbeek, 2010). The reforms consisted of a group of integrated measures characterised by (1) a shift from passive (paying benefits) to active (supporting work ability) measures; (2) greater emphasis on the responsibility of employers; (3) an increased focus on prevention and early intervention; and (4) stricter screenings. These policy changes have also led to an environment in which both employers and employees had strong incentives to take early preventive actions to reduce the chances of sickness resulting in (permanent) disability and an early exit from employment.

Changes in the unemployment benefit scheme have also been introduced. In 2006, a reduction of the maximum duration of unemployment benefits from 5 years to 38 months was introduced (OECD, 2012). The reason was to restrict access to long-term unemployment benefit as an early retirement benefit. The previous special rules exempting unemployed people over the age of 57.5 from reporting job-search efforts to the Public Employment Service (PES) have been abolished (although those over 64 are still exempt from job search) (OECD 2014a). A part-time unemployment benefit scheme was also introduced in 2008 as a response to the crisis and aimed to help employers to retain employees, mostly older workers. This was, however, a temporary measure and has been abolished in 2011 (Skugor and Bekker, 2012). The shortening of unemployment benefit period is especially relevant for the older unemployed as the share of long-term unemployed (i.e. unemployment spells longer than one year) is considerably higher among the 55-64 age group (59% in 2012) than the average and is also the highest compared to other age groups.

Another notable, pension-related measure is the launching of the national pension register in 2011 which aims to improve transparency for future pensions and to increase awareness among citizens about their pension entitlements. The register offers an online overview for all Dutch citizens of their accrued pensions in pension funds including both public and private pension funds.

## **Poland**

Employability is a crucial issue in Poland due to the low employment rate of older people in comparison with other EU countries. Poland is ranked 21st out of the 28 countries of the EU in terms of employment among seniors. The employment rate of people aged 55-64 was 46.9% in 2015 compared to

36.7% in 2010 and 30.5% in 2005 (in relation to an EU average of respectively 57,3%, 49,6% and 45,1%), even if those figures show an increase in employment rates by over 15pp in ten years<sup>27</sup>.

The gender segregated data shows considerable disparities between men and women of the same age group, with a difference of 20%. Indeed, the employment rate of Polish men was 57,5% in 2015 compared to 48,9% in 2010 and 40,9% in 2005, while the employment rate of Polish women was 37,3% in 2015, 25,9% in 2010, and 21,5% in 2005. Those figures, despite being lower than the EU average, show progress and improvement in the context of seniors' employability in the last decade<sup>28</sup>.

In 2015, the rate of people aged 55+ working part-time was of 25.6% in Poland. We can observe that the older workers are, the more they are employed part-time. Indeed, the rates of part-time employment are of 6.6% among the 55-59, 13.4% among the 60-64, 30% among the 65-69 and 52.4% among the 70-74 year olds. This increase of part-time employment the higher the age can be considered as being related to older people's health condition. It is also necessary to mention that among part-time employees aged 55+, 11.2% of people are experiencing involuntary part-time employment<sup>29</sup>.

The participation of older people into the labour market faces obstacles to its fulfillment such as the reluctance from employers to hire older people, lack of flexibility in working conditions, labour market segmentation, and the incidence of negative stereotypes and ageism. Given those obstacles, policy responses have been implemented at national and local level by the Polish government to address them in a holistic way. Among those policies, discouraging early retirement, limit the use of unemployment benefits and pre-retirement benefits, develop age management, improve professional trainings, organizing health campaigns, improve the pensions system, sharing good practices, and encourage the elderly to have another attitude towards work, and improve labour market conditions for women.

One of the most important barriers hampering the employability of older people and quoted in the report on SBG, are stereotypes regarding ageing<sup>30</sup> and age discrimination, which affect recruitment, working conditions, older people's well-being, and career development<sup>31</sup>. One of those stereotypes is the idea according to which a more experienced worker is more expensive than a young unexperienced one<sup>32</sup>, and this is also an argument that makes employers prefer hiring more young people than older workers: they prefer to invest in the training of younger employees than in the training of older ones, since they consider investing in someone who will soon be going on retirement as a waste of time and resources<sup>33</sup>. Moreover, older people are reluctant to attend training classes and lifelong learning activities enabling their employment because they do not feel the need and the motivation to benefit from these kinds of services just before retirement<sup>34</sup>.

As far as unemployment is concerned, the Polish Ministry of Labour and Social Policy states that unemployment among people aged 50+ dropped by almost 10% between 2014 and 2015, affecting almost 430 000 people. In 2015, 27.5% of the registered unemployed were people belonging to the age

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<sup>27</sup> Eurostat database

<sup>28</sup> Eurostat database

<sup>29</sup> OECD Statistics database

<sup>30</sup> Program Solidarność pokoleń

Działania dla zwiększenia aktywności zawodowej osób w wieku 50+, Warszawa, październik 2013 r. mpips, [https://www.google.pl/url?sa=t&rct=j&q=&esrc=s&source=web&cd=3&ved=0ahUKEwjX0ZfXmM3NAhVDGZoKHYGgArcQFgglMAI&url=https%3A%2F%2Fwww.mpips.gov.pl%2Fdownload%2Fgfx%2Fmpips%2Fpl%2Fdefaultopisy%2F8350%2F1%2F1%2FProgram50\\_30.10.2013ost1.pdf&usg=AFQjCNF5P5vwEly-xDI\\_U5mFtYk6L5gEqA&bvm=bv.125801520,d.bGs&cad=rja](https://www.google.pl/url?sa=t&rct=j&q=&esrc=s&source=web&cd=3&ved=0ahUKEwjX0ZfXmM3NAhVDGZoKHYGgArcQFgglMAI&url=https%3A%2F%2Fwww.mpips.gov.pl%2Fdownload%2Fgfx%2Fmpips%2Fpl%2Fdefaultopisy%2F8350%2F1%2F1%2FProgram50_30.10.2013ost1.pdf&usg=AFQjCNF5P5vwEly-xDI_U5mFtYk6L5gEqA&bvm=bv.125801520,d.bGs&cad=rja)

<sup>31</sup>[http://kpsw.edu.pl/pobierz/wydawnictwo/re5/kucinski\\_sytuacja\\_osob\\_starszych\\_na\\_ryнку\\_pracy\\_w\\_polsce.pdf](http://kpsw.edu.pl/pobierz/wydawnictwo/re5/kucinski_sytuacja_osob_starszych_na_ryнку_pracy_w_polsce.pdf)

<sup>32</sup>[http://kpsw.edu.pl/pobierz/wydawnictwo/re5/kucinski\\_sytuacja\\_osob\\_starszych\\_na\\_ryнку\\_pracy\\_w\\_polsce.pdf](http://kpsw.edu.pl/pobierz/wydawnictwo/re5/kucinski_sytuacja_osob_starszych_na_ryнку_pracy_w_polsce.pdf)

<sup>33</sup> idem

<sup>34</sup> idem

group 50+. The unemployment rate among people aged 50-64 was of 4.9% in 2015, while the corresponding EU average was 6.9% that same year. When we look at the regional level, we observe that the Western regions of Poland are the most affected by seniors' unemployment<sup>35</sup>.

To struggle against unemployment, Poland implemented various programmes for supporting the unemployed elderly to reenter the labour market: each unemployed person aged 50+ can expect a proposition from the job center in the six months following his/her registration, either for a job position or an internship, vocational training, or works of general interest<sup>36</sup>. Other initiatives at national and local level – with some of them described below – have been implemented to activate older people's employability.

Since January 2016, following the implementation of the Youth Guarantee measure, employers receive public financial aid when they hire a young unemployed person under 30 years old. This financial aid partly covers the salary, as well as health and social insurance<sup>37</sup>. This measure, even though is a positive initiative to tackle youth unemployment, is a significant structural barrier to the employment of older people, since it encourages the recruitment of young people rather than older persons.

Poland is taking the adequate measures in the framework of its state programs in order to change mentalities in that regard, among others through awareness rising campaigns such as *Wyrównywanie szans na rynku pracy dla osób 50+* ("equal chances on the labour market for people aged 50+"), aiming at breaking the stereotypes about ageing<sup>38</sup>.

## Spain

### *Retirement policies*

Average retirement ages in Spain have gradually risen for men, from 60.9 to 62.2 years. In contrast, the female average retirement age remained stable at 63.1 years. Whilst there is no mandatory retirement age in Spain, sectoral exemptions exist for public servants (65 years), judges (72 years), or professors at public universities (70 years).

Before the recent economic crisis the pressure for pension reform was mitigated by strong migratory inflows and rapid employment growth which helped reduced dependency ratios. However, the economic crisis brought a dramatic deterioration of Spanish public finances and increasing pressure from EU partners and financial markets to bring the public deficit under control (De la Fuente and Doménech, 2013).

In 2011 key reforms were announced comprising three key measures. First, the normal retirement age will gradually increase from 65 to 67 in 2027 with increases of one month per year between 2013 and 2018 and two months per year from 2019 until 2027. Second, the calculation period over which wages are averaged in order to determine the starting pension was raised from 15 to 25 years. Third, the

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<sup>35</sup> <http://www.mpips.gov.pl/analizy-i-raporty/raporty-sprawozdania/rynek-pracy-/sobypowyej50rokuycianarynkupraczy/rok-2015/>

<sup>36</sup> <http://www.regiopraca.pl/porta1/porady/prawa-pracownika/pracownik-w-wieku-50-plus-na-jaka-szczegolna-pomoc-moze-liczyc>

<sup>37</sup> <http://www.rp.pl/Kadry/309209854-Dofinansowanie-na-zatrudnienie-bezrobotnych-pieniadze-na-etaty-dla-mlodych.html#ap-2>

<sup>38</sup> <http://warszawa.naszemiasto.pl/artykul/aktywizacja-zawodowa-osob-50-rusza-kampania-spoleczna,2178404,artgal,t,id,tm.html>

number of contribution years required for a full pension receipt was raised from 35 to 37 years thus reducing incentives for early retirement.

In addition, the new law introduced a so-called sustainability factor, a quinquennial evaluation of the system that will trigger whatever parametric adjustments are necessary to ensure its sustainability. It does not specify the nature of any adjustments except that it should take into account the observed increase in life expectancy at 67.

Additional measures were also included; these affected minimum retirement ages and incentives to postpone retirement. Among these was the possibility to maintain a retirement age of 65 for those with contributions of at least 38.5 years and workers in risky or arduous activities. These exemptions are significant as De la Fuente and Doménech estimate that this provision may in practice exempt up to 50% of the relevant population from the planned increase in the retirement age.

Incentives for later retirement included an increase in pension between 2 and 4 per cent for each additional year spent in work after reaching the pensionable age.

In Spain early work retirement was predominantly perceived as forced (Alcover et al., 2012). At the age of 60, workers becomes eligible for voluntary early retirement or, “*jubilación anticipada*” (Crego et al., 2008). Such pre-retirement programs can only be initiated by the employer, who does not normally offer any alternative but acceptance. Workers of this age have difficulty in finding new employment (Siegrist et al., 2006) so such pre-retirement often leads to unemployment and permanent retirement.

The reforms introduced stricter early retirement requirements for workers who lose their jobs through no fault of their own for economic reasons. This means that contributions for 33 years are required for early retirement between 61 and 63 years of age (three more than before the reform came into effect) and at least six months as a registered jobseeker. When workers give up their jobs voluntarily, they must be at least 63 years old and have contributed for 33 years (Doménech, R. and García, J., 2012).

#### *Unemployment policies*

In Spain, the administration of the unemployment benefit system depends on the Spanish public employment service (SEPE), while the development of active labour market policies is done by the regional governments (following the legislative framework approved by the central government).

Most of the “active” expenditures are employment incentives with social security and tax reductions to make hiring older workers more attractive. However, Tobes *et al.*, (2007) note that incentives to subsidise employers' social security contributions, have done little to encourage maintaining the jobs of older workers. Indeed, most employers considering such fiscal incentives as inefficient.

A further problem in the development of active policies is the large number of actors involved. This means that it is difficult to integrate effective re-employment services with properly-enforced job-search requirements and the provision of adequate unemployment benefits. Unemployment policies, in general, do give priority to older (aged over 45) people as one of several 'vulnerable' groups. However, the quality of provision is felt to be poor. The result of these issues is that employment policies aimed at promoting active ageing are perceived as inefficient, Doménech and García (2012).

Some improvements have taken place in the domain of activation policies, but none with a focus specifically on older workers. The strategy for entrepreneurship and youth employment 2013-2016 (*Estrategia de Emprendimiento y el Empleo Joven 2013-2016*) approved in February 2013 includes measures to encourage youth employment, facilitating job-placement in salaried employment as well as the start of entrepreneurship activities.

This focus on youth unemployment reflects the differential impact of the recent economic crisis on young people in Spain together with a perception that workers close to retirement age remaining in work make it more difficult for young people to join the labour market. This goes against international evidence which suggests that older and younger workers complement each other. A cultural shift is required to eliminate this misconception.

More coordination between national and regional government was approved in August 2013. The annual objectives of employment policies in Spain are stated alongside several evaluation measures of the activities performed by the regional governments. Up to 40 per cent of the funding of active labour market policies of regional governments will be conditional on those evaluation measures (OECD, 2013).

#### *Disability policies*

There is little discussion that focuses specifically on older people with disabilities, but people with disabilities in general have more difficulties to access to the labour market (CERMI, 2009; Rodríguez & Cueto, 2013) and to remain in it (Clayton et al., 2011; Red2Red, 2009; Observatorio de las ocupaciones, 2013) than people without disabilities. Furthermore, the risk of losing disability benefits reduced incentives to participate in the labour market. Overall, this is a structural problem that has been exacerbated by the recent economic crisis.

Prior to the crisis the integration of people with disabilities into the labour market was enhanced by an increase in the awareness of Corporate Social Responsibility kicked off by the European Commission Green Paper on the issue. This made employers realise the value of such integration (Martinez-Molina et al., 2014). In addition, between 1996 and 2006 there was a tripling in the number of special employment centres, which helped promote labour inclusion for workers with disabilities

However, the Social Integration of the Disabled Law 13/1982 of 7 April (LISMI), which established the obligation of public and private companies with more than 50 employees to have two per cent of their workforce with disabilities in order to facilitate their labour inclusion was argued to have limited impact. This was partly due to cultural factors and the reluctance of some employers to make adaptations to accommodate people with disabilities. Furthermore, in the Construction sector, for example, which grew rapidly prior to the crisis, the integration of people with disabilities was argued to be especially difficult.

During the economic crisis many labour indicators for people with disabilities worsened further relative to the general population. However people without disabilities were more affected by unemployment and the loss of employment in the onset of the crisis, while people with disabilities suffered the consequences of the crisis in the last years of the period. This was because the crisis first hit the Construction sector and then other Production sectors, where people with disabilities are under-represented. Subsequently there was a large impact on the Service sector and hence it was only then that people with disabilities became more affected.

The financial crisis also resulted in cuts in resources for the special centres discussed above and other resources to promote integration of people with disabilities into the labour market that further impacted on the labour market participation of people with disabilities.

A further issue for people with disabilities is that a lot of Spanish companies have less than 50 employees and hence have no obligation to fulfil the two percent quota of workers with disabilities that applies to larger companies. However, larger companies were more likely to survive the crisis, hence it could be argued that this may favour the employment of people with disabilities

## **United Kingdom**

### *Retirement policies*

Recent changes in retirement related policies in the UK are discussed in some detail in George et al. (2015). Legal protection against age discrimination in employment was introduced in 2006 with the Employment Equality (Age) Regulations (EE(A)Regulations). The regulations covered age discrimination in relation to any age. However, for older people, it included a 'default retirement age' allowing employers to set a compulsory retirement age of 65 or over. This provision was abolished in 2010 although compulsory retirement could continue for a further year from abolition. The regulations were superseded by the Equality Act (2010), bringing together and extending various Acts and regulations covering discrimination and equal pay (e.g. the EE(A)Regulations, the Equal Pay Act, the Race Relations Act and the Disability Discrimination Act). The age provisions of the Act were implemented in 2012.

While the regulations and the age provisions of the Act seek to reduce age discrimination, a number of exemptions in the Act mean that some age discrimination in employment remains lawful, including discrimination that can be 'objectively justified' by the employer as a proportionate response to a legitimate business objective. The effect of the legislation (and of the exemptions) is as yet unknown. However, employment age discrimination is believed to be suffered more by older workers (as well as young workers), so the legislation should have more impact on the employment of these groups. Since working close to and beyond State Pension age is more prevalent among those who need to work for financial reasons (as well as the generally well-paid in jobs they enjoy), the legislation might be expected to have enabled the former group to work longer and so to have had a particular effect on low-paid workers.

Because employers can no longer dismiss an employee because of their age, employers have started to focus on employees' competence and absence record as criteria for dismissal.

In roughly the same time period, a number of changes have been made to pension regulations.

Since April 2010, the State Pension age for women has been rising from 60 and will equalise with men's at 65 in 2018, with the age for both men and women increasing to 66 in 2020 (HM Government, 2014a). Further planned increases will occur for both women and men, with the age due to rise to 67 between 2026 and 2028 and to 68 between 2044 and 2046 (HoC, 2014; HM Government, 2014b). While the proposed change affects all people born after 6 April 1960.

The Pensions Act 2014 introduced a new single-tier, flat-rate State Pension for those who retire after 6 April 2016. To be eligible individuals will have had to have made a minimum of 10 years' contributions. For the full contribution, at least 35 years of National Insurance contributions or credits are necessary. Those with contributions between 10 and 34 years will be paid a proportionate amount (DWP, 2013a). Crawford, *et al.* (2013) estimate that in the short term individuals who have spent long periods out of the labour market in pension creditable activities (for example, looking after dependents) will gain from the new pension. Overall, the majority of individuals (in England) will benefit over the life of their pension as the uprating in the new scheme means that they will have higher pension income in the later years of retirement than in the current scheme. However, those with fewer than 10 years of contributions will not be eligible for a State Pension, where they may previously have had some level of State Pension income. Additionally, for some the gains will be counteracted by the decrease in means-tested benefit entitlements.

Public-sector pension schemes are being reformed to align with the new State Pension age thresholds. Changes to the public sector and State Pension ages are likely to impact on large numbers of low-paid workers who have physically demanding and/or stressful occupations. Some of these individuals will be unable to continue working in the same role due to the demands of their job (with some becoming inactive in the labour market and potentially requiring benefit payments). Other individuals will feel obliged, due to financial constraints, to continue working in demanding jobs for longer than they wish.

From 6 April 2010, the age at which private and occupational pensions may normally be drawn was raised from 50 to 55. Retirement for medical reasons at a younger age is still possible (HMRC, 2014).

Although there is a widespread belief that the State Pension will be insufficient by itself (Age UK, 2014) there are significant numbers of people who do not have an occupational pension. Figures from the Annual Survey of Hours and Earnings (ASHE) 2010/12 show that 45 per cent of men and 49 per cent of women do not have some form of private pension saving. The proportions without private pension savings grew as earnings decreased, with 88 per cent of men and 73 per cent of women earning less than £300 per week have no private pension savings (ONS, 2014).

In order to increase private pension savings, automatic enrolment into workplace pension schemes has been in place since October 2012. The roll-out across organisations is being staged until February 2018, with larger employers being required to assume their responsibilities before smaller ones. The criteria for worker eligibility are: to be aged between 22 and State Pension age and earning over £9,440 in 2013/14 terms. Workers who are not eligible may opt in to the scheme. The DWP's initial evaluation of automatic enrolment shows that workers aged over 50 were most likely to opt out. Qualitative interviews indicate that these individuals felt too close to retirement to start a long-term savings plan; financial constraints were another reason for opting-out of the scheme (DWP, 2013b). Additionally, the earnings threshold means that many low-paid workers, particularly those working part-time, will not be automatically enrolled in the scheme.

The 2014 budget introduced greater flexibility in accessing pension funds. For example, those with a pension pot of less than £2,000 (considered a small pension pot) have previously been able to take this as a lump sum regardless of their overall pension wealth. Since 27 March 2014, the defined size of the small pension pot has increased from £2,000 to £10,000, and the number of pots that can be accessed under the small pot rule has increased from two to three.

There has, in addition, been an increase in the overall pension wealth limit that can be taken as a lump sum (from £18,000 to £30,000); and the age from which individuals can take the sum will be lowered from 60 to 55 in April 2015. Another important change that will impact on those with lower incomes is that the minimum income required for flexible drawdown has been reduced to £12,000 per annum from £20,000 per annum. These changes affording more flexible access to pension funds may impact on labour market behaviour, making phased retirement easier.

### *Unemployment policies*

Unemployment programmes and other support for unemployed people commonly have an age-related element. In part, this stems from a recognition that employment barriers and skills vary with age and so support needs vary. Differences in unemployment rates by age suggest, however, that unemployment programmes do not result in equality of outcomes by age. Moreover, differences in treatment may also stem from differences in the seriousness accorded to unemployment for different ages, either by government or by unemployed individuals.

Historically, there have been specific programmes for young people (with various cut-off ages up to 25) (e.g. the Youth Opportunity Programme, the Youth Training Scheme, the New Deal for Young People). These have tended to place greater emphasis on skill and employment training than programmes for older people (where the emphasis has been on job search) and to provide more rapid access to support. Recent programmes have been less often tailored to older people, with the most recent age targeted programme being New Deal 50+. Overall, the New Deal programme divided into three age groups (18-24, 25-49 and 50 plus) with different programmes for each group.

Currently, however, whilst all unemployed people can receive some support to find work, the main programmes target three groups: young people irrespective of unemployment duration; longer-term unemployed people (of all ages); and disabled people and those with health conditions. Programmes targeting the longer-term unemployed are, in Britain, the Work Programme and, in Northern Ireland, Steps to Work.

The over 50s typically have longer spells of unemployment than any other age group and some older workers never return to work after becoming unemployed. Reasons for this include age discrimination among employers, but outdated qualifications and lack of IT skills or reduced self confidence can be an issue for this age group and changes in health circumstances can also be important (Foster et al., 2014).

The Work Programme is designed to tailor support to individual need and so it does not distinguish provision by age. However, the qualifying period of unemployment to enter the programme varies with age (three months for those aged 18 and not in education, employment or training; nine months for those aged 18-24; and 12 months for those aged 25 and over)<sup>39</sup>.

Steps to Work is available after 13 weeks unemployment (or economic inactivity) (NI Direct, 2014). Within the programme, additional support is available to young people who have been unemployed at least six months (through First Start) and to those aged 50 and over who have been unemployed at

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<sup>39</sup> Note that some people (e.g. prison leavers) may enter the programme more quickly. <https://www.gov.uk/government/publications/work-programme-dwp-provider-guidance>

least 12 months (Step Ahead 50+). Step Ahead 50+ provides a fixed term job opportunity lasting up to 26 weeks with an organisation in the voluntary/community sector.

There are no evaluations to date which indicate whether the effectiveness of the Work Programme varies with age, though DWP's Work Programme statistics show that older people referred to the programme have been less likely to enter into employment than other age groups, and those who have done so have been less likely to enter into sustained employment (DWP, 2014; Age UK, 2013). Foster et al. (2014) argue that for some Jocentre Plus support during the first 12 months of unemployment may not be sufficient and after 12 months it is not always tailored or intensive enough.

The evaluation of the earlier New Deal 50+ suggests that this scheme had a more positive impact on job retention of older people. For the older people who had taken part in the programme and had found a job, job retention levels after six months were relatively high (Atkinson, 2001). In particular, the evaluators found that receiving Employment Credit had incentivised a sizable proportion of individuals to stay in work for longer than they would have done otherwise (Atkinson and Dewson, 2001).

#### *Disability policies*

The unemployment programmes targetting disabled people and those with health conditions are Work Choice in Britain and, in Northern Ireland, Work Connect, Job Introduction Scheme and the Condition Management Programme.

Work Choice and Work Connect provide support to unemployed disabled people both to find a job and then to stay in employment. Support includes skill training and development, confidence building, interview coaching and help identifying a suitable job. Participation is voluntary. The Job Introduction Scheme in Northern Ireland subsidises employers providing a job trial lasting 13 weeks for disabled people. Under the Condition Management Programme in Northern Ireland support for up to twelve weeks is provided by health care professionals to help people to manage their health conditions and to return to work.

### **the Baltic countries**

Regarding the issue of motivating longer working lives among employees in Baltic countries, some main conclusions for the macro level based on previous research and data collected in the Mopact project include:

- Combination of relatively low pensions and possibility to receive simultaneous income from work are important motivations for longer employment in Baltic countries. This is reflected in relatively high employment of older workers, whereas it comes at a cost of high poverty risk among retired population due to low replacement rates of pensions.
- Although increase in retirement age does raise employment of older workers according to some research results (Vörk 2009), it also raises use of alternative pathways to retirement (e.g. Vörk 2009 on Estonian example).
- Efforts have been made to reduce early retirement in Baltic countries, although this has not given immediate effects since: (a) changes coincided with economic crisis which may have outweighed the unfavourable conditions to early retirement, i.e. due to lack of alternatives in the labour market, people still chose early retirement; and (b) parallel, even more unfavourable changes in the pension system in some countries which made early retirement still the

favourable option for many individuals (e.g. in case of Latvia) (Nurmela, Osila, and Leetmaa 2014).

- Favouring early retirement in some occupations due to their higher health risks has been raised under discussion in case of Estonia – research suggests that the health status of people who receive these favourable pensions is not poorer than the health state of other people in the same age group (National Audit Office of Estonia 2014). It has been debated that the system has not been modernised for more than 20 years and do not reflect modern occupational risks whereas the system does not give any financial incentives to employers to improve working conditions (Vörk, Piirits, and Masso 2016). Reforms are planned in Estonia to modernise the pension systems in occupations with higher health risks, although their contents have not yet been agreed.

Higher employment in older age is motivated by relatively **low size of old-age pensions** and **possibility to receive simultaneous income from work** in the Baltic countries. The aggregate replacement ratio of income is below the EU28 average in all three countries: 50% in Estonia, 47% in Latvia and 48% in Lithuania compared against 56% in EU28 countries on average (see table 1). The at-risk of poverty rate of those older than 65 is particularly high in Estonia, being the second highest among EU countries in 2013. The relatively poor condition of old-age pensioners is also reflected in median relative income of people aged 65+ as a ratio of income of people 0-64, which is lowest in Estonia and slightly higher in Latvia and Lithuania, although remaining well below the EU average. The need to provide sufficient household income is the main reason in all three Baltic countries for continued employment among people who receive pensions – 78% of people aged 50-69 in Estonia, 58% in Latvia and 47% in Lithuania keep working after retirement for this aim (based on 2012 ad-hoc module “Transition from work to retirement” for the Labour Force Survey, Eurostat). All three Baltic countries report the lowest shares in the EU of non-financial reasons to continue employment (after Romania and Slovakia) with 8-9%. In the EU on average, almost a third of people who continue employment in retirement age, do so due to non-financial reasons.

**Table 1. Pension indicators, 2013**

	<b>aggregate replacement ratio (incl other social benefits)</b>	<b>at-risk-of-poverty rate of older people</b>	<b>median relative income of elderly people</b>
<b>EU28</b>	0.56	13.8	0.93
<b>EE</b>	0.5	24.4	0.69
<b>LV</b>	0.47	17.6	0.77
<b>LT</b>	0.48	19.4	0.81

Source: Eurostat

Despite the high financial incentive to remain in employment, all three countries make efforts to motivate longer employment. Common to all three countries are **increases in retirement age** to prolong working lives and tackle fiscal challenges posed on pension systems by high old-age dependency rates (European Commission 2015; Lazutka 2013). All three countries have set their aim to equalise retirement age for men and women (Latvia already has equal retirement age for both genders) and raise retirement age gradually to 65 by 2025-2026 (Nurmela, Osila, and Leetmaa 2014). Based on the previous increase in pension age in Estonia, Vörk (2009) has found that this has two main general effects: 1) increase in the overall employment rate of older people; and 2) use of alternative

pathways to retirement – especially early retirement benefits and disability benefits. Employment has increased due to those people who are capable of working and who remain in employment longer due to pressure from the increased pension age and incentives generated by the possibility to receive pensions and labour earnings simultaneously (Vörk 2009).

Baltic countries have taken steps to **reduce early retirement**. The popularity of these options tend to vary across the three countries: according to the Eurostat ad-hoc module on transition from work to retirement in the Labour Force Survey, the share of early retirement among people who receive an old-age pension is 10.9% in Estonia, 19.1% in Lithuania and 35.1% in Latvia in 2012 compared to 39.1% in the EU28 on average. For instance, in Latvia, in 2009 the early retirement pension was cut from 80% to 50% of the value of a person's old-age pension (Nurmela, Osila, and Leetmaa 2014). However, the share of early retirees in those retiring in 2009 and 2010 actually increased as compared with earlier. This effect was partially explained by the further even more unfavourable changes in the pension system, thus the early-retirement by many individuals was considered to be the best option (Ibid.).

Although Lithuania improved access to early old-age pensions in 2012 (the requirements to have a 12 months' period of registered unemployment prior to applying for the payment of early old-age pension was abolished), a continuous decrease is reported in the number of recipients of such pensions (Nurmela, Osila, and Leetmaa 2014).

In Estonia, discussions are held to reform pension schemes in certain occupations which enable early retirement (see Vörk, Piirits, and Masso 2016). For instance, workers who have worked in occupations that are considered hard or hazardous (e.g. workers in chemical, metal, glass, pulp industry, mining, etc.), may retire 5 or 10 years before the legal retirement age, provided they fulfil qualifications requirements (from 15 to 25 years of contribution period of which at least half in the given profession). Early retirement is also available for certain professional groups (e.g. pilots, mariners, miners, some groups of artists) whose professional abilities have declined before the normal retirement age, provided they have the required pensionable service (from 15 to 25 depending on the profession). The current system is heavily criticized as the scheme is inherited from the Soviet time and occupations from that time do not correctly reflect risk classes anymore. In addition, the schemes do not give any financial incentives to employers to improve working conditions. The need for the reform of these pension schemes has been widely recognised in Estonia and reform plans should be presented for discussion during 2016. Measures to reduce early retirement due to poor health conditions are discussed in the following chapter (2.1.2).

**Supporting transitions from unemployment to labour market** among older workers is a measure used to enhance supply of labour. The experience of Lithuania has indicated that several active labour market measures have been successful in enhancing older workers' employment. According to Peer PES Paper ("Peer Review 'PES and Older Workers'." 2012), 13,600 individuals over 50 years of age participated in active labour market policy measures in 2011 (25.4% of total participants). In 2011, the monitoring of active measures for older workers showed that 6 months after the measure: 70% of them were employed after participation in subsidised employment, 47% - after vocational training, 20% - after public jobs (community work). Likewise, persons over 50 account for quite a big share of those

starting activities under a business certificate: in 2013, they accounted for 22%<sup>40</sup> of the total number of unemployed persons who started employment under business certificates. These results indicate that while general measures (not targeted specifically to older workers) can be successful in integrating older workers in the labour market, there is a need to monitor their access to measures and their effectiveness in the particular case of older workers (e.g. whether measures have the same effectiveness for younger age groups as well as older unemployed).

Various approaches have been tested within different projects while these have not become a permanent part of the active labour market measures package offered in the country. For instance, in Lithuania an ESF-funded project 'Stay in the labour market' is implemented since 2014 targeting working-age population aged 50 and over and the long-term unemployed (Nurmela, Osila, and Leetmaa 2014). It is expected that almost 15,000 unemployed persons (more than 8,300 long-term unemployed persons and 6,300 persons aged 50+) will participate in project activities, including subsidised employment, support for acquisition of skills and job rotation measures (Ibid.). Another regional measures in Lithuania – an EQUAL project 'Support network for reintegration into the labour market in the counties of Utena and Vilnius' – targeted population aged 40+ (Nurmela, Osila, and Leetmaa 2014). The aim was to increase access to labour market for people in the age group through fighting discrimination and promoting equality and creating the support mechanisms to assist pre-retirement age people in returning to the labour market, qualification and competence development, and staying in the labour market with the help of the created support network (Ibid.). The project was based on a network of organisations in the region, including private and NGO partners, representatives of trade unions, employers and vocational training providers – an aspect which was assessed as a particular strength and value of the project by national experts (Ibid.). In Estonia, NGO Support and Schooling Center Trust organised 10 working clubs for 250 unemployed persons and people in danger of losing their job aged 50+ between 2009 and 2012. Individual psychological, juridical and career counselling was provided to all participants and training and career schemes were made for all participants. Further, training opportunities were offered to participants and 50 support persons/mentors were trained for offering mentorship for older unemployed individuals. Unfortunately, there are no impact assessments available on the project.

In Lithuania, information database of older jobseekers in particular has been tested. As a result of cooperation between the Lithuanian Labour Exchange (LLE) and Lithuanian Pensioner Affairs Council an initiative called the 'Bank of Seniors' has been launched (Nurmela, Osila, and Leetmaa 2014). The aim is to exchange information on potential employees to employers willing to hire older workers. In 2013, approximately 1,000 older jobseekers were registered at the Bank of Seniors of whom nearly every fifth was over 60 years of age (Mrazauskaitė 2013). For comparison, in 2013, there were 34,408 unemployed persons aged 55-64 registered with the LLE ("Lithuanian Labour Market in Figures 2013" 2013). Persons looking for low-skilled jobs (blue-collar worker, cleaner, auxiliary worker) appear to be dominant in the Bank of Seniors. However, the database has not proved very popular – according to employer surveys carried out by the LLE, 90% of employers cooperating with the LLE do not use the Bank of Seniors ("The Results from the Evaluation of the Services for the Employers. 2012 Survey Data," n.d.).

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<sup>40</sup> Lithuanian labour market 2012/02. 2014. LLE. <http://www.ldb.lt/Informacija/DarboRinka/Publikacijos/Attachments/2953/LIETUVOS%20DARBO%20RINKA%202014-02.pdf>

### 3.1.1.2 Meso level

#### Belgium

There are several interesting examples of measures that have been introduced to motivate workers to remain active. Many measures are focused specifically on work conditions and the work environment. The aim of these measures is to ensure the workability and employability of older staff. Employers investing in the adaptation of working conditions for the 45+ can receive subsidies from the Fund for Professional Experience (Service Public Fédéral Emploi, 2013). Hansez et al. (2011) have studied age management practices in 45 Belgian organisations pertaining to various sectors of the economy. They find that pro-active age management remains scarce in Belgian organisations. Few original initiatives are taken. This conclusion also comes forward in our work. Many of the measures taken are relatively straightforward and often only provide a solution to a subset of issues.

At the sector and company level, a range of initiatives have been taken in light of the 45+ work plan that every company needs to submit. Many initiatives directly or indirectly boost workers' motivation. In the construction sector, for example, efforts have been devoted to outplacement counselling and firms that need to prepare a work plan are identified and supported. In the chemical sector, the Belgian federation for the sector launched a project to introduce measures to eliminate stereotypes of older workers, encourage knowledge transfer, boost motivation and vitality, and improve working hours and work organisation. In the beauty and hairdressers industry, measures are aimed at preventing musculoskeletal injuries with a customised fitness program. In the paper and cardboard industry, attention focuses on sleep-related issues, because many workers work in shifts. There are countless other examples of similar activities.

Kluwer (2014) describes the case of a Belgian production company where older workers (58+) are entitled to additional holidays if they have a physically challenging job. In this way, workers have more time to rest and recover. Kluwer (2014) shows that this extended working life with about three years. One way in which Belgacom aims to keep older workers motivated is by offering job rotation and more variety in their function. Moreover, the company is also focussed on the culture vis-à-vis older workers. Similarly, Neuhaus has taken measures to improve the work environment, conditions and atmosphere. The company emphasises that often small changes can go a long way (e.g. having good lighting or ergonomic chairs). One of the ideas that Neuhaus considers important is to offer workers the ability to express their concerns. Mestdagh Group introduced a system in which older workers have the role of expert or moderator in their team. Sodexo created a 55+ work group, which looks into the work conditions of older workers and proposes actions to improve their daily quality of life (Sodexo, 2014). Cefora launched an initiative to address prejudice against older workers and point out the importance to ensure workability.

Another example are the senior Memoir workshops. The aim of these meetings is to conserve memory or enhance intellectual and physical independence of the elderly. By stimulating the memory and resources of the person, they strengthen his identity and increase his capacity of being autonomous.

One of the most innovative initiatives that have been introduced on the meso level in Belgium is Experience@Work. Experience@Work is a non-commercial platform for talent sharing through which firms

and organisations can exchange experienced employees on a temporary or permanent basis. Experience@Work was initiated in 2014 by four organisations of which two are active in the financial sector (AXA, KBC), one is active in the telecommunications industry (Proximus) and one is a consultancy firm (HazelHeartwood). The project was facilitated and is supported by Business & Society and the VDAB (Proximus, 2014). Legal advice was provided by SD Worx, an organisation that is still involved in the project. The platform is managed by the Belgian consultancy agency HazelHeartwood. During the last six months, the organisation was mainly in the process of identifying companies and organisations that would be interested in joining the project (i.e. raising awareness). The idea is to diversify the pool of firms, with a larger variety of offers as a result. Other important tasks were the further development of the platform and its website. Although only a limited number of companies have joined the program so far, there appears to be a lot of interest from organisations to participate. Since the beginning of October 2015, Experience@Work started to actively look for offers. Currently, about 20 offers are available on the website (which can be examined by the employees of the participating companies). When there is an offer that matches the interest and the profile of an employee, a service agreement is signed between the “receiving” and the “offering” organisations.

Experience@Work aims to bridge the gap between organisations looking for experienced workers, organisations with an abundance of such workers, and senior workers looking for new challenges. Through Experience@Work, older employees have the opportunity to apply their skills in a new environment which could motivate them to stay in the workforce longer. For firms that struggle to hire experienced workers, the project presents an easy solution to hire these workers without having to bear high employment costs. For firms with many older workers that want to reduce their costs or that are looking for a way to motivate their older staff to remain on the labour market, Experience@Work could be an alternative to other programs, early retirement and layoffs. One of the most important dimensions of Experience@Work is that it offers older workers the possibility to become active in the social sector. Experience@Work has confirmed that most older workers that they have spoken to are especially interested in this sector.

In 2012, KBC developed the Minerva Plan, which offers five potential career paths to KBC employees of ages 55 or older (KBC, 2012). Five career paths or tracks are available: 1) continue their career as it is, 2) reduce the number of working hours, 3) reduce the level of responsibility, 4) a combination of tracks 3 and 4, and 5) accepting external assignments. In 2013, AXA conducted a survey among its employees with the scope of understanding the drivers and barriers to working longer. On the basis of the survey, three typologies of employees’ needs surfaced. These typologies are: the creation of new challenges and projects, an improvement of work-life balance and a reduction of job responsibilities.

## **the Czech Republic**

At the meso level the projects carried out by Age management z.s. should be mentioned. Age management z.s. is a NGO which is very active in raising awareness in the field of age management, in bringing the Finish concept of Work-ability index in to Czech Republic, and in implementing the principles of age management and workability as a lifelong, but sector specific processes. Age management z.s. is offering various types of educational programs for both educators and employers and HR personnel in the field of age management. One of the courses is “Toward Successful Seniority”.<sup>41</sup> This group method

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<sup>41</sup> <http://www.profesniseniorita.cz/>

was developed by experts Finnish Institute of Occupational Health to support career management, technical skills and mental well-being of employees and managers in today's rapidly changing world of work. Demonstrably increases the potential participants to find successful solutions regarding their career and enhances their ability to cope with any setbacks. Among the main goals of the method these are quoted: to develop skills for career management; to develop the ability to manage change; to support participants in planning goals and solutions to their careers; to promote wellbeing and the continuation of their careers; to prevent burnout and depression; to prevent early retirement, mainly due to psychological problems related to work; to strengthen attitude towards lifelong learning; and to act as support for employees who have competence in the area related to the maintenance and development of occupational safety and health. The project "Active Approach, Age Is Not Decisive" was also working with the unemployed older workers and training them into the trainers of age management. As a result, ten new working positions were created and filled by these ex-trainees. The experts working at Age management z.s. are also very active in public advocacy for the age management in general, including representation at one of the working groups of the Government Council for older people and ageing

## Germany

### *Bundesagentur für Arbeit: 'Engagement Index'*

The *Bundesagentur für Arbeit* (Federal Employment Agency) regularly conducts the Engagement Index amongst its own employees. The survey is about job satisfaction and ability and willingness to perform. Its main aspect is the psychological contract, the emotional binding. The survey asks for ability, competence, identification and communication. If the outcomes are not as good as expected, then new measures are implemented (Gerling 2015).

### *General issue of 'good practice' measures and measures at employer level*

Experts stated several things here:

'Good practice / best practice' measures: One expert states that voluntariness and exchange of experiences are important advantages to motivate employers. Yet at the same time, voluntariness is an obstacle to the far-reaching prevalence of measures. The rights and the social security of employees should be strengthened, which would give employers a strong incentive to implement pro-employability measures in order to facilitate longer working lives. The aspect of regulation on company level should not be neglected.

Another problem is the fuzzy definition of 'good practice' or 'best practice', primarily since effects are neither measured nor taken into account. One could ask e.g. where measures failed, with the result that good practice is found because it is searched for, and measures are accepted as 'good practice' without any hard criteria. Factors leading to failure should be identified.

Crafts: There are technology-focused large companies with young leaders. It is possible to conduct standard pro-employability projects with them, since leaders are open to such issues. And there is the majority of the 'normal' craft businesses, the ones with the most direct contact to ordinary people, like electricians, plumbers etc. These businesses are occupied with their daily work, here measures

from above are sensible, possibly via chambers of crafts. They provide professional education, HR management. Concerning age management measures or pro-employability measures, they will point out that they already have lots of things to impart and would be reluctant to add further issues. Yet, the expert explains, this is a crucial issue for the future of the crafts and chambers have to act here.

On the other hand, the expert reports, small enterprises are not completely passive. They have simple measures in health promotion, they shift employees with adverse health conditions to tasks which still can be done by them. Here, the expert states, it would be a mistake to state 'we have the concepts, why don't you do anything?' Here, different concepts have to be developed, for very small enterprises. For transferability between countries, the expert points out that according to his information there is not equivalent to the German chambers of crafts in some other countries, e.g. the UK: There, the equivalent institutions have to be found and activated for similar measures.

Another expert refers to the mentioned issue of implementation at company level. There are so many issues like gender, inclusion of the severely handicapped, migrants etc. that even large companies are busy with appropriate measures. And in smaller companies there is also the problem of the complexity of HR management and the amount of work for (small) HR departments and the professional competence which is needed. The expert states that in companies' daily routine, issues have to be combined since the complexity cannot be dealt with in a manner which can yield good results, since it is not just the development of measures but also their implementation.

A different expert agrees that the whole issue can be too complex for HR departments, and mentions service providers offering support for companies, amongst them the Federal Employment Agency, or networks for workplace health management.

Concerning information and motivation of companies, a different expert states that local networks should be small enough that access routes are short enough that e.g. a master craftsman can and wants to attend a meeting after work, e.g. no more than half an hour of driving. Networking is important since participants are motivated by colleagues' participation. Network leaders should be included in external projects, that is, they should be financed. This seems to be important for success.

Networks have to ask local entrepreneurs about the issues they consider important and find out which companies want to participate. Local entrepreneurs decide on issues and speakers to be invited, which increases attendance. Then interdisciplinary solution-finding should integrate stakeholders and science. This is crucial according to the expert: Employees cannot solve their own problems, they need stakeholders and science. So SMEs can be reached, first a small number, and then networks can grow.

### **Horizontal career development and job rotation**

#### *Bundesagentur für Arbeit: Possibilities for horizontal development*

Within the BA, there are no complete formal specialist careers, but there is the chance for horizontal development. The horizontal mobility depends on the staffing. Within the HR, horizontal development also means the work in projects and processes of continual improvement or being a trainer. There are different possibilities to tap the full potential of the employees and the labour agreement is based on competences. Therefore, it enables to pay the employees for their further experience. The BA does not practice a seniority-based development, but an individual career development based on employee competence. The individual chances for development are discussed in the annual performance and

development dialogues. This horizontal development can also lead to vertical development. Horizontal development basically is organized as training on the job. Generally, there is a wide range of seminars for further education available, including compulsory modules as well as optional modules. In addition to this, internship in different departments and project work are very important for horizontal development. One office is testing a special internship programme for older employees. An aspect of life-long development is the reintegration into the job after a period of absence. Here, the employee can volunteer for a competence check and a development plan will be derived.

The BA uses job rotation and job enrichment. An employee remarks in an interview that horizontal development may be more difficult than vertical development. But she emphasizes that both is irrespective of age. The regional mobility of the employees is an interesting aspect. Employees are free to assign for jobs in every bureau of the country. This chance often is taken because for family reasons. There are no formal restrictions for horizontal development, but it is always depending on the staff situation and the employees' qualification and competence. The head of the main staff council states that skilled workers or clerical assistants mostly stay in their work fields.

At the management level, there are some additional possibilities of horizontal development. The managing director for HR management and organizational management states that there are possibilities to work in projects with other government organisations, associations or at federal ministries (Gerling 2015).

#### *Hekatron: Possibilities for horizontal development*

The employees of Hekatron have different possibilities to bring in their experience beyond the context of their daily work. If an employee has difficulties to do his normal work, e.g. because of health problems, it is possible to organise an alternative, like a change of his workplace. This means a permanent change of activity (dauerhafter Tätigkeitwechsel) which is planned and coordinated by the company. If an employee wants to take the chance for horizontal development, the workers' council, superiors or the HR department are the responsible contacts. The culture of open but confidential conversations, when problems or difficulties appear, supports horizontal development. Often deadlock situations are solved by teamwork or project work, so that employees meet new people and learn different functions as well as they get to know new working areas. Not only the employee benefits from the project work by gaining new insights and experiences, also the company benefits from impulses, which might not have been given without the project work. According to a department leader one might also think of trainee programmes and programmes to organise progresses between different phases. In addition to this, an employee reports that there was a tandem organised where sales forces were accompanied by their potential successors to learn practically. Also she explains that the HR department created a pool where the employees could report their competences and express their wishes concerning future work tasks. This possibility is formally supported by the implemented professional profile. So in consequence, in dialogue with the HR department, it is not only possible that employees change their work tasks, but also that they change their work area permanently. This has to be initiated by the employees themselves. A systematic job rotation is not implemented. The HR manager states that she is thinking about other possibilities for horizontal development, even about internship in other companies. Horizontal development is mainly supported by internal job advertisements. On the other hand, the department leader states that for example in order to prepare for the trade fair, there is a team consisting of employees from different areas like marketing, distribution, product development. Members of the

trade fair team cut back on their ordinary work and have a temporary project where they meet other people, see different ways of working and gain personal and methodological competences. While 'real' job rotation does not exist, permanent job change is facilitated with internal job advertisements, where employees are not in a competition with external applicants. Internal job advertisements before public job advertisements are rule (Bauknecht 2015).

The Federal Ministry of Family Affairs, Senior Citizens, Women and Youth runs the programme "Wirtschaftsfaktor Alter" ('Economic Factor Old Age'), trying to enhance older people's well-being, their labour market participation and generally economic growth. Older people should be seen more as buyers and producers. In this project, tools for companies are being developed, a study on the topic "work satisfaction of older employees in correlation with images of old age and age management in companies" is conducted, another one is titled "managing transition: An expertise on motivation and preferences of older workers with reference to shaping retirement" (United Nations 2012 and <http://www.wirtschaftsfaktor-alter.de/wa/ueber-die-initiative/kurzueberblick.html>).

The "DGB-Index Gute Arbeit" (good work) from the Confederation of German Trade Unions is based on employees' views (Hexel undated). There are 15 dimensions: Qualification/development opportunities, creativity, promotion opportunities, possibilities for influencing/shaping work, information flows, management quality, workplace culture, relations with colleagues/social climate, meaningful work, hours of work, work intensity, physical demands, emotional demands, income, career outlook/job security. Income is included in the 31 questions (Hexel undated). Respondents are asked to which degree something (for example, noise) occurs and if, to which degree this is felt as burdensome (Hexel undated). Leaving aside which share of workers has good, medium or bad work (this depends on methodological decisions, question wording etc.), Hexel (undated) states that work is worse without worker representatives. Further, the standard questionnaire can be modified in order to take company-or-department specific points of interest into account and result in immediate action (Hexel undated). This action, in turn, should enhance workers' workability.

Audi's „Silver Line“ consists of 50 mainly older workers in the manufacturing of the model R8. Changing tasks improve older workers' motivation. Production is closer to craftsmanship than to factory assembly lines.

### **Other measures**

#### *Hansgrohe: Employee / company leader talks*

At Hansgrohe every employee who became 50 last year can take part in a talk with superiors. Basically most measures not directly aimed at motivation (e.g. for health or further training) can positively affect employees' motivation (Egenter/Schoof 2010).

#### *Hekatron: 'Orientation seminar'*

The orientation seminar is offered to employees aged over 50 and conducted in cooperation with three other partners. The HR manager responsible for this seminar also functions as an interface for the interests of employees and the company. So she is also the contact person for the workers' council representative. The general main seminar structure can be used for seminars with every age group.

The seminar duration is two days. This current seminar is meant to support employees in the last professional phase to get some orientation for the transition from professional life to retirement. It starts with an examination of the current status of the participants as a basis to define the future goals, especially for their professional career. Participants are from every company division, so that the groups are very heterogeneous. The seminar is very personal and concentrated on the professional career, the participants can orient themselves: where they actually stand, where they want to go to and how they can succeed. The confidentiality during the seminar guarantees for a certain appreciation of the personal work of every participant.

Every year, the executive managers get a list of those employees aged over 50 in their area of responsibility, also containing information on who already participated in the seminar. So superiors see who is to be motivated to participate. This is realised in different ways, sometimes with just plain questions, sometimes with long conversations about the possibilities the seminar can offer. If some employees aged over 50 do not want to participate, they will be asked again one year later. Advance talks take place, for example about the reasons for participation or questions from the employee.

Currently the seminar is offered only for those aged over 50, but Hekatron wants it to expand so that those employees aged over 40 can also participate, because actually they were asking for it and the basic structure of the seminar is transferable to other age groups. Yet this is also a matter of capacity.

The seminar for those over 40 will offer wider possibilities for horizontal mobility. For those over 40 the first health impairments begin to occur and they see that they cannot carry on as before with high workload, house building, family, and at this age elderly care obligations can begin. In cooperation with other companies there are information events, so that each company organises an event and employees from all companies can take part. Issues can be e.g. elderly care.

The orientation seminar got launched because some years back the HR manager told the demographic change is coming and that something is to be done, and then she introduced this for the 50-67-year-olds. In the beginning Hekatron organised the seminar alone, since 2010 together with a local public bank, the Gesundheitsressort Freiburg (literally 'Department of Health', but this is not an administrative body but a private agency) and the Landratsamt (administrative district office) Breisgau/Hochschwarzwald (the region where Hekatron is located). So in this seminar employees of Hekatron meet employees of other companies.

In cases where an employee and his superior are about to take part in the same seminar, this is being avoided or at least a preliminary talk takes place. Since the company is small, it is possible that an employee takes part and his colleague who is also a friend. Confidentiality is the most crucial precondition for the seminar, this is agreed on at the beginning. Due to the cooperation with the local bank, the seminar takes place twice a year (Bauknecht 2015).

Concerning employees' plans for their last working years or first retirement years, one expert refers to the German Ageing Survey. In 1996 respondents were asked what they want to do and in 2008 what they are doing now. Some can be reached with company-level measures, some others plan to use the time for themselves, to get to know themselves better. Some others expect that ageing means loss of job and social contacts, and expect to further learn and develop themselves through work. The expert points out that these expectations are very important for talk to employees.

### *Cost / benefit calculations*

One participant of the expert talk stated that BMW's programme 'heute für morgen' ('today for tomorrow') had a positive cost/benefit ratio. Costs of non-action were calculated and contrasted with costs of action. Similar studies exist for the US.

Experts state that they are not aware of any reliable cost / benefit calculations. One expert mentions a website by the 'Initiative Gesundheit und Arbeit' where the return on investment can be calculated by consultants within companies. The question is if this tool can be adjusted, but it is used by companies.

## Italy

At the meso level, over the past few years, especially medium and large companies have introduced a range of measures, providing direct or indirect contributions for raising older workers' motivations for working longer. However, there are several "margins for improvement" in order to better support motivations of Italian older people to extend their working life.

In Italy until the 90's older workers have often been target of incentives and measures allowing them to access early retirement and most companies have never had a real interest to invest in this group of workers and in promoting the extension of working lives. Starting from 2000 the situation gradually changed, and it culminated in the implementation of the last Italian pension system reform (see previous section for more details) which increased the statutory retirement age and reduced early retirement options, extending de facto working life of Italian people.

Therefore, in principle, companies need to promote comprehensive and specific measures to deal with the demographic trends in the labour market, in particular for better managing the increasing older workforce, which is now "blocked" longer in employment. Hence, at the meso level, over the past few years, especially medium and large companies have introduced a range of measures aimed to more engage and value older workers, improving their work motivation, strengthening and valuing their professional role and experience, their competencies and know-how, developing also actions for raising their involvement and their sense of belonging to enterprises, even for the benefit of other employees and of companies in general. Moreover, through such initiatives, companies also provide direct or indirect contributions for raising older workers' motivation for prolonging their working lives. Following this goal, as emerged from an analyses of Italian good practices and from case studies (see Socci and Principi, 2015a, Socci 2015; Romanini and Socci, 2015), some companies, but also some organizations (e.g. NGOs, foundations) have implemented, for example, career development management programs (e.g. "ENI", "Hera Group") and training plans for skills updating/development of the older workforce (e.g. "UniCredit", "Telecom"), projects for enhancing employability of older workers (e.g. "Michelin Italy") and/or favouring the re-integration of older long-term unemployed in the labour market (e.g. "Mellin", "Association Over 40", "Atdal"). Other companies (e.g. "Coop Adriatica" and "Luxottica") have implemented integrated approaches for valuing, better managing and improving the working conditions of employees, taking also into account the personal and family needs related to the specific life-cycle of (even) older workers. For example, these approaches offer to employees wide corporate welfare programs (e.g. various economic contributions and discounts, health care, listening and

counselling services, etc.), flexible working-time arrangements (e.g. part-time contracts, flexible working hours, tele-working) and work-life balance measures (e.g. paid leaves, services for the management of bureaucratic commitments of workers).

In other cases, the purpose of valuing older employees, an aspect that could positively affect both their work motivation and motivation/availability for extending their working lives, is also linked to initiatives promoting intergenerational skills and know-how transfer to young people. In some of these initiatives implemented in Italian companies, older workers can take the role of mentors or tutors of young (even just recruited) employees (e.g. in “UniCredit”, “ENI”, “Hera Group”), or can support the start-up of new businesses created by young (or by older) people, through specific “silver work” programs (e.g. “Silverzone” initiative promoted by “Loccioni Group” and “SeniorCoop” project implemented by “Legacoop”; see sub-section 2.3.2 for more details). Apart from this, in general, for raising older workers’ motivation and availability to working longer it is crucial to support a cultural and structural change in work organization within companies (that have to be adapted to specific characteristics of older workers, also for improving their working conditions) as well as promoting the spread of age diversity management policies within enterprises. Concerning the latter, in Italy practices of age management are still not very developed (Eurofound, 2007; Principi, Gianelli and Lamura, 2007; Socci and Principi, 2013) and the implementation of specific initiatives in enterprises are more common in large companies. In some regions (e.g. Veneto and Emilia Romagna) there are some experiences of age management that have reached remarkable results (through, for example, public support to enterprises) to the aim of preventing early exit from the older workforce (Ciccarone, 2012).

Furthermore, some interesting results about age management practices - that may positively affect motivation of older workers for extending working lives - implemented in the recent period by Italian companies come from two recent surveys carried out by ISFOL (see Aversa et al., 2014; ISFOL, 2015; Checcucci and Fefè, 2016): a qualitative survey on 152 large companies (having 24.3% of employees aged 50+), and a sample survey on 2.000 SMEs (28.4% of older workers 50+). The results of these surveys show that age management practices implemented in large companies often focus on career management, with specific attention also devoted to older workers career development programs. For example, 65.1% of companies take in consideration experience as well as competences in attributing/changing professional roles and tasks to workers, and 15.1% has introduced mid-career evaluation process and professional guidance for older workers, especially for those carrying out arduous work, for better manage their career development and supporting the extension of their working lives (e.g. also through assignment of such workers to back-office/administrative jobs). Even though training activities are mainly offered “transversally” to different age groups, 26,3% of large enterprises provide specific training for older employees, supporting their skills updating as well as their career development, with positive influences on attitudes for working longer. In addition to career management and training initiatives, within large companies involved in the mentioned study has been observed a number of interventions aimed at hiring older people, and for supporting intergenerational collaboration between older workers and employees of different age groups, by means of mentoring, coaching, tutorship for newly recruited staff or in case of job rotation. In particular, 16.4% of large companies of the sample pay specific attention to hire workers 50+ (sometimes due to public incentives available for hiring older workers, or due to Corporate Social Responsibility reasons), and 26.7% of firms take in great consideration older people in recruitment processes of workers with previous professional experience. About one third of the sample (30.9%) offer to older workers measures for extending working lives, supporting a “gradual” exit from companies towards retirement, for example by favoring a reduction of working hours, linking exit from the enterprise to the recruitment of young people, or

(sometimes) stimulating volunteering activities among older employees while they are still working, also with the aim of preparing such people to an “active” retirement.

Moreover, the majority of large companies adopt strategic management practices to enhance motivation and productivity of older workers (50+), among which the most relevant are the following: training initiatives, financial incentives, awards, professional recognitions, periodic surveys for analyzing expectations, problems and needs of older workers, people caring initiatives, intergenerational dialogue measures, tasks re-design.

The other previously mentioned study carried out by ISFOL, aimed at investigate how SMEs face the ageing of the workforce, highlights that in such companies older workers tend to be viewed as a resource for the “continuity” of the business and its core know-how. They are respected according to their reliability and experience, but they don’t seem to be perceived as really different from other workers of different age groups. Furthermore, working organization and working conditions within SMEs can sometimes make it difficult to exploit their full potential. 56% of SMEs involved in the study adopt flexible working time as the main age management tool, while other types of measures, such as intergenerational working groups, job rotation or adaptation of the workplace organization are much less provided. In many cases older workers 50+ are involved in intergenerational initiatives aimed at transmit knowledge to young employees, as tutor or coaches, but this possibility markedly decreases with the lowering of the company dimension. Only about 10% of SMEs offer career development management programs to employees. In very few cases age management issues and the analysis of specific needs of the older workforce, in the perspective of better supporting their working conditions and the extension of their working lives, have been debated with social partners, and this propensity clearly decreases in smaller enterprises.

In conclusion, even though demographic ageing of the workforce is an issue still nearly unexplored by the majority of Italian companies, the above analyses shows that there are some encouraging initiatives implemented by Italian firms for better managing the older workforce, for improving the quality of its working life and for raising older workers’ motivations for extending their working lives. At the meso level, the introduction of measures and practices for better cope with the ageing of the workforce has been stimulated by the enactment of the last pension reform. Such measures and practices are most concentrated in medium and large companies, whilst Italian SMEs, characterized by a traditional family ownership and management, are less culturally prepared in developing innovative initiatives for managing older workers.

#### *Solutions/measures suggested/recommended*

- Changing working organization within companies, to be adapted to both needs and physical capabilities of older workers, in order to improve their working conditions. For example, even through collective bargaining, both at national and company level, it should be offered a more flexible work organization, for example improving the availability of flexible working time arrangements, or adapting tasks/“redesigning” jobs (i.e. arduous or repetitive jobs), according to workability and age increasing of workers.
- Promoting within companies - even with the organizational/scientific support offered by external organizations (e.g. foundations committed in managing the ageing workforce) and experts (e.g. researchers, professionals) - the diffusion and implementation of projects and

measures, as workshops, special meetings, or talks with older workers, aimed at favouring the exchange of ideas about “third career” projects of older employees and/or aimed at verify both older workers’ availability to working longer and related potential management measures needed for supporting the extension of working lives of older employees.

- Development of initiatives of continuous training and skills updating, in order to update competences, improve the productivity and strengthen the employability of older workers.
- Fostering intergenerational cooperation initiatives (e.g. skills and know-how transfer) by mentoring, tutoring and coaching, in order to more engage and value older workers, including those with strategic competences (Expert 1).
- The adoption of a working life-cycle and of a diversity management approach will be of growing importance in the mid-term period. For this reason, companies need to use more systematically both career management programs for (even) older workers, and self-assessment tools for demographic checking and age structure analysis of the workforce. It could help to better plan, implement and evaluate actions of age management and for better managing and valuing the ageing workforce.
- Changing working organization within companies, to be adapted to both needs and physical capabilities of older workers, in order to improve their working conditions. For example, even through collective bargaining, both at national and company level, it should be offered a more flexible work organization, for example improving the availability of flexible working time arrangements, or adapting tasks/“redesigning” jobs (i.e. arduous or repetitive jobs), according to workability and age increasing of workers.

## Netherlands

*Introducing tools as the national pension register as part of pension communication policy to improve pension knowledge*

There has been increased effort in recent years to mobilise employers and employees alike to invest in maintaining and improving employability in order to reduce the risk of long-term absence from work and premature exit from the labour market. Sustainable employability, in particular, has been used as a key approach to achieve this. The concept was officially taken up in 2007, when the Commission on Employment Participation suggested encouraging employees to stay in the labour market until the statutory retirement age (Houtman, 2012). Sustainable employability became even more important when the government decided to gradually increase the statutory retirement age from 65 to 67. Discussions of the reforms were accompanied by a discourse on sustainable employability which emphasized the importance of the ability to work until the statutory retirement age.

*Sustainable employability is not just about facilitating the employee’s ability to stay in the labour market longer but also about the role of motivation*

Besides individual resources such as health and functional capacity, knowledge and skill formation, the concept highlights the importance of values, attitudes and motivation. An additional dimension is the work environment and management, which also includes the content of the work, the demands and work community. More importantly, in the sustainable employability concept, employers, managers and employees share joint responsibility for this, with employees taking control of their own career

development and employers providing support. Despite the growing awareness among Dutch employers about the issue of sustainable employability and its importance, they often lack the information and know-how to implement it within the organisation. In order to provide practical support to companies and their employees to enhance sustainable employability at the workplace a number of tools have been developed and implemented with support from the Government.

*The Digital Portal is an innovative example for transferring knowledge about sustainable employability into actual practice*

One example is the digital portal that offers high-quality advanced instruments - such as the Sustainable Employability Index targeting employees and the Orientation and Company Scans for employers - that help organizations to prepare, implement and monitor their interventions in a customized way. The digital portal is an initiative of the National Platform for Sustainable Employability (NPDI) which was established by three partner organisations (Kroon op het Werk, TNO and WerkVanNu) in 2010. The case study conducted on this initiative, which included interviews with experts and users, provides good lessons for organisations in other countries planning to introduce a similar tool (Zolyomi & Gasior, 2015a). In particular, it highlights

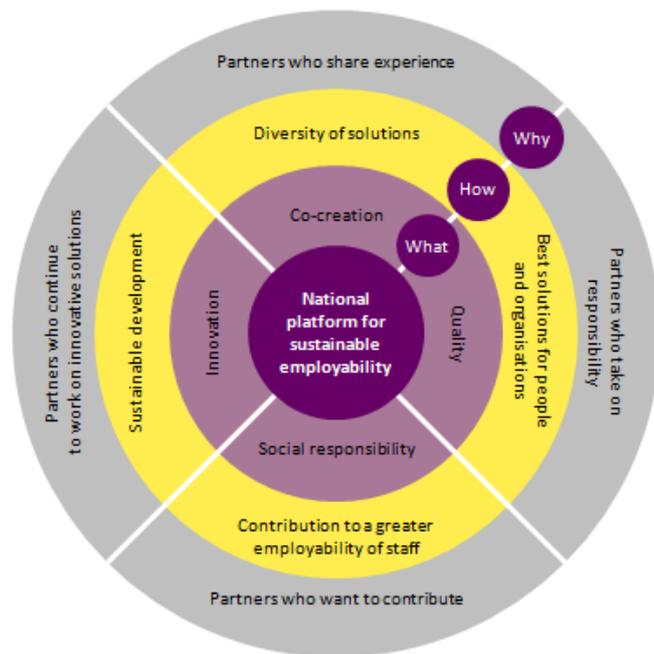
- the value of *dialogue within the organisation* and the *involvement and engagement of employees* in planning and implementation;
- the complementary role of a *learning network* that provides members and users the opportunity to learn from already implemented company actions and to share and develop new ideas through *open innovation* and *co-creation*;
- the need for *collaborative work*, building on the unique knowledge and expertise of partners;
- the importance of regular *monitoring and evaluation*, which strengthens the basis for managing results and *fosters learning and knowledge-generation*;
- the *need for financial support* which was paramount to kick-start the project, but to make it sustainable also required careful *preparation of a business model*.

The lack of funding is a major barrier to social innovation. Constraints imposed by the lack of financial instruments hinder not only the development of new ideas, products or services, but also to expand them. As the case of the digital portal shows, subsidies from the Government were necessary in the early stages for setting up the digital portal and developing the instruments. Funding was also provided for research on sustainable employability. However, the plan from the very beginning was also to build a business case for the digital portal and the network so that it can be sustained from the income received from its products and services.

By 2015, 75 companies and organisations joined this initiative, including both private enterprises and public sector organisations. For the provider of the digital portal (NPDI), a major challenge was to come up with a digital infrastructure and instruments which meet the different needs and demands of companies and at the same time incorporate the core features of sustainable employability. It also had to be relatively simple and practical enough to attract users. The digital portal took years to develop starting first with the conceptual model and then transferring it into a digital format. The unique expertise provided by the three collaborating partners was vital in this process.

### Graph 7. Core values of NPDI

The involvement of professional advisors who can provide support and guidance to companies was essential to make the initiative sustainable and to help users making the best out of the tools and services offered via the portal. NPDI offers two separate contracts to its advisory partners: one is for becoming a member of the learning network and the other is to use the digital system. Advisory partners who would like to use the digital portal are generally required to be a member of the network. Partners also need to share the mission and core values of NPDI.



Source: NPDI

While the digital portal is a useful tool in itself, there is also a need for a forum where companies and advisors can meet face to face to share ideas and learn from each other. The learning network meets at least 4 times a year with meetings organized in different sessions. In-between, the network also has so-called work streams where partners can work together to develop new strategies and instruments. From the users' perspective, this possibility to combine the tools of the digital portal with professional support and a learning platform appears to be a major incentive to sign up to the digital portal. The role of advisors should be highlighted particularly their assistance to companies when they start working with the instruments on the digital portal. The advice companies often get is to first start with a pilot e.g. only a smaller group of employees or with one department so as to get acquainted with the tools. The issue of privacy regarding the use and dissemination of personal information also needs to be ensured. It could be a major disincentive for employees to participate if information were to be used by the employer to their disadvantage. Trust and communication between management and employees are therefore crucial prerequisites to using the digital portal's instruments. Follow-up is also a critical point for companies. What is meant here is the following-up on the initiatives developed for and/or implemented in their organisation, which very much depends on the commitment and willingness of employers.

Raising awareness of sustainable employability among employers, employees and the general public is also one of the missions of NPDI. It has established an annual prize (*De Kroon op het Werk prijs*) that is awarded to companies who promote sustainable employability within their organization.

*Examples of the Dutch regional mobility centrales and the so-called Speedates can provide useful insights to finding suitable models for cooperation and partnership that pay attention to the diversity of regional and local labour market characteristics and needs*

The case of the Netherlands also highlights the importance of engaging labour and business in setting priorities for supporting not only the retention of the older workforce but also the hiring of older

workers through developing and strengthening joint public and private partnerships in order to improve the delivery of labour market policies and services.

The regional mobility centres, established in response to the recent economic crisis to facilitate job to job transitions and to prevent unemployment, utilise public-private partnerships and are tailored to regional as well as sectoral labour market needs. Introduced as a temporary measure in 2008, the regional mobility centres have since 2011 been integrated into the regular employment services in all Dutch regions allowing better anticipation and management of future economic shocks and labour market restructuring (ESF Age, 2015). The approach was to provide timely and tailored support to companies who were laying off staff and to help prevent unemployment by finding new employment for people in danger of dismissal before losing their jobs. While the primary aim was to facilitate job to job transitions, mobility centres also provided advice on skills and training as well as other activities (e.g. providing information about the regional labour market, job matching). Besides the regional focus, so-called sector support desks have also been set-up to cater for specific sector needs in the given region. In 2009 and 2010, more than 1,600 companies laying off staff received assistance (8,896 received training) and around 24,000 employees were helped to find a new job before becoming unemployed and it helped 141,000 employees to find new employment within 3 months after the dismissal (ESF Age, 2015; Schaapman, 2011). Between 2009 and 2010, the public employment service (PES) provided 13 million Euros annually. Additional funding came from a variety of other bodies, including employers, regional authorities, training funds, the Part-time Unemployment Act funds, as well as from the European Social Fund. The public-private partnership refers to different actors including the public employment service, municipal authorities, educational institutions, temporary and secondment agencies, professional business knowledge centres, reintegration agencies, industry associations, and outplacement providers.

The so-called Speeddates also builds on cooperation taking into account regional labour market characteristics in the matching of jobseekers and employers (Zolyomi & Gasior, 2015a). Speeddates are events that bring together jobseekers and companies. It is an innovative idea that aims at creating chances for unemployed groups that are often confronted with preconceptions when presenting themselves to potential employers. Various stakeholders have taken up the idea of the speeddates and the practical implementation may vary in terms of target group, organisation and the additional support provided. Our case studies focused on two organisers, Servicepunt Flex (linked to the public employment service) and the social service agency in the region Oost Achterhoek, to illustrate how such initiatives can be organised on a large scale but also how the idea can be transferred to regions and sectors on a smaller scale.

**Table 2. Speeddates - Organisational characteristics**

	<b>Servicepunt Flex</b>	<b>Sociale Dienst Oost Achterhoek</b>
<b>Stakeholder</b>	PES: UWV PREAS: ABU and NBBU	Social Service – client managers and job hunter
<b>Type</b>	Public private partnership	Public initiative
<b>Level</b>	National	Regional
<b>Funding</b>	Funded by the PES	Funded by the municipality
<b>Target group</b>	Unemployed	Persons receiving social assistance

The organisation of both service providers is relatively different. Servicepunt Flex is a nationwide platform that organises speeddates in different Dutch labour market regions. The events are organised for

jobseekers registered at the public employment service and private employment agencies (PREAs). The initiative is based on a public-private-partnership that aims at helping the unemployed persons back into the labour market as soon as possible. The speeddates can be organised for jobseekers in general but are more and more targeted on specific sectors or target groups. One target group are jobseekers aged 55 or older. The initiative by the social service is relatively new and focuses on long-term unemployed aged 50 or older. Different from the speeddates organised by Servicepunt Flex, jobseekers here meet employers rather than representatives from private employment agencies.

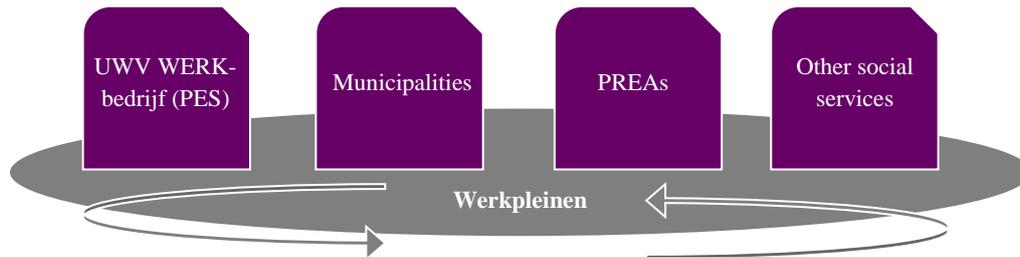
The initiative by the PES started at a turning point of the Dutch labour market in 2009. The idea was created when unemployment rates had still been very low and the number of vacancies relatively high. Thus, the foundation of the idea was a mutual request from the supply and the demand side. The concept and organisation of the speeddates organised developed over time:

1. In the initial phase, PES and six large agencies agreed to introduce speeddates and worked out a concept. PES was responsible for organising the events (i.e. date, location etc.); they invited the jobseekers and also the agencies. At this stage, every job seeker was obliged to attend speeddates, as they had been defined as official job interviews organised by the PES. In order to receive an unemployment benefit, jobseekers in the Netherlands have to attend such interviews. However, this led to complaints about unmotivated jobseekers and as a consequence, to the abolishment of this regulation for the speeddates.
2. In October 2010, the collective contact point 'Servicepunt Flex' (SPF) was founded by PES, private employment agencies represented by their branch organization, as well as STOOFF (the Foundation for Education and Development of the private employment agencies). The jointly financed organisation aims at intensifying collaboration and networks. SPF provides a common platform for the public employment service and private employment agencies and is responsible for organising and promoting the speeddates. The establishment of the joint service agency was also the starting point for the nationwide rollout of the initiative.
3. Based on an evaluation in 2012, SPF started to organize speeddates for specific regions or sectors (Kooijman & Huitenga 2013). These customised events (e.g. only those jobseekers who are looking for work in a specific industry are invited) increased the chances for agencies to find suitable applicants but also for jobseekers to meet relevant contact persons.

The concept is still evaluated on a regular basis (the next evaluation round has already started) and further developed based on the outcomes of the evaluation. It is relatively difficult for Servicepunt Flex to evaluate the outcome of the speeddates. Some analyses show that 13% of the participants have been employed by an agency after 12 weeks and 6% after 4 weeks (Servicepunt Flex, 2013).

The regional aspect is a key foundation of this labour market measure. The so-called *Werkpleinen* (workplaza) provide a one-stop-shop for Dutch unemployed to seek help. These local offices for work and income unite the PES and the municipalities under one roof.

**Graph 8. Regional partnership and collaboration**



Source: Own visualisation.

Note: PREAs (Private Employment Agencies)

One main driver of the initiative is the motivation of the jobseekers. Both service providers need to make sure that the older unemployed are motivated to find a new job and also manage to convince potential employers. Another driver that sustains the initiatives is the budget for the target group. In both cases, a specific part of the budget is earmarked for initiatives that target older unemployed, especially the long-term unemployed aged 50 or older.

While a relatively simple initiative, speeddates has nevertheless been shown to be especially useful for older people in finding employment (Zandvliet et al, 2011). The direct, face-to-face contact with older job seekers increases the probability to be considered for a job and also provides an opportunity to change employers' selection and hiring behaviour. It also helps older job seekers to improve their soft skills (e.g. motivation, attitude) and presentation, which is of special importance as research among older unemployed shows that factors related to good knowledge of skills on the part of the jobseeker and competency with job interviews and CVs are among the key success factors that contribute to finding employment (EC, 2012). However, both cases also point to the need for additional support, for instance, offering training and preparatory programmes, for the jobseekers (Kooijman & Huitenga, 2013; Oosterwaal et al. 2011). Because good experience of employers with the selection of candidates tends to be a crucial factor, a good relationship management on the part of case workers e.g. by maintaining regular, personal contact with employers is an important prerequisite to the success of this initiative.

## Poland

The program SBG implemented several policies and innovative initiatives towards efficient and successful active ageing in the field of employability, which have been implemented at various levels – national, local, as well as in the private sector through companies' internal policies. At regional level, the programme implemented innovative local initiatives<sup>42</sup>, which aimed at fulfilling its sub-goals such as the improvement of working conditions, the dissemination of knowledge among employers on the topic of age management, and through multi-institutional cooperation. To illustrate this, it is worth mentioning the project *Dynamizm i doświadczenie – wspólne zarządzanie zmianą*<sup>43</sup> (*dynamism and experience – common change management*), on the theme of intermentoring, which aimed at focusing on the skills of workers 50+, and on their perceptions of their own capabilities in the workplace, and projects involving multi-institutional cooperation between companies and the PUPs (regional jobcen-

<sup>42</sup> Which number has not been made accessible

<sup>43</sup> <http://www.drogowcy.org.pl/UploadFiles/File/Program50+.pdf>

tres), such as those involving professional trainings for workers 45+, professional trainings for unemployed people aged 50+ (PUP Kutno<sup>44</sup>) and complementary financing by the local PUP of the salary of a person aged 50+ when the latter is hired by a company while being unemployed (PUP Myślenice<sup>45</sup>).

In the framework of the SBG programme, a circle of 16 conferences were organised at regional level in Białystok by the Centre for Human Resources' Development and the Ministry of Labour and Social policy with the aim to promote the professional activity of women and men aged 50+, as well as the support to initiatives devoted to extending working lives. The conferences were addressed to representative of local and central authorities, institutions of the labour market, entities relative to social assistance, academics and NGOs<sup>46</sup>. The box below gives an example of two initiatives, of which the first one has been assessed as innovative by our selection criteria<sup>47</sup> and the second one by an expert's report<sup>48</sup>.

It is to be noticed that the state programmes on active ageing also have the aim to address the employability of specific marginalised groups such as women through a focus on work-life balance or self-employment (see corresponding section below) and promotion of employment<sup>49</sup>; or the chronically ill and the disabled. Indeed, 13.3% of people aged 50-59 are registered as disabled in the country (8.4% of the whole population), and bad health and disability are one of the main reasons for economic inactivity<sup>50</sup>. As far as the issue of migrants is concerned, it is to be observed that the issue of immigration is marginal in Poland, since the country opened to mobility only in 1991, and entered the EU in 2004. Therefore, the country does not count a significant number of migrants reaching retirement age and who imply issues related to the extension of their working lives.

#### LOCAL INITIATIVES

##### *Mayday*

The project Mayday, realised in the framework of the EQUAL programme for years 2004-2008 is sector-specified and addressed to the professionals of the shipyard industry. The programme, implemented in the region of Gdańsk, offered 15 modules of educational trainings adapted to the needs of workers aged 50+. Those needs have been investigated beforehand among employers and employees, and the results of the programme as well as the solutions it proposes to the employment of older people have been evaluated by independent experts<sup>51</sup>.

The results of the programme were quite positive. Around 1200 people benefited from the programme. Around 800 of them were trained in the field of IT and modern softwares. Moreover, a modern digital system has been put in place.

##### *SISC- Senior Intergenerational Social Capital*

<sup>44</sup><http://www.pupkutno.com.pl/Formy-aktywizacji/Archiwalne/Aktualnosci/2012/SZKOLENIA-I-STAZE-DLA-BEZROBOTNYCH-50>

<sup>45</sup> <http://www.praca.myslenice.pl/4,dla-bezrobotnych-i-poszukujacych-pracy/12,formy-aktywizacji-bezrobotnych-i-poszukujacych-pracy/155,dofinansowanie-dla-osob-50/>

<sup>46</sup> <http://www.rops-bialystok.pl/rops/?p=2996>

<sup>47</sup> the Mayday initiative targets a local specific industry using multidisciplinary elements (education and IT proficiency) and tackles the increase of skills and the deepening of knowledge.

<sup>48</sup>[http://eacea.ec.europa.eu/LLp/project\\_reports/documents/grundtvig/multilateral\\_projects\\_2008/GRUNDTVIG\\_GMP\\_142159\\_IT.pdf](http://eacea.ec.europa.eu/LLp/project_reports/documents/grundtvig/multilateral_projects_2008/GRUNDTVIG_GMP_142159_IT.pdf)

<sup>49</sup> [http://www.zus.pl/files/8\\_Robert\\_Marczak.pdf](http://www.zus.pl/files/8_Robert_Marczak.pdf)

<sup>50</sup> <http://mopact.group.shef.ac.uk/wp-content/uploads/2013/10/Country-report-Poland.pdf>

<sup>51</sup> [http://obserwatorium.mazowsze.pl/pliki/files/Desk%20research\\_50plus\\_2009\(3\).pdf](http://obserwatorium.mazowsze.pl/pliki/files/Desk%20research_50plus_2009(3).pdf)

SISC is an EU project for years 2009-2010 which aims at supporting companies in their initiatives to retain the knowledge, experience and “know-how” of highly qualified workers before they retire. Those workers attended trainings for them to become mentors in the aim to pass knowledge to younger workers of the company. The goal of the project was socially innovative in the sense that it “looked” as being conceived for the benefit of the company, but it was actually made for the activation of the 50+ workers. Indeed, the project had the double objective to make the latter aware of their achievements throughout the years and enable them to discover hidden skills, as well as guarantee tools enabling knowledge transfer and multigenerational cooperation. Those objectives had the effect to not only boost older people’s confidence in their own skills, but also to reassure them about cooperation with the young, and this are two key elements encouraging older people to extend their working lives, enable them to have an activity and at the same prevent them to lose the knowledge and skills they acquired<sup>52</sup>.

#### *Nowe umiejętności –większe możliwości*

The initiative, part of the 2004-2009 programme “Equality of Opportunities on the labour market for the 50+” funded by the European Social Fund, aimed at increasing soft skills, IT and languages skills of people aged 45+. Implemented in Rzeszów, it involved language and computer classes, as well as interpersonal skills’ coaching. The priority target group was women issued from towns counting less than 20 000 inhabitants<sup>53</sup>.

## **the United Kingdom**

There is mixed evidence concerning employers’ preferences and practices with regards to the employment of older people. Findings from WERS 2004 show that around five per cent of employers actively targeted older workers for recruitment, particularly in the transport and communications, financial services and public administration industries (Barnes et al, 2009). There are a number of reasons why employers may choose to target older workers, including employers’ perceptions that there is a skills shortage among young people for certain jobs (e.g., engineering, butchering and coach driving), perceptions that older workers have a stronger work ethic, are more experienced, better able to command authority, and better able to build rapport with certain customer groups (McNair et al, 2007; Barnes et al, 2009). The latter claim is frequently cited with regards to the retail industry, in which some large businesses such as B&Q have implemented high profile ‘age positive’ recruitment campaigns in order to attract older workers to match the age composition of their customers (Employers Forum on Age, 2007). Additionally, Chandler and Tetlow (2014) state that the greater availability of service sector jobs could benefit older workers as they are less physically demanding and emphasise 'soft skills'.

More generally, since the implementation of the Employment Equality (Age) Regulations 2006 there has been a rise in the number of employers who have in place equal opportunities policies that addresses age (Metcalf and Meadows, 2006; Barnes et al, 2009). From 2005 to 2010 the proportion of employers who had these in place increased by 11 percentage points to 67 per cent, covering 84 per cent of the workforce in 2009-10 (Metcalf and Meadows, 2010). The extent of age related workplace equal opportunities policies varies according to sector and organisation size, and are less likely in

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<sup>52</sup>[http://eacea.ec.europa.eu/LLp/project\\_reports/documents/grundtvig/multilateral\\_projects\\_2008/GRUNDTVIG\\_GMP\\_142159\\_IT.pdf](http://eacea.ec.europa.eu/LLp/project_reports/documents/grundtvig/multilateral_projects_2008/GRUNDTVIG_GMP_142159_IT.pdf)

<sup>53</sup> [http://zielonalinia.gov.pl/upload/50plus/Zalacznik\\_nr\\_5.pdf#page=599&zoom=auto,236,687](http://zielonalinia.gov.pl/upload/50plus/Zalacznik_nr_5.pdf#page=599&zoom=auto,236,687)

smaller employers and employers in the private sector, and more likely in unionised workplaces; and in the manufacturing, transport and communication, wholesale and retail and hotels and restaurants industries (Barnes et al, 2009; Metcalf and Meadows, 2010).

However, the positive employer attitudes of older workers highlighted above are by no means universal. Whilst there is evidence that employers have been taking more steps to address discrimination since the implementation of the 2006 Regulations, age discrimination remains a barrier to the employment of older workers at all stages of the employment process.

One recent illustration of this is a study in which researchers sent 1,200 job applications to employers as both younger and older workers using identical CVs with the exception of age, and found that the job applications from the older 'applicants' were significantly more likely to be rejected (Tinsley, 2012). Older applicants, however, may respond to the barriers that they face in the recruitment process by eschewing formal recruitment processes and using their personal contacts to find work (Loretto and White, 2006).

Some older applicants also perceive smaller organisations to be more likely to recruit them and acknowledge the value of their years of experience. Indeed, UKCES (2012) also suggests that smaller businesses are more likely to both use informal recruitment practices and place importance on experience in the recruitment process. Whilst recruitment practices that emphasise the importance of years of experience may have advantages for older people, they can be discriminatory towards younger applicants if they are not appropriately justified (Metcalf and Meadows, 2010).

In terms of job retention, the content of work can play a large role in determining the likelihood of a person staying or leaving employment in later life. Blekesaune, Bryan and Taylor (2008) found that women in jobs with low levels of autonomy and men in 'unsatisfying' jobs were more likely to leave work early. Other factors they identified that increase the likelihood of leaving employment in later life include: poor health, lack of access to training and, for women, being childless.

Evidence from OECD countries shows that of those who do leave work between 50 and 64 years of age, the majority move to unemployment or onto disability benefits rather than retirement. Re-entering work is more difficult for older workers evidenced by the greater proportion of UK jobseekers aged 50+ who are still unemployed after a year in comparison to younger individuals (Cory, 2012). Additionally, an analysis of 18 years of British Household Panel Study (BHPS) from 1991 indicates that wage scarring (i.e. a negative effect on future wages) due to unemployment is greater for men aged over 50 than for their younger counterparts (Tinsley, 2012).

Several companies have implemented innovative policies to attract and retain older workers. These often include flexible working arrangements that allow older workers to fit work with other commitments, which are often prevalent for older workers. For example, term-time contracts have allowed grandparents to provide support to their families during term-time; whilst home working is an effective way of shortening the working day by eliminating commuting time. Partial retirement policies have been attractive allowing older workers to reduce hours compensated by pension receipt. Other flexible working practices used include job sharing shift swapping.

Where there is seasonal demand, annualised hours can be an effective way to meet demand and provide flexible leave arrangements. One example of this is the possibility to take 10 days extra leave outside periods of peak demand in exchange for longer working during periods of peak demand; or

the ability to take unpaid leave outside of periods of peak demand. In these situations, there are business benefits in reducing the demand for temporary workers and the costs of training workers.

However, influencing workplace culture is also seen as important where policies have been introduced to influence perceptions and behaviours that may be deemed ageist. Long service can be recognised, so that the contribution of older workers to the business can be celebrated and promoted not only by drawing on their professional expertise but also their life experience. Diversity Champions have also been used as key influencers to promote company strategy.

## the Baltic countries

Concerning the meso level, for the Baltic countries it can be concluded:

- Adapting working conditions to the needs of older workers is a common company-level practice outlined in many cases. Nevertheless, Eurostat data suggests reducing working hours prior retirement is not a common practice among population in Baltic countries or in EU countries on average. This suggests there is a need to facilitate human resource practices enabling adaptation of working conditions and, thus, raising awareness among employers of the practical solutions. As Estonian data suggests employees do not tend to request for flexible work opportunities despite employer's favourable attitudes, there is also a need to inform employees of flexible working conditions as an alternative to early exit from the labour market.

Several company-level practices were identified among Baltic countries within the Mopact project based on data collection and/or literature review, with the aim to increase employees' motivation to stay in employment. Some of the drivers behind these practices were high share of older workers in the company, lack of qualified labour/ high labour turnover thus motivating their heightened attention on retaining their current workforce and facilitating knowledge transfer. Nevertheless, the effectiveness of these practices has not been analysed in most cases.

The general population in the Baltic countries (around EU average) tends to believe that work places are not adapted to the needs of elderly people (60-61% in all three countries), which is the reason people stop working after age of 55 (TNS Opinion & Social 2012). A survey of employers in Estonia has indicated that employers generally are ready to offer **flexible work opportunities** to older workers – 54% of enterprises offer an opportunity to reduce working hours for older workers and another 4% is planning to introduce this opportunity in the future (Espenberg et al. 2012). Around a third of companies say that it is also possible to change working schedule for older workers in their company, it is possible to reduce physical intensity of work or adapt working conditions in accordance to age (Espenberg et al. 2012). Comparing this to the relatively low level of flexible work practices among older workers in general shows that the relatively positive attitudes of employers have not been implemented in practice very often. Research suggests that reducing working hours in the move towards retirement is not common either in Baltic countries or EU on average – around 7% of 55-69 year olds say they have reduced their working hours due to reaching retirement in 2012 (the share is the same in Estonia, Lithuania<sup>54</sup> as well as EU-28 according to Eurostat). At the same time, older workers in Estonia do not tend to request flexible working opportunities from their employer - 89% of the age group

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<sup>54</sup> Data on Latvia missing due to low reliability.

have not requested a change in their working time from their employer, although 23% would like to work part-time (Espenberg et al. 2012). Also, employers have not initiated these changes – only 4% of older people say that their employer has made them an offer to reduce working time (Espenberg et al. 2012). Thus, there is more effort needed in informing older workers of the opportunities to adapt working conditions before retirement, encouraging their take-up and negotiations between employers and employees.

A qualitative research among companies based in Northern Lithuania confirmed that, according to employers' views, economic incentives (possibility to receive both pension and wage) and better work environment (positive attitudes of employers and employees to older workers, working conditions adopted to the needs of older employees) are important motivations for longer working lives (Milkin-taitė 2011; summarised in Nurmela, Osila, and Leetmaa 2014).

Several examples of company level practices from Baltic countries have been outlined where working conditions have been adapted to the needs of older workers to keep them employed longer, including:

- Shared jobs for older workers. As older workers' capacity to work decreases with age, they were offered shorter flexible (part-time) working hours and trainees were recruited which enabled utilise older workers' work experience and help trainees to settle in better (Cedefop 2015 case of Eesti Energia, Estonia). Another company offers its experienced older electricians a choice to perform only a part of the task that requires high-level qualification, preciseness and proficiency, whereas tasks related to heavy physical loads, endurance or climbing (e.g. lifting heavy loads, working at height, etc.) are delegated to younger workers who are less experienced but physically stronger (Nurmela, Osila, and Leetmaa 2014 case of Elis Electric, Lithuania).
- Adapted work load/ working conditions for older workers. While the example is relatively similar to the previous ones, in these cases difficult jobs are not shared with younger colleagues, rather older workers are given an opportunity/ choice to reduce work load or choose working conditions more convenient for their abilities. This is done, for instance, through flexible working schedules adapted to individual needs or switching work to less physically demanding/stressful jobs (cases of Grindex, Latvia; Rimi, Latvia; Elis Electric, Lithuania discussed in Nurmela, Osila, and Leetmaa 2014). An example illustrated use of flexible working conditions: a Lithuanian construction company Elis Electric calls its retired ex-employees, at their request, to do one-off jobs requiring specific skills under fixed-term employment contracts (Nurmela, Osila, and Leetmaa 2014).

**Setting positive examples** was outlined as one strategy to value older workers. An Estonian energy company – Eesti Energia – has introduced a lifetime achievement acknowledgement to employees who have been working in the company for at least 25 years. The company awards the winner with a memento and monetary prize (based on in-depth case study report<sup>55</sup>). Also, the company shares the nominees' stories of their work history in the company via intranet and internal newspapers. The aim is to show that Eesti Energia values all its employees irrespective of their age and to set a positive example to other employees (Cedefop 2015). Another way of acknowledging older workers,

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<sup>55</sup> Case study reports are not published individually. Summary report available from: <http://mopact.group.shef.ac.uk/wp-content/uploads/2013/10/Report-on-drivers-of-change-EU-wide.pdf>

observed in multiple occasions, is celebration of work anniversaries or other important anniversaries (e.g. special congratulations on the 50<sup>th</sup> and/or 60<sup>th</sup> anniversary) (e.g. Pupienienė 2013; Nurmela, Osila, and Leetmaa 2014).

### **3.1.2 Health**

#### **Belgium**

One of the most important preconditions to ensure that workers remain active for a longer period is their health. In 2030, 55+ year old workers will represent over 30% of the labour force. In Belgium, the legal retirement age has recently been raised, calling all workers to remain active longer. The issue of health, both physical and mental health, has therefore been given a more prominent role in the recent policy debate. The issue of health is strongly connected to the issue of motivation. If workers struggle throughout their working day, they will also be less motivated to remain active. Many of the solutions to this issue have therefore already been discussed in the previous section.

#### **the Czech Republic**

According to the WHO, an investment in health has social and economic returns and translates into improved quality of life and increased participation in society. Health is one of the key factors for sustainable employment and extending working life. To achieve balance between longevity increases and prolonging working life or work longevity, health and skills play a major role in increasing employability and labour market opportunities and inclusion. Promoting healthy and productive career is cross-sectoral whole-society venture and shared responsibility of individuals, relevant actors in society, communities and policy makers. Especially organizations of employers and employees play crucial role. In line with life-course approach to health and ageing it is clear that foundation for extending healthy and productive life lies in early-life, schools, families, and healthy workplaces / jobs, living environments of our cities and communities. Employers and public health actors may have substantial impact on maintaining health-related productivity and quality of life through the work-place based health intervention and promotion of healthy life-style and decreasing health consequences of stress and unhealthy environments and conditions. Non-communicable or chronic diseases, especially cardiovascular and muscular conditions and related disabilities are rooted in / based on life-style, thus increasing physical activity, healthier nutrition and eating, prevention and management of mental health problems can be efficient and cost-effective measures and policies retaining employees and which ensure return of investment made by individuals, society and employers into education and training across life. However, the focus of policy-makers, government agencies and social partners and mainstream policy debate seems to be still one-sidedly focused on pension age and targeting unemployment rather than taking proactive and life course approach as a mainstream strategy.

Both numbers of ageing individuals and diversity in labour markets are increasing. This brings the need for more tailored, company and sector based solutions, reflecting local / regional factors, specific conditions and structures. Due to social, regional and generational disparities also disparities in health, longevity and working life expectancy (WLE) / “duration of working life” prospects may increase. As there is no “typical” older person, there is no “typical” older worker. Health and ageing are only loosely

related to chronological age (WHO, 2015)<sup>56</sup>. This diversity is based not only in life-course events and opportunities but also in “factors” such as place, socioeconomic status or gender. Education play especially strong role in health differences / disparities among older population and workforce. According to the LFS results (CZSO, 2011), people with lowest (elementary) education stated long-term health problems in 46.6 %, while for those with highest degree of education (university) the share of those with long-term condition was four times smaller (12.0 %). According OECD (Source: Education at Glance, OECD 2012)<sup>57</sup> there are the biggest life expectancy differences by education levels, particularly for men, in Central Europe, and especially in the Czech Republic.

What is the health of older workers / population 60 plus in the Czech Republic? And what are the main health drivers and push-factors behind early labour market exit? People who are leaving labour market early because of health -related reasons use sickness / disability leave / pension trajectories to retire from labour market and enter pension. Other health-related reasons can be choice, or necessity to provide care for relative / significant other close persons. If we look at the structure of causes of invalidity (disability) pension at the ages 50 plus, mental health problems and conditions are among the most common causes together with muscular/skeletal problems. Health problems can result in reduced working hours and / or change in position or job tasks / profile. However, there is not enough evidence in the Czech Republic to map the scale of this process of health driven internal (in-job) and external mobility. Life-course data and perspective allowing longitudinal evidence of health and employment interactions and influences is not monitored or available from public health or social administration data sources, nor survey / research data are available. However, health problems generally lead, also due to a lack of flexible working policies and part-time jobs, to lower status, less paid jobs /positions, often via shorter or longer periods of sickness / disability leave, and to early labour market.

The Czech Republic is known for major gender differences in employment levels and labour-market participation, both for women with small child/children and for women over 50 years. Among reasons for gender differences in employment participation are unavailable part-time jobs together with inflexible labour market policies not allowing for combining and reconciliation of family and job obligations. Disparities in employment levels at age 55 and above between men and women are also based in gender differences in statutory pension age. However, the main and long-term pension / employment policy is to streamlined statutory retirement ages for men and women.

The early exit of “older people” from the labour market means a substantial loss of skills and people in the labour market. Disability pensioners present the pool of potential labour force, with more than 726 thousand of pensioners (all types including disability pensions) in the age group 55-64 in 2015 according to the Social Security Administration data (ČSSZ, 2016). One in four (26 %) pensioners of all ages thus is in the age group of 55-64 (In total, there were 2.8 mil. pensioners in 2015).

Definitions of disabilities vary greatly and there is no uniform understanding or concept across Europe (EU OSHA, 2016)<sup>58</sup>. In the Czech Republic, disability is defined and assessed differently for each social subsystem such as social services and care allowance, pension insurance, or employment and family benefits. As regards disability pension, assessment for pension system is regulated by Act No. 155 / 1995 Sb., on pension insurance. The insured person is assessed as disable if she / he has “decreased

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<sup>56</sup> World report on ageing and health (WHO, 2015), [http://apps.who.int/iris/bitstream/10665/186463/1/9789240694811\\_eng.pdf](http://apps.who.int/iris/bitstream/10665/186463/1/9789240694811_eng.pdf)

<sup>57</sup> OECD (2012), Education at a Glance 2012: OECD Indicators, OECD Publishing. <http://dx.doi.org/10.1787/eag-2012-en>

<sup>58</sup> Research review on rehabilitation and return to work: Report, European Agency for Safety and Health at Work, 2016 (Authors: Sofie Vandebroek, Marthe Verjans, Charlotte Lambreghts, Lode Godderis (IDEWE), Edited by Grainne Murphy)

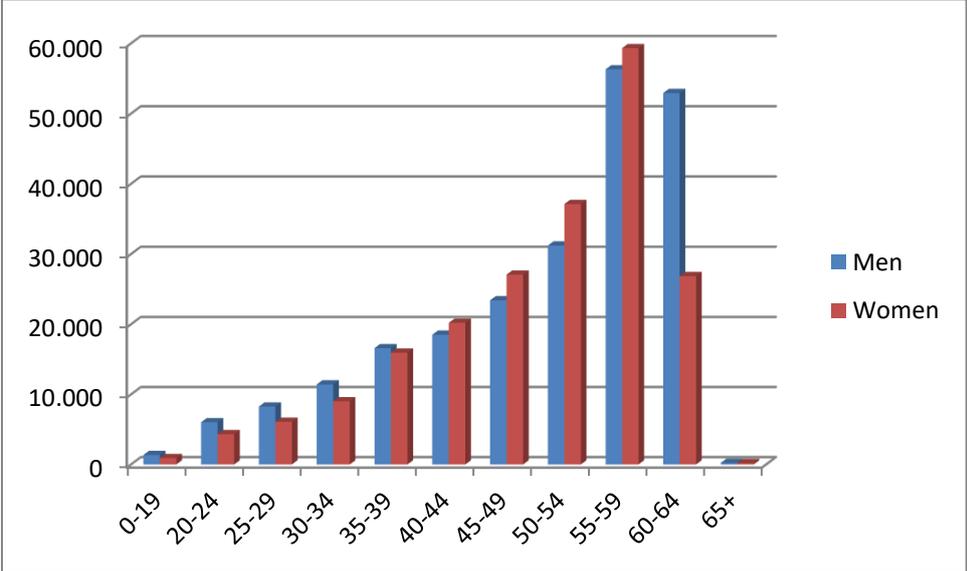
ability to work at least 35% due to long-term poor health condition". Since 2010 three degrees of disability were introduced instead of full and partial disability pensions. Table 3 and Graph 9 shows disability pension receivers by age and gender. In total, 61 % or 264 thousand of all people receiving disability pension were aged 50 and over, of which 47 % were women in 2014. In age group 60-64 years number of women is double compared to men mainly due to the lower retirement age for women.

**Table 3. Number of disability pensions by age and gender 2014\***

Age group	Men	Women	Total
0-19	1 360	918	2 278
20-24	6 023	4 327	10 350
25-29	8 269	6 086	14 355
30-34	11 420	9 018	20 438
35-39	16 599	15 954	32 553
40-44	18 522	20 215	38 737
45-49	23 422	27 073	50 495
50-54	31 219	37 119	68 338
55-59	56 305	59 325	115 630
60-64	52 939	26 866	79 805
65+	232	203	435
Total	226 310	207 104	433 414

Source: Social security data (own calculation), \*1st January 2014

**Graph 9. Number of disability pensions by age and gender in 2014\***



Source: Social security data (\*) 1st January 2014

As regards the causes of disability, musculoskeletal disorders (MSDs) and mental health conditions are considered the primary causes of long-term sickness absence and disability retirement. (EU OSHA, 2016)<sup>59</sup> The situation is the same in the Czech Republic. In 2014, mental health problems were the second most frequent cause of disability after diseases of the musculoskeletal system. Disability pen-

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sion due to mental and behavioral disorders received 92 thousand people out of a total of 413 thousand, and nearly 120 thousand people because of the musculoskeletal system and connective tissue (see table below). The single leading cause of disability for people above age of 50 are “other intervertebral disc disorders” (dg M51 according to ICD-10)<sup>60</sup> for both males and females, followed by dorsalgia (M54) for men and chronic ischemic heart disease for women (I25).

**Table 4. Number of disability pensions in 2014 by cause (from highest to lowest value)**

Diseases of the musculoskeletal system and connective tissue	119 820
Mental and behavioural disorders	92 195
Diseases of the circulatory system	41 481
Neoplasms	35 038
Diseases of the nervous system	33 980
Injury, poisoning and certain other consequences of external causes	19 821
Endocrine, nutritional and metabolic diseases	15 827
Diseases of the digestive system	12 098
Diseases of the respiratory system	10 517
Diseases of the ear and mastoid process	7 335
Diseases of the eye and adnexa	7 306
Congenital malformations, deformations and chromosomal abnormalities	5 495
Diseases of the genitourinary system	4 744
Diseases of the skin and subcutaneous tissue	3 572
Certain infectious and parasitic diseases	2 325
Diseases of the blood and blood-forming organs and certain disorders involving the immune mechanism	1 405
Symptoms, signs and abnormal clinical and laboratory findings, not elsewhere classified	247
Certain conditions originating in the perinatal period	127
Pregnancy, childbirth and the puerperium	28
Total	413 361

Source: Czech Social Administration data (own calculations)

Disability among working people is usually preceded by incapacity periods and sickness leave. The most common reason for sick leave are respiratory diseases, which account for about a third of all cases of incapacity, followed by diseases of the musculoskeletal system, which account for around one fifth (18%) of all cases of incapacity (UZIS, 2011). The average duration of one case of incapacity increases with age, which is due to a decline of short-term cases of respiratory diseases in higher age groups and increasing share of chronic conditions.

Compared to 2014, in 2015 there was an increase in the number and frequency of accidents with sick leave. The largest percentage increase in the number of occupational accidents with sick leaves occurred in the education sector (+8.2%) and health and social care (+7, 4%). One hundred thirty two fatal accidents at work were reported in 2015, which is sixteen cases more than in previous year. The most common cause for all types of work injuries in 2015 was “poorly or not sufficiently estimated risk“. For accidents with sick leave over three days mans sources were in a group “Materials, burdens, products, machine parts” (32%). For serious accidents at work, it was a group of “Buildings, structures,

<sup>60</sup> International Statistical Classification of Diseases and Related Health Problems 10th Revision <http://apps.who.int/classifications/icd10/browse/2010/en>

surfaces” (34%) and for fatal accidents at work group “Land vehicles” (31%) (Source: [bozpinfo.cz](http://bozpinfo.cz)). These reasons indicate the main areas where the attention and occupational safety should be aimed at and supported.

## **Finland**

Workplaces are regularly checked by the occupational health services and suggested workplace improvements have to be financed by the employer. This increases the costs of employing older workers or reduces employers’ willingness to improve working conditions (v. Werder/Thum 2013 based on the interviews with Riitta Työläjärvi [STTK]). As v. Werder and Thum (2013) note, in another interview Marjo Wallin (FIOH) pointed out that workers with impaired health do not necessarily have to quit work but nevertheless do so too often, since often disabled people could stay in employment if tasks are rearranged and the employee’s potential is taken into account by the employer. Further, she explains that the Finnish government supports employers whose employees have health problems, since in case of sickness-induced absence from work the employer pays 100% of the salary only for 9 days. Afterwards this falls down to 40% and the other 60% are covered by KELA (the social insurance institution). As v. Werder and Thum (2013) write, according to Wallin narrow mind-sets are the main obstacle for workability.

Marjo Wallin (FIOH) reminds that not just physically demanding work causes health problems, but also the fast ongoing skill transitions due to technological change. This causes stress and feelings of too high challenges and can result in mental or physical health problems. Therefore, health problems can also result from lack of skills, which in turn can result from a lack of further training. A similar finding has been brought forward in the German expert talk on longer working lives (report Bauknecht/Naegele 2016): Further training increases workers’ feeling of control and decreases stress. Further, Marjo Wallin suggests involving workers in the organisation of their work. Lilja (LER) provides the example of municipality workers, who were involved in their organisation of work (e.g. working time), which significantly reduced their health complaints (information from v. Werder/Thum 2013). With higher retirement ages the number of workers with chronic illnesses will presumably grow, therefore strong emphasis need to be put on prevention of chronic diseases at workplace level (Takala et al. 2015).

Social welfare and healthcare, as well as regional administration, will be subject to a major reform in the next few years. The Government will unify all public social welfare and healthcare services, introduce freedom of choice between public and private primary care and abolish the present multi-channel funding of healthcare (Kalliomaa-Puha/Kangas 2016). However, it is still too early to assess what kind of changes the reform will exactly bring.

## **Italy**

In this sub-section the focus is on policies (macro level) and initiatives implemented by companies and organizations (meso level) in order to promote and improve older workers’ health in Italy. The discussion highlights that in the Italian context have been introduced innovative legislative measures concerning health and safety at work, and have been developed interesting solutions by companies and public-private networks for the prevention and promotion of (even older) workers’ health. However, about these issues still persist some criticisms and there are several initiatives that could improve the “state of art” for the benefit of the older workforce.

## Netherlands

- In the Netherlands, the vast majority of employees (91%) report their health to be good, very good or excellent, but a relatively high number (38%) report to have suffered from a chronic illness or disability (Houtman, 2012). Of these, half state that their health has had a negative impact on their ability to work. One in three employees mentioned pressure at work and work-related stress as the main reason for taking sickness leave.
- The significant effect health-related factors, in particular psychosocial factors, and working conditions (e.g. strenuous work, work pressure, social support from managers and colleagues), have on Dutch workers' ability to continue employment in later life have been repeatedly shown in Dutch longitudinal studies (De Wind et al, 2014; Reeuwijk et al 2013; Boot et al, 2014). While the role of health and working conditions appears to be important in all age groups, its influence tends to increase with age and is largest in the older age groups.

## Spain

Estrategia 55, a strategy for the employment of older workers, considers working conditions, security and health in the workplace. Risks are evaluated alongside assessments of the capabilities of older workers covering their physical and mental capabilities: mobility, vision, hearing and ability to make decisions. Social partners had previously not supported active ageing strategies, but now they actively promote such approaches and support the engagement of older workers in re-designing work. Successful examples of such approaches include offering older workers less hazardous and physically demanding jobs, which led to reduced occupational injuries, illnesses and absenteeism as well as increased job satisfaction of the workers involved.

Analysis of people aged 50 to 64 shows that overall female manual workers who were forced into early retirement due to organizational reasons were more likely to report poor self-perceived health status and poor mental health, whereas no such association was observed among male workers or among female non-manual workers (Artazcoz et al., 2010). This highlights the importance of paying attention to the potential vulnerability of female manual workers in early retirement policies in particular during economic downturns when firms may be downsizing.

For other reasons for early retirement; not surprisingly, those who retired early on health grounds reported poorer health outcomes across all analysed groups, but retirement due to age, voluntary retirement and other reasons was not associated with health outcomes in any group analysed.

Redeployment (or workplace adaptations) of (for) workers with current or emerging work limiting conditions, were thought to be relatively common in the manufacturing sector, but not so widespread in the service sector.

## The Baltic countries

As outlined in the introduction, health is one of the central challenges to ensuring active ageing in Baltic countries and motivating longer working lives. Of particular concern is men's health as male life expectancy in the Baltic countries is among the lowest in the EU. This reveals in high inactivity among

men prior to retirement due to health reasons. Several practices to tackle this challenge among national as well as company level can be identified. While company health packages are not always targeted specifically to older workers, they play an important role in preventing health problems in the workplace and supporting healthy lifestyles among employees supporting longer healthy lives. Some of the examples outlined include:

- Shifting from passive payment of disability pensions to activation measures is taken with the Estonian workability reform. Since the reform will take effect since 1 July 2016, there is yet no evaluation of the results of the reform. Nevertheless, initial analysis has outlined that, as a result of the reform, the number of people with reduced employment capacity participating in the labour market could increase by 30 thousand people by 2023 (Saar Poll OÜ 2014).
- As there are a multitude of good practice examples at company level to improve employees' health and enhance healthy working conditions, collection and facilitation of good practice examples is a good way of setting example. For a similar purpose, network of companies has been set up to exchange practices of healthy work places. While most activities are not targeted directly to older employees but all employees in the company, these activities are not directly acknowledged as supporting active ageing and longer working lives. Thus, it could be further facilitated what is age management at company level and what practices are implemented.

Based on the networks, collection of good practice examples etc. a wealth of examples on company level practices to promote employees' health can be collected. However, it is difficult to evaluate their effectiveness in promoting longer working lives as effects are not as direct and can reveal in a longer perspective.

### **3.1.2.1 Macro level**

#### **Belgium**

On 21 April 2016, a new campaign was launched by the European agency for security and health at work (EU-OHSA), in collaboration with the Belgian Ministry of Employment. This collaboration has to be understood in light of the recent proposals of the Minister of Economy, Employment and Consumer Affairs Kris Peeters with regard to "workable work". One of the pillars of his proposals relate to the prevention of occupational accidents and diseases, psycho-social risks and musculoskeletal disorders. Especially for older workers, physical activities can be extremely challenging. The EU-OSHA campaign will run during 2016 and 2017. It has the objective to raise workers' awareness about the importance of a safe and healthy labour environment throughout their working life.

Among the practices already in place in Belgium worth mentioning is the FEP (The Fund for Professional Experience). The FEP encourages employers to offer their older workers working conditions that meet their specific needs and at the same time encourage older workers to stay active by providing better working condition. The Fund therefore encourages the HR management to take into account the needs of elderly workers, especially those related to health. Within this context the FEP aims at

raising awareness on the topic by informing managers and reducing stereotypes on aged workers. Examples of projects funded are: ergonomic improvements (adaptation of the workplace to a reduction in physical stress for the worker), and changes in the organisation of work (which can concern the change in working hours or place of work). Concrete actions related to these projects areas are: change in functions (total or partial; either the older worker leaves his current job to take a different function, or the older worker delegate parts of its function to a colleague - to renew motivation and break the monotony that settles after many years in the same job), skills development (this action permits workers to adapt to the new working environment). Even though, the FEP represents an interesting mean to improve active aging in the workplace, Moulaert and Leonard (2012) argue that some aspects could be improved. For instance, the selection of the applications is not clear and there is general lack of formal monitoring and evaluation activities.

The Fund for Professional Experience has the possibility to set up collaboration protocols with sectors of industry, where the objectives and related actions and means are collectively discussed. They can follow three types of objectives: raising awareness and promoting/spreading good practices; developing measurement/diagnosis tools; and set up a framework to subsidize older workers shifting from team night work to regular day work (Service Public Fédéral Emploi, 2013). The FPE has running protocols with the transport, wood, and constructions sectors.

## **The Czech Republic**

The Czech Ministry of Labour and Social Affairs (MoLSA) supports awareness raising campaigns on age-management and healthy ageing. Among the specific goals of the National Action Plan for Positive Ageing for the Period 2013–2017 is “to increase awareness of Age Management, primarily among physicians”.

The National Institute of Public Health (NIPH) is responsible for national health promotion strategies in the workplace and representing the Czech Republic in the European Network For Workplace Health Promotion (ENWHP). The NIPH participated in the eCAPACIT8 project focused on strengthening occupational health professionals' capacities to improve the health of the ageing workforce. The project was realized from February 2013 to May 2016 and included the survey on the opinions on measures which would successfully prolong working life. The biggest share of respondents thought that “good organization of work” is the most relevant measure (62%), followed by “legislative amendments” and “more intensive occupational medical care” (31%), “occupational specialist present within the organization/ firm” (9%). The project highlighted the need to support healthy choices and life-style of employers. As employees spend many hours in employment, there is a big scope to encourage healthy eating and physical activity at the workplace and in employer supported programmes and activities out of employment.

The changing nature of work and structure of health factors at the workplace and shift from physical to mental strain and stress cause that mental health and musculoskeletal disorders (MSDs) are growing concern. As mentioned already above, in 2014, according to the Czech Social Security Administration data, musculoskeletal disorders and mental health problems<sup>61</sup> are cause of more than a half of all disability / invalidity pensions. The decision on the level of loss of workability (invalidity) is usually preceded by the sickness leave. The average duration of sickness leave increases with age. The reason is

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<sup>61</sup> Diagnoses codes M00–M99 and F00–F99 according to the ICD-10

relative decrease of respiratory diseases with short-term duration and relative increase in long-term cases of work incapacity due to neoplasms and cardiovascular diseases.

Since 2005 the award “Health Promoting Company” is organized annually by the Ministry of Health together with the Chief of public health services (main hygienist of the Czech Republic). Since 2007, competing companies are divided into two categories: large companies (over 250 employees) and SMEs (with fewer than 250 employees). As opposed to occupational safety measures, the health promotion is not legally binding for employers. For the assessment within competition the Quality Criteria of Workplace Health Promotion of European Network for Workplace Health Promotion are used. Three levels of achievements are followed and the label “Health supporting employer” is granted for three years. The fact, that many of the firms (and winners) repeatedly enter the competition could be interpreted as a reasonable indicator that employers see added value of such award and granted label. It would also not come as a wonder that many of the competitors are holders of other similar awards (such as “Safe firm”) and are often quoted as sources of good examples, or good practice in the work longevity promotion. The principles of accumulative advantages could be therefore identified here. (In 2016 the label was granted to Alpiq Generation Kladno; Johnson Controls Automobilové Součástky, Česká Lípa; Lohmann&Rauscher, Slavkov u Brna; Nestlé Česko, Praha 4; Pramet Tools, Šumperk; RWE Česká republika, Praha; ŠKODA AUTO, Mladá Boleslav; T – Mobile Czech Republic, Praha).

Government should encourage social partners to raise the issue of sustainable employment and comprehensive approach to health promotion and protection in life-course and community context.

There is a need to recognise the economic impact of prevention in and out of the contexts of employment and the importance of health for sustainable employability, job productivity and management of ageing labour force. Level of skills and health are the main pillars for strategy of managing ageing and shrinking workforce and supporting working longevity or narrowing working and life longevity gap. Worse physical and mental health leads to reduced performance and job satisfaction, frequent absenteeism, and premature retirement from the labour market. These losses are important not only for the employers, but by the whole social and health system, economy and society. It is important part of corporate and social responsibility of the social partners who should not only be concerned about job quality and salaries, but also the post employment quality of life and sustainability of pension income and systems.

Increasing healthy life expectancy along with increasing length of education and proportion of university-educated people in the economy the individual and social investment in education should translate into longer career and higher employability. Increasing proportion of jobs in the service sector and non-manual, not physically demanding, knowledge-based jobs provides potential for increased employment of people 60 plus. On the other side increasing diversity or / and disparities require more individual approach reflecting individual conditions of employees and employers. Increasing heterogeneity of the population over 50 and 60 and increased role of life-style factors in health require more individualized approaches to the evaluation and management of health, employability, chronic disease prevention and management.

Financial incentives, bonuses and support tools for employers to create a healthy environment, health conditions and age management can increase the capacity of employers to protect and promote health and sustainable employability. Social partners, regional stakeholders and authorities should encourage and participate in creating specific programs reflecting specific risks of employees in particular regions

and organizations. The programmes should target the main determinants of health such as physical activity, healthy diet, smoking and alcohol consumption; but also factors influencing, or preventing, mental illnesses, such as work related stress.

## Denmark

The health of people over the age of 55 has improved markedly over the last 30 years. One way to illustrate this is by looking at the health of early retirees since 1990 where data is first available. Barslund (2015) reports how the share of people on voluntary early retirement benefit who assesses their health as good, very good or excellent has gone from 58 to close to 80 pct. in 2005. The latest Danish nationwide assessment of the health of population indicates that this share is now 88 pct. (in 2013) (Sundhedsstyrelsen, 2013).

Generally, the fact that health improvements and health deficiencies have only played a minor role in the debate on retaining older workers in the job and prolonging working lives is well illustrated in a well-written book by Friis et al. (2008). The book describes in detail the different age management practices in 11 public and private companies. Health is discussed in these companies where there are special 'senior conversations' at the age of 50 or 55, but otherwise are health initiatives applicable to all employees, not just older ones.<sup>62</sup>

As the effective retirement age is increasing and is set to increase further health may play a more important role and, as mentioned above, health outcomes may become more unequal. This potentially barrier would be an important topic for further research.

### *Mental illness*

Assessing mental health is important if the strain from a long working life is increasingly showing up in poor mental health rather than physical health. Bauknecht and Neagle (2016) have a good discussion of this issue. As an example they report that the number of sickness days due to mental illness has more than doubled since 1994. For Denmark no comparable data exists regarding sickness leave. However, Sundhedsstyrelsen (2010) compares mental health for different age groups over the timespan from 1994 to 2005 and finds that the prevalence of 'good mental health' has slightly increased in the age group 45 to 64 year olds for both men and women. The same development is present among people aged 65+. The OECD (2012b) reports a significantly lower prevalence of mental disease among 45-64 year olds than younger age group, and the prevalence seems to be decreasing with age.

In the Danish context, poor mental health does not seem to be a large barrier to extending working lives at the macro level.

## Finland

v. Werder and Thum (2013) suggest that unemployed people in Finland could get less attention for the health system than employed people since many health care services in Finland are linked to the occupation. They point out that after three months of unemployment employability decreases due to

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<sup>62</sup> The same pattern is found in LO (2004).

worsening health. For this reasons some projects started to provide occupational health service to unemployed people to maintain their employability and to reduce the costs of finding new jobs (v. Werder/Thum 2013). For example, so-called “age bus stops” in occupational health centres in some municipalities provide free medical screening for those 45 or older, which includes checks of the haemogram, the blood pressure, the body mass index, strength (squeezing, muscularly) etc. Such checks’ main advantages are the early detection of diseases which show no obvious symptoms, which is especially important for men (v. Werder / Thum 2013).

Changes in sickness benefit practices include

#### *Partial Sickness Allowance*

The partial sickness allowance paid by KELA was introduced in 2007. It is meant to support continued part-time employment and a return to current job on the client’s own initiative. Partial sickness allowance aims to better facilitate individual planning of the return to work. Initially it was meant to support return to work after a long (>2 months) absence, but in 2010 direct transition to partial sickness allowance became possible. In 2014 the maximum period was extended to 120 working days and the pre-conditions for granting were loosened. The use of partial sickness allowance has gained popularity and its use has more than tripled since 2010 to approximately 12 500 yearly recipients. Register data shows that this reform (as well as the 2005 pension reform) has increased older workers’ employment rate (Takala et al. and Gould et al. 2015: 74).

The recipient must be incapable of full-time work and agree with a reduction of workload by 40 to 60 %. The loss of income is then compensated to the employee or to the employer, if the person is still receiving full-time pay.

#### *30, 60 and 90 days’ rule*

- 30 days: notification to occupational health provider

In 2012, three changes were introduced regarding occupational health services. The changes are known as the 30-60-90 days’ rule. Their aim is to put more focus on the prevention and management of disability and facilitate return to work. The first amendment obligates the employers to notify occupational health services if an employee has been ill for 30 days.

- 60 days: evaluation of the need for rehabilitation

The second change comes regarding the evaluation of the need for rehabilitation that was advanced from 120 days to 60 days. At this time also the Social Insurance Institution (KELA) will get involved in the case as the employee will have had to have applied for a full or partial sickness allowance before 60 days.

- 90 days: medical examination on the employee's remaining work capacity, including negotiations between the doctor, the employee and the employer.

The third amendment comes with the requirement of an assessment by an occupational physician on the work disability as well as remaining work ability and identifies possible work modifications and rehabilitation possibilities. (Halonen et al. 2015) This assessment is made in cooperation with the employer and the employee before reaching the limit of 90 days of sickness allowance. If an assessment is not performed, KELA can discontinue the payment of the benefits.

Halonen et al. (2015) conclude that the requirement of early notification after 30 days and assessment of remaining work ability may enhance sustainable return to work in the short term. However, Halonen et al. see that other measures will need to be implemented to enhance work participation in the longer term. One could argue that these legislative measures were a step to the right direction albeit insufficient.

According to Liukko and Kuuva (2015) the stakeholders feel that the 30-60-90-day rule has improved their internal coordination. However, many stakeholders involved in the return to work management feel that KELA's responsibility, in the case of an unemployed person, in the rehabilitation assessment after 60 days of sick leave is materialising weakly or in a varying manner. The study sees that problems regarding liability arise especially when it comes to vocational rehabilitation, where three different stakeholders (labour office, pension insurance company and KELA) might be involved. Liukko and Kuuva suggest that a more network based approach among all stakeholders should be adopted.

The Chief Medical Officer of Confederation of Finnish Industries (EK) Jan Schugk (2015) asks whether many occupation health service providers could lack the necessary expertise, skills and readiness to perform accurate assessments of the remaining work ability and return to work. Schugk also points out that many workplaces do not have a tradition to discuss issues regarding work ability.

- "TYVI-discussions" (early support discussions)

The Government initiated an early intervention policy at workplace level in 2007. Currently, all the companies employing more than 20 people are obliged, together with the occupational health provider, to agree and compile a document describing the customs and practices for work capacity management. The aim is to engage early in the case of any reduction of work capacity. Some workplaces have set guidelines such that the supervisor needs to intervene if the employee has several (3 or more) short (1 to 3 days) sickness absences during a period of 4 months or if the employee is on a long sickness absence, or feedback from colleagues and customers can also result in early intervention discussion between the manager and the employee.

- Employee has 3+ sickness absences in 4 months
  - Longer than 21 days sickness absence
  - Tyvi-discussion always if there are indications of reduced work capacity
- "Benefit advisor" (all bullet points from Kangas 2014)

## **Germany**

### *Mental illness*

Meanwhile, employees complain about mental strains more than about physical strains (Schneider/Beblo 2010). Mental strains can result from the intensity of labour, (lack of) social support at the working place or the duration, timing and distribution of working time (GDA 2014), higher unemployment rates, insecure labour conditions, too high or too low job requirements, increasing pressure of competition, constant accessibility, higher flexibility and mobility requirements and bad working atmosphere (Deutsche Rentenversicherung or German Federal Pension Fund 2014). GDA (2014) considers the term 'psychic strain' (psychischer Belastung) as neutral; work completely free from psychic strain is considered neither possible nor desirable.

Amongst health-related reasons of labour market withdrawal, in several countries an increasing share is caused by mental illnesses instead of physical illnesses. In Germany,

- the number of sickness days due to mental illnesses more than doubled since 1994
- between 2005 and 2012 the total number of mental illness-caused new entrants into reduced earnings capacity pensions per year rose from ca. 47 000 to 66 000 (whereas here cohort effects are not subtracted out), so that in 2012 already 37% of new cases of reduced earnings capacity pensions had been caused by mental disorders<sup>63</sup>
- the number of medical rehabilitations per 1000 insured persons rose by about one third between 2004 and 2012.

Women are markedly stronger affected than men (Deutsche Rentenversicherung 2014).

These developments are at odds with studies suggesting that the prevalence of mental disorders did not rise, as OECD (2012c) states for its member countries ('widespread but not rising') and as Jacobi and Kessler-Scheil (2013) state for Germany: Firstly, the higher number of sickness days results from the high number of sickness days per mentally sick person (only cancer has higher numbers per sick person), so that a (comparatively) low number of mentally sick persons induces a (comparatively) high number of sickness days. Further, the authors suggest that a remarkable rise in the prevalence of mental illnesses is improbable (suicide rates even decline since decades), i.e. the strong rise of diagnosed cases mainly results from changing framework conditions such as higher societal acceptance of mental illness and a wider spectrum of means of diagnosis, such as direct access to psychotherapists due to the psychotherapist law from 1999 (Jacobi/Kessler-Scheil 2013). Also Deutsche Rentenversicherung (2014) refers to the contrast between the strongly rising number of sickness days and rising numbers of new entrants into reduced earnings capacity pensions due to mental illnesses on the one hand and experts' view on the development of real prevalence on the other. Importantly, Jacobi and Kessler-Scheil (2013) consider the ostensible rise unrealistic, but state that mental illnesses are rather under diagnosed than over diagnosed, so one could conclude that the measured rise brings diagnoses stronger in line with reality.

Against this backdrop, policy initiatives against mental illnesses can be considered important, but do not have necessarily to be considered measures against quickly disseminating sicknesses, but rather quickly disseminating reasons of (long) absence from work or entry into reduced earnings capacity pensions.

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<sup>63</sup> Sickness absence figures neglect that sick people can attend work and nevertheless work less. Jacobi and Kessler-Scheil (2013: 198) refer to Wang et al. (2004) who calculate that in the service sector reduced work performance of depressed persons is equivalent to 2.3 sickness days. That is about 10% of mean monthly working days.

Further, “most people with mental disorders are in work and many more want to work” (OECD 2012b: 1), so that employment rates of people with mental disorders are at 55-70% points, which is (only) 10-15%points lower than of those without mental disorders, and unemployment rates are higher. Therefore, pro-employment policies should not only aim at avoiding mental illnesses but also on the integration of those already sick (possibly with positive effects on the remission of the disease).

### *Mental illness: Policy reforms*

In 2013, German Parliament changed §4 of the Labour Protection Act (Arbeitsschutzgesetz). Now according to §4 (1) employers are to design work so as to avoid and, if unavoidable, minimise, physical *and mental* strain (alteration in italics). Further, since 2013 according to § 5 (‘Assessments of Working Conditions’, ‘Beurteilungen der Arbeitsbedingungen’) (6) employers are also obliged to assess mental strain at work. In its Best Practice Guide BDA (Federation of German Employers, 2013) states that for some time now in their hazard assessments larger companies pay heed to mental strains, yet this could be difficult for smaller companies also due to the variety and vagueness of the topic.

From 2013 until 2018, GDA (‘Gemeinsame Deutsche Arbeitsschutzstrategie’, ‘Common German Strategy for Occupational Safety’) wants to develop instruments that can help employers and employees to detect and to eliminate work-related mental health strains. Within this context, actors are to be informed and educated, suitable strategies are to be identified and developed, best practice examples are to be disseminated and in-company solutions are to be implemented. This should happen in cooperation with companies, social partners and further cooperation partners such as health insurances, company doctors, professional associations and safety engineers (GDA 2012).

A main problem will be the measurement of mental strain, since in contrast to physical strain it is harder to measure also because positive or negative effects partly depend on the individual person.

For the assessment of hazards due to mental strain, GDA (2014, 8-15) published recommendations, consisting of seven steps which are: (1) which activities are to be evaluated, (2) measurement of mental strains, (3) evaluation of mental strain, (4) development and implementation of measures, (5) evaluations of measures’ effectiveness, (6) updating, (7) documentation.

BDA states that some companies already have cared about this issue before new legislation was enacted, e.g. the companies SAP, Salzgitter (steel production) or Universitätsklinikum (university hospital) Jena).

One expert stated that for the assessment of mental strain, possibly corporate networks can facilitate an ‘enabling management’ to support companies.

## **Italy**

As a result of the EU framework about health and safety legislation coming into effect in 2008 (in Italy, health and safety at work are regulated by the Legislative Decree 81/2008, known as the “Testo Unico Sicurezza Lavoro”, subsequently amended by Legislative Decree no. 106 of 3 August 2009), in 2009-2011 a new Italian legislation on health and safety at the workplace has been implemented with new obligations for both employers and employees (Eurofound, 2013; Ministero del Lavoro e delle Politiche Sociali, 2012; Socci and Principi, 2013). The latter legislation concerns the whole workforce, including older workers. Among other measures introduced by the legislation, any company or employer must

appoint a competent physician/doctor in occupational health care (*medicina del lavoro*), in case in the company there are risks for which the law requires health to be kept under surveillance. The physician carries out the following main activities, in collaboration with employers: risk assessment and planning of health surveillance; planning and implementation of measures for promoting health protection and physical and psychological integrity of workers; organization of rescue services; training and information activities for workers on health and safety at work related issues. The workforce, for example, has to attend “mandatory” training courses on health and safety related issues - provided by e.g. experts, companies responsible for health and safety at workplace or by physicians competent in occupational health care - or have to participate in exercitations aimed at preventing/properly coping with risks or accidents (e.g. burning). Before the implementation of legal obligations about safety at work, especially SMEs (which represent the large majority of Italian companies) did not invest at all in this field, and so Italy performed quite poorly in terms of health and safety at the workplace. After the implementation of the law, SMEs and companies in general were “forced” to face this aspect, and the situation has improved.

For example, INAIL (Italian National Institute for Insurance Against Accidents at Work) data (2016) show that between 2011 and 2014 in Italy fatal accidents at the workplace are decreasing in the age group 55-64 years (-5.7%, from 489 to 461; as well as among the entire workforce, i.e. from 1,395 to 1,152; -18%). Instead, in the same period (non fatal) accidents at work are decreasing in the workforce as a whole (-18.9%), yet they are rather stable in the age group 55-64 (-0.5%). This may be explained by two main reasons: a) the increasing number of older workers within the whole workforce; b) the growth of unemployment because of the economic crisis. Beyond accidents, the share of workers aged 55 to 64 reporting to having had one or more work-related health problems in the past 12 months is very low in Italy (7.8 % vs. 15.8 in the EU 27). Similarly, only 7% of Italians 55-64 not seeking employment do so due to health reasons (EU 27: 16.8%; Ciccarone 2012). One may conclude that bad health is a rather unimportant obstacle to extended working lives in Italy. Despite this, some studies highlighted that among the Italian workforce there are significant problems in terms of psychological health. Indeed, according to Lucarelli and Boschetto (2011), in their workplace, nearly one in five employees is being exposed to stress that put their mental health at risk over extended periods of time. This is demonstrated by the high correlation between individuals who are exposed to risk factors and individuals who actually develop stress-related health problems. Furthermore, as highlighted by the European Working Conditions Survey carried out by Eurofound (2012) in Italy there is also a significantly increasing dissatisfaction regarding working conditions as workers’ age increases. This means that even if older workers in Italy are in general quite healthy (but exposed to risks affecting their mental wellbeing), the quality of their work, as well as the adaptation of company’s working organization to the health needs of the older workforce would be improved.

#### *Solutions/measures suggested/recommended*

The Italian legal framework about health and safety at work is considered at the forefront since contrary to most of other countries, it implies heavy penalties for companies in case of failure to act. Despite this, the problem is that companies and workers do the minimum required by law and the latter hardly affects substantially habits, nor support a culture of participation in risk management (Socci et al., 2015). In relation to this, there is a need to improve the willingness of both companies and workers, even providing some kind of incentives, in investing/participating more in initiatives for supporting health and safety at work, beyond “doing the minimum” (e.g. by offering specific training initiatives, workshops, exercitations, etc.).

Furthermore, there should be more developed controls and inspections on safety at the workplace by competent institutions (e.g. INAIL), especially in factories or sectors at high-risk related to particular activities (e.g. building sites), in order to prevent/reduce both fatal and non fatal accidents, and fighting against irregular work.

As mentioned above, a high proportion of (even older) workers are exposed to risk factors that can adversely affect their mental well-being (e.g. time pressure/workload, shifts, discrimination). So, although the legislation on health and safety at work is concerned with promoting even mental health of workers, there is a need of developing a strategy that might put more emphasis on alleviating the most probable causes that negatively affect mental health of workers (i.e. the “stressogenic” factors), with a particular attention devoted to older workers.

## Netherlands

Dutch employers are required by law to implement health and safety measures in order to prevent accidents at work and their employees becoming ill. The Working Conditions Act is the main piece of legislation with provisions for employers and employees how to deal with occupational safety and health. Among others, the Act imposes an obligation at the company level to conduct a Risk Inventory and Evaluation (RI&E), and an action plan which forms the basis of policy on working conditions, and gives power to the Labour Inspectorate to supervise compliance with the regulations. In 2007, important amendments to the Working Conditions Act were introduced substantially reducing the regulatory and administrative burden on companies (e.g. they are no longer required to submit annual reports on health and safety measures) with the aim to give more scope to introduce individual arrangements for which employers and employees should be jointly responsible (OSHA, 2015).

The amended Act also sets out general target regulations that state the levels of protection employers must provide for their employees (Stichting van de Arbeid, 2007).<sup>64</sup> The precise details on the target regulations are to be worked out by the social partners and set down in a written agreement, called the Health and Safety Catalogue. In preparing this catalogue certain conditions need to be met. First of all, it has to be a joint and agreed product of the social partners involved, thus the role of employers' organisations and trade unions and their cooperation in its development is crucial (the so-called polder model); it has to be primarily sector-specific, but can also be implemented in a group of companies; it should focus on measures that are effective in tackling the risks identified in the catalogue (i.e. based on the latest scientific research and evidence); and can only be implemented if the contents are approved by the Labour Inspectorate (checks if there is anything in the contents that is contrary to the law).

The Health and Safety Catalogue is not compulsory, only provides the option for the parties concerned to develop one which will then provide them a certain degree of protection. For instance, sectors and companies covered by a Health and Safety Catalogue can expect fewer inspections than those sectors that have not implemented it.

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<sup>64</sup> The Working Conditions Act sets out different obligations for the public domain which is subject to specific regulations as opposed to the private domain where the self-regulation by the social partners is applied.

**Table 5. Comparison of RI&E and the Health and Safety Catalogue**

	Health and Safety Catalogue	RI&E
<b>Scope</b>	Mainly at sector level	Company level
<b>Parties involved</b>	Employers' associations and trade unions	Employer and works council/employee representatives or employees concerned
<b>Content</b>	<ul style="list-style-type: none"> <li>• Solutions to priority risks (as determined)</li> <li>• Choice of approved measures</li> </ul>	<ul style="list-style-type: none"> <li>• All risks plus measures</li> <li>• Implementation of measures indicated</li> </ul>
<b>Status</b>	<ul style="list-style-type: none"> <li>• Frame of reference for enforcement</li> <li>• Option for social partners</li> </ul>	Compulsory for employer

Source: Stichting van de Arbeid

The approach of this Dutch policy can be viewed as an innovative practice. On the one hand, it allows more freedom and more customisation for employers and employees working in a given sector to determine themselves which solutions and measures are required and desirable to address health and working conditions. On the other hand, they also bear more of the responsibility for health and safety policy-making. Thus, the role of the Government is becoming more of that of the facilitator setting out the legal framework and making sure that the right incentive structures are in place (i.e. as few rules and administrative burdens as possible).

Evaluations show that Health and Safety Catalogues are being implemented in a growing number of sectors and companies (Houtman, 2012). The number of catalogues approved by the Labour Inspectorate was 20 in October 2008 and had risen to 78 by late 2009. According to a recent study by Van Vliet and Venema (2011), the number further increased to 142 by the end of 2010 covering approximately 51% of the total workforce. The authors analysis also reveals that risks related to physical strain were those most frequently covered (30% of all risks) while psychosocial risks were addressed by significantly fewer catalogues (9%).

*In the light of the growing policy focus on employability, measures aiming to improve health and safety at work are expected to play an increasing role in the future employment trends of older workers*

Besides occupational health and safety measures, the Netherlands has also introduced reforms in its sickness insurance benefit scheme in order to prevent work-related absenteeism and a premature exit from the labour force as a result of sickness or bad health (De Jong, 2008). Sickness insurance was privatised in 1992, requiring employers to pay wages during the first year of sickness absence from 1996 onwards. The benefit period was further extended to two years in 2004. In addition, the so-called Gatekeeper Protocol came into force in 2002, introducing relatively strong employer obligations regarding rehabilitation. The Gatekeeper Protocol is a structured approach to early intervention in cases of sickness lasting six weeks or longer. The concrete activities to be applied by the employer and the employee within a clear timeframe as well as the responsibilities and rights of the sick employee, his/her employer and the company doctor are legally specified in the 2002 Gatekeeper Act. The main steps consist of a recommendation from the occupational health and safety service and the drafting and implementation of a rehabilitation plan by the employer and employee, which should describe the specific measures needed for the reintegration of the sick employee, and which should be ready in the 8th week of sickness and sent to the Social Insurance Agency (SIA). This is binding for both parties. The

basic idea is that the employer and employee take the lead and that they take the required action promptly.

An important component of the Protocol is the introduction of a rehabilitation report, which must be written at the end of the first year of sickness and must contain a description written by employers and employees of what they have done to facilitate and accelerate a return to work. Together with administrative and medical information, the report constitutes the reintegration file. Again, this has to be sent to the SIA. Claims for disability benefit, which must be submitted by the employee also before the 92nd week, are only considered admissible if they are accompanied by the rehabilitation report. In case the report is delayed, incomplete or the reintegration efforts are judged to be insufficient, the employer is obliged to continue paying the sickness benefits for up to a further year. For the two years of sickness a maximum of 170% of the wage could be paid. In most collective agreements it is a full 100% in the first year and 70% during the second year. However, if the employee hinders an early return to work - by refusing to do appropriate work or to follow retraining, for example - the employer has the right to suspend payment of salary.

Greater control, as it is with the strict screening of the rehabilitation plan and reintegration report in the Dutch Gatekeeper Protocol, also reduces the attractiveness of the disability benefit programme for potential applicants (De Jong et al., 2006). By shifting the reintegration responsibility to the employers and the employee the measure aims to cut programme costs, reduce sickness absenteeism, and decrease the amount of time beneficiaries spend away from employment. Furthermore, as sickness benefits are a major pathway to long-term disability, the former is also seen as an appropriate place to provide early interventions so as to prevent the shift into the latter (Prinz and Thompson, 2009). There is some evidence indicating that increased employer obligations may result in employers becoming reluctant to hire persons who they consider to be at a higher risk of sickness (this is particularly relevant in the case of the Netherlands, where employers are not only responsible for the reintegration of their sick employees, but are also fully liable for paying sickness benefits for up to two years). Evaluation studies have shown that people with health and impairment problems experienced greater difficulties in (re) entering jobs and the risk of them being fired increased (van Oorschot, 2010). To address this issue, a so-called 'no-risk policy' was introduced in 2003 and extended in 2005.

## Poland

Investment in health along the life course is said by the WHO to improve the quality of life, increases labour participation, labour mobility, and increases social participation. This issue is particularly important for the elderly in the perspective of extending working lives, since balancing health and longevity of working life is crucial to increase labour market opportunities and access as well as social inclusion of older people. Thus, the collaboration between employers and health services is one of the solution to achieve healthy lifestyles and professional and social productivity among older people. Awareness rising campaigns and interventions from health professionals in the workplace about nutrition, prevention, chronic diseases, and the importance of physical activity are therefore crucial.

Bad health conditions or disability are significant obstacles to employability and older people's well-being<sup>65</sup>. Data shows that the age groups 65-74 and 75-84 perceive their own health as being more in a

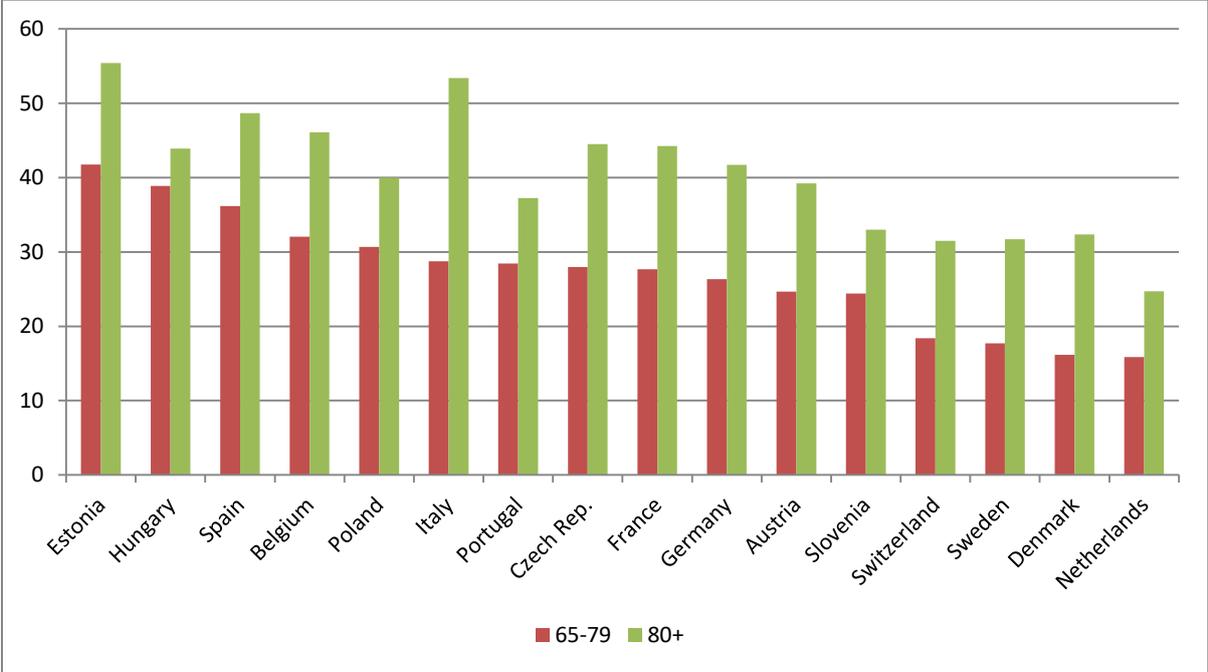
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<sup>65</sup>[http://kpsw.edu.pl/pobierz/wydawnictwo/re5/kucinski\\_sytuacja\\_osob\\_starszych\\_na\\_ryнку\\_pracy\\_w\\_polsce.pdf](http://kpsw.edu.pl/pobierz/wydawnictwo/re5/kucinski_sytuacja_osob_starszych_na_ryнку_pracy_w_polsce.pdf)

bad condition than in a good one. By contrast, the age group 55-64 perceive their health as more satisfactory than bad. Moreover, we observe huge differences with the EU average, with the figures for Poland being sometimes twice as higher than the EU average as far as the proportion of people perceiving their health as bad are concerned. Indeed, we see that 31.2% of Poles aged 55 to 64 perceive their health as good, while the EU average is of 45%; that 18,4% of people aged 65-74 are perceiving their health as good while the EU average is of 38.4%; and that 22.4% of people from the same age group perceive their health as bad compared to an EU average of 13%. Lastly, among people aged 75-84, 10% of Poles of this age group perceive their health as good while the EU average stands at 26.8%, and 37.7% of Poles perceive their health as bad compared to an EU average of 21.1%<sup>66</sup>.

Graph (10) below shows the situation of multimorbidity (two or more chronic diseases) in selected EU countries. We see that 30% of people aged 65-79 experience chronic diseases, which are likely to have an impact on both their employability and their social activation. Compared to other selected EU countries, this number seems relatively high.

**Graph 10. Older population experiencing multimorbidity (two or more chronic diseases) in selected European countries in 2011 (%)**



Source: own elaboration based on SHARE data

The feeling of being in poor health and not being able to pursue a professional or social activity is a very common reason for an older person not to engage into a socio-economic activity. Poor health leading to sickness and taking sick days off hinders effectivity at work, which is likely to lead to a lack of motivation, and creating a disengagement effect is seen as unproductive by employers. The issue of health is thus a core topic in the debate around extending working lives. The issue of poor health needs to be tackled through the improvement of facilities, services, infrastructure, and access to gerontology, rehabilitation, cardiology and all medical specialisations that particularly concern older people’s health issues.

<sup>66</sup> Eurostat data

In terms of physical activity, statistics<sup>67</sup> show that 51.8% of people aged 55-64 were physically active in 2008, compared to 33,3% in Austria and 43.4% for Spain. As far as the age group 75-84, the figures were of 29.1% for the same year, compared to 12.2% in Austria and 24.4% in Spain. This shows the physical dynamism of Polish elderly people.

The healthcare system still suffers from the communist times in the sense that it lacks modernization<sup>68</sup>. The specialty of gerontology is very rare in some city hospitals, and thus older people cannot benefit from adequate care. To achieve modernization and tackle this barrier to innovation, Poland needs financing, access to medical infrastructure (rehabilitation centres, ICT tools, developed cardiology and endocrinology departments<sup>69</sup>) - especially in rural areas – and efficient prevention and awareness rising campaigns<sup>70</sup>.

## the United Kingdom

Health and healthy living have become increasingly important issues both in society at large and in the workplace. Employers and trade unions are taking a broader view of health at work so that issues such as smoking, alcohol and stress are being considered alongside traditional occupational health issues such as noise, dust and chemical hazards (ACAS, 2012).

Work can have a positive impact on our health and wellbeing. Healthy and well-motivated employees can have an equally positive impact on the productivity and effectiveness of a business. However, achievement of work-life balance requires understanding of the relationship between work and physical as well as mental wellbeing.

Government figures (Choosing Health WhitePaper, 2004) indicate that two million people suffer an illness they believe has been caused or made worse by their work. This can take the form of stress, anxiety, back pain, depression and increased risk of coronary heart disease.

Good employment relations depend upon effective policies for managing people; covering communication, absence, grievances and occupational health. Furthermore, high levels of trust between employees and managers, which can be nurtured by involving employees in decision-making and developing an open style of communication.

Research has considered the relationship between work and health. For example, Farrow and Reynolds (2012) look at health and safety risks of workers aged over 60 with respect to factors associated with injuries and accidents. They found little direct evidence concerning safety practices and health risks of workers over age 60. Some safety risks were associated with specific physical declines such as age-related hearing loss. Overall, these workers had fewer accidents and injuries but these were more likely to be serious or fatal when they occurred. They argue that protective, compensatory strategies or experience may maintain safe working practices.

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<sup>67</sup> Eurostat data

<sup>68</sup> [http://www.euro.who.int/\\_data/assets/pdf\\_file/0018/163053/e96443.pdf](http://www.euro.who.int/_data/assets/pdf_file/0018/163053/e96443.pdf)

<sup>69</sup> [http://webapp01.ey.com.pl/EYP/WEB/eycom\\_download.nsf/resources/Ocena\\_mozliwosci\\_poprawy\\_EN.pdf/\\$FILE/Ocena\\_mozliwosci\\_poprawy\\_EN.pdf](http://webapp01.ey.com.pl/EYP/WEB/eycom_download.nsf/resources/Ocena_mozliwosci_poprawy_EN.pdf/$FILE/Ocena_mozliwosci_poprawy_EN.pdf)

<sup>70</sup> <https://www.google.pl/url?sa=t&rct=j&q=&esrc=s&source=web&cd=3&cad=rja&uact=8&ved=0ahUKewiM-sePgpdLNAhXjJoKHbHID8lQFgg0MAI&url=http%3A%2F%2Fec.europa.eu%2Fsocial%2FBlog-Servlet%3FdocId%3D4434%26langId%3Den&usg=AFQjCNEXvb7icq23DNar8sPDSJkUuUaA>

Gannon and Roberts (2011) consider the impact of health on the work decision of people aged 50 and over in the UK and Ireland. In Britain, those with health problems are less likely to work full-time and more likely to work part-time. As well as allowing workers with health problems to stay in employment for longer, allowing flexible working practices, including part-time working may help to alleviate some labour supply shortages and fiscal pressures for firms.

Nunez (2010) examines the effect of increases in age on 16 health problems that affect paid work for men and women in the United Kingdom. Problems with heart, blood and circulation, arms and hands, legs and feet were strongly related to age, while difficulties in seeing and hearing, skin conditions and allergies appeared not to be more prevalent among older workers than younger employees. In general, women's health-related ability to participate in work was less affected by age, but that they suffered particular problems with arms and hands, skin conditions, allergies and depression.

In some circumstances where recruitment of older workers was considered favourably, health issues played an important role in these decisions. For example, Barnes et al., (2009) found that ill health was rarely raised by employers as an issue in relation to recruitment. However, some employers argued that this had not been their experience, and that they had dealt with health problems across the age spectrum. Other employers acknowledged that there was more serious or chronic illness among the older workforce, but that this was balanced by lower short-term absence, and was an issue that could be managed effectively, in the same way as maternity and parental leave is dealt with for those of childbearing age.

Specific issues around employment and health were also identified. For example, a transport company with difficulties recruiting drivers was 'an enthusiastic employer of people in their 40s and 50s'. However, the compulsory medical associated required for licence renewal for drivers in their 60s, although a vital safety measure, in practice tended to limit recruitment of workers approaching 60, as there was no guarantee of a good return on investment in their training.

## **the Baltic countries**

In Estonia, an important role in the move from labour market to retirement is played by work incapacity pensions. To illustrate, in the beginning of 2013, about 16% of men aged 55 to official retirement age received various types of old-age pensions, and 26% received work-incapacity pensions. Among women, the share of old-age pensioners is slightly higher (22%) and share of work-incapacity pensions lower (24%). With the aim of tackling the growing number of people receiving disability pensions, Estonia is taking a **shift from passive payment of work incapacity pensions to activation** through labour market measures and a stronger link between benefits and activity criteria (Võrk, Viies, and Leppik 2015). The work capacity reform is implemented as of 1 July 2016 in Estonia. Considering the high share of people, particularly men, inactive due to illness or disability in Estonia (see also challenges highlighted in the introduction), this reform has potentially high impact on motivating employment and supporting activation, particularly in pre-retirement age. The reform aims to bring between 10,000 and 15,000 working-age people to the labour market by 2020, whereas the public sector is committed to employing at least 1,000 people with limited work capacity (Võrk, Viies, and Leppik 2015). As a result of the reform, the existing labour market measures will be made available for work capacity benefit receivers who are looking for work and a range of new measures will be introduced: temporary sheltered employment, transportation support, work-related rehabilitation, mobile counselling and experience based counselling (Ibid.). Employers will be provided with counselling and training programmes when employing people with health problems (Ibid.). An initial evaluation of the reform is planned in

2017, which should give indication of the success factors as well as problems of activating those excluded from the labour market due to illness. In addition to further development of the work capacity reform in Estonia, this can also be a useful learning experience for other countries struggling with high inactivity due to illness or injury prior to retirement.

Some attempts have been taken in the Baltic countries to **motivate employers' investments and efforts in contributing to employees' health and occupational health and safety**. For instance, in Lithuania, legislative amendments from 2008 provided for the differentiation of the amount of insurance contributions paid by the insurer, depending on the number of accidents at work (Nurmela, Osila, and Leetmaa 2014). Furthermore, it refers to the methodology of ascribing insurers to the groups of rates of social insurance contributions of accidents at work and occupational diseases (Ibid.). Some recent research has suggested implementation of similar measures in Estonia as well, which would, according to rough estimates, prevent around 10% of occupational accidents annually (Masso et al. 2015).

In Estonia, tax reductions on employers' expenses to improve employees' health has been discussed for several years. While both, employers and trade union representatives have supported the abolishment of the tax (Kallaste 2007; Osila and Turk 2011), the state has so far opposed it arguing that tax reductions would not give the expected effect as it would decrease social tax revenues and thereby have a negative effect on the health and pension insurance financing (Tamm 2010). Nevertheless, in April 2016, government announced that as of 2018, up to 400 Euros of employers' expenses on employees' health per year will be free of fringe benefit tax<sup>71</sup>. This is not a new / innovative practice in European comparison, although it serves as a good example of success factors of similar intervention mechanisms across different institutional and social contexts.

Efforts have also been made to **raise awareness of health risks** at work through various information campaigns. For instance, in Estonia several knowledge campaigns have been conducted regarding health risks at work, including prevention of falls (2009), guidance and training of employees regarding occupational safety (2009), raising awareness among employers and employees regarding their rights, healthy and safe working conditions (2012), working environment management in companies (2012), campaign on psychosocial risks at workplace (2012) (see also Ministry of Social Affairs 2010; Ministry of Social Affairs 2009).

### 3.1.2.2 Meso level

#### Belgium

Belgacom has devised a plan to encourage older workers to remain active. As part of this plan, the company focuses on the work environment (e.g. to ensure that workers are comfortable, while keeping in mind ergonomics) as well as a health program (which aims to educate workers on living and working in a healthy way). The company also has a plan to reintegrate older workers that have been away for some time, for example due to illness.

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<sup>71</sup> Valitsus toetas töötaja liikumisharrastuselt erisoodustusmaksu kaotamist, 27.04.2016 (in Estonian): <https://valitsus.ee/et/uudised/valitsus-toetas-tootaja-liikumisharrastuselt-erisoodustusmaksu-kaotamist>

Other companies have also focussed on establishing a good life-work balance. One example is Mestdagh Group. In the construction sector, a lot of attention is paid to workers' health. The main challenge for older workers in this sector indeed is the level of physical activity. For this reason, the sector federation has prepared a publication on the well-being of workers in close collaboration with the national action committee for safety and hygiene in the sector. This publication also deals with health issues.

## **the Czech Republic**

The car maker ŠKODA AUTO a.s. is most often quoted as an example of inspiring good practice. Its involvement in a variety of projects (such as "Third Career"), personnel programmes (e.g. "Programme for long-term employment 50+") as well as "Workplaces for all ages" that proposes to keep employees in active employment, to maintain key competences in the company, to cultivate know-how and finally also to strengthen the company's social responsibility in supporting the employment of people with reduced functional ability. As was already mentioned in previous country report (WP3 task 1 (2013)), the company is motivated by demographic developments as well as the insufficient potential of young workforce on the labour market and also by the recorded reduction in the productivity of older employees as a consequence of worsening health. The programme is based on the principles of inclusivity (it incorporates all the employees) and an individual and social approach. Its pillars are health, social policy and education and it includes preventive healthcare programmes, technological alterations (automation, ergonomics) and motivating employees to maintain their health and prepare for changes (mainly through training and education). Concrete examples include Health Days, personal healthcare plans, certification of workplaces, founding of workshops for employees with special needs. In training and education examples include mentoring, Foremen to Foremen, special courses for particular age groups. The Vitalization Programme is another example. It targets employees from mid-management level up to foremen who are aged over 50. The Vitalization Programme aims to support and strengthen the productivity and potential of seniors, to provide support with employment and private life issues and finally to strengthen individual motivation and flexibility in line with the company's needs. In the area of organization of work we find measures intended to prevent fatigue from monotonous work at the assembly lines (controlled rotation etc.). Probably the most famous programme Seniority is not defined by the age of an employee but rather his/her 30-year history of employment at the company. A senior can be transferred to a more suitable position and – depending on the reason for the transfer – a compensation for the difference in income and its duration is calculated or an employee can remain in his/her current payment grade. If a senior has fewer than five years left before retirement, it is possible to negotiate about other forms of compensation. Seniors are also annually entitled to one day of paid leave and those working in selected workplaces can also get another five days off for rehabilitation stays that are subsidized by the employer. Yet another example of good practice from ŠKODA AUTO is the "personnel pool" that is "filled with" employees who lose functional work ability due to health issues, who are long-term ill, who are made redundant due to organizational changes etc. This pool is then used for new projects, permanent appointments, re-qualification, extra work or ad hoc projects. The measures listed below are financed from three sources: payroll budget (employee remuneration), special social fund based on the current collective contract (ca. 200 million CZK in 2012 – for selected social benefits provided by the company) and investment costs (e.g. the creation of positions for employees with special needs). In organizational terms the measures of the Seniority programme are implemented by various specialist units, mainly by human resources (Operational care for human

resources, Development of human resources, Health and safety ...). Apart from the above, the company also provides and organizes preventive programmes that play a role in maintaining the health (not only of) seniors, e.g. when diagnosing serious civilizational illnesses (cancer, cardiovascular diseases) and ensuring timely treatment. The company also created 200 jobs for employees with special needs which are also available for seniors. In addition, all employees receive a monthly payment of 800 CZK for a voluntary pension contribution. Apart from providing a special bonus at employee anniversaries (up to 45,000 CZK), the company also provides a one-off payment at retirement (the sum of two average monthly salaries). The company evaluates these measures as successful, and currently stabilized, likely to be subject only to parametric changes in the future as there are other areas to be prioritized. ŠKODA AUTO intends to focus on areas such as the creation of flexible positions for sole breadwinners and mothers on parental leave; or internationalization of the workforce.

Union of the electricity industry “Eurelectric” provides their members with extensive list of age management measures including health management a healthy life style at the work place, stressing the need for preventive programs for entire work-life duration. The original document is translated to several languages, including English and Czech.<sup>72</sup> As a part of health care for extended working life these measures are quoted: to identify health risks and health promotion activities as part of an overall strategy; establish a working group on health and well-being in the workplace; workplace health checks; training of managers and supervisors; healthy eating and hydration, stressing mainly the need for hydration (project Water@work); fitness at work; subsidies for health insurance; employee and trade union participation; creating age-conscious workplace design and age conscious occupational health, by measures such as distribution of work tasks, analysis of workplace and job design; workshops on ageing or rehabilitation courses for older workers, which can be combined with redeployment, job redesign and job rotation.

Health policies are set in general on the macro level defining the minimal requirements, such as safety at work, however, the complex health care at work needs to be supported at the level of the employers who a) understand the specific health risks typical for their industry, and specific job positions; and b) have to bear a part of the financial burden brought by the employees sick days cost and productivity loss.

## Denmark

A number of initiatives at the meso and company level have focused on health and specifically how to reduce health related absence.

The ‘Senior workshops’ (described below) measured some aspects of health as part of their two day workshops. The purpose was to alert participants to the importance of investing in good health. The evaluation showed that participants were considering changing their behaviour in response to what they had learned in the workshops (Discus, 2013). As explained below no systemic evaluation including a control group has been conducted.

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<sup>72</sup> <http://www.eurelectric.org/Demographic/CZ/toolkitczechp12.htm> (Accessed: 7.6.2016)

### *ServiceTeam Nyborg, public cleaning company in Denmark*

The main actor in this example is ServiceTeam Nyborg, a public cleaning company under the Municipality of Nyborg – a mid-sized Danish municipality with a population of 30,000 inhabitants – situated on the island of Fynen. ServiceTeam Nyborg is a self-managed entity under the budget supervision of the Municipality of Nyborg. Its main business is cleaning in a wide range of municipality institutions, e.g. schools, kindergartens, elderly homes and offices. Beyond its core cleaning business, it also offers ad-hoc services such as washing for municipality institutions. ServiceTeam Nyborg has 80 employees. In 2012, ServiceTeam Nyborg was awarded the prize for the best work environment in the Municipality (in Danish “Årets Arbejds miljøpris i Nyborg Kommune”) (see also FS, 2012).

A project named ‘Early action’ (in Danish ‘Tidlig indsats’ which ran from December 2014 to September 2015) was aimed at spotting physical or psychological problems at the workplace at the earliest possible time before it could develop into bigger problems. It involved a commitment of senior management (including team leaders, which have the day-to-day contact with employees) to increase awareness of well-being of employees, and if potential problems – physical and/or psychological – are detected, they approach the employee with an offer of a first counselling (psychological, physical). Employees can also initiate the process, which starts with a general “well-being consultation” with the team leader. Participation is voluntary. Information has been very open. The quarterly staff newsletter (ServiceTeam, 2015) has featured interviews with employees having benefitted from the process.

The ‘Early action’ project was implemented with the help of the Job Center and a state grant (via the Job Center) to finance professional help when requested. The project has been evaluated internally in ServiceTeam Nyborg and is awaiting the external evaluation by the Job Center. Results suggest a significant fall in overall sick leave from 6 to 4 percent, translating into approximately 5 days less sick leave per employee per year. It is important to note, that this is an average over all employees not only those involved in the project. Sick leave had been on a downward trajectory for a number of years. How much of the decrease is due to the ‘Early action’ project is difficult to assess. With this caveat in mind, it is still impressive that the sick leave percentage in an occupation vulnerable to health problems can be much lower than for the average of employees in all Danish Municipalities and likely much lower than in the cleaning sector (FOA, 2004). This improvement has come alongside other initiatives on retention and longer working lives.

### *Senior Packages for SMEs*

An element in the support for retention of older employees in SMEs – ‘senior packages’ (see section 2.3.2) – was to foster and enable employees and SMEs to bring awareness to health issues which could develop an lead to further issues at work related to workability. The initiative which ended in 2015 was evaluated but with little focus on the health aspect.

## **Finland**

### *Occupational health care*

In Finland the occupational health care has a good coverage as 93% of employees are covered. The occupational health care is partly reimbursed by the tax-funded Social Security Institute (KELA) that reimburses 60 % of costs for preventive care and 50 % for other type of care (Kangas 2014).

The flip side of the good occupational centred health care is that it creates a fast track for the labour market insiders, whereas those outside of labour market, mainly the unemployed and the elderly have a much more precarious situation when it comes to health care (Kangas 2014). They depend solely on the municipal or private health care centres. In many municipal health care centres, especially in the rural areas, there is a shortage of physicians (Sumanen et al. 2012). Private health care is only an option for those with sufficient wealth. This dualization between health care insiders, who have access to good occupational health care, and health care outsiders, who do not have, may create and maintain socio-economic and regional differences in health.

The lifestyles (e.g. healthy food choices) of socio-economic groups differ from one another. The educational level associates with healthy food choices (Ovaskainen et al. 2012). This might also have an impact on health inequalities.

The Finnish Health 2015 programme (2001-2015) aimed to reduce the differences in mortality rates between different occupational groups and education levels by a fifth till 2015. It did not succeed in this; actually the differences partially grew during this period (Rotko/Kauppinen 2016: 35). The relative health inequality between socio-economic groups has persisted in Finland despite numerous policy targets prior to the Health 2015 programme. This might suggest that more community-based health promoting interventions, targeting especially rural labour market outsiders, could work in reducing the health inequality and simultaneously enhance the employability of the target group. Finland has a good tradition in similar successful interventions (see 'North Karelia project' Puska 2002).

To allow older employees more time for recreation **Abloy Oy** (a manufacturer of locks, locking systems and architectural hardware and a developer of products in the field of electromechanical locking technology, 1200 employees) introduced a time reduction programme for workers 58 years and older with a full-time contract. Those that are 58+ and do a fitness test per year are allowed to get some additional free days (e.g. 6 days/year with 59 years, 12 days/year with 62 years) (based on Linnenschmidt 2015).

## Germany

### *Physical health*

Pieper and Schröer (2015) provide a summary of 32 meta-analyses published 2006 – 2012 (covering nearly 1000 studies) for several categories of occupational health programmes (numbers of meta-analyses in brackets):

- Programmes for increased physical activity (6)
- Programmes for healthy nutrition (3)
- Programmes for smoke cessation and tobacco control (8)
- Programmes for alcohol prevention (1)
- Programmes for weight control (8)
- Programmes with multiple components (12)

- Participative ergonomic measures (1)

Studies analysed are not restricted to Germany. The authors report a high consistency of findings. Programmes for increased physical activity, for weight control (only for combined programmes) and tobacco control are primarily successful where different measures are implemented, aimed at both employees' behaviour and on external circumstances. In the case of tobacco control, positive incentives were the main instrument (competitions, bonus programmes with financial/material aspects). For alcohol prevention and participative ergonomic measures the data situation is not good. Between 2006 and 2012 only one meta analyses on alcohol prevention had been published. In contrast, weight control seems to be of increasing importance in occupational health. For healthy nutrition, positive effects on nutrition could be detected, but no effects on weight or body fat percentage.

In numerous circumstances, e.g. physical activity or healthy nutrition, several authors of meta analyses criticise methodological flaws, as, for example, the lack of control groups or non-objective goals of interventions.

#### *Mental health*

Pieper and Schröer (2015) summarise 19 meta analyses covering programmes for the prevention of mental illness. Compared to a comparable time span before 2006, the period 2006 – 2012 has shown a remarkable increase of meta analyses, as one might expect due to the increasing prevalence of diagnosed mental illnesses.

Results are too numerous and differentiated to be reported here. For example, a meta analysis of studies on stress prevention comes to the conclusion that the main goal of lower absenteeism is achieved in 5 out of 9 studies, whereas mainly long interventions with measurements shortly after intervention seem to be successful, hinting at possibly weaker medium- or long- term effects.

Pieper and Schröer (2015) point out that the field of the prevention of mental illness or for increased mental well-being is very heterogeneous, in terms of measures and in terms of measured goals, such as (lower) rates of depressions or anxiety disorders or stress. Primarily for the latter different measurements are possible, reducing the comparability of studies.

Many companies/organisations try to improve their employees' health. For example, ABB offers medical screenings and preventive measures, as well as measures in the areas of nutrition and fitness (e.g. Nordic Walking courses). The engineering company Fahrion provides height-adjustable desks, which is a relatively cheap solution with possibly remarkable benefits.

Audi offers the ‚Audi Checkup‘, a screening scheme for several sickness, offered for free for every employee 35+. Bayer's health management is very comprehensive, consisting of several stages of health checkups, numerous sports courses and reductions of work-related health burdens. Similarly comprehensive are health measures at Hansgrohe, covering areas such as movement (including regular jogging meetings and a company long-distance run), nutrition, relaxation and addiction. Ergonomics for workers is a high priority, such as lifting adjustments and height-adjustable desks (Egenter/Schoof 2010). Similar to Hansgrohe's long distance run, InfraLeuna has its own football league with other companies at the ‚ChemiePark‘. Further, the company offers volleyball, swimming for shift workers, back training and preventive sports, and a wide range of health-related services, and supports its employees' participation in long-distance runs in the region. Katjes, a company producing sweets, has a

health day and 10 back training days every year, and introduced hydraulic lifts and ergonomic office chairs and also height-adjustable desks.

Very simple (and, therefore, inexpensive) measures have been undertaken by Schmiedewerke Gröditz, a steel producer: Ear protections and flexible lighting.

Mental health becomes increasingly important. Here, Lufthansa offers counselling if employees face personal challenges and crises. At Salzgitter (steel production), a programme for the prevention, early diagnosis and treatment of mental illnesses is conducted in cooperation with the local health insurance. At SAP (software), high self-responsibility for working times partly results in tensed, exhausted and burned out employees. In order to prevent psychomental stress, the company conducts employee surveys which are discussed by leaders with their respective teams. A company survey shows that health measures contributed to high job satisfaction. Universitätsklinikum Jena is a hospital and therefore a typical working place where employees can be mentally overburdened. In the context of health programmes, stress, burnout and mental overload are talked about. Further, in-house counselling is offered. In the field of prevention, a ‚mini active break‘ allows employees to exercise at their workplace. Again a completely different company, Hering Bau, a company in the field of building-related services and products, shifted its health focus from the traditional field of physical health (e.g. through back training and access for employees to a fitness club) to mental health. An employee survey shows the general picture. A very innovative feature is the company’s cooperation with a local advice centre for marriage, family and vital questions. Employees use the offer to get advice there. The last company, Wurst Stahlbau, a company building steel constructions e.g. for roofs, let a consulting institute of a health insurance conduct an employees survey to get information concerning working conditions. Several measures have been introduced, whereas the interesting feature of this case is the company’s very positive cost/benefit calculation.

#### *Sozial-Holding der Stadt Mönchengladbach GmbH*

The core business of Sozial-Holding is running seven nursing homes.

Sozial-Holding offers special courses which help employees to better cope with stress during work. The courses are carried out by the own Bildungs-GmbH (education company). A special characteristic is that courses do not only take place in classrooms but also on the job. That means that trainers accompany the employees for a couple of hours and train them during their daily work. This method has various advantages. It is better combinable with work duties, course content is instantly applied and it corresponds better to the learning habits of older or low qualified employees.

Workplace health promotion in the Sozial-Holding covers orientation for new employees, workplace analyses and health training supported by a certified health advisor. For mental issues the Sozial-Holding offers psychological counselling.

The certified health advisor plays a key role for health promotion because she coordinates the health measures and offers employees personal contact. The health advisor studied rehabilitation and health management, works full-time and with her qualification she may counsel and also give classes. She is present in each nursery home one day per week. There she offers individual health counselling, Pilates and walking classes, rest periods and instructs employees at their workplace, e.g. how to lift a resident. Individual health counselling is about topics like physical health, stress and nutrition. Because of her

frequent presence and her personal contact there is high mutual trust between her and other employees. During the orientation for new employees the importance of and the opportunities for health promotion are emphasised. Therefore, they know right away what they can do to maintain their health and who they can address for health issues.

In each of the nursery home there is a health representative and a fitness centre. The health representative is qualified, acts as a contact person and gives introductions for the workout devices. The health representatives in the nursery homes work close together with the health advisor. Furthermore, since 14 years massages and osteopathy are offered by a physiotherapist at the workplace. Costs are covered by the employer. Additionally a long-distance run and a health day is taking place once per year. During the health day employees can conduct health checkups and check e.g. their blood pressure, blood sugar or blood vessels. This can be done during working time; every employee may take part for up to one hour.

Workplace analyses are made to examine the strains of the individual employee. The results of the analyses lead to suggestions for workplace improvements and new initiatives.

Since the prevalence of diagnosed mental illnesses was strongly increasing, psychological counselling for employees was introduced in 2012. However, mental problems are still a taboo and it takes usually very long to get an appointment for a psychological therapy. To avoid long waiting times and to guarantee anonymity, an external contractor for psychological counselling was engaged. Employees are being actively informed about this offer by mail, intranet and internal meetings. As psychosocial problems can also affect relatives which may result in strains for employees the service is offered for both employees and their relatives. To identify psychological strains of employees working in care and to assess the demand of psychological counselling, regularly a survey is carried out by an independent research institute. According to the interviews about 10% of the staff is making use of this service and the prevalence of mental illnesses has been reduced remarkably.

The health measures are highly appreciated and frequently used by the staff. Particularly the certified health advisor, the massages and the psychological counselling are strongly used. Measures that involve physical exercise are not as popular. The fitness centre is not used by many employees and the trial of an instructed break with physical exercises failed even though it was not exhausting. The employees prefer to relax in their breaks and after work because their work is physically demanding. Renaming of the active break into relaxing break increased the interest a lot.

The psychological counselling costs 50,000 Euro per year. As mental illnesses often lead to long term non-productive time the return on investment of the counselling is quite high. Measures are financed by the company's own budget or by governmental funding that all care services are entitled to (e.g. the hospital per diem charge (Pfllegesatz)). The CEO emphasises that the employer has the responsibility to act preventively and pay measures in advance. Hence, the measures developed always result from an actual internal demand and are conceptualised individually.

Driving forces are the CEO and the works council. The CEO is very open to new approaches and keen on working condition improvements. Continuous surveys and analyses of reasons of sickness absence reveal the demands of the employees.

*InfraLeuna GmbH*

InfraLeuna Ltd. and associated companies own and operate infrastructure facilities at the chemical site Leuna, one of Germany's biggest industrial sites, with about 9 000 employees in more than 100 companies (Nowak 2013). InfraLeuna has 700 employees and offers a wide range of services and provisions to the companies located at the Leuna site. InfraLeuna is not only providing services but also develops the site (InfraLeuna GmbH 2015a; Nowak 2013).

The preventive health programme exists since 2005. The within-company agreement "Preventive health" is considered the start for a health-conductive design of working places within InfraLeuna (Interview works council 2015). The health programme (concluded as voluntary company agreement) is the basis of the implementation of the company health management, which is to be extended according to the collective agreement „Zukunftssicherung“ („safeguarding the future“) (collective agreement „Zukunftssicherung“ 2012). Health-related measures are comprehensive and encompass measures of occupational safety, of integration management, as well as measures to create age-appropriate workplaces. This is accompanied by offers from the company doctor service, the utilisation of physiotherapy, additional medical checks free of charge as well as a health week und regular activities to health issues and numerous sports activities (Nowak 2013).

The sports programmes offered by InfraLeuna in cooperation with the local sports club is comprehensive. The membership fee for the sports club is covered by InfraLeuna; this also applies to employees' families. The company sports programme encompasses an on-site football league, volleyball, swimming for shift workers (with adjusted opening times), back training as well as preventive sports. Further, employees are supported and motivated to take part in a local marathon run, the company team triathlon and a charity run (Nowak 2013).

The company doctor service offers annual medical check-ups as well as seasonal influenza virus vaccinations. Further, in case of acute sickness, first care free of charge is offered by the company doctor service. Additionally, all employees are informed monthly about current health issues (InfraLeuna GmbH 2015b).

Further, there is an in-company physiotherapist offering massages. Part of the physiotherapist's tasks is to check working places under aspects of ergonomics, the instruction of employees for exercises at the workplace as well as training for the firefighters and the execution of prevention courses (Interview HR department 2015; Interview Works council 2015).

In the context of annual health weeks employees have access to free tests of eyesight, hearing and glasses. Further, offers encompass nutrition advice, measurements of body fat, measurements of vein and blood pressure, a back-friendly fitness check as well as lectures, workout advises and taster courses in the sports room (Nowak 2013).

On action days there are additional medical check-ups, e.g. skin screenings. The high attendance partly results from the fact that measures take place at employees' workplaces. Further, during action days there are lectures on issues such as alcohol, intestinal cancer and flu pandemics (Nowak 2013; Interview works council 2015).

Due to the general rise of diagnosed mental illnesses in Germany, the offers from health management were complemented with external physiological employee consultation. Besides the possibility of advice by telephone, in case of need there is the possibility to get a quick appointment with a psychologist (patients normally wait for months for such an appointment). Based on employee surveys, mental

burdens at the workplace are analysed in order to keep them low (Interview HR department 2015; Interview works council 2015; InfraLeuna GmbH 2015b).

In order to coordinate and to further develop health activities, in 2010 a health team has been founded. The team consists of twelve employees from ten work areas. It is headed by the company doctor service. The task of the health team is the optimisation of the health services, e.g. the organisation of the health activities and the continuous provision of offerings supplementing the health week. Another important part of the team's work is the communication of information to employees. The members of the health team meet once every five or six weeks. For the time of the meetings the team members are released from the normal duties (i.e. they get paid for the time of the meetings) (Interview HR department 2015; Interview works council 2015; InfraLeuna GmbH 2015).

From 2012 until 2014 InfraLeuna Ltd. in cooperation with the Fresenius University of applied sciences and the Institute for Applied Work Science (Institut für angewandte Arbeitswissenschaft) took part in the EU-funded project "g.o.a.l.". In this project six employees got further trained and became multipliers for workplace health management. Since 2013 those six employees reinforce the health team. The superordinate task is the communication between employees and health team. Employees' preferences and needs are conveyed to the health team this way, in order to extrapolate demand-actuated measures. Multipliers' work takes place under an annually changing slogan, e.g. in 2015 with the title "InfraLeuna: Wir sorgen vor!" ("InfraLeuna: We take precautions!") (Interview HR department 2015; InfraLeuna GmbH 2015b).

For the implementation of the fields of action laid down in the collective agreement „Zukunftssicherung“ („safeguarding the future“) the ring-fenced financing via an in-company fund is ensured.

According to the HR department, the costs for health measures are low. For sports activities, expenses are limited to the sponsorship of the marathon, financing of equipment and membership fees for the local sports club. Offerings on action days take place in cooperation with statutory health insurances (Interview HR department 2015).

Similarly, health-related staff expenses are low. The physiotherapist is a permanent member of staff. The massages which can be utilised during working time are being paid by employees themselves. In some cases employees can be reimbursed by their health insurance (ibid.).

Further training is financed by the company. In the past, subsidies by the European Social Fund (ESF) were used. Due to the bureaucratic burden InfraLeuna will refrain from applying for ESF funding in the future (ibid.). In comparison to health measures, flexible working time arrangements are a bigger expense factor (Interview works council 2015).

This chapter is based on Bauknecht/Bössing 2015.

#### *Wurst Stahlbau: Health measures and cost/benefit calculation*

The company states that annual health management expenses of € 40 000 (€ 235 for each employee) lead to savings of about € 170 000. Savings are caused by the low number of work accidents, the low sickness absence rate and the low staff turnover, which leads to low search costs for new employees. Further (and hard to measure), employees' motivation is higher.

In 2005, Wurst Stahlbau introduced its company health management order to “do something good for the own employees which exceeds what competitors do” (the head of the personnel department who is also project leader of the company health management, also stating that the company “wants to offer its employees something” and wants its employees “to go relaxed into the weekend”). A consulting institute of AOK (Germany’s biggest health insurance) supported the introduction.

Firstly, an employee survey has been conducted to get information concerning the working conditions. This has been supplemented by a site inspection, workshops for leaders and talks with management. A steering committee for health management has been founded who agrees on health measures together with management. Working groups meet every 3 month and more often if needed. The goal of health management has been the optimisation of the working environment, the reduction of working strains, behavioural prevention, the identification of contact persons and enthusiasm amongst the employees due to changing health management activities. Advice on order, cleanliness, ergonomics and the re-organisation of some parts of the workflow alone already reduced the number of working accidents. Employees’ interest rose in the last years, as well as the number of behavioural prevention measures (from 4/5 to 15). Now there are first aid courses, relaxation courses, smoking cessation courses (by an external partner, yet subsidised by the company), confidential persons for issues of mental health and representatives of HR management for personal talks.

An expert stated that the life cycle is important, and here also the concept of empowerment. Here, it is to be noted that in a different part of the talk an expert stated the lifelong learning increases workers’ control over their tasks, which reduces stress and therefore reduces health hazards.

In some occupations at age 50 and after 30 years of exposure to cancerous substances it is too late. The duration of exposition to health hazard has to be limited, but, as the expert said, the workers also have to earn their money. So for the expert two issues are (1) how to implement this in the company and (2) what to do with those whose health is already bad? For this, the issue of disability management is raised. According to an expert, this is an important issue currently in many companies. For example, in some cases of mental illness it is possible that someone cannot work any longer with contact to customers or other business partners. Here always the question merges if there is any area left where this person could work within the company, also since it is not as simple as with some physical illnesses, that is, adjustment of working conditions can be more difficult. For example, in the MoPAct Work Package 3 Task 1 interviews with assemblymen for fences and gates interviewees pointed out that it is not possible that two men establish gates and fences together and the physical workload is distributed strongly unequally. They said it is possible and done in the company that the younger workers do more physical demanding work, but it is not possible to relieve older workers from physical burdens to a considerable degree.

Another issue is (3) social inequality in health risks: Low formal education, low-skilled jobs lead to higher a probability of health-induced labour market exit, also to death. Especially for those from low-SES families risks cumulate, and at some point one has to ask if it is sensible that they carry on working. The expert stated that different concept are needed, one for the old ones and one for the young ones.

Related to the question what to do with those whose health conditions disallows them to continue in their current job is the topic of job change. An expert referred to jobs with short duration. Here the questions is how to allow the worker to shift into a different job. The expert states that basically this

issue's potential is by far not used. Qualification for job changes is increasingly a research topic. A part of workability problems can be solved. Job changes can be facilitated by new business areas of the company where the worker is employed, and here the question is if employees are sufficiently qualified for this. Another issue is the silo mentality with closed business and task areas. The expert asks if regulations or derulations are necessary to facilitate job changes. Also companies have to be active here and to prepare the employee timely for job changes. Further, social partners do not have in mind that employees could change between sectors, they always talk about their sector. This also applies to the Federal Employment Agency, which finances further training for job changes only in emergency situations. The expert suggested that a mobility-facilitating approach in mid-career is desirable.

The project TErrA tries to increase the neuroplasticity of the brain during working life, so that the affected person can imagine a job change when this becomes necessary. It is tried to find practical solutions in regional networks, where there is proximity between the old and the new company of the affected employee. This could be a business model for regional networks. TErrA tries to find solutions with the affected persons, science and stakeholders (local networks), primarily for SMEs since large companies are able to do this. The expert emphasises that cross-system thinking is necessary. For example, a roofer can have a look at the roof with a drone (as understood by the author, before the repair process) and check the quality after the repair process, then his activity is valuable on the labour market. Another issue, the expert stated, are the attitudes. A field test at the pension fund has shown that the preparedness for supportive measures is only weakly developed. There is supply and demand, and even if there was demand, there is no supply. The expert mentions an example: If someone has cared for two people for ten years, and wants to do elderly care as a paid job. Yet the person is not employed.

Concerning implementation at employer level and legal regulations, an expert explained that the state of research on occupational health measures is good. It is known what is good for health, e.g. appreciation, good wages, stress models, autonomy. To the expert the eternal question is: Why is this not implemented in companies? The expert refers to Sena / Zena, a large European management study. There are clear country differences concerning health protection and innovative health promotion, with the Scandinavian countries and the UK as forerunners. They do this, according to the expert, because there are laws and because they are afraid that there is an inspection. The expert stated that he believes that this is an important issue: Often the impression appears that just the right arguments have to be used in order to motivate companies to implement pro-health measures. Yet not all companies are accepting this.

A related idea is to link employee contributions to the health insurance or accident insurance to company-specific labour market exit rates, one expert suggests. Another expert states that there are laws for occupational safety, but they are disregarded, since nobody cares if there is no hazard assessment. If there were more strict controls and more severe punishments for non-compliance, things would change remarkably, the expert suggests. An expert remarks that this could have negative consequences for companies' hiring policies. There are findings from Finland. The expert states that it is known in which sector the share of workers leaving the labour market early is high. In a second step, trade control and Employers' Liability Insurance Associations could control via hazard assessments. In order not to punish the victim it should be assessed how working conditions are in companies of sectors with hazardous working conditions. Has the employers the hazards under control? Based on the sector-specific disability quota, those with worse results (higher sickness-induced dropout rates) pay more and others pay less. A second idea by the expert is that health insurances reward companies for

good projects, as is done for example by AOK Niedersachsen (AOK is a very large health insurance, Niedersachsen / Lower Saxony is a Federal State). Yet, as the expert noted, the whole area is a patchwork of different health insurances with different measures (and health insurances have their local branches). This should be standardised. Companies should be rewarded for good practice in health promotion, get a bonus and in order to compensate for this, other companies have to pay more to health insurance.

Another issue the expert stresses are HR management capacities at SME level. It can be seen that SMEs have problems here. The expert said “we academics say ‘no problem, just read this book here’”, but the master craftsman has a layman’s knowledge on topics like stress and burnout, which is quite understandable. And, as the expert explains, this is related to lifelong learning: Students can read business administration and become company leaders but without any knowledge on occupational safety, or how to treat older workers with chronic diseases. The expert states, the important question is how to get this knowledge onto the level of company leaders.

An expert mentioned a group of actor neglected so far: General practitioners. They are the first to see the patients and they are not involved in the issue of workability. Anamnesis is crucial here and integrated support. In terms of serious illnesses (threatening workability) medical know-how is crucial, here, the expert stated, many things are suboptimal. Here a better networking is necessary, also with rehab, yet rehab always remains at three weeks instead of providing integrated care. Also the company doctor should be involved, in cases where there is one. All of this would unburden especially small companies, which are not able to deal with these tasks. Here, medical experts should be involved and this more or less never happens according to the expert.

## Italy

Italian companies are committed in promoting and improving workers’ health implementing initiatives and activities required by the mentioned law on health and safety at work. In addition to the measures described above, according to legal obligations, for the benefit of the workforce are carried out (by the physicians in occupational health care) - if and when necessary - the following activities within companies: specialist medical examinations, clinical questionnaires, instrumental examinations, laboratory investigations, diagnostic investigations, specialist consultations. Apart from legal obligations, Italian companies are also implementing with growing frequency innovative initiatives and corporate welfare programs, contributing to improve health, psychological and physical well-being, and working conditions of employees, including older workers (Pavolini, Ascoli and Mirabile, 2013; ISFOL, 2015; Socci and Principi, 2015a; 2015b).

In general, such initiatives may be defined as Workplace Health Promotion (WHP) programs, or employer-sponsored initiatives directed at improving the health and well-being of workers, and often include their families. Indeed, since most working-age adults spend a significant portion of their time at work, the workplace is an excellent place to promote health, for building awareness of health and lifestyle issues, introducing and maintaining health promotion programs and providing motivation and support for health improvement, creating workplace environments in which practicing healthy behaviours is “easy” and encouraged by the organization. In Italy, WHP is a very popular theme at the cultural level debate, but in practice the implementation of processes and initiatives to improve and promote

the health of employees are not very widespread, and are mainly concentrated in medium-large private companies. Among these initiatives, practices and programs, there are, for example (ISFOL, 2015; Fossati, 2015; Salomone, 2015; Socci and Principi, 2015a):

initiatives aimed at promoting healthy behaviour of employees (e.g. meetings with physicians and experts to inform on nutrition/for developing better diet habits; fighting against both smoke and alcohol abuse initiatives, etc.) (e.g. “Hera Group”; “Snam”)

“integrated” health care services offered to employees and often also to their families (e.g. company’s health care insurance covering some medical expenses; economic contributions and discounts for health needs, paid leaves and wage support for sickness/health problems, etc.) (e.g. “Luxottica”; “Intesa San Paolo”)

- listening and counselling services for facing episodes of psychological/material difficulties/personal issues (e.g. domestic violence, stalking, addiction to drugs, alcohol, gambling)

- initiatives promoting wellbeing and physical activity of employees, for example through wellness centres or gyms within companies (e.g. “Coop Adriatica”; “Novartis Farma”)

- awareness campaigns on several issues (e.g. on safety at work, road safety, ergonomics, healthy lifestyles), often implemented in collaboration with unions (e.g. “Sky Italy”).

While the above are measures and initiatives usually targeted to the whole workforce, according to a survey carried out by ISFOL (2015), 27.6% of Italian large companies implement (also) initiatives aimed to promote/improve specifically older workers’ health. Among these initiatives, the most frequent are interventions to adapt the work environment in an ergonomic way and to adapt the work organization to the needs of older workers, for example through promoting job-rotation and encouraging intergenerational team work for better share tasks between young and older workers, according to the physical efforts required by work activities. Furthermore, companies offer health checks and specialist medical examinations targeted to older workers, often also differentiated according to job/professional role (e.g. video terminal operators, people carrying out arduous jobs, etc.).

Another interesting initiative is the Workplace Health Promotion Network developed in Lombardy Region (Northern Italy), that is a member of the European Network for Workplace Health Promotion (ENWHP) established in 1996 (ENWHP, 2012). The WHP network in Lombardy Region is a public-private network carried out by building partnerships and collaboration with all workplace main stakeholders: employers’ organizations, trade unions and the regional health system. The development of this project started in 2011 by experimenting the feasibility and effectiveness of good practices aimed at health promotion in some mid-sized companies, before extending the initiative to other companies. In particular member companies of the network should implement at least 18 good practice activities over three years and 6 new activities every year to maintain the “Workplace Health Promotion Site”-logo. The areas of good practice are: nutrition, tobacco, physical activity, road safety, alcohol and substances, and well-being. The results are surprisingly positive in terms of network and adhesion, but also on health outcomes (i.e. good results in terms of improvement of healthy lifestyles among employees). This network currently involves 301 public and private workplaces, employing 137,000 people (source: <https://retewhplombardia.org/>).

*Solutions/measures suggested/recommended*

To promote a broader offer of training courses on health promotion-related issues to be considered within companies' training programs (within or outside the mandatory training required by the law on health and safety at work).

To develop specific initiatives for health promotion specifically targeting older workers' needs and characteristics (e.g. training courses, health checks, age management initiatives to adapt working conditions/organisations, etc.)

Financial or other types of incentives can be offered to increase the participation of employees in programs and activities aimed to increase and promote workforce's health.

As stated above, WHP programmes and measures for improve employees' health take place mainly in medium-large companies. The experiences made in this setting can't simply be transferred to SMEs, because the organisational and structural differences between these types of companies are simply too great. So, there is a need to put special emphasis on promoting employees' health in SMEs, supporting these companies in implementing WHP initiatives, for example through exchange of best practices (e.g. the WHP Lombardy Network), cooperation among public and private stakeholders, and offering some economic incentives (e.g. tax deductions).

To sustain the signature of collective agreements at company/economic sector level for fostering the introduction in companies of initiatives in this field.

To increase public awareness about the importance of retaining (and encouraging them to return to work if in the condition of unemployed people) chronically ill employees, even by providing guidance and tools to employers (e.g. through knowledge transfer and exchange of best practices also at the European level).

## **the Netherlands**

At company level, there is also an increasing interest in preventive health measures that go beyond fulfilling the statutory requirements and providing support during sick leave in monitoring and reintegration.

*Moving from a reactive policy on working conditions and absenteeism towards a more proactive and preventive policy and investing in health prevention and promotion in the company*

Integrated health management (IHM) is an innovative approach that aims to create a work environment in which good health and high performance of the employees and the company are fostered. IHM was developed by TNO and refers to the systematic management of health and vitality of both the employee and the company (i.e. organizational health) (Zwetsloot et al, 2010). The approach is based on the active participation and mutual interaction of the actors involved, including employers, employees as well as external advisors. Gradual implementation and solid preparation has been shown to be a key success factor of the implementation of IHM (OSHA, 2013). The preparatory phase consists of several steps such as an evaluation of absenteeism policy also raising awareness of the financial impact of absenteeism due to ill health among employees; developing a business case estimating the benefits and costs of the new approach; and involvement and participation of all stakeholders also making use of external expertise (e.g. Occupational health and safety authority). This is followed by the preparation of a framework document which sets out the goals and expectations of

a proactive health policy, the responsibilities and tasks of the different parties concerned (management, employees, work council, HR, occupational health and safety professionals), lines of communication and participation, and implementation and monitoring of the specific activities at both the individual and organizational level. The actual implementation starts once the document is approved by all parties, and can cover a diverse set of health measures including preventative programmes focusing on both physical and mental health components, online coaching, flexible work stations and no-smoking policies.

## Poland

The issue of health, long-term care, prevention and access to medical facilities is a crucial issue in Poland. The concept was first incorporated into the Solidarity across Generations programme in 2008 with the aim to improve the mental and physical health conditions of older people in order to improve the latter's quality of life<sup>73</sup>. The programme implied the integration of preventive measures aiming at improving health conditions, notably through early diagnosis of chronic diseases; the building of an identification system for medical treatments enabling prevention more efficiently; the monitoring of incapacity to work; and encouraging older workers' choice for private healthcare. No concrete initiatives were identified in the framework of this programme, which shows, to a certain extent, a lack of coordination between the creating and implementing institutions.

The Ministry of Labour and Social Affairs was in charge of monitoring the programme's activities, and created the National Programme Coordinator for this purpose, which also has the task to evaluate the initiatives implemented in that context. Later, the Advisory Council for Seniority Policy was created to address the concept of healthy ageing to the population as a whole, and to do so, highlighted the need to introduce a life-course orientation in the context of healthy ageing, in order to prepare people reaching the age of 50 for physical and mental changes that will occur in their lives in the next decades. The measures taken in this context imply the creation of psychological help during the process of labour market leaving and ageing overall; disseminating information on the concept of healthy ageing and elderly rights among society; encouraging multi-generational discussions in order to break the stereotypes regarding ageing.

The ASOS program also encouraged very dynamically health and physical activities among seniors. Concretely, the innovative initiatives devoted to implementing such measures are the project *Milanowski senior aktywny-sprawny-zdrowy*<sup>74</sup>, and *W zdrowym Seniorze – zdrowy duch!*<sup>75</sup>, which provide seniors with sport activities, as well as the project *"Profilaktyka najlepszym przepisem na zdrowie"*<sup>76</sup>, which provides seniors with conferences and activities on healthy diet and prevention. Other initiatives such as *Senior 60+ - świadomy i aktywny obywatel*, proposed physical and cognitive activities as well as consultations with dieticians and other medical specialists<sup>77</sup>.

In 2007 was published the National Health Programme for years 2007-2015, which aimed at laying the foundations for health policy in Poland. It also mapped in an innovative way the necessary changes to make in the context of health in the coming years in Poland. Those changes included, among others, the promotion of active ageing, the active participation to the economic, cultural, social and political

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<sup>73</sup> <http://zielonalinia.gov.pl/upload/50plus/Program50.pdf>

<sup>74</sup> <https://www.mu3w.pl/2021-projekt-asos-2014-milanowski-senior-aktywny-sprawny-zdrowy>

<sup>75</sup> <http://teraztwojruch.org/projekt-dla-seniorow-asos/>

<sup>76</sup> <http://dietetyka.podaruizycie.org/>

<sup>77</sup> [http://www.inkubator.org.pl/fi/index.php?option=com\\_content&view=article&id=139&Itemid=122](http://www.inkubator.org.pl/fi/index.php?option=com_content&view=article&id=139&Itemid=122)

life, and the implementation of measures aiming at decreasing the risk of disability, chronic diseases and premature deaths among the population aged 60+.

In 2011, healthy ageing was one of the priorities of the Polish presidency of the EU, with the motto “healthy ageing starts at childhood”, and the emphasis put on preventive treatment and promotion of health. In 2012, policies on the topic of healthy ageing intensified with a strategy published by the Polish Defender of Human Rights, with the establishment of a National Health Care Programme for Seniors, the appointment of an entity coordinating senior health policy, and a focus on the promotion of gerontology education for future doctors. In 2013, the White Paper on Healthy ageing was published, including recommendations on the improvement of healthcare for seniors<sup>78</sup>.

At private level, it is to be noticed that many international companies based in Poland provide its employees with health services. For example, the company ArcelorMittal, in which 48% of employees are aged 50+, provides direct access to a psychologist, a psychotherapist, a psychiatrist, a financial counsellor, a professional advisor, and a social worker for its 12 000 workers. It also organizes a “health week” once a year, with campaigns and assistance to quit smoking, awareness rising about the body changes people experience after 50, and promotion of physical activity<sup>79</sup>.

Looking at the national and local initiatives in Poland, it is to be noticed that none directly addresses the issue of mental illness. However, this issue is quite crucial since mental health is diminishing with older age, and since the phenomenon is a crucial issue passing the age of 50 in the EU. In Poland, the number of people suffering from Alzheimer’s disease has been estimated at a little over 500 000 in 2012, which corresponds to 1.31% of the population, and is below the EU average of 1.55%<sup>80</sup>. The awareness of Poles around the issue of dementia is still in progress, hence the lack of initiatives addressing this issue.

#### LOCAL INITIATIVES

##### *Trener Senioralny*

The initiative Trener Senioralny is an initiative implemented in the city of Poznań by the Foundation AWF. It consists in the provision of free physical activities for people aged 50+. Activities such as Nordic Walking, aqua fitness, gymnastics, and Zumba are proposed in the city’s parks, and are completed with competitions, and sports camps implying sports training, educational training sessions and competitions. The aim of the project was to increase older people’s physical activeness<sup>81</sup>.

##### *ICT for Health*

The programme “ICT for Health” has been implemented in the framework of the European Union Baltic Sea Region for years 2007-2013 with Denmark, Finland, Germany, Lithuania, Norway, Poland, Sweden and Russia as project partners. The objective of this project is to implement preventive measures through ICT technology, aka eHealth, which enables the establishment of services offering

<sup>78</sup> <http://kigs.org.pl/wp-content/uploads/2015/03/Development-of-senioral-policy-in-Poland-analysis.pdf>

<sup>79</sup> [https://www.google.pl/url?sa=t&rct=j&q=&esrc=s&source=web&cd=12&cad=rja&uact=8&ved=0ahUKEwim-vyf-NHNAhXqNJoKHUHKAM04ChAWCCMwAQ&url=http%3A%2F%2Fwww.wszop.edu.pl%2Fdo-pobraia%2Fpobierz%2C27%2C3%2C0%3Ffo%3D.%2Fmedia%2F%2Fzeszyty%2520naukowe%2FNr%252010%2FProgramy\\_po\\_mocy.pdf&usg=AFQjCNF2Miap6eLICFr8gWJxtggtMDs-vw&bvm=bv.125801520,d.bGs](https://www.google.pl/url?sa=t&rct=j&q=&esrc=s&source=web&cd=12&cad=rja&uact=8&ved=0ahUKEwim-vyf-NHNAhXqNJoKHUHKAM04ChAWCCMwAQ&url=http%3A%2F%2Fwww.wszop.edu.pl%2Fdo-pobraia%2Fpobierz%2C27%2C3%2C0%3Ffo%3D.%2Fmedia%2F%2Fzeszyty%2520naukowe%2FNr%252010%2FProgramy_po_mocy.pdf&usg=AFQjCNF2Miap6eLICFr8gWJxtggtMDs-vw&bvm=bv.125801520,d.bGs)

<sup>80</sup> <http://www.alzheimer-europe.org/Policy-in-Practice2/Country-comparisons/The-prevalence-of-dementia-in-Europe/Poland>

<sup>81</sup> <http://www.poznan.pl/mim/sport/news/ruszył-największy-w-europie-program-darmowej-aktywizacji-osob-starszych-dzieci-i-młodzieży,94384.html>

healthcare for all. The aims of the project consisted in a better acceptance of ICT among healthcare services, sharing and dissemination of knowledge, exchange of good practices between the partner countries and regions. The activities of the programme included the strengthening of patients' responsibility on their own health through the monitoring of their own health, and the improvement of patients' mobility through the provision to patients of a multilingual electronic health card they can use during their travels abroad<sup>82</sup>.

## the United Kingdom

Occupational health policies can be important drivers for staff recruitment and retention particularly for older workers. An occupational management advice helpline contributed to a 60 per cent reduction in occupational health referrals.

### *Physical health*

Redeployment of workers who cannot manage their workload is an important aspect of age management policies to keep (often) older workers in the workforce for longer. Typically, these involve switches to a less physically demanding role in the organisation, for employees whose contribution to the organisation is valued.

Workshops and an online musculoskeletal toolkit have also been introduced by an employer to try to reduce injury risk, whilst an initiative to provide in-house physiotherapy has been implemented in order to minimise absence due to injuries.

Flexible working can also be used to facilitate workers with both physical and mental health problems, and this can include a phased return to work following health problems, which is regularly reviewed.

## the Baltic Countries

Several company level examples of improving employees' health were identified in the framework of the Mopact project. Multiple examples are outlined in Bauknecht (2015). Nevertheless, most of these examples are not directly targeted at older workers, which make it difficult to drawing direct connection between company-level measures and longer working lives. In the current report, individual measures are not outlined, they are rather summarised as a collection of good practice examples. Some individual measures directly targeting older workers are discussed, though.

As outlined by Nurmela et al (2014), ESF financing has an important role to play in supporting active ageing, healthy workplaces and increasing healthy life years in the society. For instance, in Estonia during 2007-2013, ESF financed several projects with the aim of assessing and improving the working environment in individual companies.

**Facilitation of best practice examples and exchange of experience** has been used to promote health related initiatives at company/organisation level. For instance, in Estonia, Labour Inspectorate collects

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<sup>82</sup> [http://www.ictforhealth.net/index.php?option=com\\_content&view=article&id=73&catid=49&Itemid=27](http://www.ictforhealth.net/index.php?option=com_content&view=article&id=73&catid=49&Itemid=27)

descriptions of good and innovative examples from Estonian enterprises regarding their measures of work environment and work organisation (measure financed by ESF). The examples represent cases where companies have contributed more to their employees' welfare than is required by legislation. Examples are collected and disseminated annually since 2009, outlining best practices each year. Practices need to be necessary, targeted, innovative, transferable to other employment contexts and efficient. Each year three cases are highlighted as best case examples while the collection of good examples is published online. In 2015, Labour Inspectorate published a collection of best practice examples from 2010-2015 (Labour Inspectorate 2015). According to the Labour Inspectorate, they have received feedback that people active in work environment topics regularly follow the database and have found several interesting ideas (Nurmela, Osila, and Leetmaa 2014). Also, the visiting statistics of the web site of Labour Inspectorate confirms that the database is among the highest visited sites on their page. In 2013 the aim was to reach 185 good examples in the database (by the end of 2012 the database included 165 examples).

Another measure used to facilitate exchange of experience on healthy work places is networking of employers – in Estonia a Network for Workplace Health Promotion<sup>83</sup> is set up. The network was started already in 2005, since 2006 its activities are coordinated by the National Institute for Health Development. With the ESF support, the network is widened with new members. Also, members receive opportunities to participate in training and receive counselling regarding workplace health promotion. As at April 2016, the network had 246 members (different enterprises, organisations).

Some of the company cases analysed in the Mopact project, indicated that several companies have introduced **additional health care package** for older workers, introducing additional health insurance covers (e.g. Rimi, Latvia and Elis Electric, Lithuania) (Nurmela, Osila, and Leetmaa 2014). For instance, in Rimi Latvia, terms of health insurance improve with tenure (Bauknecht and Naegele 2015). The critical years are ten and fifteen: after 15 years of working in Rimi Latvia, an employee gets the best package of health insurance provided by the company, which is equivalent to the ones senior executives have. The best insurance package contains unique terms such as increased monetary coverage and partial coverage of dental services.

### **3.1.3 Life-cycle orientation / reconciliation of paid work and private activities**

#### **Belgium**

A third dimension of workability and employability relates to the life-cycle orientation. Five life cycles can be considered: occupational lifecycle, corporate lifecycle, job-related lifecycle, family lifecycle and biosocial lifecycle. These 5 cycles will be accounted for in our discussion of **care** and **informal work / volunteering**.

#### **Denmark**

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<sup>83</sup> Web-site of the Network is available at: <http://www.terviseinfo.ee/et/tervise-edendamine/tookohal/tervist-edendavate-tookohtade-tet-vorgustik>

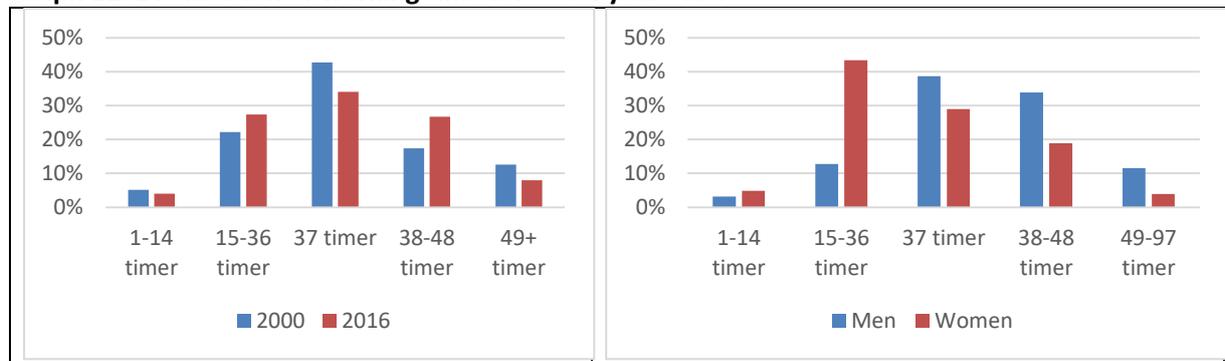
Bauknecht and Naegele (2016) define five life cycles (from the Conceptual Framework):

- occupational lifecycle (from choice of occupation to retirement)
- corporate lifecycle (relating to the time from joining to leaving a company)
- job-related lifecycle (from taking up to leaving a position)
- family lifecycle (from parenting to care-giving to parents/dependants)
- biosocial lifecycle (orientation on “age-related” changes in performance)

An important element of extending working life is the occupational lifecycle late in the career. An interesting new initiative is the ‘change track’ programme (see section 2.1.4 ‘LifeLong Learning’ below). A more comprehensive life-cycle approach is lacking in the Danish context – or are addressed in companies by general human resource policies.

Part time work among older workers is common, with 30 pct. working less than 37 hours in 2016 (Graph 11). There has been a slight increase in part time work since 2000. The bulk of part time work is undertaken by women where close to 50 pct. worked less than 37 hours in 2016.

**Graph 11. Distribution of working time for 55-64 year olds.**



Source: Statistikbanken, Statistics Denmark (2016)

## Germany

Definition of 5 life cycles (Conceptual Framework):

- occupational lifecycle (from choice of occupation to retirement)
- corporate lifecycle (relating to the time from joining to leaving a company)
- job-related lifecycle (from taking up to leaving a position)
- family lifecycle (from parenting to care-giving to parents/dependants)
- biosocial lifecycle (orientation on “age-related” changes in performance)

## Italy

A lifecycle-oriented personnel policy means a human resources management system that is strategically adapted to the needs of employees in the course of their work cycles and life-cycles and “covers” all stages of life from choice of occupation to retirement. More in general, the Conceptual framework of WP3 recommends to distinguish 5 life-cycles: occupational life-cycle (from choice of occupation to retirement); corporate life-cycle (relating to the time from joining to leaving a company); job-related life-cycle (from taking up to leaving a position); family life-cycle (from parenting to caregiving to parents/dependants); biosocial life-cycle (orientation on “age-related” changes in performance) (Naegele

and Bauknecht, 2013). In this context, the following sub-sections, adopting a life-course-orientation approach, discuss the main policies and measures introduced in Italy for favouring and raising the ability of (older) workers to reconcile paid work and private care obligations, and to combine employment and volunteering

## **the Netherlands**

- The number of Dutch employees reporting a satisfactory work-life balance is somewhat above that of the European average, which could be explained by the widespread use of part-time work in the Netherlands (Houtman, 2012).
- The most common measures implemented by employers to encourage employees to work until or beyond 65 are reduced working hours, additional leave and shorter work week (ibid).

## **Spain**

A life course perspective encompassing lifelong learning and having a focus on healthy ageing is widely supported by trade unions and employers' associations, whilst the relationship between wages and seniority is more controversial.

Flexible working is often seen as key to encouraging longer careers by allowing the integration of private responsibilities alongside paid employment. Much of the recent changes in the Spanish labour market have encouraged such flexibility, perhaps more from the perspective of improving overall labour market performance, but the benefits to older workers in particular are important. The route from full-time work into retirement, often through a period of unemployment can be delayed by allowing more flexible working patterns later in life.

This flexibility needs to be considered alongside the requirement for older workers to continuously upgrade their skills through lifelong learning activities. This needs to bear in mind that returns to investment in education and training diminish with age as the period over which returns are garnered reduces with age, whilst not underestimating the value of older workers experience.

The level of educational attainment and incidence of training is found to be considerably lower for older workers than for younger workers in Spain. The lower qualification of the workforce increases the likelihood of losing a job and reduces the opportunity cost of leaving the labour market. Hence, education and skill development are key elements affecting employability of older workers. Within companies there is scope to reform the firm-training systems so that they provide better training opportunities for all, particularly older workers (OECD,2003).

The perceptions that early retirement is the norm need to be changed. Companies should be encouraged to establish career paths that adapt responsibilities, tasks and working conditions as workers grow older. This could minimise the need for lay-offs and early retirements based on age considerations alone. Furthermore, information campaigns stressing the importance of life-long learning in relation to longer working can be beneficial.

## **the United Kingdom**

Age profiling is being used by some employers to identify workers who may be considering retirement. Regular review meetings can then include discussions about retirement planning from the perspective of workers to ensure they have a smooth transition to retirement with information provided regarding pensions, taxes, benefits, financial management and working beyond retirement. In such circumstances, the employer also benefits through the ability to carefully plan for succession management. Regular seminars on retirement can help worker awareness of options available to them.

In some cases, phased retirement is conditional on being fair to other team members and is therefore considered as part of team planning. This is typically couched in terms of risk assessments associated with the loss of team members. Similarly, decisions about working beyond state pension age typically have to be beneficial for the company.

### **3.1.3.1 Care**

#### **the Czech Republic**

Between 1993 and 2012, the number of employed men aged 55-64 doubled. The people over 50 accounted for 28% of all people employed in the national economy in 2013. The difference between employment rate of women and men (gender gap) aged 55-64 in the Czech Republic is one of the highest in the EU. The situation is similar for younger women and mothers. The employment of women in the Czech Republic is exceptionally strongly reflected by motherhood. The employment rate of women with children over the age of 11 in the Czech Republic is the highest in the EU. While the employment rate of women with children over the age of 11 in the Czech Republic is the highest in the EU, the economic activity rate for women with young children is one of the lowest and continued to decline during the last two decades. The “traditional family model” prevailing poses women into position of a caregiver, limiting career development for women whose salaries stagnate after childbearing. Barriers for participation of women, especially of women with caring responsibilities, mean economic loss for individual careers of women, their families, the employers, economy and society as a whole, unless the childbearing and home-related roles are valued and recognised as a special kind of social good and important means of social reproduction. The economic costs for women and the economy have increased given the increasing share of women among graduates with tertiary education where women make a majority. The breaks in careers of women impacts not only current income, level of salaries, but also future pension incomes.

Creating better conditions for reconciliation of care for children and / or older parents and close persons through more available flexible work conditions, care and support services, and support of family carers, including care leave is the goal of new national family strategy, which is in the process of preparation (June, 2016). As part of the family strategy, the care leave paid from sickness insurance for 3 months has been prepared (see also below). We can expect that the share of informal carers in labour market will increase with continuing demographic changes and rising statutory pension age. According to SHARE data the third of people over 50 cared in the last 12 months for a close person outside of their own home. About 12% of the population aged 50 and over provides personal (help with ADL) in the Czech Republic, according to SHARE data (Vidovičová, Wija, 2015). The majority of carers remain economically active. In the age group 55-64 about 44% women and 64% men providing care on daily basis were still working. According to the Labour Code (no. 262/2006), an employee caring for a person with second and a higher level of “dependence on care” (according to Social Services Act) are entitled

to shorter working hours or another appropriate adjustment of working time during the week, unless there are “serious operational reasons”.

## Denmark

Informal care aspects and their interaction with the goal of extending working lives play only a minor role in Denmark. This has to do with how long-term care is organised. Schulmann & Leichsenring (2014) categorise the Danish model as ‘Universal-Nordic’ with a low degree of informal care and a high degree of formal care. This is also illustrated by the wide-spread satisfaction with work-life balance as discussed above.

## Finland

For the age group 55 – 64, in only 2 out of 28 EU countries the gender gap in employment is negative (i.e. female employment rate is higher): In Estonia (-2.6%) and in Finland (-5.1%). Already in 2006 employment rates of older men and women were roughly similar, but afterwards the rise amongst females (from 54% in 2006 to 63% in 2015) was stronger than amongst men (from 55% to 57%, all figures: based on Eurostat data). In the EU-28 the gender gap for this age group is at 13.3% (2015). Nevertheless, this disregards differences between full-time and part-time employment.

The average number of usual weekly hours (including part- and full-time work) for the age group 55-59 is 34.8 hours for women and 39.3 hours for men. In the age group 60-64 the hours are 32.8 hours for women and 36.4 hours for men (Työvoimatutkimus 2016). Employed women are clearly working less weekly hours than employed men in older age groups.

As Määttänen and Salminen (2014) point out, the Finnish long-term care system is a publicly funded universal system. Formal care is provided by municipal services.

### *Economic incentives for potential informal carers*

The economic incentives for formal or informal care depend strongly on the (potential) informal carer’s income and the income of the carer receiver (which is pensions in most cases).

Three policy regulations affect the financial incentives for a potential informal carer for the choice between formal and informal care. First (the assumption here is that the potential formal carer is in paid employment and would have to cut hours for informal care), there is progressive income taxation. Secondly, the fees for care depend on the income of the person receiving care (and the spouse’s income) (Määttänen/Salminen 2014). Third, sometimes the income loss due to informal care can be reduced by informal care allowances to the carer or the person cared for.

Generally, a low income of the carer (therefore low opportunity costs) and a high income of the person cared for (high potential care fees) provide financial incentives for informal care and vice versa (Määttänen/ Salminen 2014).

In sum, weaker incentives for informal care could further raise older (female) workers’ labour market participation. This could be achieved primarily via lower costs for formal care or the abolishment of

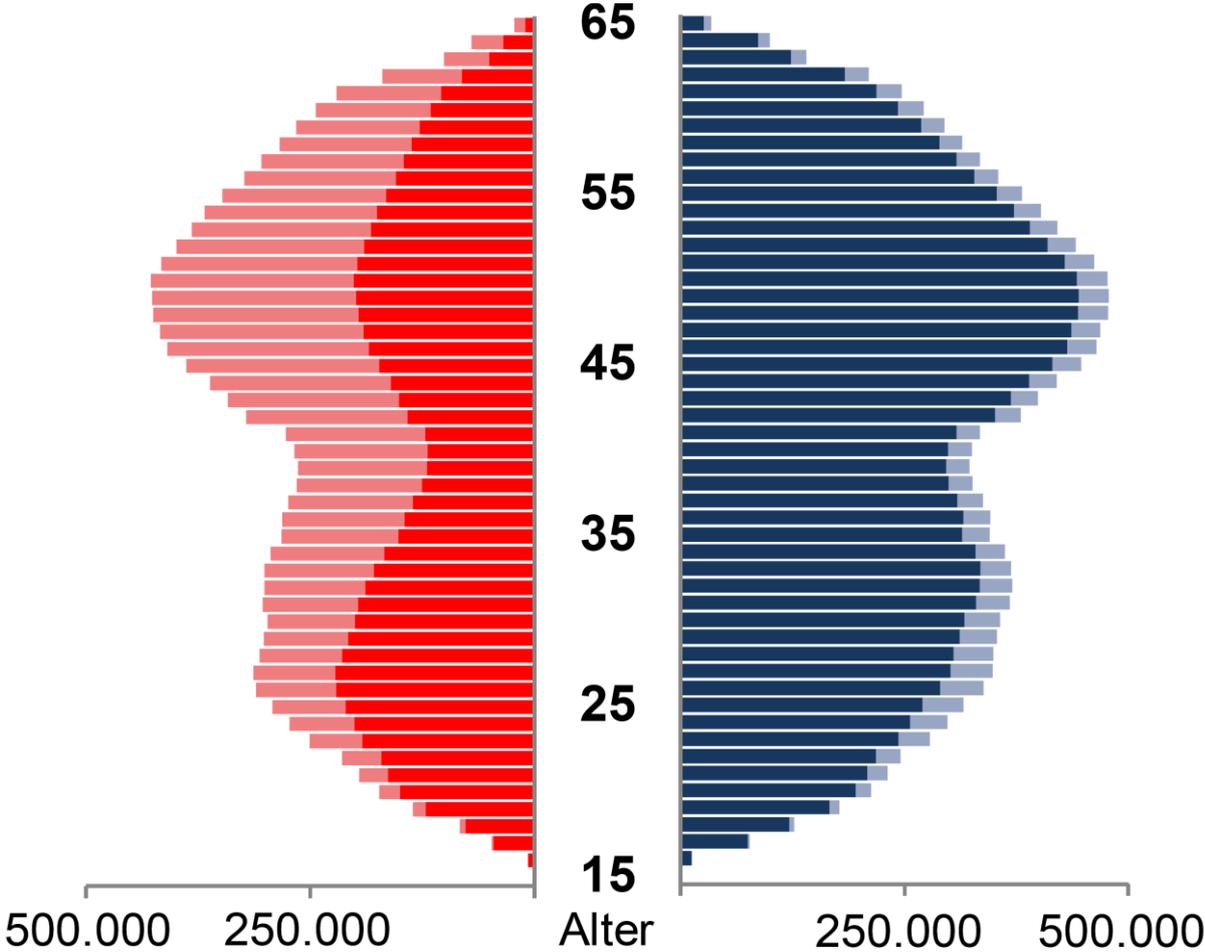
the compensation for income loss in case of informal care. There is still potential for higher female older worker employment rates. The negative gender gap is caused by mediocre older worker male employment rates (rank 13 in the EU-28) and high older worker female employment rates: Finland (63%) ranks third, behind Sweden (72%) and Estonia (66%).

## Germany

Private elderly care is conducted mostly by women. In Germany, the gender employment gap is at 10.1% (2015), down from 15.8% in 2006. By comparison, the gap is at 13.3% in the EU-28. These employment rates neglect the widespread part-time work amongst females.

The Federal Employment Agency (Bundesagentur für Arbeit 2015b) provides data for full-time and part-time employment for different age (Alter) groups (Graph 12, data: June 2014). The red group is women. The dark red field is women working full-time, the light red field women working part-time. Similar for men in the blue fields. This shows that the real gender employment gap (counted in working hours) is far larger than the 10% gap suggests. Further, based on the high female employment rates between 45 and 55, it can be expected that cohort effects will contribute to further rising female employment rates. Yet, the high share of part-time workers of women between 45 and 55 suggests that the part-time gender gap will not decrease fastly. If it would be possible to reduce the share of part-time workers as the age group 45-55 becomes older, the older worker part-time gender gap could become smaller. One precondition is that part-time due to childrearing is not followed by part-time due to elderly care.

**Graph 12. Age groups and full-time and part-time employment in Germany**



**Italy**

The issue of reconciliation between paid work and private care obligations is important in relation to the ageing of the workforce, a phenomenon which is supposed to grow also in the next years. The proportion of working carers among the workforce is likely to increase significantly in the next years and for this reason the issue of reconciliation between paid work and care (especially family elder care) is of growing importance, even in the Italian society. The analysis shows that in Italy some measures supporting the reconciliation of paid work with care do exist, although they are not very well coordinated between them, requiring innovative and organic measures both at the macro and the meso levels

**Poland**

Life-cycle-oriented policies are crucial in guaranteeing efficient raising awareness about active ageing. As encountered in the Mopact report about volunteering activities among seniors (WP 5.5), people are not prepared to age. Ageing is somehow a uneasy subject to approach due to the many stereotypes around the concept. People are ashamed to age, to look old, they feel useless, and more importantly, they often realise suddenly that they age, that they have more difficulties to do some things than when they were 20, and they often experience a depression phase at the realization of the changes they

encounter. Those who are isolated or socially excluded are also ashamed to not being familiar with “young society’s” trends and become even more isolated and excluded, closing off.

The focus on family issues in a life-cycle perspective is a crucial subject besides health and employability because it has a direct impact on the elderly’s employment rate and participation to social and political activities. Indeed, since today’s younger generation is tomorrow’s seniors, the issues of active and healthy ageing and extending working lives need to be approached from the youngest age possible and in a life-cycle perspective and a holistic approach. Poland takes progressive and improving measures in the field of family policy to boost employability and facilitate work/life balance<sup>84</sup>.

Initiatives implying the organization of multigenerational meetings when younger people and older could meet and discuss various subjects are actually crucial in the framework of life-cycle orientation. These meetings had the aim to raise awareness among young people about ageing to prepare them for the changes to come for themselves as well as for their relatives, and to enable older people to have contact with younger people in order not to feel excluded from society. The initiatives *Archipelag Pokoleń*<sup>85</sup> (ASOS programme) and *Świętokrzyska Ekonomia Społeczna*<sup>86</sup> (regional programme) are good examples of such initiatives, gathering older people and children from middle school around different topics, among which social issues (gender identity, digitalization, city space management, religion, etc), for the first, and the topic of social economy for the second.

Another issue relative to life-cycle orientation and which is directly related to family policies is the one of work-life balance. Here, the main lack is the necessity to provide additional childcare facilities enabling older people taking care of their grandchildren to have more flexibility. The provision of childcare facilities has a double aim: firstly, to enable grandparents to work longer instead of looking after their grandchildren and secondly to enable young mothers to stay on the labour market, women being the ones whose time is devoted the most to their child’s upbringing<sup>87</sup>. Indeed, the fact that young women leave the labour market because of motherhood obligations has a repercussion on older women’s labour market participation later, when the cohort ages, since coming back to the labour market after a long professional inactivity is a challenge for many women notably due to skill loss and employers’ reluctance. The programmes *Partnerstwo –rodzina –równość –praca* and *Elastyczny Pracownik – Partnerska Rodzina*, part of the 2004-2009 programme „Equality of Opportunities on the labour market for the 50+” funded by the European Social Fund, were aimed at people aged 45+ and with the objective of enabling effective work-life balance<sup>88</sup>.

The combination of difficult access to long-term care and insufficient childcare facilities are the drivers of the phenomenon known as the “sandwich generation”, which defines people aged 50+ who care for their ageing parents or relatives while supporting their own children or grandchildren. Research shows that women are more likely than men to belong to the sandwich generation and provide care for their extended family<sup>89</sup>. Women of the sandwich generation face significant changes in terms of family obligations, which makes it difficult for them not only to pursue regular professional activities, but also to have a fulfilling social life, hence the emergence of harmful phenomenon such as social exclusion and lack of personal development, as well as lack of investment in social activities such as

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<sup>84</sup> [http://europa.eu/epic/countries/poland/index\\_en.htm](http://europa.eu/epic/countries/poland/index_en.htm)

<sup>85</sup> <http://archipelagpokolen.pl/o-projekcie/#oprojekcie>

<sup>86</sup> <http://jarubasadam.pl/solidarnosc-pokolen-spotkanie-gimnazjalistow-i-seniorow/>

<sup>87</sup> Eurostat database

<sup>88</sup> [http://zielonalinia.gov.pl/upload/50plus/Zalacznik\\_nr\\_5.pdf#page=599&zoom=auto,236,687](http://zielonalinia.gov.pl/upload/50plus/Zalacznik_nr_5.pdf#page=599&zoom=auto,236,687)

<sup>89</sup> Himmelweit, S. and Land, H. “Reducing Gender Inequalities to Create a Sustainable Care System”. Joseph Rowntree Foundation, York, 2008.

volunteering. Moreover, since the situation on the Polish labour market does not allow flexible working time arrangements enabling to combine work and family life more easily, many women leave the labour market past 50 years old<sup>90</sup>.

Life-cycle orientation implies the fact that all social groups are targeted in the implementation of the programme. Specific attention has been brought by the SBG and the ASOS programmes to women, implementing gender-specific measures since the labour participation of women aged 50+ is relatively low in Poland and still the object of many challenges compared to other EU countries<sup>91</sup>.

Still in the context of life-cycle policy, the initiative “Strategy of Human Capital 2020” has been implemented in 2013<sup>92</sup> with the aim to increase human capital, which is relatively low in Poland, and this through the whole life-course. This initiative has the objective to enhance people’s participation in the social and economic life of the country in young as well as old age. Concretely, the priorities of the initiative targeted employment, extension of working lives, increase of the quality of life, increase of the quality of health and of the healthcare system, as well as the increase of people’s skills. No initiatives were identified in the framework of this programme, which shows a certain lack of coordination in its implementation.

#### LOCAL INITIATIVES

##### *Spółdzielnia socjalna „50+” z Gdyni*

The initiative is a social cooperative has been created in Gdynia by three women aged over 50 and also cancer survivors, who could not find an employment after their health issues. It employs - on a flexible working-time basis - seven women who are in an unstable personal and professional situation and aims at contributing to the professional and social integration of people over 50 in a situation of social exclusion. The employees of the cooperative organize events on behalf of the city of Gdynia and provide services on behalf of companies and beneficiate from additional trainings improving their competencies<sup>93</sup>.

Social cooperative are effective means of integrating people who are socially excluded and who are out of the labour market for a long time. It also enables the elderly to feel integrated in a community, to find meaning in everyday life, and to have the possibility to use their skills while adapting to the demands of the tasks they are involved in.

##### *Spółeczny Bank Czasu w Tczewie*

The programme is inspired from an initiative from the USA, the Social Time Banks. The concept implies the informal exchange of services which are payable in time. The services, reaching the number of 70, can include from computer lessons to knitting classes. The initiative has been implemented by the municipal entity for social help (MOPS) in Tczew, which also proposed conferences and excursions. The aim of the project is for the 145 participants to build relationships of trust and contribute to helping others. The programme is socially innovative in the sense that it is similar to the phenomenon of collaborative economy, which non-for-profit activities imply the peer-to-peer exchange of services<sup>94</sup>.

<sup>90</sup> Ben-Galim, D., Silim, A., “The Sandwich Generation – Older women balancing work and care”, Report, The condition of Britain, IPPR Institute for Public Policy Research, 2013, accessible [here](#).

<sup>91</sup><http://www.olbrzym.info/wieloaspektowa Charakterystyka sytuacji życiowej osób powyżej 50 lat w perspektywie aktywności zawodowej.pdf>

<sup>92</sup> <https://www.mpips.gov.pl/praca/strategie-i-dokumenty-programowe/strategia-rozwoju-kapitalu-ludzkiego-srkl---projekt-z-31072012-r/>

<sup>93</sup> [http://lokalnepartnerstwa.org.pl/file/fm/BIBLIOTEKA/manuale/Aktywizacja\\_spoeczna\\_osob\\_starszych.pdf](http://lokalnepartnerstwa.org.pl/file/fm/BIBLIOTEKA/manuale/Aktywizacja_spoeczna_osob_starszych.pdf)

<sup>94</sup> [http://lokalnepartnerstwa.org.pl/file/fm/BIBLIOTEKA/manuale/Aktywizacja\\_spoeczna\\_osob\\_starszych.pdf](http://lokalnepartnerstwa.org.pl/file/fm/BIBLIOTEKA/manuale/Aktywizacja_spoeczna_osob_starszych.pdf)

## Spain

Spanish culture places great importance on the family unit as an institution and some government measures exist to support individuals to balance work and family obligations. The role of women in the family is particularly important in this context with women in Spain in relation to caring responsibilities. However, changing priorities for women towards further participation in education and the labour market have created new tensions between the desire to work and the expectation of providing care. These changes contribute to both inter-generational conflicts and gender-role conflicts (Poelmans et al., 2003).

Union General de Trabajadores (UGT) of the region of Extremadura analysed the situation of work-life balance within the BILANCIA project. The aim of the project is to support workers' representatives in creating a stronger basis for reconciling work and the private duties of workers, and to promote more engagement of employers in the issue. This is mainly through collective bargaining negotiations, but also by sharing information.

Unions have promoted new ways of working encompassing flexible working and some companies provide day-centres or have arrangements with day-care centres to support workers with dependents, but these are typically found in large companies. Overall family friendly policies that support all workers with caring responsibilities are rare in Spain, Pasamar and Valle-Cabrera (2011). In general, older women trying to return to the labour market after child rearing experience more difficulty finding a job than men (De Luis et al., 2004).

Furthermore, the economic crisis means that many employers place relatively low weight on the importance of the work-life balance of their workers.

## the United Kingdom

The need for work-life balance flexible workplace policies will increase as the workforce ages (CIPD, 2012). Older workers often want to reduce their working hours during their transition into retirement, and many unemployed older workers consider flexible working to be a necessary precondition of their willingness to take up employment (Smeaton et al, 2009). The authors discuss how unemployment of the 50+ age group is primarily related to caring responsibilities for women as well as poor health for both genders. In a survey of 1,494 respondents aged between 50 and 75, 38 per cent of those with caring responsibilities were dissatisfied with the number of hours they worked in comparison to 27 per cent of all older workers. Additionally, the authors state that one of the barriers to older people achieving the flexible hours they desire is low wages, as flexible employment options are often restricted to low-paid, low skill and lower status occupations. They additionally describe how some individuals wanted to work reduced hours but could not afford to do so.

The ageing population and increases in life expectancy is also likely to lead to a rise in the need for informal care. Pickard et al (2012) project that there will be a 70 per cent increase in the demand for informal care by 2031, which is likely to lead to an increase in the demand for flexible working among carers. In his analysis of WERS, Bryan (2012) found that the availability of flexitime and reduced working hours for carers increased the time they were able to spend caring by 13 per cent. This is most relevant for people aged 50 to 59, as these are the ages when the number of hours spent caring peaks,

with almost a quarter of women and one in five men in their fifties responsible for informal care (Bryan, 2012; Yeandle, 2006).

### 3.1.3.1.1 Macro level

#### Belgium

One way to ensure workability for older workers is to offer them ways to reduce their working time. In Belgium, there are several ways to achieve this goal, which depend on the sector in which the worker is employed. Public sector employees can take a **career break** (to reduce working time or temporarily stop working). For private sector employees, there is a **time credit system**. Besides these two schemes, workers also have the possibility to take **thematic leaves** (parental leave, leave for palliative care and leave to provide medical assistance). Workers are able to reduce working times or temporarily stop working via these three systems.

The **time credit system** for private sector employees allows them to stop working for a period of 12 months, work part-time for a period of 24 months (for people who work 75% of the time) or work for 80% for a period of 60 months (for full-time workers only). Time credit can be **motivated** or **not motivated**. The first scenario is one in which there is a clear reason why a worker wants to reduce working times or stop working temporarily. The reasons that qualify for this system are: taking care of a child (up to the age of 8), palliative care, providing care or medical assistance to a seriously ill family member (partner, children, parents, siblings, grandparents, grandchildren), following a training or taking care of a disabled child (up to the age of 21).<sup>95</sup> If a worker wants to reduce working time or stop working temporarily for any other reason (e.g. other forms of child care), this would be considered as an unmotivated leave. A key difference between the two types is that the national employment office only provides an allowance in the first case. In addition, only in the first case the period of leave is taken up in pension calculations. In principle, workers of any age can fall back on this system to reduce working times or to temporarily stop working. Moreover, age has no impact on the gross allowance that a worker receives. However, there is a form of time credit that only applies to older workers: **end of career** time credit. It allows workers to reduce working time until their retirement by  $\frac{1}{2}$  or  $\frac{1}{5}$ . The scheme applies to workers of ages 55 and up. However, there are exceptions to this rule, which allow workers aged 50-54 to qualify for the system as well. These exceptions are: working in a firm in difficulties or going through a restructuring, having worked in a “hard job” (to reduce working times by  $\frac{1}{2}$ , a second criterion is that this job has to be an occupation with employment shortages, to reduce them with  $\frac{1}{5}$ , a second criterion is that one has to have an employment record of 28 years). Workers are only eligible for an allowance from the national employment office if they are at least 60 years old. Again, some exceptions are possible (e.g. when one has worked night shifts or an employment record of 35 years – but these exceptions will be phased out by 2019).

The **career break** system for public sector employees is a highly similar system, but no motivation is needed. In its most basic form, temporarily stop working for a period of up to 12 months. Full-time

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<sup>95</sup> The maximum duration of the time credit period is 36 months in most cases, with the exception of taking care of a disabled child up to the age of 21 and providing medical assistance to a seriously ill family member. In these cases, the system runs up to 48 months.

workers younger than 55 can also reduce working times by  $1/5$ ,  $1/4$ ,  $1/3$  or  $1/2$ , while 75% part-time workers can reduce it until  $1/2$ . In all these cases, the national employment agency pays out allowances. Again, there is a special system for older workers, the **end of career system**, through which workers can reduce their working times until they retire. Working times can be reduced by  $1/5$ ,  $1/4$ ,  $1/3$  or  $1/2$  (55+ full-time workers) or to  $1/2$  (55+ workers that work at least 75%). In exceptional circumstances, workers of ages 50-54 can apply for this scheme (e.g. night shifts). There are slightly different career break systems depending on the organisations (e.g. university, autonomous government companies).

Besides these two systems, there are **thematic leaves** for which all workers are eligible. Here, we will discuss palliative care and medical assistance leave. For **palliative care**, workers can reduce their working times (to  $4/5$  or  $1/2$ , for a period of 1 month, which can be prolonged with another month) or stop working temporarily (for a period of 1 month, which can be prolonged with one month). Workers receive an allowance from the national employment agency, which does not vary with age. The second thematic leave that relates to care is **medical assistance leave**. Workers can use it to take care of a seriously ill family member or a hospitalised child (then, work can be suspended for a period of one week). In the first case, all workers can suspend employment for a period of 12 months. Full-time workers can cut working times with  $1/5$  or  $1/2$  for a period of 24 months. Part-time workers (who work at least 75% of full-time employment) can reduce working times to  $1/2$ , again for a period of 24 months. The national employment office pays an allowance, which does not vary with age.

The **Flemish government** offers additional allowances that top up the allowances granted by the national employment office for workers that take any of the types of leave discussed above. These allowances are **encouragement fees**. Different rules apply to workers in different sectors. In the private sector, for example, encouragement fees apply to workers that apply for leave to take care of children or family members, for educational leave or for workers in firms in difficulties or restructuring.

These leaves will be revised in September 2016. A new system of career breaks will be introduced on September 2, 2016. Moreover, from that date top-up allowances will only be granted to those who work in the public sector or education sector in the case of thematic leaves. Unfortunately, there is no information yet on what these revisions will look like.

## the Czech Republic

Flexible working conditions include flexible work schedule, part-time jobs, job sharing and unpaid leave etc. There is one of the lowest proportions of part-time jobs in among the EU countries in the Czech Republic. In 2014, only 10.4% of women were working part-time in the Czech Republic, while the EU average was 32.8%, and for example in the Netherlands three-quarters of women were employed in part-time jobs in 2014 according to the Eurostat data from Labour Force Survey.

One of the measures discussed and proposed by the Ministry of Labour and Social Affairs is to support flexible forms of employment by financial bonus to employers provided through lower obligatory social insurance fees (premiums) or other ways such as subsidies, tax-based relief etc. According to the prepared family policy the rights of employees to flexible working conditions should be more “enforceable” as the right for flexible working time for carers stipulated in the law are difficult to achieve in the reality. The family strategy highlights also the disadvantages related to part-time jobs such as decreased current and future incomes compared to other forms of more flexible jobs such as share jobs.

Job sharing is the practice available only in 7% of companies in the Czech Republic compared to Germany (20%) or UK (54% of companies).<sup>96</sup>

Regarding increased support of carers, it is suggested that the role of municipalities should be strengthened, especially in coordination of direct and timely support, similarly as availability of respite care in the system of social services. "Informal carers" should be newly explicit "target group" of social services specified and defined in the Social Services Act.

As of January 2017 there should be introduced new "carer's leave" as a part of new "pro-family package", which includes also changes in parental leave and introduces the leave for fathers after the child is born. The "carer's leave" would be granted to a person who has paid the contributions to the sickness insurance system and could be taken up from three to six months in the case of sudden need to care for seriously ill relative, who is not in any health care or social care institution. The monthly amount should equal the 60 % of the previous gross income. This provision still needs to be discussed in the Parliament. Similar to the argumentation to the maternity leave provision, there are concerns that this amount lowers the overall income of the carer, especially of women, and therefore negatively influences the later life income from pension.<sup>97</sup>

## Finland

In a "new typology of European long-term care regimes" Schulman and Leichsenring (2014, based on Kraus et al.) depict Finland as "informal care oriented" with "high private financing" (alongside with e.g. UK and France, the contrast to Germany is the high private financing). This means that in comparison to other European countries, Finland places a high emphasis on informal care (e.g. by family members) and financing of care (if needed) is more in private responsibility than in the European average. Therefore, in contrast to countries with low informal care use (e.g. Denmark, Sweden, the Netherlands) Finnish older workers can be expected to be strongly involved in (or burdened by) private care obligations. Besides Sweden and the Netherlands, "Finland still rank[s] high in their provision of residential care, but [is] are also leading in the provision of home care services" (Schulman / Leichsenring 2014).

Although, in Finland there is no legal obligation to take care of one's own parents unlike in many other European countries such as Estonia or Germany, the nursing culture of one's own parents lives strong (Vaarama et al. 2014).

As Schulman and Leichsenring (2014) state, long-term care is in the area of responsibility of municipalities, leading to considerable inter-municipality variation. They point out that the country "has been a forerunner in developing tangible strategies for LTC with its publicly debated 'Framework for High-Quality Services for Older People' (Ministry of Social Affairs and Health, 2008)". One goal has been a high number of older people living at home independently (Schulman / Leichsenring 2014). With a voucher system municipalities subsidise beneficiaries who buy care service from the private market (Schulman / Leichsenring 2014).

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<sup>96</sup> Příručka k projektu Metr: Fraňková, P., Rakušanová, F., Šimečková, M., Brož.M. 2015. Job sharing v praxi. Jak zavádět a rozvíjet sdílená pracovní místa. [online]. [cit. 8. 1. 2016]. Dostupné z: <http://fdv.mpsv.cz/UserFiles/Job%20sharing%20v%20praxi.pdf>

<sup>97</sup> Dudová, R. Péče ve stáří. Praha: Slon 2015a. ; Dudová, R. 2015b. „Caring for Elderly Parents: A New Commitment of the Third Age.“ *Sociologický časopis / Czech Sociological Review* 51 (6): 903-928, <http://dx.doi.org/10.13060/00380288.2015.51.6.223>

## Germany

Independent of company size, in acute cases, employees have the possibility to stay away from paid work for up to ten days. There is no prior notice period (since it is for acute cases). Before 2015 this leave was unpaid, since 2015 there is a substitute payment from the care insurance ('Pflegerunterstützungsgeld' or 'Care Allowance').

Further, in companies with 15+ employees, employees have the legal entitlement to stay away from paid work partly or totally for up to 6 months in order to care for a close relative in his/her homely environment. Since 2015 employees can get an interest-free loan from government to cover income losses. Normally this is paid back in instalments, but in special cases this can be deferred. In some cases it is possible that the employee has to pay back only parts of the loan or nothing.

In companies with 25+ employees, employees have the legal entitlement to reduce their weekly working hours to at least 15 hours per week for 24 months in order to care for a close relative in his/her homely environment. Also here an interest-free loan from government can be paid out to cover income losses (same arrangements as above). These 15 hours are the weekly mean calculated over the whole year, so that in the 'bloc model' the employee can be totally absent from work for some time.

## Italy

An increasing number of older people need care, as this country has the highest share of older population in Europe (i.e. in 2015 Italian over 65 were 21.7% vs. 18.9% in EU 28 average). At the same time, however, Italy is facing a growing difficulty to provide informal elder care, for several reasons, in particular the increased labour market participation of women and the extended working life (mainly due to recent pension reforms) of older workers, which constitute the bulk of working carers (Principi et al., 2014). At the macro level, the main policies to support the reconciliation between paid work and informal family care are paid and unpaid leaves, and, more indirectly, a cash-for-care scheme (the National Attendance Allowance). The latter supports the reconciliation, since older people who benefit of it (in agreement with their informal family carers) mainly use it to recruit migrant care workers who cover caring tasks while the family carer is working, a widespread phenomena in Italy (see Lamura et al., 2010).

More in detail, at the macro level, these are the main policies regulating/allowing paid and unpaid leaves for workers:

Law 104/1992: workers are entitled to three days of paid leave per month, to care "severely disabled" relatives (i.e. those who have been recognized as such by the Health Commission instituted according to art. 4 Law 104/1992) up to the third degree (spouses, children, parents, brothers and sisters, grandfathers-grandchildren, uncles-nephews). The condition is however that the care is continuous and exclusive, also in absence of cohabitation, as specified by the Law no. 53/2000 (art. 19). Of the 36 days of paid leave per year granted by Law 104/1992, 25 are also recognized in terms of social contributions for pension benefits.

Law 53/2000: employees are entitled to three days of paid leave per year in case of serious illness occurring to a relative up to the second degree (spouses, children, parents, brothers and sisters, grandparents-grandchildren). These three days of paid leave can't be combined with paid leaves regulated by Law 104/1992. At the same time, Law 53/2000 provides unpaid leave entitlements for workers having to cope with severe family problems affecting (even disabled) relatives, up to two years (even split in shorter period) in the whole working career.

Law 388/2000: employees may take up to two years of paid care leave (i.e. special leave, even split into shorter periods, even single days) to care dependent relatives. The employee receives a monthly amount equal to the normal monthly salary up to a fixed threshold set up each year by the Ministry of Labour, however up to a maximum of € 47,350 per year. Periods of paid leave granted by this Law are recognized in terms of "imputed contributions" for pension benefits of workers.

Moreover, as stated above, the National Attendance Allowance (Law 18/1980) is the most spread form of cash-for-care benefit in Italy to support disabled dependent citizens. It helps (economically) families spending a lot on care for their dependent family members (i.e. it is an indirect support for reconcile work and care). Beneficiaries (mainly older people 65+, i.e. 9 out of 10 users, about 12% of the Italian population 65+) can freely use this benefit and many of them (often in agreement with their informal/working carers) mainly use it to buy private care services, especially for recruiting migrant care workers. In 2015, the amount of the National Attendance Allowance was 508.55 euro per month (Santini, Lamura and Principi 2011; Socci et al., 2015). In some cases the National Care Allowance can be integrated by specific local social care benefits (*assegni di cura*) both at the regional (e.g. vouchers for home care in the Lombardy region) or the municipality level, whose amount can vary a lot from place to place, reaching up to 300-400 euro for the most severe cases (Lamura and Principi, 2009; Socci et al., 2015).

Furthermore, the Legislative Decree 80/2015, one of the decrees introduced for the implementation of the "Jobs Act", updated some legal measures concerning maternity protection and work-life balance of parents. For example the duration of both maternity and parental unpaid and paid leaves has been increased (e.g. both parents are now entitled to up to 6 months of paid leave - however up to 10 months in total - until the child is 6 years old, and no more 3 years old according to the previous law, receiving 30% of the monthly salary). The decree also extended entitlements to parental unpaid and paid leaves to self-employed and professionals (before only employees were entitled to maternity and parental leaves) ([http://www.handylex.org/gun/jobs\\_act\\_decreto\\_80\\_conciliazione.shtml](http://www.handylex.org/gun/jobs_act_decreto_80_conciliazione.shtml)). In Italy, characterized by a "familistic" welfare system (Ascoli and Pavolini, 2015), women and older women provide a crucial support also in raising grandchildren. Even though in general childcare services (e.g. nurseries schools for children 0-3 years old) are not very developed in this country, indirectly, the above mentioned reconciliation measures introduced by Legislative Decree 80/2015, together with other leave arrangements and financial services available in Italy, could be of help.

#### *Solutions/measures suggested/recommended*

It is crucial to promote a wide public recognition of informal family caregivers, which currently seems to be missing. The recent Regional Law 2/2014 ("Norms for the recognition and the support of family caregiver (person that voluntarily provides care and assistance") introduced in Emilia-Romagna is one innovative and effective policy with the goal of publicly recognize, value and support (e.g. providing

information, training, economic contributions) the role of caregivers, considered as a strategic resource of the Regional social and health care system. Thus, it could be important to introduce also in other Regions or preferably at national level a law inspired to this local innovative good practice.

There is also a need of more “friendly” services to support working carers. For example, counselling services and respite care should be more frequently available to working carers to avoid burn-out situations and this kind of services should be freely provided by the public sector. Furthermore, public services and offices (e.g. health and social services) should ensure more flexible access times to more appropriately address the needs of both working careers and workers in general.

Working carers have to be supported by the Government through targeted policies aimed (also) at encouraging them to access and/or remain in the labour market (as well as to attend training/lifelong learning). In particular, there is a need for developing a more comprehensive set of supporting measures to combine paid work and informal care, in order to promote the extension of working lives of workers concerned. For example, more opportunities and solutions for strengthening flexible working arrangements (flexible working times; flexible working organization) have to be implemented in the labour market legislation as well as through collective bargaining at the national and local/firms level, involving employers’ organizations and trade unions. Furthermore, it could be also useful to design supplemental unpaid leave arrangements and to make them available to working carers.

To support a more direct involvement of males in informal caregiving, in order to facilitate more the participation of women in paid work.

## **the Netherlands**

Dutch employees’ right to adjust working time is stipulated in the 2001 Working Hours Adjustment Act. The adjustment can be a reduction in working time i.e. from full-time to part-time but also from part-time to full-time. The Act applies only to firms with at least 10 employees and states that employers may only refuse the employee’s request for adjustment in working hours for reasons of severe business interest. The decision to introduce this legislation was influenced by the issue of reconciling work and private life as well as by developments in flexible working time arrangements. Moreover, in comparison with the approaches of other countries, the Dutch legislation was introduced much more explicitly with the aim to change the distribution of paid and unpaid work between couples with a particular emphasis on equal sharing of unpaid work (Platenga and Remery, 2009). The act offers employees more options in working time flexibility and opportunities to combine work and care responsibilities. So far, two evaluations of the Dutch working time adjustment law have been carried out. The first in 2003, examined employer and employee perceptions about the impact of the law while the second one, conducted in 2007, looked into what happens in case of a rejection of a request by the employer (Hegewisch, 2009). Both evaluations showed only a modest impact of the legislation on requests and generally found little effect in the access to changed hours. The main reason for this was that individual rights to work time adjustments had already been well covered in Dutch collective bargaining agreements since the early 1990s (Hegewisch, 2009; Platenga and Remery, 2009).

## **Poland**

Older people are the main beneficiaries of the sectors of health and social care. In Poland, we observe a growing need for facilities and services related to the challenges of chronic illnesses that occur at older age, as well as to long-term and permanent care. Indeed, population's ageing and poor health implies the need for both short-term and long-term care. The main issue in this context is the one of dependency created by the necessity of long-term care.

As far as long-term care professionals are concerned, nurses in Poland constitute nearly half of the professionals in residential care and their number grew by 90% until 2012. However, the number of professionals providing nursing in social assistance facilities decreased by almost 12% between 2001 and 2012 and the decreases in staff are observed as being even more drastic among professionals providing specialized care services.

It is important to mention that long-term care in Poland is strongly characterized by informal care provided within the family (daughters or daughters-in-law, mainly), since family bonds are culturally very strong in Poland, and private care-givers. Public formal care is reserved to highly-dependent people in need for special care and people in a difficult socio-economic situation.

Given the rather informal nature of care destined to older people in Poland, statistics are incomplete and found only for formal care. However, a survey stated in 2008 showed that care in family settings is provided to 80% of people in need for care, which shows low utilization of formal care<sup>98</sup>.

The State provides tax relief on expenses relative to the care of an elderly relative as well as a 14 days of paid leave dedicated to the care of a relative. Moreover, a monthly allowance of around 130 euros has been made available for caregivers who have left their professional activity to care for a relative<sup>99</sup>.

The issue of care implies the double dimension of health and social policy, so the importance for governmental policies, but is also tackled through the intervention of private companies and social organisations, notably religious ones such as Caritas, which offer care services to older people in need.

In Poland, the offer of public care centres for the elderly is limited and their access is difficult due to long waiting lists, having the effect that the elderly in need of care or long-term care need to sometimes wait several months before they get access to it.

Furthermore, it is to be noticed that the country faces limitations in the provision of long-term care, due to a lack of infrastructure and financial means. Moreover, the insufficient development of child-care, insufficient opportunities of child-related leave, and limited access to flexible working time arrangements can be seen as considerably hampering the participation of older people to the labour market as well as their socialization.

## **the Baltic Countries**

Reconciliation of paid work and care obligations has not been one of the focus topics within the Mo-pact project. For this reason, these practices are not covered in the data collected within the project. Nevertheless, a recent report on the work-life balance measures for persons of working age with dependent relatives in Estonia for the European Social Policy Network (ESPN) has summarised that main problems related to alleviating care burden and removing obstacles in labour market participation of carers arise from lack of services, restricted access to services, lack of suitable services and insufficient

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<sup>98</sup> [http://www.case-research.eu/sites/default/files/publications/S%26A%20473\\_updated.pdf](http://www.case-research.eu/sites/default/files/publications/S%26A%20473_updated.pdf)

<sup>99</sup> <http://www.oecd.org/poland/47877986.pdf>

social guarantees for carers (Vörk, Paat-Ahi, and Biin unpublished). The report also outlines high regional inequality of services, such as institutionalised care, home care, support person or personal assistant and lack of flexibility and diversity in current services to meet the demand of very different conditions that carers face (Ibid.). These problems have been acknowledged at national level in Estonia and ESF resources have been targeted to tackle the problem and provide necessary services for work-private life reconciliation (Ibid.). Furthermore, a working group has been assembled to discuss potential solutions for reconciliation of care and working life. The report provides a thorough overview of work-life balance measures for working population with dependent relatives and discusses their effectiveness. These reports are submitted for all EU countries and will be published at the website of the ESPN network together with a synthesis of results.

### 3.1.3.1.2 Meso level

#### Belgium

Since January 2013, private companies with more than 20 employees have to devise an employment **plan for workers of ages 45 and older** (every year, a new plan has to be proposed or an up-date has to be presented). The plan should contain measures to attract such workers or to keep them active in the company for a longer time. Such a plan can contain a range of measures: leaves, training, changing positions within the company, etc. Firms have a lot of freedom in devising the plan. They can focus on one or more action areas: selection and recruitment of new employees, development of competencies of workers (including access to training), career development and counselling within the company, changing positions to get a role that is more in line with the competencies and possibilities of the workers, options to reduce working times and working circumstances, workers' health, prevention and elimination of physical and psych-social barriers to remain at work, etc. but they can also focus on other areas. Below, we list some examples of how companies deal with this rule.

A first example is Belgacom. Belgacom invites workers to evaluate their career when they reach the age of 50 years old. The firm discusses with them the options that they have to reduce working times, get a more flexible schedule and prepare for retirement. The University Hospital of Leuven offers its 45+ year old nurses one additional holiday every month, 50+ year old nurses two additional days and 55+ year old nurses three additional days.

#### the Czech Republic

At the meso level, there are growing numbers of examples of good practice in work – life – care balance, but only in the context of parents earlier in the work life course (cf. databases such as: <http://dobrepraxe.rovneprilezitosti.cz/> (only in Czech) or “Podpora kariérního růstu žen” (only in Czech)). The firms and organisations, including some of the municipalities, are praised for part-time work arrangements, kinder garden at the firm, flexible working hours, management of the maternity and parental leave, work from home provisions, compressed working week and leisure benefits, such as “cafeteria system” for wellness, health care, cultural activities.

#### Finland

The system of “working hours bank” was introduced to Finland in the early 2000s. It has been slow to attract workers despite positive experiences. The system allows employees to convert work hours and benefits to leisure time or paid off as salary. Even though it has gained some popularity, it still is not widely in use.

In Finland there is no legal obligation to take care of one’s own parents unlike in many other European countries such as Estonia or Germany. Yet the nursing culture of one’s own parents lives strong (Vaarama et al. 2014).

Kauppinen et al. (2015) investigated the determinants of informal carers’ mental strain, coping strategies and early retirement intentions. They compiled good practices and development ideas into a fact sheet that workplaces can use in supporting employees with caregiving duties. The fact sheet emphasises flexible work time arrangements with the help of modern technology (working hours bank, flexible working hours, teleworking, working short time). Also they suggest that not only should workplaces allow communication between the caregiver and the patient, but they should also secure a calm space where caregivers can speak on the phone in discrete and discuss personal matters regarding their patient. This would ease the challenging task of combining informal care and employment.

## Germany

### *Deutsche Post, Schmiedewerke Gröditz, Lufthansa: Flexible working-time*

Deutsche Post allows its employees to save up remuneration and to spend it later, that is, to work less without lower pay. The model is subsidised with money from a demography fund where Deutsche Post pays in. The background here is that especially delivery people doubt that they can work until legal retirement age. Schmiedewerke Gröditz reduced the weekly working time in shift work to 33.5 hours. Lufthansa offers a wide range of flexible working time arrangements, such as part-time work, sabbaticals and partial retirement.

### *Sozial-Holding der Stadt Mönchengladbach GmbH: Flexible working time and care leave*

In 2004 the first works council agreement on flexible working time was made. Meanwhile there are two agreements that focus on different target groups. The first is for the elderly care nurses; the second is for the other employees working in administration, training, placement and service. Agreements were updated in the past years; both include an annual working time account. The account allows easy compensation of working hours within a given time frame. A so called ‘traffic light account’ with green, yellow and red phases is used to avoid a too high number of hours in overtime or negative overtime. For example, if elderly care nurses have a maximum of 21 overtime/negative overtime hours this counts as “green”. Between 35 missing or overtime hours the account switches to “yellow”. More than 35 missing or overtime hours indicate the red phase. Working less than 40 or more than 42 hours is not allowed. In this case the supervisor needs to reschedule the duty roster together with the employee and make sure that the account is back in balance.

For the employees in the nursing homes the following aspects are most relevant:

- Step in for colleagues only under certain conditions, but with more hours (important for part-time employees), this allows greater flexibility for all involved
- Short-term assignments are rewarded with a 30% provision
- Limitation of overtime hours, controlled by the 'traffic light system'
- More reliable planning of free weekends
- Limiting the night watch rhythm to a maximum of six consecutive nights and at least six working hours per night

It is not only difficult to have flexible working hours because of the requirement of a 24-hour-service but also because the managers and colleagues are not used to assign employees flexibly or to short shifts. Managers and colleagues need to be convinced to accept that flexible hours are helpful. Also, the transition from originally three shifts to flexible shifts makes the roster planning much more complex. Meanwhile over 200 shift models are possible.

“Netzwerk pflegende Beschäftigte” (network for employees with elderly care responsibilities) was founded to help employees as well as employers in frequently and suddenly appearing situations in which they have to care for relatives (<http://www.pflegend-beschaefigte.net>). Sozial-Holding was a co-founder of this initiative. Guidelines, check lists and information material can be found on the website. Even events, information courses and contact persons are offered by the network. A blog and a forum can be used to exchange personal experiences and to pose questions.

The Sozial-Holding also offers “Familienpflegezeit” (care leave), a measure that was introduced by the German government. Familienpflegezeit is an agreement that allows reducing working hours with no less than 75% of the salary for a maximum time span of two years. After care leave the respective employee balances out his negative overtime. The employer is secured by the government in case the employee does not return to work or other lack of work occurs. However, Familienpflegezeit is no measure that the employees of Sozial-Holding make use of.

#### *Dekabank, Lufthansa, Bundesagentur für Arbeit: Life-course orientation*

Dekabank has the concept of various stages of occupational life cycle, and various areas of human resource management which are relevant in particular stages. The whole project led to low absenteeism, low fluctuation and high employee commitment. Lufthansa has a ‚life event related human resources management‘, and four fields of HR activities (role in the company, employability, workability, human resources) are related to different life events from entering the company to leaving the company. Similarly, Bundesagentur für Arbeit (Federal Employment Agency) roughly defines four life phases, from school/apprenticeship over career entry and parenthood to the second career phase with horizontal or vertical professional development to the last phase, active retirement. In every phase employees get support, for example in the second phase the ‚3-phase-concept for the return to work‘ (after parenthood, which in the long run also affects older females‘ labour market participation), or in the third phase during mid-career analyses of skills and development possibilities for further career planning, accompanied by further training.

#### *InfraLeuna: Flexible working times, service office*

Besides flexible working times there are agreements concerning the financial and social support of employees, especially of those with families (collective agreement „Zukunftssicherung“ 2012).

Under the slogan “family-friendly chemical site Leuna”, together with three partners InfraLeuna has forged an alliance for the better reconciliation of work and family (InfraLeuna GmbH 2015a). The ‘Servicebüro Beruf und Familie’ (‘service office job and family’) emerged from the alliance, which is a crucial contact point for all employees of the companies at the site. The service office informs and supports the employees in all questions of reconciliation of job and family. Support and consultation are free of charge. Amongst the services of the office are e.g. support in the search for childcare services as well as in the search for consultation services for issues such as maternity protection, parental leave, parental allowance, health etc. Further, there are offers for the placement of care facilities. Due to the close cooperation with the local municipalities and authorities as well as care and child care facilities and information centres it is possible to offer interconnected help tailored to the individual case. According to the works council the offer is widely used (DIHK Service GmbH; Interview HR department 2015; Interview works council 2015). The flyer (in German [http://www.infraleuna.de/fileadmin/infraleuna/downloads/Flyer\\_FSL.pdf](http://www.infraleuna.de/fileadmin/infraleuna/downloads/Flyer_FSL.pdf)) shows the office’s services.

Goals of the alliance are the improvement of the social framework conditions for employees at the Leuna site as well as the creation of a positive image of the site and the companies via better reconciliation of work and family. This is supposed to foster employees’ commitment to the company as well as their motivation and satisfaction at Leuna. Main emphasis is put on the promotion of the acceptance for familial and social issues (Bündnis Familienfreundlicher Chemiestandort Leuna, undated).

Besides the offers provided by the service office, employees can use legally guaranteed services for private care. So far, this offer had been rarely used, probably partly due to the high share of male employees (70%) (Interview HR department 2015; Interview works council 2015).

#### *Several companies: Reconciliation of work and family*

The ‘audit berufundfamilie’ (jobandfamily) defined 8 areas for the reconciliation of work and family. The following subchapters are organised according to these 8 areas.

##### 1. Working time

**Villeroy & Boch, a producer of high-end ceramic/porcelain (about 7,300 employees worldwide)** offers flexible working times in order to enable employees to care for relatives. Further, the company has a programme for family care leave which is to be further developed. Rules are laid down in a 2012 company agreement; besides flexible working times the agreement also allows for working time reduction for employees with care obligations. Given the high number of average hours necessary for family care, possibly a reduction of working time is more useful than flexibility. The company emphasises individual tailor-made solutions. If necessary, employees with care obligations can get a personal conversation with company leadership, the works council and the responsible department in order to facilitate working time flexibilisation/reduction for the reconciliation of paid work and family care.

Also **perbit Software GmbH (65 employees)** emphasises life-phase oriented models of flexible working times. Trust-based working hours apply to all employees and control of working times does not exist in favour of time autonomy and a results-oriented culture. Employees with care obligations can get a

trial part-time job, so that working hours can get reduced for 3 months. After these 3 months, employees can decide if they prefer the part-time model or if they want to return to their prior number of working hours.

Similarly, at **Fraport (20,000 employees, operating company of Germany's biggest airport at Frankfurt/Main)** caring employees can get into a part-time job, either permanently or temporary. Further, the working teams help to create the shift plans and therefore can change the speed of rotation, exchange shifts between employees etc.

**B. Braun Melsungen (5000 employees at the main site Melsungen - the company has subsidiary companies worldwide), offering pharmaceutical/medical products on the health market**, offers its employees more than 200 part-time models and more than 60 shift work models. Employees can choose the model, dependent on their tasks and their familial background. Further, based on a company agreement the company offers 'family part-time'. Employees can reduce their working time to 50% and get a bonus of 15% in case they care for severely sick relatives. Since care obligations can begin suddenly, this part-time model can be obtained with short lead time. Further, employees can have a break in their employment relationship as long as the relative's sickness endures, with a maximum duration of 3 years (in special cases 5 years are possible). The right to return to work is guaranteed. The company offers an internal consultant for these models or for necessary changes in shift work plans.

**Aareon AG (real estate sector, 1,200 employees)** offers paid leave for up to 6 weeks. Employees can catch up with the loss of working time within 12 months after the end of paid leave.

## 2. Work organisation

The **chancery DWL Döcker und Partner (50 employees)** offers its employees laptops for home office in sudden cases of emergency. Further, already at the beginning of care obligations the chancery tries to pay attention to the employees' needs and to adjust working plans to this situation (e.g. these employees are not included in long-term projects).

**B. Braun Melsungen** offers job sharing models in the manufacturing area. In this area due to shift work an intense coordination of working plans with colleagues and superiors is necessary. In the case of job sharing two employees share one full-time job. In future a part-time board will offer part-time opportunities also for white-collar workers.

The **kfw Bankengruppe (a public development bank, 5,700 employees)** offers job sharing for executives to head a department together and at the same time to reconcile work and family.

**Merz-Pharma GmbH & Co. KGaA (2,700 employees)** offers, based on the 'Gesamtbetriebsvereinbarung Medien' (General Works Agreement Media), its employees the private use of telephone, internet and email at work. Also, external workers were connected to the company's intranet. This provides the technical preconditions for the necessary information and communication with internal and external actors for the reconciliation of job and family.

## 3. Job location

At **Merz-Pharma GmbH & Co. KGaA** alternating telework is laid down in a company agreement. If the superior agrees, employees with suitable jobs can work at home between 20% and 60% of their working time. Also – again if the superior agrees – employees can work at home on some (irregular) days. These possibilities support employees with care obligations e.g. at the beginning of care phases in which they have to organise care, or in critical intermediate phases.

Also **Vodafone D2 GmbH** offers its employees home office for 20% - 50% of their monthly working time. Currently this only applies to the German headquarter in Düsseldorf. At other sites the regulation 'Flexible Office' allows work at home for up to 20% but the company heads to an expansion to 50%. Also experts suggest a combination of work at home and in the company. They advise against work at home for the full working time since this could lead to coordination problems (berufundfamilie gGmbH 2009).

#### 4. Information / communication policies

The **publishing group Georg von Holtzbrinck GmbH Stuttgart (3000 employees)** initiated its 'Elder Care-Programm' in 2008 and informed first executives and then employees via circular mail. The issue reconciliation of work and family – and therefore also elderly care if necessary – is an inherent part of the annual appraisal interviews. In internal events lecturers from an external family service inform employees on (legal, healthwise, scientific) issues concerning care. Further, the annual 'Infomarkt' on the topic 'reconciliation of work and family' offers opportunities to employees to listen to experts on the topic care as well as to become familiar with the offers of the local service provider.

The **health insurance AOK Hessen (3,600 employees)** provides its employees an 'emergency information kit'. Main target group are not only employees in acute care situations; also a preventive information of all employees concerning this issue. The personalised emergency information kit also contains important phone numbers and personal data like power delegations and orders (the topic here are the rights of relatives of dependent persons, e.g. to decide for dependent persons). Further, the kit contains important (pre-printed) forms. The information kit can be order at the HR department and contains the name of the employee. The information kit raised employees' knowledge on internal services for employees with care obligations as well as attention given to the issue. Further, for affected employees it is easier now to raise the issue of their situation, since the communication from the company fostered to view that the reconciliation of work and elderly care is as important as the reconciliation of work and child care.

**Merz-Pharma GmbH & Co. KGaA** informs employees in works meetings and talks on the possibilities of reconciliation of work and elderly care. Here the focus is on male employees and examples are mentioned where men care for relatives. This is aimed firstly on a removal of taboos concerning this issue, and secondly to diminish the view that elderly care is only an issue for women. With the targeted appeal the company gets positive feedback, and acceptance of the issue 'care and work' rises. This is the basis of further supportive measures offered by the company, which are used by men and women.

At the 2012 company competition 'Erfolgsfaktor Familie' ('Success factor Family') **Siemens Inc. (115,000 employees in Germany, 342,000 worldwide)** received the special prize in the category 'work and care'. Since 2006 'Elder Care – Betreuung und Pflege von Angehörigen' ('Elder Care - Care and

support of relatives') is a main part of reconciliation of work and family. The company informs on the programme via various channels. Flyers and posters underscore the issue's importance. Further, **Siemens** developed the 'Elder Care Portal'. This is a digital platform for employees with acute care obligations. Employees can enter the platform via the company intranet or via (password-protected) the internet and receive fast and suitable information. Cooperation with a family service ensures consultancy by experts for employees.

**Vodafone D2 GmbH** uses the information portal 'mHUB' and an app for mobile phones to offer employees at home information on care issues.

Within the context of its internal family service, **Fraport** offers a systematic demand evaluation (as far as possible): Timely and good planning is advantageous for the company since this is crucial for frictionless operations flow. There is a huge variety of tasks at Fraport and shift work is part of it. On the 'Infomarkt Pflege' Fraport educates its HR managers with issue-specific knowledge and enables them to talk to experts in the frame of an afternoon event and a series of 30-minute lectures as well as info booths. This happens in cooperation with the Frankfurt Association for Elderly Care, Caritas (a welfare organisation of the Catholic Church), Diakonie (a welfare organisation of the Protestant Church) and further actors. This got positive feedback from HR managers.

## 5. Leadership skills

At the **health insurance AOK Hessen** the issue 'work and care' is an inherent part of obligatory further training for executives. Contents are thematically integrated into the module 'Diversity Management'. One goal is to inform executives on the economic relevance of the issue and on the importance of adequate support of employees by executives. Due to the positive experiences from further training for executives this is also integrated into the bachelor degree course of AOK Hessen where future executives and specialists are trained.

Also **Aareon AG** focuses on executives for the issue of work and care. Based on the view that realisation on executive level is crucial for a company culture paying to the reconciliation of work and care, the issue was raised for the first time on the executives meeting in 2010. On this meeting an expert informed on this issue and pointed out the relevance for a societal view and a company view. In order to signalise to employees that company leadership pays attention to this issue and supports the reconciliation of work and care, an interview with the CEO has been published on the company intranet.

## 6. Staff development

Employees with care obligations take part in further training less often than those without care obligations, especially in the case of further training courses outside of normal working times and/or at a different place.

In the **Daimler** factory Wörth (11,300 employees there) there are so-called 'break models' (Pausenmodelle) for employees with care obligations. Employees can get up to one year of unpaid holidays or can leave the company for up to 3 years with the possibility of re-integration. This is often used by employees with care obligations. In contrast to parents who are obligated to take part in further training during their break (up to 4 years) employees caring for older people are not obligated to

take part, but it is clearly expressed by the company that further training participation during the break is highly welcome. Employees in care break take part in further training considerably.

The internet platform ‘**Vodafone** at home’ offer carers (of children or older people) possibilities to stay in touch with Vodafone and to get information on current developments in the company. This is aimed at optimal integration of employees during care breaks.

#### 7. Renumeration

The **perbit Software GmbH** offers employees paid leave for two days per year in particular difficult familial situations. Further, the company exceeds the legally guaranteed provision of 10 days for care and offers 15 days instead with 50% payment. The precondition is a proof that the relative has the level of care 1 (means, amongst other things, that the daily care effort is at least 90 minutes).

#### 8. Service for carers

The **perbit Software GmbH** has a simple solution: For weekend trips or visits to the doctor a wheelchair is provided.

The **Allgemeines Krankenhaus Celle (hospital, 1,900 employees)** has made positive experiences with self-help groups (this contradicts experiences of the *berufundfamilie gGmbH*). In the context of seminars on the issue of elderly care (in cooperation with the local dementia initiative and health insurances) a self-help group emerged. The group meets once a month to discuss experiences in private elderly care. Further, affected employees can use the hospital’s social service. Consulting services are supposed to prevent excessive burden on employees and a possible loss of workability.

**Henkel AG und Co. KGaA (47,000, washing powder, cosmetics and glue)** has the department ‘Soziale Dienste’ (‘social services’) for more than one hundred years; it developed into an internal service provider. Amongst its offers is on the one side psychological individual counselling and on the other side organisational and preventive offers in order to support caring employees. One of the advantages is the non-varying contact person for employees.

Additionally since 2009 there is the programme ‘Care Support – Pflegebegleitung im Unternehmen’ (‘care accompaniment in the company’) which has as a spin-off a monthly round table for caring employees, moderated by the head of the social service and another colleague. Employees talk about their experiences and frequently experts are invited to inform on issues selected by the group. A scientific evaluation based on a long-term study will show how the project can be further developed.

**Volksbank Karlsruhe (a bank)** initiated the project ‘PflegeINITIATIVE’ in 2013. A contact person within the company knowledgeable on care issues has been appointed. This ensures a fast information flow and a fast offerings of further support. Further, the bank cooperates with the Senior Office of the city of Karlsruhe (300,000 inhabitants) and the Caritas Association. Twice per year there are open ‘Pflegesprechtage’ (Care Advice Days) within the Volksbank’s premises; employees can get consultancy there from the expert on older people of the Caritas. The offer is also open outside of these Care Advice Days, contact details can be found on the bank’s intranet. Further, there are individual coachings/individual counselling by internal coaches who support affected employees.

Also **Siemens Inc.** offers a wide range of external services. Amongst other things there is a cooperation with the family service, providing free consultancy from experts to employees. Further, free telephone consultation is offered from 7 until 20 o'clock. Here, employees are forwarded to experts in order to get consultancy soon. Further, there are frequent series of lectures at different company sites. In the so-called 'Feierabend-Akademie' ('Home Time Academy') experienced speakers inform the audience on various issues, such as financing of elderly care, preventive patient care or payments from statutory nursing funds. In order to facilitate Germany-wide participation, employees have the possibility to view the events via 'Live-Meetings'. In some Siemens sites there are additional offers, e.g. in Munich (where Siemens is headquartered) there are offers in dementia consultancy in cooperation with the Alzheimer Gesellschaft München e.v. (Alzheimer Society Munich).

Partly similar to self-help groups, at **Fraport** caring employees are multipliers within the company 'Netzwerk Pflege' ('Network Care').

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## Italy

In Italy traditionally employers have a little interest/tradition in favouring the work-care reconciliation of employees (Santini, Principi and Lamura, 2011). However, recently it can be found a growing number of pro-reconciliation initiatives and work-life balance measures implemented especially by medium and large companies (Socci and Principi, 2015a). The most common, are the following:

- Corporate welfare programs, including supporting measures to foster care for ageing and disabled relatives.
- Flexible working arrangements, e.g. flexible working hours, part-time contracts, tele-working
- Unpaid leaves, paid leaves and economic contributions to care children and/or disabled/dependent family members, included older people.
- Counselling services to support workers dealing with family care duties.
- Services for the management of bureaucratic commitments of workers.

For example, "Coop Adriatica" supports working carers through a wide set of interventions to promote reconciliation between personal/family life and work duties (as part of its corporate welfare program; "PiùPerTe"), among which: possibility of working part-time or through flexible working hours, thus supporting also informal care; older workers who become grandparents may benefit of up to six months of paid leaves, for supporting their children raising grandchildren; paid leaves for grandparenting or caregiving to disabled/dependent family members. Instead, "Telecom Italia" has created the "Listening Center for Working Carers", in which external professionals offer a telephone counselling service to support workers dealing with family care duties. But in general, several medium and large companies offers some of the above set of measures, in order to promote work-life balance of employees and sustain working carers (see Socci and Principi, 2015a; 2015b). Some companies also offer some kind of support to working carers to arrange their care, for example helping employees in contacting employment agencies or NGOs for recruiting a migrant care worker, if they need such support. However, there are not many evidences about this phenomenon. Furthermore, some organizations (e.g. "Association Over 40") develop also projects for promoting the employability and the reintegration in the labour market of (even older) women with care duties.

*Solutions/measures suggested/recommended*

In Italy there is a need for innovative, organic and coordinated work-life balance initiatives and supporting measures to reconcile paid employment and family care at both the policy (e.g. paid and unpaid leaves) and company (e.g. flexible working arrangements, flexible leave arrangements, counselling services, corporate welfare programs) levels. This is very important in order to promote the extension of working life even of workers with family care responsibilities.

Some suggested measures to implement at the meso level are the following:

- Paid (and unpaid) leaves are more easily available to working carers employed in the public sector, because they are more guaranteed in terms of employment protection compared to people working in private companies. Indeed, people work in the private sector do not really benefit from these paid leaves as they fear they will be fired, discriminated against, judged, or lose the possibility of obtaining a permanent contract if they are short-term workers. The received support and understanding by the management and supervisors is very important in this respect, but of course, despite its positive effect on the working atmosphere, do not provide any protection (due to the possible change in the management positions). Thus, it should be fostered the use of paid and unpaid leaves among working carers employed in private companies, for example by developing awareness campaigns and through collective agreements at company level among employers and unions.
- There is also a need of both promoting awareness campaigns (especially within SMEs, less at the forefront concerning work-life balance measures) and to sign specific agreements at the company level for stimulating employers to grant more often flexible working arrangements (e.g. flexible time, being able to work less in some days and more in others, flexible shifts, part-time and tele-working for some periods, incentivise job sharing among working carers and other workers) according to specific needs of working carers. It is also important that employers coordinate the work of the staff with the performance of those who use paid leaves, so that they are not penalised and do not feel discriminated.
- Strengthening the relationships between stakeholders (e.g. NGOs supporting working carers, employers organizations, etc.) with national and international organizations advocating for carers' rights (e.g. "Eurocarers") for improving knowledge transfer and for obtaining suggestions about innovative measures supporting working carers that could be implemented also in Italian companies as well as at the macro level.

## **the Netherlands**

Many Dutch companies adopted measures, often in a combined format, that help workers to reconcile paid work with family and care activities and with the overall aim to improve working conditions (EurWORK, 2015). These include measures to increase flexibility in working hours, giving more control of the staff to manage their working time and schedule their shifts, and support employees in their caring obligations at home. One specific example is self-rostering, whereby individual staff members are allowed to determine their own roster by consultation and may also arrange for any replacement that may be necessary (Zolyomi & Gasior, 2014). This provides employees a greater control in picking shifts for certain services which are defined in advance. Employees working more hours can be given work credits. The idea is that people have more say in determining their working hours. Another innovative idea is for the company to employ a person, a care-broker, who provides assistance to staff with care responsibilities (e.g. arranging transport, shopping for relatives of employees who are in need of care).

Such initiatives are becoming particularly relevant in light of a growing share of working carers. The number of informal carers in the Netherlands is estimated to be around 3.5 million, of whom 1.1 million provide long-term and intensive care and between 450,000 and 1.5 million are care volunteers (Oudijk et al, 2010).

## Poland

One of the main priorities of the Polish Ministry of Health is care for the elderly, notably through the implementation of a gerontology diagnosis (Całościowa Ocena Geriatryczna) in every Polish hospital. This medical procedure consists in the holistic and interdisciplinary assessment of an older person's health condition, aiming at establishing the most adapted diagnosis in order to prescribe the adequate physical or psychological treatment needed<sup>100</sup>.

Other governmental policy initiative established by the Ministry of Labour and Social Policy (ZDPS and ASOS) focus on assessing the needs and demands of elderly care in Poland. Alongside the Green book, issued in 2010 by the parliamentary working group for the Development of the Act on the Assistance to Dependent Persons, these policy documents acknowledged the importance of families as caregivers for the elderly but emphasized the necessity for an institutional framework of professional services as it would enable job creation, stop the caregivers' immigration to foreign countries, and increase female participation to the labour market, since women still in working age are the ones involved in caregiving for elderly relatives<sup>101</sup>.

The PolSenior programme (short for "medical, psychologic, sociologic and economic aspects of population's ageing in Poland") issued in 2011 a study describing the needs of Polish older people in terms of care. The study analysed the medical, biological, psychological social and economic aspects of ageing. The report stated that about 30% of people participating in the study declared having depression issues which are neither diagnosed nor treated<sup>102</sup>.

There seems to be an absence of local initiatives in the topic of elderly care, since the latter is still new and in phase of development in the country. Thus, it is likely to be confronted to possible barriers in their implementation, at national and local level. However, these policies and initiatives are likely to also be encouraged by drivers, and the simple fact that there is an absence of policies is a driver to the development of such policies. Only once policies and initiatives on elderly care are issued and implemented, there will be the possibility to assess their drivers and barriers.

## the United Kingdom

Flexible working allows carers to fulfil caring responsibilities. As discussed above, term-time working has allowed grandparents to provide family support during holidays, but some employers have intro-

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<sup>100</sup> <http://www.mz.gov.pl/zdrowie-i-profilaktyka/opieka-nad-osobami-starszymi/>

<sup>101</sup> [https://books.google.pl/books?id=RBwBQAAQBAJ&pg=PA541&lpg=PA541&dq=green+book+elderly+poland&source=bl&ots=uVZXtz3dRu&sig=wN\\_Vonm4Jly4V\\_OWtLRhLfzXA&hl=pl&sa=X&ved=0ahUKEwjs0qmv4cjNAhUnJJoKHbE9AQEQ6AEIGzAA#v=onepage&q=green%20book%20elderly%20poland&f=false](https://books.google.pl/books?id=RBwBQAAQBAJ&pg=PA541&lpg=PA541&dq=green+book+elderly+poland&source=bl&ots=uVZXtz3dRu&sig=wN_Vonm4Jly4V_OWtLRhLfzXA&hl=pl&sa=X&ved=0ahUKEwjs0qmv4cjNAhUnJJoKHbE9AQEQ6AEIGzAA#v=onepage&q=green%20book%20elderly%20poland&f=false)

<sup>102</sup> <http://212.87.21.2/polsenior/sites/polsenior.iimcb.gov.pl/files/file/monografia/monografiaPolSenior.pdf>

duced carers' policies that for example enable carers to take one month paid leave each year. In addition, a carers' network has been introduced to provide support and guidance and sharing of experiences across the workforce. Training modules can support carers managing their diverse responsibilities and help raise managers' awareness of how to better support carers.

## **the Baltic Countries**

No examples of company/organisation practices with particular aim of combining care obligations with paid work was collected within the Mopact project. This is not to say that there are no such practices. Although company case studies did not capture such cases and these were not specifically looked for in designing and selecting case studies. Furthermore, practices of flexible working conditions also support reconciliation of paid work and private activities.

### **3.1.3.2 Informal work / volunteering (not black labour)**

#### **Belgium**

Volunteering is widespread among the 65+ in Belgium. According to a study of the Koning Boudewijn Stichting published in 2015, about 13% of the population is a volunteer (Koning Boudewijn Stichting, 2015). 25% of these volunteers are at least 60 years old (which is due to the large share of older people in the population).

#### **the Czech Republic**

The share of volunteering among the Czech population is very low in comparison to EU, and especially so in the higher age groups. The corporate volunteering is recognised and supported by the NGO's helping to develop the social corporate responsibility (e.g. program by Hestia available online – in Czech), but these opportunities are usually not directed specifically to older employees. Often the corporate responsibility is also covered by financial support rather than by the work of the employees (e.g. examples of financial support under the headline of corporate volunteering examples for the NGO "Cesta domů" the palliative care provider available online).

#### **Denmark**

Other (general part-time work): See section above.

#### **Finland**

At the company level attitudes towards part-time could be promoted. Barr (2013) states based on OECD data that the rigidities in Finnish labour market is heavily geared to a binary choice (no work or full-time work) that affect people's attitudes towards part-time work. A study (Takala/Väänänen 2016) suggests the same as sometimes the full-time work till the end of one's career is seen as the norm in

Finland. This could imply that a lot needs to be done to adapt the Finnish working life more in line with increased part-time work of the elderly.

In a study on part-time pensions Takala and Väänänen (2016) analysed system-level registers and compared the length of working careers of 58-years-old people who took up part-time pension to those who did not. They compared the length of working careers of these two groups in 2005 and in 2014, when the groups have reached the age of 67. The data shows that part-time pensioners end up having a longer working career when measured in years. However, Takala and Väänänen analyse this more in detail and explain it by the fact that the part-time pensioners have a longer working career before the take-up of part-time pension. For most of the socioeconomic groups the differences in the length of the careers do not significantly alter from 2005 to 2014. They also point out that part-time pension is more common in higher socio-economic groups. Thus the data suggest that the impact of part-time pension is not positive when assessed by its impact on the length of working lives or total work input.

The relevant question for the measurement of effects of part-time work on total number of working hours (extensive margin \* intensive margin) is: What would part-timers have done if part-time would not have been available? A table provided by Eurofound (2016, forthcoming. 2007 data) shows that nearly half of them would have worked full-time until retirement instead, a quarter would have proceeded to work full-time, yet not until retirement, and only about ten per cent would have retired immediately (rest: no answer). Whereas the result indicates that partial retirement reduces the number of working hours, a closer examination of three health groups (good, moderate, bad) shows that especially those in good health would have continued to work full-time (ca. 65%), whereas this applies only to a small minority of those in bad health (ca. 11%). The latter group would have entered retirement straight away to a considerable degree (28%, whereas 16 percent of respondents could not answer). Although this is unsurprising, it shows (again) that targeting of partial retirement schemes or old-age part-time schemes on those with bad health could increase the total number of working hours until labour market exit.

**Table 6. Reported reasons for part-time pension (2007, %)**

	Main reason	At least one of the reasons
Willingness to have more time for family and hobbies	15.6	33.3
Part-time pension is a soft transition to full retirement	12.2	52.9
Had been doing full-time work long enough	11.4	38.2
Full-time work was physically too heavy	10.5	22.0
Full-time work mentally too heavy	10.0	30.7
Bad health condition	8.2	15.8
Part-time pension together with work income are sufficient for living	5.1	43.6

Source: Takala 2007 (taken from Eurofound 2016, forthcoming).

The Finnish scheme was criticized as being unfair to people who work part-time, and are thus not able to take up part-time pension. Another issue has been targeted towards the financing as it is financed by all the members of the pension system but used proportionally more by higher socioeconomic groups. Eurofound (2016) suggests that this might be caused by the fact that blue-collar workers might not be able afford the drop in salary. Furthermore, not everyone succeeds in organising part-time work with their employer. However, a study (Takala 2001) states that about nine out of ten part-time pen-

sion applicants in small and medium sized enterprises would be granted the part-time pension. Although part-time pensioners report having some problems (staying up to date at workplace and feeling estranged), one could say that generally speaking they are satisfied with the arrangement (Takala/Väänänen 2016).

### Italy

Volunteering has been identified as one of the main fields in which active ageing can be realised. Furthermore, volunteering in older age has been described as a win-win solution, since it benefits both older volunteers and society (Principi et al., 2016). Thus appropriate strategies should be planned to promote it, even allowing to combine volunteering and paid work. Concerning the latter issue, in Italy there is the need to introduce specific policies at the macro level, as well as fostering corporate volunteering programs among Italian companies.

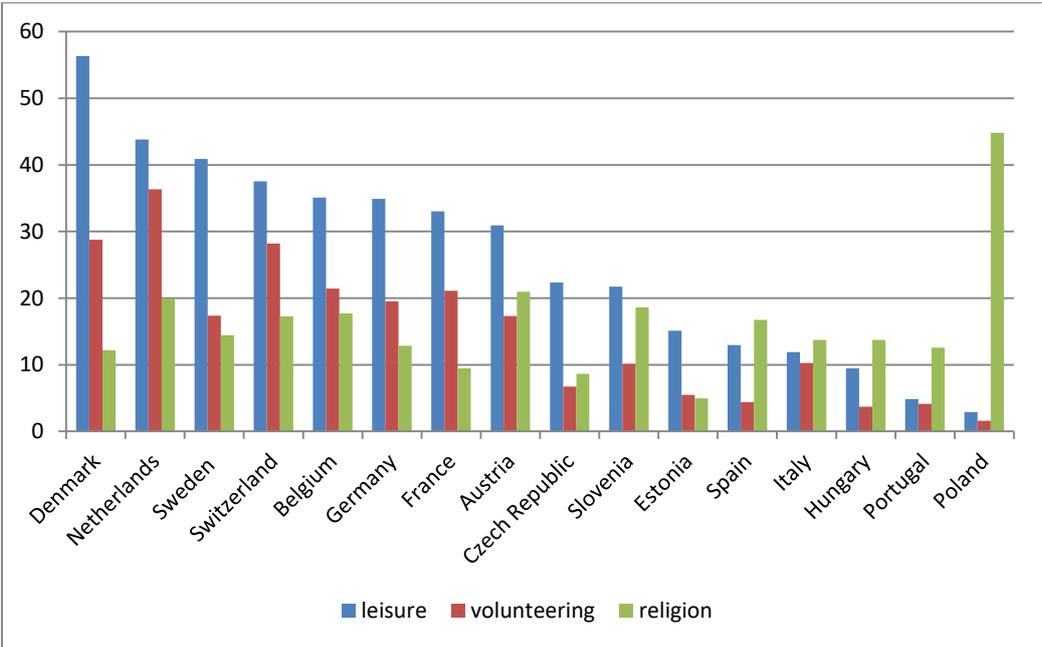
### Poland

*Informal work*

Poland is among the countries with the lowest social engagement – except for religious activities, which are very popular among older people. Voluntary activities lead by older people often take place in the framework of seniors’ clubs or social assistance centres. The latter, which usually aim at providing leisure activities to older people, also organize activities implying volunteering or informal work.

Graph 13 below gives an overview of seniors in activities related to leisure, volunteering and religion, illustrating their implication into social work. We see that Poland has very low involvement in leisure and volunteering compared other EU countries, and a very high involvement of older people in religious activities.

**Graph 13. Involvement of older population in leisure, volunteering and religion in selected European countries**



Source: own calculations based on SHARE 2010/2011

The concept of volunteering itself, in the context of active ageing is a concept which integrates itself in the Polish mentality with difficulty, since the notions of “social action” or “social work” are associated with something negative in Poland.

In recent years, a growing policy attention has been given to the development of policies targeting older citizens with the objective to stimulate social activity. In 2014, the “Foundations for long-term senior policies targeting people 50+ for the period 2014-2020” (Założenia długofalowej polityki senioralnej na lata 2014-2020), aiming – among others – at supporting older people’s social engagement and involvement into informal work, and has been adopted. This measure highlights the potential of older volunteers as care providers for their dependent peers.

At local level. The Warsaw Council for Seniors, created in 2014, aims at supporting the municipality in the implementation of the 2013 programme “Warszawa Przyjazna Seniorom (Warsaw senior-friendly), which, among its objectives, aims at stimulating older people’s involvement in voluntary and informal work.

## **the Baltic countries**

Reconciliation of formal and informal work (i.e. volunteering) has not been one of the focus topics in WP3 of the Mopact project. Nevertheless, the topic of volunteering among older population was covered in WP5 (“Health and Well-being”). In-depth research on policies that facilitate social involvement among older people was conducted only in Estonia of the three Baltic countries (see Matt 2015). Some of its conclusions are outlined below.

### **3.1.3.2.1 Macro level**

#### **Belgium**

In Belgium, volunteering is a very clearly defined concept. A volunteer is a person that devotes part of his or her time to a non-profit organisation without receiving a wage in return. Volunteers are allowed to receive a fee to cover their costs, but this is subject to strict rules. Internships, community service and work performed for family, friends or neighbours do not qualify as volunteering. A person that gets unemployment benefits or social assistance has to report that he or she is working as a volunteer. In some circumstances, volunteering is not allowed for this group. Similar rules apply to workers that receive a sickness or disability allowance.

Volunteering is promoted by the Belgian government in various ways. Yet, none of these measures are specifically focused on older workers. On the federal level, there is a High Council for Volunteers, which advises the Department for Social Security of the Federal Government about volunteering. The Council does a lot of work on the legal dimensions of volunteering and the status of volunteers. More initiatives are taken at the regional level. One example is the “Week of the Volunteer”, which draws attention to volunteering. Another example is that at the regional level, there exists a number of organisations with a similar role as the High Council. However, different topics are covered. Topics range from providing advice and information, organising training days and information seminars, promoting volunteering and developing policy instruments.

## Denmark

At the macro level only the voluntary early retirement pension (VERP) allows for (part)-time retirement before the official retirement age. Certain conditions have to be fulfilled in order to be eligible for early retirement pension. The age limit is being increase to 62 and will then follow the increase in the official pension age such that the maximum time span on early retirement pension stays at three years. Furthermore, eligibility requires having paid into the programme and being insured against unemployment. As explained in Barslund (2015) the number of people eligible is expected to decrease in the future and only a negligible number of people are expected to use the VERP in 2050 (see also section 2.3.1)

## Finland

In 2016 the part-time pension is available for those who:

- Are between the age of 61 to 67
- In the private sector: have been in full-time employment for at least 12 months during the last 18 months. There can be a six month elapse between full-time employment and the start of part-time pension
- In the public sector: have been in full time employment for at least three years in the last five years. The person must move straight from full-time employment to part-time pension
- Have accrued earnings-related pension for at least 5 years in the past 15 years
- Are not drawing any other pension in their own right.
- Are able to agree on a reduction (between 35 – 70 %) of working hours with their employer. The pension system compensates 50% of the loss in salary as a part-time pension benefit.

Part-time pension is supposed to keep older workers with low work capacity or low work motivation in the labour market and out of the disability scheme (Kyyrä 2010a: 7). Kyyrä's (2010a: 33) differences-in-differences analysis shows that part-time pensions attracts those who would otherwise have worked full-time, without having effects on unemployment or disability enrolment. Therefore, Kyyrä (2010: 33) expects a two-year increase of the eligibility age to affect the intensive margin rather the extensive margin. Also Ilmakunnas and Ilmakunnas (2006: 1) criticised the part-time pension as "an example of a system with high subsidy for this extra leisure time".

Also this pension scheme has been made less attractive. For those born after 1946 the accrual rate has been decreased, and the eligibility has been increased from 56 to 58 (s.a. Jokinen 2012: 6. Yet, decreases in this age are not that far ago, from 60 to 58 in 1994 and to 56 in 1998, Ilmakunnas 2006: 5). In 2003 the age limit was set to 60 years and in 2013 to 61 years. Part-time earnings contribute to pension accrual similar to full-time earnings. Previously "the difference between full-time and part-time wage also enjoys pension accrual" (Börsch-Supan 2005: 25). This provided incentives for early retirement, "since this difference enjoyed an accrual rate of 1.5 percent p.a. independent of age" (Börsch-Supan 2005: 25), which was first reduced to 0.75%, and then scrapped altogether. Further, the accrual rates of part-time work have been adjusted to those for normal pensions (Börsch-Supan 2005: 25; see 'pensions' at the beginning).

As part of the pension reform of 2017, the part-time pension scheme will be abolished and replaced by a partial early old-age pension. The age limit for partial early old-age pension will be 61, and after 2025 it will be raised to 62. After this it will be increased in line with the increase of the earliest retirement age.

The partial pension can be withdrawn as either as a 50 % or 25 % pension. The pension will be calculated on the accrued pension right of the individual and a permanent reduction of 0.4 % will be calculated for each month that the pension is advanced from the old-age retirement age. The permanent reduction will only apply to the part of pension that is withdrawn. On the other hand, there will be an increment (0.4 % per month) for deferred retirement to the accrued pension after the (earliest) retirement age.

A person who starts to withdraw partial early old-age pension can reduce their working hours, but it is not required or followed in any way. Thus, the biggest difference with the new scheme is that the partial pension benefit will be decoupled from work, making combining (part-time) work and partial pension easier in future. As such, it resembles the decoupled partial pensions introduced earlier in Sweden and Norway.

## **Germany**

The ‚Teilrente‘ (‚Partial Pension‘) exists since 1992. Currently from the age of 63 onwards a worker can receive a part of his/her pension benefits and work part-time simultaneously up to the legal retirement age. Part-time work can be either at 33%, 50% or 66%. One calculation shows that an average earner loses about 17% of his/her earnings in case of a 50% working time reduction. The system of maximum income during the Partial Pension is complicated, primarily due to rules concerning additional income. Only about 2000 persons enter the Partial Pension per year (for example, 2176 in 2014 according to Deutsche Rentenversicherung Bund 2015).

As Deutsche Rentenversicherung (Federal German Pension Fund) states, „Normally Partial Pension pays off only if you really use your marginal amounts (Grenzbeträge)“ (authors’ translation). The marginal amounts are the maximum amounts of earnings allowed without pension deductions. Therefore additional earnings are necessary (which implies a second job). This, in combination with complicated rules concerning additional income could be the reason for the low take-up figures.

## **Italy**

The Italian legislation related to the voluntary sector and the Third Sector in general has been traditionally highly fragmented (Ranci et al., 2009; Principi, Chiatti and Lamura, 2014), and the most important national laws (i.e. Law 266/1991 and Law 383/2000) focus mainly on regulation of organizations, their activities, infrastructure and access to public funds/tax benefits (available only to volunteering organization and not to individuals). In recent years, especially at the local level, have been enacted and used some normative measures with the aim of encouraging the participation of older people in volunteering activities, even though positive effects of these measures has not been yet captured in available data. Focusing on relationship between paid work and volunteering, the national law 133/2008 introduced (until 2011) the remarkable possibility of public employees close to retirement age being able to retire earlier from work and to receive 70% of their wages, under the condition that they documented their regular volunteering. However this was abrogated by Law 214/2011. On the one hand, it has not been very successful in terms of application, since most entitled people preferred

to carry-on working, and more importantly, it was the “victim” of one of the decisions taken by the Monti government to reduce public expenditure within the so-called “Save Italy” manoeuvre. Apart from this national policy, which is no longer available, some other regional initiatives and laws have been enacted for promoting social participation and volunteering of older people, but there are not specific policies aimed at supporting the reconciliation between paid work and volunteering of older people (Principi, Jensen and Lamura, 2014). On 6 June 2016 the Italian Government approved a comprehensive reform of the Third Sector, overcoming the mentioned traditional fragmentation concerning the Italian legislation concerning the voluntary sector and the Third Sector in general. Anyway, this reform (Law 106/2016) that needs the approval and enforcement of the related enactment measures (i.e. legislative decrees) in the next months to be effective, is focused on (the simplification of) the regulation of the Third Sector and doesn’t include any specific measure providing economic benefits for (even older) people doing voluntary work (e.g. tax-free compensation), with the exception of some reimbursement of the expenses. In sum, even though it is an important reform, it does not support directly (even) older workers in combining paid work and volunteering and more in general it does not deal at all with this issue.

#### *Solutions/measures suggested/recommended*

- To introduce legislative measures enabling the possibility to reduce working hours for (public and private) employees/older workers, in order to offer them the opportunity of doing volunteering work, documenting to employers their regular volunteering. The reduction of wage due to the reduced working hours should be compensated through the recognitions of time spent in volunteering in terms of social “imputed” contributions for pension benefits (Expert 2).
- To offer financial incentives to companies implementing corporate volunteering programs and to provide tax benefits to (even older) workers doing (documented) volunteering work.

Of course, for the implementation of such measures is crucial the availability, involvement and collaboration of all relevant public and private stakeholders, as Government, employers, unions, NGO’s, as well as workers.

## **the Baltic countries**

The WP5 report on Estonia outlines that a precondition for volunteering in old age is enough free time and material resources: as older people often continue working after formal retirement age due to their low income, they are not being socially active and contribute as volunteers (Matt 2015). When looking at different components of the Active Ageing Index<sup>103</sup>, the Estonian scores are among the lowest when it comes to participation in the society (25<sup>th</sup> among EU-28 countries in 2014). Subcomponents of the index indicate that older people contribute much less as volunteers (20<sup>th</sup> place) and they are politically much less active (23<sup>rd</sup> place) in comparison to other EU countries. The Active Ageing Index for Latvia and Lithuania are close to that of Estonia: ranking 21<sup>st</sup> and 19<sup>th</sup> position respectively.

The Mopact report outlines that the issue of how to motivate older people being more socially active hasn’t been widely debated in Estonia (Matt 2015). Thus, there are no innovative practices to outline

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<sup>103</sup> <http://www1.unece.org/stat/platform/display/AAI/Active+Ageing+Index+Home>

that would tackle this topic. In Estonian case, it is rather a matter of acknowledgement of the relevance of volunteering as a form of active ageing next to formal work.

### 3.1.3.2.2 Meso level

#### Belgium

A highly interesting initiative is “**Belgian Senior Consultants**” (a non-profit organisation founded in 1988), which has regional affiliates and offices in each of Belgium’s 10 provinces. The members of this organisation are former executives, entrepreneurs and managers, who -even after retiring- remain active to offer their expertise to firms, organisations in the social economy, and other initiatives.

Another recent initiative is **duo for a job**.<sup>104</sup> Duo for a job is a non-profit organization – founded in 2012- that carries out intergenerational mentoring by matching young people residing in Brussels who are experiencing difficulties in accessing the labor market because of their ethnicity and/or geographical origins, with experienced senior professionals who can support and assist them in their professional project (education, training, employment). Once the “duo” has been created, the association oversees and assists throughout the period of mentoring. Within this framework the objectives of duo for jobs are twofolds: reducing inequalities in the access to the labour market for young migrants and at the same time give senior professionals the possibility to acquire social skills and stay active outside their working life.

#### Denmark

##### *Collective agreements*

As described in section 2.3.2 many collective agreement now allow for a negotiation of reduction of working time financed by reducing the pension contribution after the age of 55.

#### Finland

##### *Career plans*

A solution that allows individual measures are career plans. **Saarioinen Oy (a food industry company with 1500 employees)** introduced a career plan within its programme for Senior Workers where the supervisor discusses problems and needs with the employer. Things such as training needs and aspects of the working environment are addressed in this talk. Based on this information the supervisor develops a career plan which sums up the employee’s conditions and benefits. **Berner Oy (a department store for brands, 400-500 employees, 60% female)** implemented a similar approach. The inherent adaptability of individual career plans offers high transferability to other companies and branches (based on Linnenschmidt 2015). In some sectors (e.g. food industry) the collective agreements stipulates that a career plan has to be agreed between the employer and any employee above 50 years of

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<sup>104</sup> More details on this initiative can be found here: <http://www.duoforajob.be/>

age. The aim of the plan is to promote well-being at work and extend working lives. (Andersson et al. 2013)

**Oras group**, a sanitary fittings manufacturer, launched a senior programme more than 20 years ago. Employees aged 55 and above can enrol in the senior programme, which includes a fitness programme, wellbeing-at-work events and senior leaves. Employees aged 60 and above can take 15 days of senior leave per year. Senior leave should be taken when the employee is not feeling fully fit to work but not as much as to go on a sick leave. Three of the days have to include organised wellbeing-at-work events. The remaining 12 days are to be used for taking care of one's own health and wellbeing. The average retirement age among Oras Group's Finnish employees is 63.3 years (including disability pensions), two years above the national average. Not a single employee retired on a disability pension in 2014. In total the company has approximately 450 employees in Finland. Since 1996 the average retirement age in Oras has risen seven years. Oras justifies their senior policy as a mechanism to make sure that there will be no gaps in transmission of valuable knowledge to younger employees. (Seretin 2015)

Even though there are several positive experiences coming from age management programmes, Haring (from SAK 'Central Organisation of Finnish Trade Unions' representing blue-collar workers) sees that the value of them has not been fully understood at workplace level and as such they exist only in a few companies (Rissa 2014).

## Germany

### *Bayer*

Basic prerequisite is a solidarity model financed by the Demography Fund. In 2016, Bayer contributes 550 € per full-time worker which will be increased in 2017 to 750 €. The budget resources are delivered from year to year and are subject to interest. On the basis of annual calculations Bayer assumes that the programme will be fully funded until 2025 meaning that the last cohorts will become part of the programme in 2020.

On the basis of an overall agreement (Gesamtbetriebsvereinbarung), Bayer has decided to focus on two target groups: (1) employees in continuously shift work aged 55 year and older and (2) employees in day work aged 57 years and older.

GBV "Lebensarbeitszeit und Demografie" Demo 1 (overall agreement „Working Life and Demography“) from 2010 enables shift workers and workers suffering from long-term sickness aged 55 years and older to get up to 20 additional paid free shifts (supplementary to collective agreements on Altersfreizeit<sup>105</sup> ("old age spare time").

GBV "Gestaltung des demografischen Wandels" Demo 2 (overall agreement „Working Life and Demography“) from 2013 enables shift workers to reduce load situations in terms of reducing working hours/days (including collective agreements on old age spare time which is 15 days per year) as following:

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<sup>105</sup> Old age spare time ("Altersfreizeit") usually allows 2.5 paid spare hours per week per employee aged 57 working in day shift.

- Workers aged 55 (two shifts) and workers between 57 and 60 years: 20 so-called demography days per year
- Workers between 60 and 63 years: 25 so-called demography days per year
- Workers aged 63 and older (until retirement): 30 so-called demography days per year

The idea behind the scheme is that the best way to reduce load situations is to not have load situations at all by simply working less and having time to recover from stressful work situations. The overall goal is to enable these employees to work as long and healthy as possible up to their legal retirement age.

Overall, approx. 1.500 employees under the collective agreement of Bayer AG use this model of paid reduction of load situations (approx. 94%).

Additionally, for employees falling ill for a long time (at least 120 calendar days without interruption) there are regulations in place for a so-called disburdening integration. These employees are entitled to up to 80 hours paid leisure time. Between 80% and 86% of entitled employees at Bayer AG participate in that scheme.

Simultaneously, and since 2007, Bayer has installed a so-called long-term account that is being used by approx. 40% of all employees. The more qualified (in terms of better earnings) and the older employees are, the more often they use this arrangement.

Since February 2015, the long-term account can be used in combination with demography days which leads to even more reduced load situations in terms of 3 or 4 days working weeks. To be able to use this model, certain preconditions must be fulfilled such as a sufficiently filled long-term account, the usage of a reduction of the load situation within Demo 1 or Demo 2, and an application deadline that is in force six months before starting.

Example calculation: If a 57 year old full-time worker (with 37.5 working hours a week) wants to change to a 4-days working week, he or she must only finance 26 days out of the long-term account.

An exemption lasts until legal retirement age. The free position is refilled with substitute employees, first of all by employing apprentices. Thus, if these people work together in a shift, knowledge transfer, also a big challenge for ageing companies, is taken place more or less by itself.

#### *Deutsche Post / DHL*

The old-age part-time scheme at Deutsche Post / DHL can be taken from employees aged 59 lasting between at least 24 and maximal 72 months. Between 79% and up to 87% (for low-earners) of net income is being paid from the employer and from the demography funds (for low-earners). There is no obligation for the earliest possible retirement without pension deductions, so that someone who could take 'Pension at 63' does not have to end his/her working career (and use of the scheme) at Deutsche Post / DHL at 63. For employees the old-age part-time ends at the latest when they reach the statutory retirement age.

In contrast to older regulations (block model), this model of old-age part-time is a continuity model, because employees have to work part-time over the whole period. Employees are also protected to stay in their work area; changes are not allowed because of using old-age part-time.

Necessary requirements:

- A value credit of at least 55 value credit points (one value credit points equates to one per cent of a yearly gross income)
- Tenure of Working Time Account for at least 5 years
- Unlimited employment contract
- Application at least 6 months before old-age part-time

For the cohorts born between 1953 and 1957 special regulations are in force. The value credit of at least 55 value credit points is not mandatory. Instead, workers born 1953 must have at least 11 value credit points, workers born in 1954 must have at least 22, workers born in 1955 at least 33 and workers born in 1956 at least 44 value credit points.

### *Deutsche Bahn*

The programme 'besondere Teilzeit im Alter' ('special part-time in old age') has been established in July 2013. This partial retirement scheme allows older workers to use 45 additional free working days per year, reducing working time to 81% of full-time. Wage is reduced, but not proportionally: in the beginning to 90% of full-time wage (87.5-88.5% until 2015). To be entitled, workers should be at least 59 years old (down from 60 until 2015) and work for Deutsche Bahn over 20 years. As can be seen, in 2015 the programme, which has been rather ungenerous compared to programmes at other companies, has been made a little bit more generous.

They should also have worked recently for 10 years in rotating shifts, or regularly at night (80 hours between 20:00 and 6:00 per year) or on-call, or could not do any of this type of work due to an assessment by a company doctor, or (since 2014) have recently for at least 10 years worked for 80 hours per year with a hardship allowance, or (since 2014) are severely disabled. Therefore, the comparatively tight eligibility rules had been slightly relaxed in 2014.

The programme is also open to people who already work part-time. Workers have to apply at least four months prior to the start of their partial retirement. Working time reductions can be taken in one of three forms: a) as 45 additional holidays, which can be used for example by taking full weeks; b) regular free days, usually in the form of a 4-day working week; c) as an exception it may also be agreed that the worker continues working full-time at the beginning and then retiring early. The programme is financed by the employer. An employee contribution via longer working times was agreed, yet partially revoked in a later agreement. The trade union argues that financing of the programme did not reduce the general wage rise (of over 5% in each the last two years).

Of about 12,000 workers would be entitled to enter the scheme, there were 924 partial retirees in April 2016, up from 317 at the beginning of 2015. The trade union argues that possible reasons for people not to use the scheme are: a) the 'Pension with 63 reform' allowing for an early exit, b) an employer-initiated 'old-age part-time scheme' is still used, which in practice is used often as a 'block model', i.e. a period of full-time work followed by early retirement, c) a psychological barrier to work part-time, as the partial retirement scheme contains real part-time work; in contrast to the old-age part-time scheme the use of a 'block model' for early retirement is only rarely available, d) in the period shortly after the scheme's establishment in July 2013, there the trade union argues the employer has shown lack of enthusiasm and invested little in promotion of the scheme at the local level, since it

feared aggravation of lack of skilled labour, e) the planning of working shifts were unclear (who works when etc.).

Assessment is hard because the programme is new, but the design of the scheme as such can be compared to the alternative older part-time scheme. The trade union states that the number of working hours are higher in the new scheme, providing for 5 years of 1,649 working hours (8,245 hours in total), compared to 2.5 years of 2,039 working hours (5,097.5 hours in total) in the old one. The new scheme is sometimes used as an early retirement (block model) scheme, but not as often as the old scheme. It is the case for 135 (15%) of the 924 partial retirees. The result is that people stay attached longer to the company, even if working part-time.

## Italy

As in Europe widely, also in Italy a strategic approach to Corporate Social Responsibility (CSR) is increasingly important to the competitiveness of companies. CSR refers to companies taking responsibility for their impact on society, integrating social, environmental, ethical, consumer, and human rights concerns into their business strategy and operations (European Commission, 2011). In this context, according to a survey on a sample of 800 Italian firms with more than 100 employees carried out by Osservatorio Socialis (2014), in recent years there is a growing number of companies engaged in CSR initiatives (from 64% to 73% between 2011 and 2013), among which corporate volunteering programs/activities. The latter can create significant value for the causes served and the community, the company sponsoring the programs, the employees who volunteer (improving their gratification at work, benefitting productivity), and the non profits organizations. Moreover, in the National Action Plan on Corporate Social Responsibility 2012-2014, it was stated that the Italian Government would have promoted initiatives on corporate volunteering implemented by for profit companies in collaboration with Third sector, active citizenship and civil society organizations. However, despite corporate volunteering programs are increasing, they are still not widespread among Italian companies. Indeed, according to the mentioned survey, only 11% of Italian enterprises pursue a CSR approach offering volunteering opportunities for their employees, also supporting their engagement in the community, for example offering some hours of paid time off for volunteering each month/year. In general, companies promoting volunteering of their employees, mainly offer paid leaves to workers actively participating in volunteering activities, or try to stimulate the engagement in volunteering of older workers close to the retirement age (ISFOL, 2015; Socci and Principi, 2015a). There are some initiatives to support companies in implementing corporate volunteering programs, as in the case of a Laboratory implemented since 2010 by a private foundation in collaboration with a university, several NGOs and companies. In this Laboratory has been promoted an exchange of methods and practices among participants and has also been realized a practical guide for collaboration between profit and non profit organisations and a toolkit for companies interested in realizing these kind of programs (Fondazione Sodalitas, 2013).

### *Solutions/measures suggested/recommended*

- There is a need to foster the implementation of corporate volunteering programs among Italian companies, encouraging employees, including older workers, in doing volunteer work. To this aim, it should be useful to promote awareness campaigns (even in order to provide infor-

mation about benefit for companies and workers in implementing/participating in these initiatives), and to spread the creation of public-private networks for providing tools and advices to enterprises interested in realizing these programs.

- To stimulate companies in offering specific measures/incentives allowing a better combination of paid work and volunteering, as paid leaves, economic incentives and flexible working arrangements for employees and older workers participating in volunteer programs/activities. To this purpose, even company's unions involvement might be useful, as the signature of collective agreement at company level, or including specific measures/incentives to combine paid work and volunteering in the legislation (see also section 2.1.3.2.1).

## **The Baltic countries**

Examples of active participation of older people in society were outlined in the WP5 report (Matt 2015). These cases concentrated fully on informal work and did not touch upon the topic of combination between formal work and volunteering.

Some project-based examples were also identified in background research for WP3 (see Nurmela, Osila, and Leetmaa 2014). Although in these cases as well there is no component of combining volunteering with paid work. Examples include a Grundtvig programme financing the voluntary service for people aged 50+ to support citizen activity in the age group in Estonia and Lithuania (Grundtvig Initiative on Volunteering in Europe for Seniors). Activities of Lithuanian Caritas are also focused on senior volunteering in the social sphere (training and seminars on opportunities for volunteers: trainings have been attended by more than 300 persons learning the principles of social work and sharing their volunteering experience).<sup>106</sup>

## **3.1.4 LifeLong Learning**

### **Belgium**

Lifelong learning has already been a hot topic for several years, both at the macro and the meso level. There is a broad consensus on the importance of training throughout one's career. Policies often are not limited to older workers. Instead, the focus is on building knowledge and obtaining skills in every stage of a worker's career. The concept of lifelong learning does not only refer to training programs to improve knowledge and cognitive skills, it also comprises non-cognitive skills, coaching and career development in this paper.

### **the Czech Republic**

Lifelong education and learning is essential to maintaining employment of older people and sustainable employability. Increasing share of people with tertiary education on the one hand increases flexibility and mobility of workforce and increases the chances to extend working life and increase employment of people aged 60 and older. On the other hand, the structure of university education may not lead to a reduction of the mismatch between supply and demand in individual sectors. The structure of graduates and requirements of employers indicate a lack of technical professionals and workers in general in the Czech Republic. There is also growing demand for low-qualified jobs Czech across all

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<sup>106</sup> <http://www.caritas.lt/index.php?id=new&new=21>

sectors, according to the Czech Chamber of Commerce. The Chamber therefore asks for legislative changes removing barriers for migrant workers. Lifelong learning not only contributes to higher productivity, better skills and adaptability, but also the increased job satisfaction. Social partners thus should promote more proactive life-long learning strategies, based on individual needs and potential, reflecting life-course approach and individual job trajectories.

## **Finland**

Riitta Työläjärvi (STTK) pointed out that lifelong learning becomes increasingly important for labour market participation. As v. Werder and Thum (2013) remark, also in Finland the employment rate is highest amongst the well-educated. Lilja (LER) stresses the importance of learning too and states that the Finnish system of education for the elderly is working well and meets positive attitudes of Finns towards learning. Contrastingly, Työläjärvi (STTK) states that the attitude of elderly towards learning could be improved. She complains about the lack of financial resources and methodology in professional educational institutions that is not appropriate for the learning requirement of the elderly. Further, she states that employers underestimate the pay-off from learning, since younger workers change jobs quickly, so that their pay-off period is (also) not very long in the mean. This is a pattern which is e.g. also seen by German experts for their country. Työläjärvi suggests that older workers would be more grateful for further training and would pay back in the form of extended careers and loyalty to their employer. Also here interview statements are taken from v. Werder and Thum (2013).

V. Werder and Thum (2013) report a 2004 OECD statistic showing that 44% of the Finnish between 50 and 64 reported that further training resulted in a higher probability to keep their job, while 32% said that training increased their probability to get higher pay. Over 70% of workers from Nordic countries and the Netherlands either asked for employer-paid training or participated in it in the last 12 months. As v. Werder and Thum (2013) remark, an interesting finding is the relatively high share of Finnish employees having unsuccessfully requested employer-paid training.

## **Germany**

“Classroom training keeps many participants busy without creating much of an employment perspective” (Romeu Gordo/Wolff 2011), whereas in-firm training provides employees and employers valuable insights (without costs to employers). Romeu Gordo and Wolff explain the strong effect of in-firm training as resulting from direct contact to the firm due to the training, but have to admit that possibly those getting in-firm training could differ from those with classroom training in some aspects not hold constant due to propensity score matching, resulting in an overestimation of in-firm training’s positive effects (2011).

## **Italy**

The literature (Angotti and Belmonte, 2012) highlights the importance of building lifelong learning processes and of stimulating broad participation in them, with particular reference to adult and older workers. To them, indeed, lifelong learning should provide a continuous flow of information and competencies, avoiding interruptions in the acquisition of skills and knowledge. In Italy, there is the need to encourage (both at the macro and meso levels, especially within SMEs) older workers’ further training participation throughout the working life, through a wide range of actions, offering training methods/tools more suitable to different needs and preferences of older workers.

## Netherlands

- Similar to other countries, Dutch older adults with higher education tend to stay longer in the work force (Euwals, Mooij, & Vuuren, 2009).
- In particular, the increase in the educational attainment of women had a double effect on the employment rate: a rise not only in female employment, but also in the employment of their partners, who tend to stay in the labour market longer if spouses/female partners are active as well (Vuuren & Deelen, 2009).
- Recent data shows that the expansion in higher education is likely to continue: 38% of those aged 25-34 today has a higher level of educational attainment than their parents, which is above the average of 32% (OECD, 2014b).

## Spain

The 2008 Austerity Plan sought to reform vocational training with a focus on emerging and innovative industries. In general this may have been unfavourable to older workers who may not have had the skills required for these industries.

However, from 2011 the Public Employment Service gives priority to workers aged over 45 for training schemes designed to increase employability. The strategy for the employment of older workers also required unemployed older people to validate their professional experience and thus gain recognition of their existing qualifications (OECD, 2012f). The idea is that these qualifications will provide a basis for further training thereby improving prospects for a return to the labour market. This extends through to participation in Higher Education (HE), with prior academic qualifications and previous experience being recognised as part of a broader array of routes into HE. In addition, the approach to such learning is to be made more flexible to allow the combination of study, work and family life.

Our search for innovative practice highlighted employer age management practices that invest in making older workers 'workplace leaders' to facilitate their retention through enhanced status, and to assist in knowledge sharing through cascading of skills. However adoption of such practices is limited in Spain.

## the United Kingdom

While access to training has traditionally decreased with age McNair (2012) discusses the recent change in this trend, pointing out that employers are more likely to invest in training for individuals over 50 than those in their 40s. The National Adult Learning Survey (BIS, 2012) also indicates that the decrease in training participation becomes more evident from the age of 60 rather than earlier. However, the training undertaken by older workers is more likely to be of poorer quality and less likely to improve their skills, working practices or pay, reflecting low levels of workplace progression among older workers (Felstead, 2010).

There is evidence that a higher level of participation in training among older employees is positively correlated with remaining in work (Lissenburgh and Smeaton, 2003; Armstrong-Stassen and Ursel,

2009). Where training appears to be less effective is for older, unemployed individuals unless the learning undertaken provides a licence to practice, or is job and company specific, and includes experience with the company (McNair, 2012).

## **the Baltic countries**

In terms of lifelong learning, there is a need to facilitate lifelong learning for older age groups on all levels, including macro level policies, meso level (company and organisation practices) and micro level (personal motivation). As research in the Mopact project showed, there are not many examples of good practice to outline in this field and age barrier remains an important obstacle, particularly in Estonia and Lithuania. Thus, rather than giving good examples, Baltic countries are in need of learning from other countries' experience in this field of active ageing. Some suggestions based on Mopact research include:

- Facilitation of good practice examples of policy measures supporting learning participation among older age groups, including their effectiveness, could be useful in motivating policy developments. There are not many examples of macro level policies from the Baltic countries which would give enough attention to older age groups and the barriers they face.
- On micro/meso level, there is a need to motivate both employers to provide training as well as older workers to take up learning when offered the opportunity; tackling the age barrier (i.e. attitude of being too old to learn) is an important challenge.

### **3.1.4.1 Macro level**

#### **Belgium**

The most important way in which the government stimulates lifelong learning is the system of **paid educational leave**. This system allows private sector workers to take leave to follow training during or outside of their working times. In some cases, it also allows them to prepare for or participate in exams. The system of paid educational leave was previously managed on the federal level, but since 1 April 2015 it falls under the responsibility of the regional governments. Nevertheless, the system still is very comparable across the different regions. Paid educational leave is available to all workers, regardless of their age. For public sector employees, other systems are available which differ depending on the department in which an employee works.

In Flanders, workers can keep their wage while following training under the system of paid educational leave. Employers can recover this cost after the worker has completed the training. To be eligible for paid educational leave, workers have to work in the private sector, work full-time or part-time, and have a labour contract. There are two types of training that entitle education leave: professional education and general education (a full list of training programs and courses that qualify is provided on the government's website). Each program has to have a duration of at least 32 hours.

In Brussels, workers from the private sector and contractual workers from autonomous public company are entitled to paid education leave, for training program they participate in during their free time and during working times or to prepare for exams. Not all training programs qualify. Again, there is a list of program available on the website.

In Wallonia, there is a similar system. The system of paid educational leave is available to private company employees and employees of an autonomous public company. Workers can take paid educational leave for training program that have officially been approved and that comprise no less than 32 hours of training. Employers receive a lump-sum reimbursement per hour of paid educational leave.

Self-employed workers can also participate in training programs. There is a large number of organisations and companies that specifically provide training programs for self-employed workers (e.g. Securex, Zenitor, etc.). Training programs are also organised by employers' representatives (e.g. UNIZO, VBO). Training programs typically cover a range of topics and many organisations seem to tailor these programs to the requests of the self-employed. Interestingly, the Flemish government subsidises training for small- and medium-sized companies and professionals (e.g. doctors) under certain criteria.

## **the Czech Republic**

The life-long learning is considered an important feature of work longevity; at the same time many authors agree that the involvement in the further adult education is generally low in the Czech Republic and very low in older workers. The cumulative dis/advantage hypothesis applies, as mainly those already skilled and educated tend to participate on further education and training more. Those older and those with lower qualification participate on LLL less partially due to the lower willingness and greater hesitations and concerns related to the up-skilling programs in the participants, and partially due to the unavailability of high quality activities and courses corresponding to the needs of those workers, both employed and unemployed (Horáková, Horák 2013: 140). Therefore programs which do address both needs of the industry and more closely related to capabilities and interests of the workers should be supported.

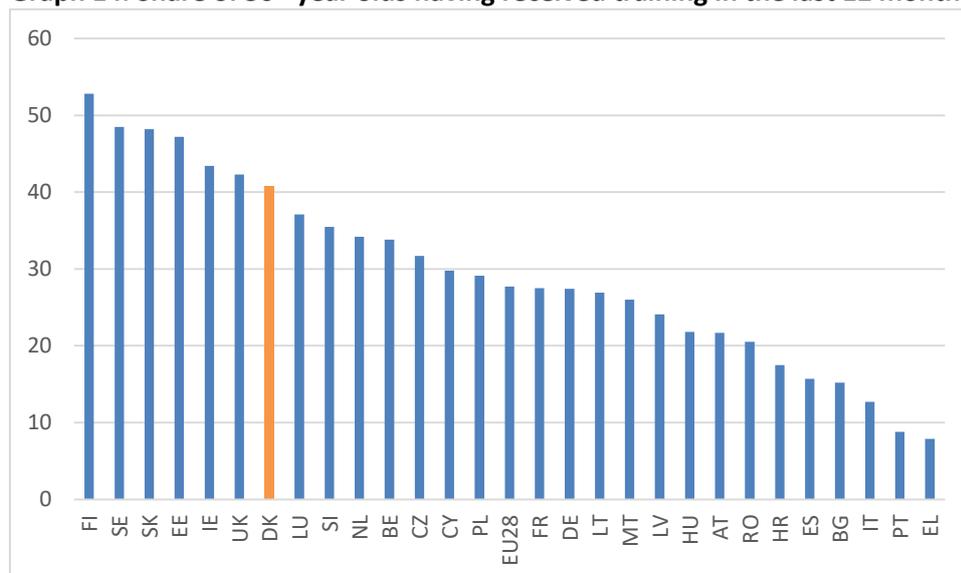
Lifelong learning is also often understood, also in the NAPPA document, as a leisure activity of those already out of the labour market, namely Universities of third age. Even thou this type of education is very important for general wellbeing, the learning activities related to labour market need to gain more attention.

## **Denmark**

### *Overview*

Lifelong learning is prevalent in Denmark compared to the rest of the EU. More than 40 pct. of 50-64 year olds had training in the past 12 months (Graph 14).

**Graph 14. Share of 50+ year olds having received training in the last 12 months (2015)**



Source: European Working Conditions Survey (2015)

The SHARE survey provides more granular data for older workers (Table 1).<sup>107</sup> Training activities are falling with age but not by much. More than a quarter of all worker above 60 years have received training within the last 12 months. This relatively high level of adult education and training are further corroborated below in table 7.

**Table 7. Share of employed having participated in training activities within last 12 months**

	50-54 years	55-59 years	60-64 years
Luxembourg	37	35	37
Sweden	45	46	35
Belgium	29	34	32
Switzerland	40	37	31
Germany	35	29	29
Netherlands	36	37	28
<b>Denmark</b>	<b>33</b>	<b>32</b>	<b>27</b>
Estonia	29	29	26
Austria	20	29	23
France	26	24	22
Czech Republic	26	19	16
Israel	19	17	15
Slovenia	16	13	12
Spain	15	15	10
Italy	6	6	4

Source: SHARE wave 5

The Danish system for adult training and education spans the range from basic skills normally acquired in lower secondary school or earlier to masters' level education. The amount of co-financing and the entry requirements vary with the level and nature of the training.

<sup>107</sup> Extracted from SHARE wave 5 (2013).

In an international comparison Denmark has a high level of further education after the completion of the first degree (OECD, 2012; Cedefop, 2006). Adult education and training also takes place in all stages of the working life (Table 8).

**Table 8. Participation in adult education and training, 2009**

Age Group	Pct.
30-34	40
35-39	42
40-44	44
45-49	45
50-54	42
55-59	34
60+	19

Source: Møberg (2011)

Even though participation in adult education and training decreases for 55-59 year olds compared to 50-54 year olds, the decrease is not dramatic. The lower number for people aged 60+ is influenced by retirement decisions (i.e. there are fewer people aged 60+ to take adult education and training courses). If further adult education is not purely for consumption, human capital theory also predicts a drop in participation towards the end of working life (Becker, 1962). The drop can also be explained by simultaneous expectations of employer and employees, if, say, employees expect that employers are unwilling to invest in their skills after a certain age, they might pursue adult education and training less intensively (Fouarge & Schils, 2009). Discrimination against older workers at the firm level may also play a role (see section on ‘Demand side’).

Early retirees (available from the age of 60, cf. above) are less likely to have received training in the five years *prior* to their retirement than working individuals of same age in the previous five years (Table 9).

**Table 9. Participation in adult education and training in the 5 years prior to retirement, 2009**

	Age Group	Pct.
Have participated	45	61
Have not participated	54	39
Do not know	1	1
Sample size	1,545	366

Source: Møberg (2011).

The important message from Table 6 is that a substantial share (45%) received adult education and training in the five years prior to their retirement. This is less than their working peers; however, addressing causality – in terms of the effect on the retirement decision of adult education – is difficult.

One way to assess the potential of adult education and training/life-long learning as a strategy to extending working lives is to ask retirees if an increase in training opportunities would have changed their decision.<sup>108</sup>

Møberg (2011) reports that only 7% of early retirees report having actively sought adult education and training but have not been offered it. Of this ratio, 33% say that they would have stayed longer in employment had they had increased access to adult training and education. This gives a potential 5% from this group of retirees (of the early retirees) who would have postponed retirement. Some individuals who had access to training might have wanted more. Including this group gives a potential of 12% of all early retirees who respond that they would have stayed longer in employment had they had better access to adult education and training.

Kristensen (2012) also points to the rather minimal effects of adult training and education in Denmark – at least for government co-sponsored formal learning. Building on matched employer-employee data over 30 years he concludes that “...the results also show that formal lifelong learning appears to have only a marginal impact (if any) in postponing retirement.” His estimates point to retirement being postponed on average one month for each full year of formal adult education.<sup>109</sup>

In a survey conducted in 2012 the Danish Chamber of Commerce asked the views of around 1,000 Danes aged 58 to 70 years on six options, which could have affected their decision to retire – or for those working – if it potentially affects when they retire (Dansk Erhverv, 2012). Better adult education was the option that was the least identified as having a potential impact (27% of respondent answered affirmatively). The other options were: reduced working time (42%); being encouraged to stay in the job as long as possible (39%); the possibility of being assigned as a mentor for younger colleagues (30%); change of job function (29%); and special events for older workers within the firm (33%).

There does seem to be a group, however, which is in need of training and for which the current system of adult training and education might not be well-prepared. This group mostly consists of low-skilled males with a career in physically very challenging occupations, mostly in industry (Hansen, 2011; Mploy, 2011; Diccus, 2013). This is combined with different ingredients such as low self-esteem, difficulties in marketing their skills and workability value. There may also be some resistance to further formal education, both due to the size of the initial monetary investment and a general perception of being too old for further education, as well as negative prior experience with the formal education system.

#### *Initiatives at the Macro level*

There is a well-developed adult education and vocational training system catering to mostly to individuals without a tertiary education. As with the general adult education and vocational training system, most Danish initiatives addressing lifelong learning and adult education and vocational training at the macro level are available to all age groups and as such not focused explicitly on older workers.

#### *Track Change initiative*

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<sup>108</sup> Of course, retrospective questions carry well-known risks in terms of recall and response biases.

<sup>109</sup> See also Singer and Toomet (2012) for similar results from Germany.

An initiative administered by Danish Agency for Labour Market and Recruitment, Trach Change ('Støtte til Sporskifte' in Danish) provides subsidies to companies with employees having a difficult time keeping up with their current position. This can be due to health or other issues. The scheme is available to all age groups; not particularly targeted older workers. A company can, together with the employee, apply for funding to cover both costs of further education, lost working time and administration in order to keep the employee employed in another function. Companies can apply for up to the equivalent of 16,000 euro per employee. The initiative will be aborted by the end of 2016. There are at present no evaluation of this initiative.

#### *Further education*

A new initiative ('Uddannelsesløft') allows unemployed individuals above the age of 30 with outdated or little formal education to take up vocational training while receiving up to 80 pct. of the maximum unemployment benefit. The education programme can last no longer than until the end of the unemployment eligibility period. The scheme is being phased in and no evaluation exists.

Another initiative with a lifelong learning content is 'internship' scheme ('Virksomhedspraktik' in Danish). It is described in section 3.2.

## **Finland ????**

## **Germany**

### *WeGebAU*

Singer and Toomet (2012) analyse WeGebAU, a programme similar to the British "Train to Gain" programme. The training voucher programme, introduced in the federal state of North Rhine-Westphalia, allowed SMEs to reduce direct training costs by half (firstly it was open to unemployed persons as well, from 2007 it has been targeted on low-skilled employed persons probable to become unemployed). Based on Görlitz (2010), Singer and Toomet (2012) state that a training increase by 4-6%age points could be caused by the programme. The programme is targeted on workers 45 years or older. Since treatment is not allocated randomly, propensity score matching should give a clue about real and spurious effects. Generally, participation *reduced* the probability to be still employed 1.5 years after participation, but increased job-to-job mobility. "...our results offer a mixed view about the efficiency of WeGebAU subsidised training. Trainees leave employment with a probability of about 1-2 %age points higher than the one for non-trainees while they do not seem to work less during the following one-and-a-half-year. The effect on earnings in neither economically nor statistically significant. Our impact estimates are dwarfed by those of somewhat similar programs in the US...our results are rather in line with various European studies" (Singer/Toomet 2012). On the other hand, the authors (2012: 27) state that the negative impact on employment stability could also be positive due to better job sorting (training enabling/motivating employees to search better jobs. Further, the negative effect can be found only in the case of short training of less than 8 days.

One expert reported that in 2008 in the city of Freiburg a regional network consisting of the local unemployment agency, the Chamber of Industry and Commerce, the university used WeGebAU during the crisis to further train their (underemployed) employees. The district of Freiburg had been the only district using all available financial resources from the programme. The crucial point is that due to the trust which resulted from the cooperation, SMEs later asked the local unemployment agency which older long-term unemployed could be useful for their companies, and re-integration numbers of older long-term unemployed could be raised to an extraordinary degree.

## Italy

In 2015 the share of people over 45 engaged in lifelong learning activities was lower than the European average: 5.6% in the range 45-55 years old (compared to the EU 28 average of 9%) and 4% in the 55-64 age group (compared to the EU 28 average of 6% - EUROSTAT, database on lifelong learning). The following are the main laws that define the regulatory framework for employer based-training aimed to support continuous training of workers in Italy:

- Law 236/1993, establishes that the Ministry of Labour (with the support of the social partners and the Regions) funds in-company training, teachers' training, sectorial and territorial training programs promoted by social partners, as well as training on request of workers who apply to the regional authorities. The implementation of this Law has been an important step for the development of continuous training, because it extended public funding to a range of training activities, including training addressed to enterprises, training programs targeted at individuals through training vouchers and sectorial and territorial training programs promoted by social partners.

- Law 53/2000, provides for the funding of CVT vouchers for employees by financing training leave, in accordance with the regulation on working hours. In particular, art. 5 of the Law recognises workers' right to lifelong learning by financing specific paid leaves for training activities. The latter can be chosen independently by workers or arranged by companies. Vouchers are under the responsibility of Regions while funds are provided by the State. Moreover, according to art. 6 of Law 53/2000 workers with a minimum of 5 years of seniority can request a maximum of 11 months unpaid leave (all at once or at intervals) to attend school, university or other educational courses. This Law also establishes that enterprises can access other financial resources through the European Social Fund (ESF) and the Joint Inter-Professional Funds for continuous training (see below).

- Law 388/2000, regulates Joint Inter-Professional Funds (Fondi paritetici interprofessionali), which are promoted by social partners and fund training programs at the company, sectorial and territorial level, individual training programs and system activities (such as training needs surveys).

During the 2007-2013 programming period all the Operational Programs of all the Italian Regions dealt with active ageing and older workers. In some cases, the topic was also mentioned in multi-year programs for work and training, while many CVT projects targeted explicitly 45+ or 50+ workers. The large majority of interventions funded by ESF and implemented in the Regions, addressed the employability of older workers by means of training. But the spreading of the crisis urged ESF to be reoriented to support more job protection measures. Furthermore, recently, the Government, the Regions and the social partners have decided to allocate financial resources for promoting training programs for both low-skilled workers and those ones most affected by the economic crisis (e.g. by the use of Joint Inter-

Professional Funds have been offered individual vouchers to younger and older unemployed individuals, and have been developed training programs agreed at the regional, sectorial, company or individual level).

Concerning benefits tools available for continuous vocational training activities, there is not a unified and comprehensive regulatory framework. Overall, tax benefits for companies and workers involved in vocational training activities are low, as these benefits are offered mostly in the form of tax deductions, and not as a tax reliefs or tax exemptions. People participating in training, updating, retraining and professional reconversion activities (when provided by institutions or schools recognized by governmental bodies) are also exempted from paying VAT. The costs of mandatory continuous training of professionals enrolled in a professional register, are 50% deductible (ISFOL, 2013a; Cedefop, 2014; Socci and Principi, 2014).

#### *Solutions/measures suggested/recommended*

- To encourage older workers' further training participation by removing the enormous dyscrasia, in terms of available public funds, between formal and less formal kinds of learning provision. First of all, funds are mainly directed towards the "classic" educational schooling cycle, rather than lifelong learning. Furthermore, relative to lifelong learning, funds are mainly directed towards formal provision of lifelong learning, whilst are the non formal and informal provision of lifelong learning activities to be particularly important for Italian older adults. Concerning the latter, the participation of older people aged 55 to 64 in informal learning is high (63.1%), in non-formal learning is fairly low (16.2%), whilst participation in formal activities is residual (0.2%) (Angotti and Belmonte, 2012).
- To encourage older workers' further training participation by awareness campaigns on the relevance of lifelong learning among national and local stakeholders. In particular, it is crucial to promote a debate for planning/developing a more structured national system of lifelong learning and adult learning, strengthening its main components (programming, management, monitoring and evaluation). In this context, universities need to play a more important role, for example in terms of offering a more comprehensive set of initiatives promoting continuous training, even developing flexible courses (e.g. e-learning courses, maybe more suitable for older workers) or implementing more concretely its "third mission" (Laredo, 2007; Montesinos et al., 2008) contributing (beyond teaching and research) to social progress, even developing ad hoc training activities focusing on older people/workers (Expert 1).
- To support the transferability of skills by developing policy strategies to encourage both companies to provide transversal training to workers (to prevent the deterioration of human capital/skills), and (even older) people to participate in training activities on a regular basis, especially those for whom the risk of unemployment is higher.
- To encourage older workers' further training participation by designing models and innovative ways to involve individuals in educational and training activities throughout the life span, with particular attention to "disadvantaged groups"(e.g. low-skilled older workers, working carers, older unemployed people).
- To introduce in the legislation more opportunities for paid and unpaid leaves to foster the participation of workers in training/learning activities.

- To develop a more organic regulatory system concerning tax benefits for employers offering (and workers attending) vocational training/updating/retraining activities, by increasing economic incentives and the range of such benefits (e.g. providing also tax reliefs and tax exemptions)

## the Netherlands

In the Netherlands, adult education and training is very strongly linked to employment and employability. This is also legally highlighted by the Adult and Vocational Education Act (*WEB*), which came into force in 1996 and was stepwise introduced until the year 2000. The WEB act regulates the intermediate vocational and adult education in the Netherlands with the aim to amplify the link between education and employment. It governs the funding of adult and vocational education and the distribution of funding to the municipalities. Although the act is not specifically targeted towards older adults, it does highlight the role of adult education for disadvantaged groups such as unemployed persons, migrants and older adults. A study by Borghans et al (2011) supports the idea of a stronger link between life-long learning and employment. The results show that the probability to participate in training and learning opportunities slightly decreases after the age of 35-44 and steeply decreases after the age of 45-54. On the other hand, the intrinsic motivation to participate actually decreases from the age 25-34 onwards. In addition, the study shows that the motivation of older workers to participate in training and courses is higher if it is the employer, rather than public authorities, who offers the training.

The WEB act, furthermore, serves as a good example of how policies are implemented in the Netherlands. Policies are very often governed on three levels: the national, the sectoral and the regional/local level. While the government is responsible for broadly defining the curriculum, the municipalities are responsible for setting up educational institutions and for providing educational programmes (Krüger et al., 2014). The sector plays a crucial role in organising employment specific training. Due to the focus on labour market orientation, life-long learning is very closely linked to the current job. Thus, it is the employer who is mainly responsible for providing and also financing vocational training.

## Poland

Lifelong learning (LLL) of the elderly in Poland is a concept under development, not only because of insufficient policies implemented in this field, but also as a result of the attitudes of the elderly. Polish seniors have among the lowest rates of participation in lifelong-learning activities in Europe. Indeed, only 0.8% of the 55-64 took part to lifelong learning activities in 2015, which is under the EU average of 6%. Data shows that Polish women are participating to lifelong learning activities more than men (0.9% compared to 0.6%), and that 85% of the attendees of universities of the third age are women<sup>110</sup>, which also corresponds to the situation observed in the EU as a whole<sup>111</sup>, and which can be partly explained by the fact that men experience shorter life expectancy than women.

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<sup>110</sup> [http://arch.ug.edu.pl/pl/administracja/\\_upload/komunikaty/12480/files/Zalozenia\\_polityki\\_senioralnej.pdf](http://arch.ug.edu.pl/pl/administracja/_upload/komunikaty/12480/files/Zalozenia_polityki_senioralnej.pdf)

<sup>111</sup> Eurostat database

The lack of educational activity in younger life decreases people's interest in lifelong learning at older age, and since less older people possess tertiary education than younger people, the lack of education is a cause of weak demand for lifelong learning at older age. Moreover, it is observed that the participants to lifelong learning activities are usually people who already received education in their younger years and wish to deepen it. Therefore, it seems necessary to encourage lifelong learning among elderly groups with the lowest levels of education in order to boost their social and economic activity.

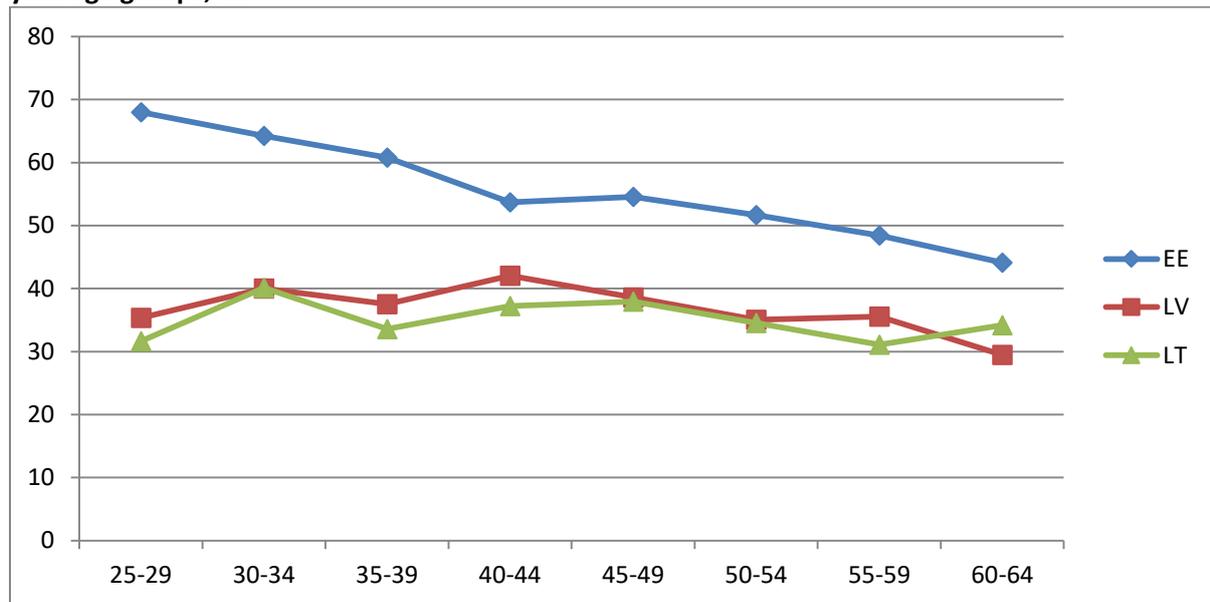
It is important to notice that the multidisciplinary nature of lifelong learning programmes is crucial in the educational offer to older people. Indeed, initiatives and programmes that offer a wide range of topics, as well as learning activities combined with excursions, manual activities, creativity, and attendance to conferences are having the best and most effective outcomes, as it can be observed through the Wielkopolski Active Ageing programme.

## **the Baltic countries**

Educational attainment among older age groups in the Baltic States is considerably higher than in the EU on average. In age groups of 25 to 34 and 35 to 54 the share of people in the Baltic States who only have education corresponding to ISCED levels 0-2 is roughly three times lower than the EU average for those age groups (Eurostat). Nevertheless, statistics reveal a worrisome educational gap in tertiary education attainment between the sexes (Nurmela, Osila, and Leetmaa 2014). In the older age group the EU wide average difference between men and women is 3.4 percentage points. In Latvia and Lithuania the gap is 6% and 7% points and in Estonia the difference is nearing 10% points. But gender differences in attainment of tertiary education are even bigger for the younger age group. EU average is 30% for men and 40% for women while in the Baltic States the gap varies from 17 to 25 percentage points meaning that future older generations can expect even bigger gender differences in their education levels than they experience now.

In general, the three Baltic countries are described by very different participation patterns in education and training across the life-course. As shown in graph 15 below, participation in non-formal education over the past year is the highest in Estonia and remains so through all age groups based on 2011 data. At the same time, Estonia shows a significant decrease in training participation across age groups, while in Latvia and Lithuania participation rates remain stable through the whole age range. Thus, in Estonia efforts should be targeted towards maintaining high participation rates of the youngest age groups also in their further careers while measures in Latvia and Lithuania need to aim towards higher participation across the whole age range.

**Graph 15. Participation in non-formal education in Estonia (EE), Latvia (LV) and Lithuania (LT) by five-year age groups, %.**



Source: Adult Education Survey 2011, author's calculations

Against this background, Estonian and Lithuanian lifelong learning strategies tend to have very little impact on lifelong learning participation among older age groups thus far (Nurmela, Osila, and Leetmaa 2014). While in Estonia, the need to enhance participation in learning across all age groups has been recognised, these aims have not been backed up by policy measures targeting older age groups specifically. Thus, Baltic countries are in need of good practice examples from other countries to outline possibilities of supporting lifelong learning participation among older age groups with macro level policies. As will be outlined below, enhancing learning participation among older age groups is largely project-based with a local/organisation level approach putting a stronger emphasis on meso level rather than macro level policies.

A good example has been outlined in Latvia, where, from 2010-2013, a lifelong learning measure for employed people was implemented. The measure provided **financial motivation to older age groups to participate** in learning: persons that have less than 5 years left till the retirement age were within privileged groups, receiving 100% SEA financial support for the training (max 355 EUR). Other groups had to make co-financing of 30% of the training costs. In the beginning of 2012 – 10% of all project participants were individuals 55 and over (Nurmela, Osila, and Leetmaa 2014).

**Offering training courses for older age groups** have also been used to enhance participation in learning in old age. For instance, in *'Training with employer'* measure in Latvia almost 20% of all participants of the measure in 2010 and 2011 were people in the age group 50 and over (LR Labklājības Ministrija 2012). This measure provided the updating of professional skills and competences, while attending SEA provided training on the basis of employers' pre-orders. The measure was offered during 2009-2015.

### 3.1.4.2 Meso level

## Belgium

Although the different levels of government emphasise the importance of lifelong learning in many policy documents, most efforts appear to be concentrated at the meso level. In some cases, attention is paid specifically to older workers.

Cefora, for example, is a non-profit organisation that was founded in Brussels in 1990. The organisation provides a program called “**50+ training tips**” that targets workers of ages 50 and up. The idea behind this program is to offer training to experienced workers. A second goal is to support older workers in the advancement of their careers. In the 50+ training tips program, Cefora gives workers aged 50 or more the opportunity to **consult a coach**. This service is offered free of charge to the workers. During these one-on-one consultations, older employees can explore the further development of their careers with the consultant and they are given advice on the training programs that would aid this process. In other words, consultants inform employees about Cefora’s training programs and point them to those programs that could be particularly useful given their background and ambitions. Together with the consultant, older workers reflect on their role within the firm, their future, their responsibilities and tasks and the challenges that they face. Besides training, attention is devoted to work-life balance and career development. Employees can register for a consultation with a coach at their own initiative, without having to inform their employer. Interviews can occur during or outside of working hours, at the company or elsewhere. Alternatively, employers can contact Cefora to provide this service to their workers as well. This service is provided free of charge. In fact, Cefora provides financial incentives to encourage participation in this program. There is a premium of €40 per year for the employees that participate and a premium of €40 per training day for the employer (when training is followed after the coaching session). For the employer, two other advantages of the 50+ training tips program are that it is a way to keep experienced employees motivated and that it serves as a tool to optimise employees’ capabilities. In 2014, Cefora managed to reach 89 companies via 50+ training tips. Cefora’s programs are specifically tailored to the needs of older workers (e.g. software courses are taught at a slower pace). The organisation further provides training that focuses on specific occupations in which the share of older workers is large. Moreover, it offers competency screenings free-of-charge to all 45+ year old private sector workers.

Cefora also targets older job seekers. For this group, the organisation created Jobsclubs45+. Through this program, unemployed workers enrolled in long-term training programs can meet others in the same position, interact with them and learn from them. The program is part of a broader training program for unemployed workers. In addition to the **Jobsclubs45+**, Cefora launched a training program in which job seekers aged 45 or more learn how to valorise their experience in specific occupations (such as head of logistics or business analyst). Cefora also has specialised programs for trajectory counsellors and HR staff. These programs discuss how the knowledge and experience of older individuals can be used most effectively.

Belgacom is another example of a company that offers training to older workers. Another interesting example is ICHEC-Enterprises. This company organises trainings for HR staff. The idea is to teach them how they can valorise the knowledge and experience 50+ employees in their company and how they can optimise the interactions between workers of different age groups. The aim is not only on showing these HR managers the value of older workers but also to give them the tools to put their knowledge and experience to use. In this way, older workers may receive more support from their HR department and are encouraged to work longer. Life-long learning can take yet another form. Neuhaus, for example, provides resilience training and tutorials on how to cope with stress. Companies in the hospitality sector have experimented with a ‘work buddy system’ (Crianza, 2013). The idea is that new workers

can learn from older workers and vice versa, so workers are teamed up. The Accor Hotel group further encourages workers to develop their skills and career regardless of their age. They provide specifically tailored training programs. One example is the International Hospitality Management Program, which sets out to create a pool of international managers that can take up new responsibilities. Another example can be found in the construction sector, where many companies organise training and counselling for older workers. In particular, there are programs to teach workers how to become a mentor, as well as programs that develop pedagogic and didactical skills. The taxi sector offers training on life quality as well as traffic regulations.

## **the Czech Republic**

Good practice example: Ministry for regional development can be quoted among the good practice among the employers as it claims to stick with the main principles of equal treatment and non discrimination in all HR policies. As an employer the Ministry in the collective agreement also commits not to dismiss employees during the period of three years preceding the date of entitlement to a retirement pension. Almost 11 % (n = 66) of current employees are old age pensioners. Further all employees can use up to four days off with the compensation of salary, and participate on internal and external vocational and language training.

One of the examples, that addresses the problem of both duration of up-skilling, lack of motivation of older learners and intergenerational gaps could be the “Small crafts PLUS” [Malá řemesla PLUS] program carried out jointly by NGO Oblastní charita Jihlava and Job offices in Vysočina region. The project is a complex and intergenerational enterprise aimed at people under 25 years old and unemployed aged 50 plus. The project starts with motivational course, followed by the five-month retraining courses. The project lasts for twelve months and the key activities include social counselling, job club, debt counselling courses, computer courses, and especially the creation of new jobs and a five-month retraining courses in the fields carpenter, painter and gardener. The aim of the project is to increase the skills of participants and improve some of their social and communication skills, and overall employability. Graduates are thus able to escape the trap of long-term unemployment and to succeed in the labour market. Training courses in handicraft are running in the region since 2002. A total of 273 workers participated in these courses and 198 had successfully completed them. In the past, the offer of retraining courses included professions such as carpenter, painter, seamstress or maintenance man.

## **Denmark**

### *ServiceTeam Nyborg, public cleaning company in Denmark*

Since March 2015 the company has piloted a project called “ServiceTeam Digitalisation”. The project aims at upskilling employees to use smart phones as daily tools for their cleaning and administrative tasks. Following the pilot phase, the project is being rolled out in full from November 2015. Because of many low-skilled employees this is not a straightforward exercise. Prior to the roll-out of the project, ServiceTeam Nyborg initiated a screening process to assess the basic general skill level among employees via a regional adult education vocational training center. Those with the need for a skills upgrade are offered a training course. This is done in order to ensure everyone is ready for the introduction of smart phones. Senior management is firmly committed to see every employee through this process. The project is interesting because it shows cases innovation in an occupation with many by low-skilled employees. It is too early to judge if the project is successful.

### *Bofællesskaberne Edelsvej - Co-housing among individuals with reduced mental capacity*

Bofællesskaberne Edelsvej, a public social care institution with 55 full time and 25 part time staff, instituted 'Senior evaluations/conversations' for employees aged 56 years. This allows management to get an idea of where the employee is with respect to thoughts related to (early) retirement, further development of career and general well-being at the workplace. Management encourages an honest dialogue. There is an emphasis on personal development career wise and that further education is open to employees of all ages. The result has been that several senior workers have attended education that significantly upgraded their skills. Bofællesskaberne Edelsvej won the prize of best Danish mid-sized company in 2013.

## **Finland**

The transfer of knowledge – especially of tacit knowledge – is seen as crucial with regard to a high share of employees in transition to retirement. **Abloy Oy** has made this topic a priority because tacit knowledge had to be transferred from the experienced workers to the new ones. A workshop was organised to identify, capture and pass tacit knowledge (based on Linnenschmidt 2015). Abloy's programme includes. Since the implementation of the programme the average retirement age at Abloy has risen from 59.5 years to 63 years. (<http://www.akava.fi/files/11375/opas-ikaohjelman-laati-miseen.pdf>)

The 'mentor driver' approach at **Länsilinjat Oy (a privately owned bus company, 150 employees)** is also a way of knowledge transfer where the experienced drivers pass their knowledge to the younger drivers. An effect of the mentoring is a higher attendance for vocational training (based on Linnenschmidt 2015).

## **Germany**

### *Sozial-Holding der Stadt Mönchengladbach GmbH*

Sozial-Holding has about 20 apprentices every year. Most of them do an apprenticeship as elderly care nurse. Some apprentices want to reskill and/or are placed by the Federal Employment Agency. Thus, the age of apprentices ranges from 18 to 50 years. This can be an advantage because their experience of life facilitates empathy and helps them to better understand the needs and the behaviour of the residents. Also, it helps to better cope with the task of caring and to set boundaries between the straining work and private life. The company confirms the positive experiences with employing older apprentices because older apprentices are more ambitious to complete the qualification with good results.

A key factor to increase the usage of health offers and to improve the health status in general is leadership – this was the result of an internal survey about the reasons for not taking part in vocational training. To cope with the current and future challenges in the care sector and to enhance the participation in vocational training of the employees the project TOP was initiated. "TOP" stands for team oriented personnel development and consists of five phases:

- Creation of competence profiles on institutional level and living area level

- Promotion of human resource development competencies in lower and middle management level
- Analyses of training needs at the team level
- Development and implementation of adequate and if possible work-related training opportunities
- Evaluation and continuity of personnel development

The project was carried out for three years between 2011 and 2014. It was funded by the European Social Fund and the Federal Ministry for Labour and Social Affairs. The results of this project were integrated into the leadership measures.

#### *InfraLeuna GmbH*

Via its further training offers, InfraLeuna enables its employees to sustain and to extend their skills and to adapt their skills to the company's technical and societal developments (collective agreement „Zukunftssicherung“, 2012). Primarily due to the partly highly specialised jobs and the projected de-manning, knowledge transfer is necessary (Interview HR department 2015).

In order to limit de-manning, since 2007 there are analyses of work places. Part of this is the planning of the time of retirement and questions related to the acquisition and time of initial training of new employees. Internal job advertisements offer possibilities to younger employees for further developments and can possibly prevent fluctuation to other companies after apprenticeship or study (Interview HR department 2015).

Offers for further training are open to all employees to the same degree and across the whole tenure. There is no differentiation according to age (Interview HR department 2015).

There is an annual planning of further training with a fixed assessed budget. Beyond legally required measures, employees and leaders have the right of initiative to demand further training measures (Interview works council 2015).

The further training offers are designed in agreement with the works council. Further, in the context of appraisal interviews employees' needs for further training are ascertained and agreements concerning further training are met. After further training participation all participants give feedback concerning the quality of the further training course. This happens via the form sheet "Erfolgskontrolle Weiterbildung" ('Efficiency Review Further Training') to superiors and the HR department (Interview HR department 2015).

For the sake of career planning the annual appraisal interviews are used to show possibilities for promotion. Due to the wider range of operations, employees have e.g. the possibility to experience other fields of work. For succession planning a planning period of five years is envisaged. Activity analyses are the basis for this (ibid.).

Besides subject-specific further training there are cross-departmental courses, e.g. addiction prevention for apprentices, language courses, course for communication and project management and e.g. for MS Office applications (ibid.).

#### *ABB, Lufthansa, Hansgrohe*

Younger and older project leaders work together so that the younger ones can bring in state-of-the-art university knowledge and older workers project management experience. Another example is the ‚Lufthansa School of Business‘, which offers different courses for the company’s employees, also web-based training. Further, there is a partnership with business schools. Lastly, Hansgrohe combines training and motivation measures by inviting its employees to the trade fair for the company’s products (for the trip a special train is chartered, Egenter/Schoof 2010).

#### *Hekatron: ‘Profipass’ (Skillpass)*

There are workshops offered to develop a professional profile, as a pilot project promoted by the European Union. This counselling is meant to help in different situations, it especially seems relevant for those who are passing one phase for another, particularly past age 40 and age 50, for 50-year-olds the HR manager states that the consciousness of “I won’t be here forever” is more pronounced. In those cases the HR manager offers to develop a professional profile of the employee (“Profipassarbeit”). Here, Hekatron wants his executive managers to show a certain sensibility for the employees. The managers are responsible to recognise whether employees are well or not and to talk to them about their situation, especially to employees aged over 40.

This is different from the professional profile developed by the HR manager during the social counselling, because in those workshops the profiles are developed and discussed in groups. They are about the identification of implicit, informal and formal knowledge. Different to the seminar for “Hinauswachsende”, the workshops are open to all employees, regardless their age. These workshops have two parts. At first, the participants are introduced into the methods to develop a professional profile and then they are free to construct their own competence profile. The aim is to make them aware of their individual strengths and competences and to point out how these can be shared and used purposefully. The second part gives room to present the personal competence profile to the other participants and to set new individual goals for the professional career. This happens in groups of four or five participants, open to every age group. The outcome Hekatron hopes for is that the participants of these workshops are working in aged-mixed teams and get impulses for their own work, or even present their personal outcome to their superiors.

Frick et al. (2013) and Noack<sup>112</sup> suggest adaptive forms of learning for those with low qualifications in order to give them early success, against the backdrop of their mostly unpleasant learning biographies. Further, educational guidance is crucial, especially where people live and work, since otherwise they do not find guidance.

Informal training and competencies learned at the job should be appreciated. The EU demands from its members that they implement a system to recognise all competencies. “Lernen im Job” (learning on the job) is a good example. Temporary employment agencies, companies and chambers recognise competencies which can, combined, even lead to whole professional titles (Frick et al. 2013: 19). This against the backdrop that it is estimated that merely 30% of learning takes place in educational institutions (Baumgartner 2007).

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<sup>112</sup> For MoPAct Work Package 3 Task 1, in 2013 three expert interviews were conducted. Publication of experts’ names was agreed with the expert (their statements are also included on Task 1 country reports). Therefore, these experts’ names are shown. The three experts were Martin Noack (Bertelsmann Stiftung / Bertelsmann Foundation (a research institute), Alexander Böhne (BDA, Federation of German Employers) and Ingo Nürnberger (DGB, German Federation of Trade Unions).

Those older than 50 are often afraid of further training, i.e. that challenges or course pace is too high, or they simply think they are too old for further training, that benefits are too low or that they have learned enough (Ehlers 2010 based on Barz/Trippelt 2004). These barriers should be removed: Advantages of further training should be shown to older workers. Also private-life advantages such as cognitive fitness.

A factor analysis (all age groups) of reasons not to participate in further training results in four relevant factors, i.e. reasons co-occurring and co-not-occurring: (1) Fear (courses too fast, fear of exam), (2) No utility (personal, in the job, too old), (3) dislike of learning, (4) negative learning experiences (Tippelt/Reich 2004), so that conceptions of own age as reason not to participate in further training co-occur with utility considerations. These factors vastly cover subjective, possibly even irrational reasons, which could be overcome by targeted appeals and messages to older workers.

One interview partner said “it always pays off” (Böhne), another one: “They stay until 64,65, soon 67. Giving them training until 58 yet get pay-off. Stopping training with 50, you have negative pay-off, also due to demotivation” (Noack). Further, Noack states that due to them leaving companies for other companies, younger workers partially have low pay-off for the company. Concerning conception of age, Noack states that if the superior thinks older workers are incapable to learn and workers themselves think they would be able to learn, this leads to conflict, dissatisfaction and less engagement: “‘You can’t teach an old dog new tricks’ has to be substituted by ‘no one is born a master’”. An aspect mentioned several times in this report are leadership skills. Leaders should be made aware of the advantages and disadvantages of further training for older workers (e.g. in terms of their comparatively high number of years in the company in contrast to younger workers in some sectors) in order to raise their preparedness to support older workers’ training participation.

Though participation in further training declines with age, possibly short pay-off periods cannot explain for this. Given that the pay-off period is planned to be roughly 3 to 5 years, further training pays off before retirement even for older workers (Lois 2007 based on Simpson/Greller/Stroh 2001), albeit this also depends on how fast skills learnt in the training become obsolete (Lois 2007 referring to Behringer 1999).

Recent research shows that older employees’ attitude towards further training is rather instrumental and oriented towards short-term adaption of skills to tasks (Schmidt 2006). Employee 1<sup>113</sup> states: “For me, further training is important to do my job... as I like”. Willingness could also be fostered by group settings, possibly with other learners in a similar age, which makes also the application of age-fitted learning methods more easy, for example more practical and less teacher-centred learning (Noack). Training participation could be attached to short-term benefits like higher pay, mobility advantages, interesting tasks or something like going to an exhibition, “or a seminar of a supplier, which is further training and reward” (Noack).

According to survey data, nearly half of older participants in further training participate due to personal initiative, whereas this share is slightly lower amongst workers younger than 50 (Schmidt 2006). This

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<sup>113</sup> The statement from Employee 1 is taken from interviews with two assemblymen for fences and gates (58 and 60 years old) interviewed in MoPAct Work Package 3, task 1. Both assemblymen pointed out that they will not be able to reach the legal retirement age 65 in work.

applies even more to female participants (Schmid 2006). Training participation due to orders from superiors is more prevalent amongst younger learners; this gap widened since the early 1990s (Schmid 2006: 10). Amongst older workers, employment status, formal education and gender are relevant for participation in further training (Schmid 2006). Often, older employees do not believe that further training can improve their occupational situation (Schmid 2006). Besides lower motivation on the employees' side (s.a. Böhne), lacking requests from superiors also causes old workers' low participation (Schmid 2006). Seemingly older workers can get further training if they ask for it. This suggests that they should be encouraged to ask for further training and that superiors should stronger demand older workers to participate in further training. One promising step could be the standardisation of training planning in appraisal interviews.

A factor contributing to the underrepresentation of the low-skilled is that higher cognitive abilities lead to a lower discount rate (placing low value on far future benefits), so that those with low cognitive abilities are less motivated by gains in the far future, which is reducing their training motivation (Antoni 2011). Further, based on previous literature Antoni (2011) points out that some jobs in some segments offer (well-paid) stable employment, others not. If not, these employments are short-termed on average, so that pay-off time is short. Employers anticipate that and are unwilling to pay for training for employees probably leaving the company soon (voluntarily or involuntarily). Further, those with low qualifications have low earnings so that they have less financial resources to privately invest in further training. Antoni (2011) shows that (multivariately) formal education is positively related, as well as parental schooling (whereas own schooling and parental schooling are highly correlated, cf. Antoni 2011). On-the-job training is positively affected by weekly working time, job requirement and company size (Antoni 2011, for the latter it is only probability, not frequency. See also Duell/Vogler-Ludwig 2012 for positive company size effects and the need for more training for older employees in SMEs). To older workers with low formal education, advantages of further training should be shown. Further, short-term incentives could foster their willingness to participate.

Nürnberger suggests that – if this is agreed with employees' representatives – superiors can demand further training participation if this has not been done for a long time, which is practicable especially where further training participation is usual. Molnar suggests that at least in big companies agreements are made on how many hours of further training for each employee is to be conducted, in order to help those normally excluded.

Concerning lifelong learning the experts stated mainly basic issues. One expert enumerates: Due to longer working lives, lifelong learning become increasingly important. Further, informally gathered skills have to be certified, also to enable employees to change the employer. Thirdly, if employees exit the job, knowledge has to be transferred. The expert states that there is the impression that not many researchers are active in these issues.

Another issue mentioned was training on the job. Especially in crafts and in SMEs this is important. The expert refers a scientific project in the area of crafts.

Another expert mentions the problem that partly both, employers and employees, state that for routine tasks no further training is necessary. Yet when modernisation needs appear employees are not used to learn new things any more. Therefore, work has to become stronger supportive of learning, so that further training is needed. This could also be done via regulations. For example in the care sector

regulations for better quality could lead to the need for further training. This can also apply to low-skilled jobs, where formal preconditions could be raised.

Another expert states that the 'Matthew Principle' of further training primarily for those with already high formal degrees can also result from the fact that low-skill groups' work is monotonous and does not need further training. As an alternative to higher skill requirements from the policy level in order to raise learning of the low-skilled, this expert mentions collective agreements as a way to raise further training for all skill groups. For example, the collective agreement by the industrial union of metal-workers and the employers' association twenty years ago. The deal was the employers pays the fees and the employees brings in his spare time.

A suggestion not just related to further training but also to career planning was made by an expert here. The French model providing orientation for those 45 years old or in the job for at least 20 years can be a model. It can be checked if competencies are still appropriate, and if the initial preconditions for the job still exist. The employee can be informed about alternative career pathways. Similar to consultations at the end of the career, in mid-career skills and skill requirements should be checked, since at age 45 training participation declines, also due to lack of knowledge what is possible and who could help. Here, the expert states, universities and similar institutions could be part of this, but also companies should be willing to assist here.

One participant of the expert talk reported that the Federal State of Hesse has the programme 'pro Abschluss' ('pro degree') to enable workers to get a degree during (uninterrupted) working life. Participation is very low, for one expected reasons: Employers are not interested. Without the degree, they get the same work for lower wage costs than with the degree. Further, despite the programme, getting the degree is an obstacle for employees due to the time they need for it. Another reason is that there are only a few offers to teach knowledge that is not (implicitly) taught at companies.

An expert states that there is a lots of uncertainty within companies concerning age-appropriate learning. For example, do older workers really prefer on-the-job-training, or rather classroom training, and what about e-learning? Further, further training in Germany is strongly focused on professional, methodological skills.

Another participant reports that in the Federal State of Thuringia, SMEs strongly use tandem learning with one older worker and one younger workers. Knowledge and experience is transferred from young to old, state-of-the-art knowledge from university or vocational college is transferred the other way round. One advantage is that it is cheaper than formal classroom training.

In the same Federal State, universities and 'Universities of Applied Science' (university-like institutions with a stronger practical focus) are active in further training, since due to low numbers of children there are low numbers of students. Such courses are basically paid for by the participants, and partly co-financed by their employers.

## Italy

At the meso level, as mentioned before (see sub-section 2.1.2) some company-based training courses are compulsory for all Italian workers, as for example those about health and safety at the workplace.

In 2012, has entered into force the State/Regions Agreement on mandatory training in the field of health and safety at the workplace, to fulfil training obligations of employees in this field (Legislative Decree 81/2008).

Apart from this, many Italian enterprises, in particular medium and large companies, have developed lifelong learning and training activities for older workers, as well as for the whole workforce (Socci and Principi, 2015). Through these measures, companies updated and developed the professional competences, skills and know-how of workers. The offer of continuous training activities is also useful for valuing the professional role of workers, to strengthen their trust and the sense of belonging to the companies, this having positive consequences for both the productivity and the competitiveness of enterprises. Furthermore, to be involved in training and lifelong learning increases opportunities for career development of older employees. Some companies promote lifelong learning and vocational training for developing the professional skills of (even older) employees through corporate universities (e.g. “Hera Group” and “ENI”). Other firms (e.g. Telecom Italia) have implemented projects about e-literacy and digital inclusion of older workers, and offer to employees (even older workers) opportunities to attend, free of charge, degree courses run by Telematic Universities. Often older workers are also directly involved and valued in teaching and training initiatives aimed at transfer their professional skills for the benefit of young people – fostering intergenerational collaboration/solidarity – and colleagues in general. In other cases, older workers receive specific training for becoming/acting as tutors, mentors or coaches of young colleagues. Especially large companies, have also implemented initiatives of reverse mentoring, mainly with the goal of promoting the transfer of ICT’s skills from young employees to older workers. Within this general framework, one of the most interesting and innovative initiative offering a broad training program specifically targeted to older workers is the “Being Senior in UniCredit” project, carried out by “UniCredit” banking group (Socci, 2015). In order to cope with the effects of the last pension reform (which contributed to the extension of working lives) the project has been designed as a strategy to enhance and value older workers (considered as a resource in terms of expertise and professional background) and to support a cultural change for a better age/diversity management within the company. The project has been promoted by the management of the company and realized in collaboration with unions and an external research institute. According to the results of a survey carried out on company’s older workers, aimed to analyze their professional expectations and training needs, the company has set up and launched about 40 typologies of training courses, covering different topics/areas, to respond appropriately to the specific training needs expressed by workers over 55. Training courses have been offered in a mixed way: on line courses (i.e. by the company’s training on-line system); classroom courses (attended even by young employees) within company’s training centres; meetings/workshops in training centres outside the company. Many training courses, as well as other measures implemented, are now consolidated and stable good practices widespread within the company, even after the end of the “Being Senior in UniCredit” project (carried out in 2012-2014). The project obtained very positive results, in terms of high number of participants (more than 3,000, most of them older workers) involved in training activities (with a total of 3,154 training hours provided). The project received by the participants a positive feedback/evaluations of training courses, as shown by surveys/assessments carried out by the company. Moreover, there are evidences of projects and initiatives implemented by organizations (e.g. “Adecco Foundation for Equal Opportunities”), to update and improve the skills and technical/professional competences of older unemployed people, in order to develop their employability and facilitate their reintegration into the labour market. These initiatives are sometimes developed through public-private networks, and

using funds provided by a mix of sources (private and public, at different scale: local, regional, national, international).

*Solutions/measures suggested/recommended (see also previous section: 2.1.4.1)*

- Since the probability of implementing training/lifelong learning initiatives targeted to employees and especially to older workers is higher in large companies and decreases proportionally at the reduction of the size of firms, it is crucial to encourage SMEs in investing more in these measures, through a mix of resources, for example financial incentives (tax benefits, funding provided by sectorial funds, etc.) organizational support provided by stakeholders as employers' organizations (e.g. "Confindustria Veneto SIAV"; see Romanini and Socci, 2015).
- To stimulate the implementation, within companies, of appropriate tools, with the aim of: (a) identifying and realising training plans for managing skill development, and promoting the employability and the extension of working careers of older employees; (b) promoting action plans, including training activities, for better managing human resources of different age groups, to stimulate intergenerational solidarity (e.g. by transfer of know-how, initiatives of mentoring or reverse mentoring, tutoring, etc).
- Offering of a wider range of training tools, more suitable to different needs and preferences of older workers, even taking into account the specificity of companies' activities and economic sectors (e.g. on-line courses, classroom courses, workshops, courses offered in corporate universities, possibility to attend to - even telematic - university courses, etc.)
- Developing strong collaborations among the management and company's unions in order to promote training initiatives (as other actions) targeted to older workers (as well as to other employees).
- Encouraging collective agreements - in various economic sectors - considering lifelong learning activities, as in the case of the collective agreement for the renewal of the national employment contract 2013-2015 for workers of the chemical and pharmaceutical sector (see Socci and Principi, 2015a).
- Awareness campaigns and specific support provided by intermediary organizations (e.g. employer's organizations, unions, chambers of commerce, foundations, universities, etc.) and public organizations/institutions (e.g. ISFOL - Institute for the Development of Vocational Training of workers; Regions) to support a cultural investment in providing lifelong learning during the whole work life cycle of employees.

## **the Netherlands**

Life-long learning at the workplace is "embedded in a large set of agreements between social partners and governmental facilities" (Krüger et al., 2014, p. 92). Agreements between social partners and governments set out regulations on the tax-deductibility of costs of training and development. These agreements are sector specific and part of the Collective Labour Agreements (CAO). Based on the CAOs, employers (and sometimes also employees) pay social contributions into sector specific training funds and get partly reimbursed through their sector specific fund if they provide training to their employees. This means that everyone has to contribute to finance training possibilities within the sector but only those who actually also organise programmes benefit from the training fund. In 2005, employers paid on average 0.67% of the overall payroll into these funds but the contribution differs

from sector to sector from 0% to 2.57% (Mooij & Houtkoop, 2005). Funds in the public sector are usually directly paid out from the public purse (Van der Meijden & Van der Meer, 2013). The aim of these arrangements is to “keep the skills and competences of personnel in a certain branch at a high level” (Allaart, Bellmann, & Leber, 2009). The idea behind the sector funds is that the specific sectors know best what they need and how to train their personnel. The funds are very different in terms of structure; some are relatively small and only focused on paying out the reimbursement for training while others are larger in size and more active in identifying priorities and developing policies (Van der Meijden & Van der Meer, 2013). Although the main activity of all funds is to award grants, to payout money and to assess grant applications, most funds also feel responsible for the implementation of policies, meaning that they are executing rules agreed upon in the collective agreements or policies of social partners. The specific goals of the funds are usually set out in the statutes and adjusted over time.

*The Dutch training fund scheme is an example of a sector-based approach to enhance employer-supported training*

Most funds focus on maintaining and improving the skills of the staff. The funds, their activities and main focus have developed in different waves (see Donker van Heel et al., 2008, p. 27). The main target of more recent activities was clearly on schooling (78%). Other policy areas are for example working conditions (61%), labour relations (55%) and vocational training (53%). Especially in the context of older workers, it is also important to mention the policy area “re-integration”, about 31% of the funds have also undertaken activities to re-integrate disabled or unemployed worker by offering alternative employment and adapting working conditions. A study by Berger and Moraal (2012) shows that most training is concentrated on helping the employee to carry out the tasks of the current job (60%), only half of the activities actually focus on improving the skills and knowledge of employees in order to be able to carry out different/new task in the near future. 37% percent focus on “formalisation” of non-formal and informal acquired skills in order to improve the mobilisation of the employee. Some sectors also offer special funds for specific target groups such as women, low-skilled employees or migrants. In recent years, there was also increasing support for employees who switch to another sector (Iller & Moraal, 2013).

In addition to the sector specific funds, there are the so-called education funds that provide sector-exceeding funding. These funds are financed by public as well as EU subsidies (ESF). The focus of these funds is on indirect promotion of training, as well as on specific projects. Around 2010, this was for example the case for a project to enhance age-appropriate personnel policy. The umbrella term for all funds is education and development funds (*Onderwijs en Ontwikkeling, O&O*). In 2007, there had been 140 different O&O funds in 116 sectors (Donker van Heel et al., 2008). The number of funds changes regularly due to new funds, the fusion of funds or the termination of existing funds. The study shows that in 2007, 5.9 out of 6.9 employees actually belonged to a fund, which amounts to 86% of all employees.

*Education funds financed by public subsidies offer more targeted support for marginal groups and for SMEs*

The experts interviewed for the National Report (Gasior & Zolyomi, 2013) agree that it is on the one hand important to give the social partners the responsibility to agree on life-long learning strategies and to have sectoral training funds because the sectors themselves know best what they need. On the other hand, experts also agree that the government needs to take over some of the responsibility in

order to support marginal groups and groups that are not well represented within Trade Unions. Not all branches and sectors have sector specific training funds and not all sectors acknowledge the importance of training their staff. Moreover, unemployed are by definition excluded from benefiting from such funds. The ascribed relevance of life-long learning also depends on the type of work tasks that have to be carried out. For instance, the IT sector, in particular, relies heavily on skilled and trained staff. Iller and Moraal (2013) also show that demand and supply of lifelong learning programmes increases if employers as well as social partners, trade unions and chambers play an active role in further education. They emphasize the role of the O&O funds in the process of institutionalisation of life-long learning in the Netherlands. Allaart et al (2009), who compare the German and the Dutch system, support their findings. They conclude that institutional settings are important and that the framework conditions in the Netherlands enhance the overall participation in training. This is especially the case for SMEs and older employees. While at the initial stage of the O&O funds SMEs did not tend to make use of the funds, this has changed in more recent years; a significant step as SMEs are the most important employers in the Netherlands (Iller & Moraal, 2013).

An additional way to incentivize life-long learning in the Netherlands is through the recognition and validation of prior skills and competences. The Dutch Experience Certificate represents an independent document to achieve a range of lifelong learning outcomes. It is an instrument to validate skills and competences that an individual has gained through formal, informal or non-formal learning in various settings.

*Recognition and validation of previous learning or work experience is important to make the potential of the individual development visible and to improve the human capital management in companies*

Recognition of prior learning is the common name given to the process of the recognition of competences that an individual has gained through formal, informal or non-formal learning in various settings. Instruments used for recognizing previous learning or work experience are important to make the potential of the individual development visible and to improve the human capital management in companies. Employees acquire new competences and skills during their career as a result of their work tasks or job-related training. These skills however are often not sufficiently assessed or measured, which could be a particular disadvantage for older individuals, whose initial qualifications may be outdated. Validation is necessary to be able to recognise those skills adequately, and to render them transparent to potential employers (OECD 2014a, 116).

The experience certificate provides an overview of prior learning acquired through formal education and on the job, but also of skills and competences gained for instance through volunteering. The aim is to increase the employability of individuals by describing these outcomes in a document. The Certificate can be used as the basis for formal qualification, further informal or non-formal learning and for further career development, but also for obtaining exemptions in education and training programmes (on the condition that the individual has met all the required learning outcomes that were defined for this qualification) (Duvekot, 2014).

Although the Certificate is targeted at persons of all ages, the instrument is especially valuable for older workers, because they often acquire skills and competences on the job, but lack the certificates to prove it. The Certificate is also aimed at individuals who are unemployed and seeking employment or (further) training or education. The Certificate can be especially useful making the individual “ready for job search” as soon as layoffs occur. Because the Certificate provides potential employers a broader

set of information about the applicant's skills and experiences, comes in a standardised format and from a certified source (i.e. being subject to an official certification process), it can increase the chance of employment. Moreover, it can also stimulate labour mobility for the already employed who would like to improve their position at the workplace or to switch to another job. It can also shorten the duration of training (OECD, 2014a). Thus, the Certificate also prevents unnecessary double learning and training and lowers the real costs of vocational education and training. Certificate owners, on the other hand, benefit from gaining experience in preparing their portfolio, learning about their skills and competences and how to present these in a job interview. Increasing the use of the Certificate in job search and recruitment can increase older workers' willingness to invest in training and skills development over the life course, since the validation could increase the likelihood of getting some return for their efforts in terms of career and employment security (OECD 2014a, 117).

*Expanding the use and importance of the Experience Certificate in job search and recruitment can increase older workers' willingness to invest in training and skills development over the life course*

The Experience Certificate can be obtained through a formal accreditation process. The Dutch Knowledge Centre for Accreditation of Prior Learning (*Kenniscentrum EVC*) is in charge of overseeing this process. The Centre, established and funded by the Dutch Ministry of Education, is responsible for the management, dissemination and validation of APL in the Netherlands. The Certificate itself can only be obtained from a certified APL provider.

The Certificate is included in a growing number of collective labour agreements in several sectors. The number of people obtaining the Certificate has increased from 9,900 in 2007 to 15,700 in 2009 (Duvekot, 2014). In 2011, 17,700 persons received the Certificate (OECD, 2014a). A 2009 evaluation highlighted, however, the issue that the procedure on which basis organisations can inspect the providers of the Experience Certificate needs to be better regulated. Furthermore, it was mentioned that Certificates were not easily transferable between the providers. The State Secretary of Education, Culture and Science therefore took control of quality assurance of the process. Now, every procedure related to the validation of prior learning ends with a standardised Certificate of Experience. The Certificate states that the person has documented his or her competencies and skills (Duvekot 2014, 20f).

More could still be done to point employers to the existence of the Certificate. Consultations could make them aware of the quality of the Certificate and stimulate improvements for its use in the recruitment process (OECD 2014a, 117). The government now focuses on the quality aspect of the Certificate. The next step is an agreement with social partners to increase the accessibility and use of the instrument. The focus will be on using the Certificate as a formalised instrument for validation of learning outcomes linked not only to national qualifications but also to sector standards (sector level training). Consultations with employers could make them aware of the quality of the Certificate and stimulate improvements for its use in the recruitment process (Duvekot 2014, 4; OECD 2014a, 117).

Due to the specificities of the APL system and the institutional context in which it was developed, the instrument may not be directly transferable to other national contexts. This concerns in particular the important role of social partners regarding training and education issues and the pertinence of sectoral agreements in the Netherlands. Starting with introducing such an instrument at a smaller scale i.e. focusing on a specific industry or sector could be a way to overcome this challenge. For countries with a similar institutional set-up, the case of the Experience Certificate shows that the involvement (possibly already at the beginning) of the different partners including the government, the social partners,

and potential certificate providers is a critical success factor. Establishing a central agency that provides the overall management, coordination, and dissemination at the national level is also important. In the Netherlands, the Dutch Knowledge Centre is also responsible for ensuring the quality of the Certificate through the quality code it has developed and also plays an important role in disseminating information about the Certificate. The increase in the use of the Certificate over the years has been linked to successful information and media campaigns, for instance. Finally, the variety and mix of financial instruments that are available for employers in the form of sectoral training and education funds, public subsidies, and the possibility for tax deduction should be also highlighted as a main driver for the initiative to succeed.

## Poland

One of the goals of the programme “Solidarity Between Generations” is to improve the skills and professional competencies of people aged 50+, but through measures also addressing younger generations, in the perspective of a life-cycle approach. Therefore, the programme encouraged initiatives building educational paths for the elderly, with the provision of individualized professional assistance aiming at guiding the beneficent in their choice of educational training and motivating him/her in the pursuit of their educational goals. Moreover, the programme supported lifelong learning activities at regional level and addressed to people at risk of unemployment. Lastly, the programme put an emphasis on the necessity of not only the teacher’s passing of knowledge, but also on his/her motivational and supportive attitude. Later, the National Programme of Societal Activity of the Elderly (ASOS) implemented 232 programmes of health education during years 2012-2013.

Concretely, the program aimed at developing specific topics of education among the elderly. Among those topics, the one of new educational technologies and e-learning with a special focus on improving digital literacy among the elderly and preventing digital exclusion, which is a very frequent phenomenon among the elderly. Indeed, according to the Polish National Statistics Office, 67% of people aged over 50 have never used the Internet before and only 12% of the 60+ use a computer and the Internet regularly<sup>114</sup>. To respond to this issue was created the portal e-senior, which is an educational portal addressed to people aged 50+ who never used the Internet or who dread using it<sup>115</sup>. The portal guarantees safe, efficient and easy use of the Internet for older people.

Another topic developed in the framework of the programme SBG is health education, promotion and prevention. Indeed, health is a crucial issue in Poland since figures show that only 25% of Poles live a healthy life, 30% are smokers, 25% do not exercise, 25% suffer from stress at work, and about 20% suffer from obesity. Until the implementation of the programme, the only programmes implemented with the aim to address health education tackled the issue of healthy nutrition and physical activity and gained interest from older people who actually did not need them, since the attendees were mostly people who already had a healthy life, taking care of their regular physical activity and healthy nutrition on a daily basis. Moreover, the participants to those programmes turned out to be highly educated with high living standards, leaving out other elderly people who would need health education and a change in their eating and living habits. The SBG programme and the initiatives it implemented

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<sup>114</sup> <http://media2.pl/internet/111573-Seniorzy-korzystaja-z-internetu-i-mediow-spolecznościowych.html>

<sup>115</sup> <http://e-senior.pl/o-nas>

had the aim to fill the gaps of the previous programmes, reaching out to people who are socially excluded and who need health education.

The most important institutions offering lifelong learning in Poland are the Universities of the Third Age, reaching the number of 450 in Poland and offering a wide range of educational programmes, social activities, and skills' development, Local Cultural Offices, Social Assistance Homes, NGOs, seniors' clubs, etc. which shows the investment in elderly education and lifelong learning from policy-makers. In Poland, the topics which are getting the most interest among the attendees of Universities of the Third Age are medicine, dietetics and naturopathy<sup>116</sup>. The box below gives an example of lifelong learning local initiatives.

#### LOCAL INITIATIVES

##### *Wielkopolskiego Programu na Rzecz Osób Starszych do roku 2020*

In Poznań, the Wielkopolski Active Ageing programme, elaborated in 2013 and lasting until 2020 provides – among others such as activity, health and security – educational activities targeting older people, with a lifelong learning purpose, and by focusing on both the demand and the supply sides. The programme aims at improving seniors' potential – skills and knowledge – through study visits, webpages and social campaigns, at increasing the offer of LLL programmes addressed to seniors, through conferences, courses and best practices exchange, at coaching people organizing educational activities for seniors, and awareness rising on the topic of ageing<sup>117</sup>.

##### *Kawiarenka Internetowa Aktywnego Seniora w Chęcinach*

The programme “Internet Cafe for seniors in Chęciny” is an initiative from the public library in Chęciny (Voivodship of Świętokrzyskie) aiming at educating older people in being comfortable with the basic use of a computer and of the Internet. The objective of this initiative is to improve older people's computer skills, raise awareness among seniors about the importance of digital competencies, and make modern communication devices accessible. The social innovativeness of the project lies in the fact that the computer classes are organized in a casual and flexible way, enabling the participants to interact between each other and thus crushing the barriers many seniors have regarding digitalization.

##### *Latające Babcie*

The initiative Latające Babcie, which means “the flying grandmas”, in Polish, is an initiative made in the framework of the programme “Senior in Action” in Łódź. The project is addressed to women aged 55+ but also to men and consists in the writing by the latter of poems and stories for children, which will be the basis for the building of a play or a spectacle presented in public libraries, schools or orphanages. The writing process is monitored by theatre teachers and a psychologist and the writers receive creative writing consultancy. Indeed, the plots of the stories written contain life lessons aiming at strengthening children's self-confidence, explaining feelings such as anger and sadness, and teaching them to be kind for others. The social innovation of this project is visible in the fact that it combines literary and acting education for older people on one side and provides therapeutic and educational experience for children on the other<sup>118</sup>.

<sup>116</sup> [http://arch.ug.edu.pl/pl/administracja/\\_upload/komunikaty/12480/files/Zalozenia\\_polityki\\_senioralnej.pdf](http://arch.ug.edu.pl/pl/administracja/_upload/komunikaty/12480/files/Zalozenia_polityki_senioralnej.pdf)

<sup>117</sup> <http://docplayer.pl/2232524-Wielkopolski-program-na-rzecz-osob-starszych-do-2020-roku.html>

<sup>118</sup> [http://lokalnepartnerstwa.org.pl/file/fm/BIBLIOTEKA/manuale/Aktywizacja\\_spoleczna\\_osob\\_starszych.pdf](http://lokalnepartnerstwa.org.pl/file/fm/BIBLIOTEKA/manuale/Aktywizacja_spoleczna_osob_starszych.pdf)

## the United Kingdom

Alongside policies for re-deployment of staff when physical limitations mean a change of task is necessary, firms typically have re-training programmes to aid such redeployment. There are other examples where specific job training for people post-retirement has been designed, and some employers have removed upper age limits for apprenticeship and graduate schemes with a goal to include mature employers. Where staff recruitment has been problematic, development of new qualifications with appropriate coaching and mentoring has helped alleviate the problem. Mentoring of younger workers by older workers is seen as an effective way of retaining older workers whilst nurturing the skill development of younger workers.

## the Baltic countries

Although some evidence suggests, measures enhancing lifelong learning in companies/ organisations among older age groups are still novelties and relatively rarely represented (Nurmela, Osila, and Leetmaa 2014), some company practices have been outlined.

Concerning older and experienced workers, **knowledge transfer/mentorship** seems to be an example implemented in several companies. In these cases, older workers are mostly in the role of mentors providing guidance and support to their younger colleagues with the aim of integrating young professionals in the workplace and giving knowledge not received from initial training. For instance, such practices were reported in Lithuanian companies according to a qualitative survey and in some company case studies, e.g. Grindex (Latvia), Elis Electric (Lithuania) (Nurmela, Osila, and Leetmaa 2014) and in Eesti Energia (Estonia) (Bauknecht and Naegele 2015).

An example of a large company – Eesti Energia (Estonia) – has illustrated that **presence of a systematic training programme** and basic principles of training can be an important factor in supporting training throughout the working life. Eesti Energia has its own development and competence centre where training programmes and ground principles of training are elaborated (case discussed in Bauknecht and Naegele 2015). The company has elaborated special development programmes for business critical occupations that are: engineers, production managers, project managers and internal trainers. Every year the company reviews current situation, sets new goals and activities to ensure that occupations vital for the company are fulfilled with qualified employees. This support the vision of providing continual training throughout the working life to all employees to keep the skills of all employees up to date and in accordance with business requirements.

In both Lithuania and Estonia, **university initiatives targeted at providing knowledge on various topics to older age groups** have been outlined as good examples of promoting active participation in learning in older age. Although these activities are not directly related to improving employability, they do contribute to enhancement of lifelong learning culture across the life-course, extending beyond active employment. For instance, in Lithuania at the end of 2012, the total number of University of the Third Age (UTA) students was around 6,000 (almost double the number in 2008). Women aged 60-75 with at least vocational education account for most of UTA students (“Social Information and Training Agency. Analysis on the Third Age Universities System’s Performance.” 2012). In Estonia, University of the Dignified started in 2010 targeted to all interested people aged 50+. In 2015, the initiative was awarded by the Minister of Education and Research as the best learning initiative of the year with almost 2,000 enrolled students in seven Estonian cities.

As a barrier to including older workers in learning, a Lithuanian company manager has outlined that older workers are reluctant in taking up training. This is supported by research evidence (Adult Education Survey, 2011; author's calculations) suggesting that in Estonia and Lithuania the share of non-participants who claim they do not participate due to old age or poor health are among the highest in European comparison – 13% of non-participants in Estonia and 9% in Lithuania say they did not take up learning because of old age or poor health conditions. This is the 4<sup>th</sup> and 5<sup>th</sup> highest results respectively. In Latvia, this reason is outlined rarely, being among the lowest two countries.

**Information and experience exchange at organisational level** has been used to facilitate good practice examples. For instance, a project “Late Life Learning - Discovering the Pathways for Cooperative Partnerships” was implemented in 2015. Participants included partners involved in training older age groups from 4 Nordic and Baltic countries who operate around a common idea of late life learning, accelerate their learning, cooperation and experience exchange. In order to fulfil this goal, partner institutions will offer exchange opportunities for groups of seniors' trainers. They will have an opportunity to get acquainted with different approaches applied in partner countries.

Some project initiatives have **created learning opportunities for older age groups**. These initiatives have been led by various enterprises and NGOs in Estonia, Latvia and Lithuania (see also Bauknecht 2015). For instance, during 2012-2014 a project was implemented by various Baltic partners with the aim of creating online interactive, multimedia based training module for elder people to improve their ICT skills for better usage of e-services that are provided by the libraries (Nurmela, Osila, and Leetmaa 2014). This training module with specific topics for elder people will be accessible on the internet platform, integrated into public libraries web pages, and disseminated via public libraries. Similarly, an ICT oriented training course was developed in a Latvian project “Get Connected, Latvia” (introduced in 2008). The project provided free computer courses available for anyone interested aged 50 and over (Nurmela, Osila, and Leetmaa 2014). The aim was to reduce the digital divide between generations. According to Lattelecom data (Internet service provider and Telecommunications Company in Latvia), 1500 individuals aged 50+ participated in the activity in 2008. During the next year participation number increased more than four times, being 6680 participants in 2009.

## **3.2 (Sustainable, real) Self-employment**

### **Belgium**

The share of self-employed among the employed population increases with age. This may point to two possible scenarios which are not necessarily exclusive: either older workers find it especially difficult to find a job in older age and therefore become self-employed instead; or employees retire earlier than self-employed workers, leading to an overrepresentation of the latter group. Previous research confirms that self-employed workers on average are willing to have longer working lives compared to employees. Nevertheless, this observation likely is insufficient to fully explain the positive relation between self-employment and age.

### **Finland**

Since 2007 retired entrepreneurs can engage in entrepreneurial activity without having to pay the pension contribution fee. This helps them to make their business activity more profitable. The proportion of entrepreneurs among those who are working alongside retirement is significantly high. In 2012, 35 % of those working alongside pension were entrepreneurs (or family members), as their proportion in the overall workforce was 13.6 % (Työvoimatutkimus 2012).

## Germany

### *'Bridging Allowance' for unemployed workers starting their own business*

In order to promote self-employment, a 'bridging allowance' was introduced in Germany in 1986. It is equivalent to lost unemployment benefits and is paid for six months during business start-up period. An approved business plan is required. The non-profit organisation 'Gründer 50plus' (50plus Entrepreneurs) helps and advises older workers who want to start their own business (Contreras, et al 2013).

Unemployed workers starting their own business can get a 'Gründungszuschuss' (founding allowance): For the first six months it consists of the unemployment benefits the person would have got without starting an own business, plus € 300 per month for social security. In the following nine months the sum of € 300 can be continued to be paid out if full-time work can be proven (BMAS 2015).

### *Loans for long-term unemployed workers starting their own business*

In addition to the 'Einstiegsgeld' ('Integration Bonus') long-term unemployed starting (or continuing) their own full-time business can get up a subsidy for equipment (€ 5 000 max.) or loans (here the sum can be over € 5 000). These equipment expenses have to be "appropriate" and "necessary". The "economic sustainability" of the own business is another precondition, which also implies that welfare state dependence will be ended or reduced. The law states that the Job Centre should get a statement from an expert (e.g. the founder's business plan is checked). There is no legal entitlement to these loans or subsidies (Social Security Code II, § 116b, own translation of words in inverted commas). Further, it is possible to get consulting or knowledge from "suitable persons" if this is necessary for self-employment. This precludes the transfer of job skills. Further, those with long-term unemployment benefit entitlements (e.g. means-tested basic security provision) already working in their own business can get consulting, e.g. from founders' initiatives or management consultants or tax accountants.

Crucially, those self-employed with insufficient earnings get financial assistance so that their livelihood is ensured. Further, for the decision if the self-employed person is entitled to benefits for his/her livelihood or not, parts of self-employed earnings are not taken up in the calculation: "Therefore, at the bottom line self-employed have always a higher income than those who only get unemployment benefit II (long-term unemployment benefits, *author*)" (BMAS 2015, own translation).

### *Voluntary unemployment insurance for employed and (short-term) unemployed workers starting their own business*

Since 2006, company founders who were insured in the unemployment insurance for at least 12 out of the last 24 months can voluntarily enter unemployment insurance. It has to be proven that the person works in his business for at least 15 hours per week. Contributions are independent of income

and based on formal education (four levels). Self-employed becoming unemployed can get unemployment benefits between approximately € 700 and € 1300 per month, depending on formal education level and region (Eastern or Western Germany). Unemployment steps in when the self-employed person works less than 15 hours per week.

Possibly the main advantage is that employed persons can become self-employed and limit their risk. Without voluntary unemployment insurance, if their business fails they could only apply for means-tested unemployment benefits. These benefits are low, and due to means-testing the unemployed person possibly has to exhaust his/her financial assets: There are minimum financial assets one is allowed to keep while getting means-tested benefits, and the sum is dependent on age/date of birth, but also for older workers the amount of money is very low. Further, other household members' income is taken into account for the calculation of means-tested benefits, which is not the case with the earnings-related unemployment benefit I. Therefore, voluntary unemployment insurance can provide temporary security for those starting their own business. If their business fails, their financial assets and incomes of other household members is secure and benefits are higher, at least until unemployment benefits I are exhausted. Until then, the person can either find new dependent employment or the business situation can improve (it is possible to earn € 165 during the receipt of unemployment insurance, so business has to be on a very low level, at least officially).

Concerning the health effects of unemployment exit via self-employment, one expert stated that health-wise all is better than unemployment. Yet, self-employment puts entrepreneurial risk on people who partly never did want to bear such risk. Research shows that self-employed without employees have increased health risks, especially those who began their business when they were older. In the first three years after founding, sick self-employed attend doctors less often and self-employed with cancer take less days off work due to their sickness, which increases their mortality.

#### *Self-employed silver work*

For those over the legal retirement age receiving old-age pension benefits there are no legal limits to additional income from self-employment.

This does not apply to those receiving disability pensions or early retirement benefits. Since 2013, those retirees are allowed to earn additional € 450 per month (before: € 400) without losing parts of their pension entitlements. Still, twice a year a double additional income (€ 900) is allowed without pension deductions (because some employers pay extra holiday allowances or Christmas allowances). All of this refers to the time before they reach the legal retirement age. In case of earnings >€ 450/month there are deductions in disability pensions or early retirement pensions.

## **Italy**

In a context characterized by low economic growth and with companies facing radical changes in terms of production technologies and organizational restructuring which might negatively affect the possibility of creating in the long-term a considerable employment growth, self-employment could represent a crucial chance for prolonging the working life, even in Italy (Experts 1 and 2). But in this country, opportunities for self-employment in older age need to be increased, qualified and supported with more appropriate measures, both at the macro and the meso level, especially in order to raise older workers' motivations and capability to start their own business.

## Spain

In Spain the possibilities for self employment are limited as the economic crisis has meant limited access to credit. However, entrepreneurship activities have been encouraged through the strategy for entrepreneurship and youth employment 2013-2016 (*Estrategia de Emprendimiento y el Empleo Joven 2013-2016*) approved in February 2013. However, in line with other activation policies the focus of this approach is mostly on young people.

The Memero project, however, has sought to encourage older entrepreneurship through the sharing of experiences from existing older entrepreneurs.

## the United Kingdom

Self-employment is a popular option for many older workers who want to build on past experience, develop specialist knowledge and increase control over their working lives.

Self-employment increases with age with roughly one-third of people aged 66 to 75 self employed (George et al., 2015). The authors found no indication that self employment has become more prevalent in the last 20 years, with the exception of this age group, so self employment has become an increasing part of working past state pension age perhaps offering older workers more control over the intensity of their work effort, but also reflecting a lack of opportunities to remain working as employees.

Support for self employment is typically associated with social entrepreneurs. For example, UnLtd support social entrepreneurs throughout the UK and have frequently worked with over 50s.

Meanwhile, for recipients of certain benefits New Enterprise Allowance can provide money, support and mentorship to help set up a business. Under the scheme, a specialist assesses the business idea and if it has potential the recipient will be assigned a business mentor. If the business plan is approved and the entrepreneur works for their business for 16 hours or more per week they can claim financial support. This takes the form of a weekly allowance paid for up to 26 weeks (up to a total of £1,274) and a start-up loan of between £500 and £25,000. The loan has to be paid back, but the allowance does not.

## the Baltic countries

Promotion of self-employment among older workers has not been covered as a means of active ageing in the Baltic Mopact reports. Eurostat data suggests total self-employment among all economically active population remains around 9-10% in all three Baltic countries, being slightly below EU-28 average of 14%. The shares remain the same in 25-64 year old population as well as in pre-retirement age (55-64 age group). There are some gender differences, though. In all Baltic countries (as in EU on average) men are more often self-employed compared to women. While 12% of economically active men aged 25-64 are self-employed in all three countries, the shares among women vary between 5-8%. Same patterns are in the 55-64 age group. In total, self-employment does not seem to be a particular solution for older workers in the Baltic countries: while in EU28 countries on average, the share of self-employed population increases from 14% to 19%, when comparing 25-64 age group and 55-64 age

group, there is no large increase in the share of self-employment across age groups in the Baltic countries (remains within 1-2 percentage points). There are no examples of promoting self-employment among older age groups from Baltic countries. This is not to claim that there are no policies, however, the topic of self-employment as a form of active ageing was not covered in data collection within the project.

### **3.2.1 Macro level**

#### **Belgium**

In Belgium, unemployed workers are encouraged to either find a suitable job or to become self-employed. Unemployed individuals who are at least 55 years old but have not yet reached the retirement age are granted an encouragement fee when they become active again, regardless of whether they find a job as an employee or whether they start their own business. In fact, individuals are allowed to take steps to prepare for self-employment without losing unemployment benefits. For example, they can carry out feasibility studies, purchase materials or decorate their shop. In addition, it is easier for 50+ year old unemployed workers willing to start their own business can sign a contract (cooperative d'activité) than for younger individuals. This contract waives some of the obligations that unemployed individuals are subject to (Contreras et al. 2013: 44). Examples are the fact that one is expected to accept job offers, be available for work and register as an unemployed. Signing the contract also implies that these individuals are entitled to business counselling (FGTB/ONEM, 2013).

#### **The Czech Republic**

We have no reliable statistical data, but it is expected that both main reasons for new businesses and self-employment, i.e. previous unemployment and voluntary change in career, are represented among the new business-persons 50+. Older businesspersons are mostly leading their own business in building or services, especially consulting. In 2014 was almost 10 % out of total amount 11 000 new businessmen in Czechia 50 years and older. This situation isn't usual, so we can observe a new trend of elderly businessmen, or better to say businesswomen, as over 90 % from all fresh businessmen were women (nearly 10 000). This fact contributed to form new projects such as "Business woman", which helps new business women in their opening (e.g. answering individual questions, organizing an appointments, education, etc.). If an older businessman is defined by age 50-64, the number of self-employed people is above the average. While in 2006 was registered 226 000 of elderly businessmen, in 2013 increased the number up to 271 000. Many of those people have their business roots in the years just after the Velvet revolution in 1989. It is quite an interesting group to study more in the detail in the future, as the Czech society has not a role models for how to "age in and with business" available due to the disruption during the socialist times.

The employment office and/or bank institutions can make a financial support in the beginning, if the good business plan is provided. The most popular businesses is own coffee shop or bakery, which could be risky. As already discussed in the MOPACT Country report WP3 : Extending Working lives (case study on "We do business TOGETHER" [Podnikáme spolu]), where the project brought together unemployed young and older women to introduce them to possibility of self-employment and equip them with all necessary knowledge to start their own business, starting new business in late life is regarded as rather difficult and risky, especially if the education and skill level, and social/human capital is low, as it is

often the case with the long-term unemployed persons 50+. The main problem is the complexity. It starts with finding the right area of business or services, the lack of financial support and or guarantee of financial stability and bureaucratic burden of tax reporting. As the one of the experts consulted in this part of the project put it: *"I see a fundamental problem in the stat. It is nagging entrepreneurs by bad and over and over again changing laws. That produces enormous administrative complexity and poor legislation. Tax laws were "amended" (= made less transparent) many times, financial and tax reporting reached a peak of obscurity so ordinary self-employed person is not able to produce it without qualified (and dearly paid) assistance. Ordinary self-employed person must fill in at least 20 pages of tables and summaries on "tax returns" forms and keep loads of folders of documents. And there is no possibility of free consultation. The kindness of some of the clerks cannot be taken for granted, but in their situation, I cannot even blame them. These newly introduced sanctions are liquidating!"*. In response to this analysis, the expert was proposing to establish and subsidize counselling for older self-employed persons at the Regional / Municipal Seniors Councils and simplifying financial/tax reporting so that the self-employed person can handle it unassisted.

## Denmark

As noted in Barslund (2015), the issue of the senior entrepreneur is not pertinent in the Danish discourse.<sup>119</sup> The share of older individuals having income from own businesses has fallen slightly over the last 20 years (Larsen and Pedersen, 2012). According to OECD (2015) only 11.2% in the age group 55-64 were self-employed in 2013. This compares with 25.7% in the OECD area and 21.7% among EU countries. Data from Eurobarometer indicates that there is relatively little desire to become self-employed in the overall population (Eurobarometer 2012). On the other hand an analysis from the OECD/EC shows that a comparatively large share of 50-64 year olds are 'thinking about starting a business' but that a comparatively low share is 'Involved in early stage start-up activities'. One could therefore argue that there is an under-utilized potential for entrepreneurship among older people in Denmark.

As noted in Bauknecht and Naegele (2016), older workers may benefit from counselling directed at removing doubts about setting up businesses (Werner et al, 2008).

There are no initiatives directed explicitly at promoting entrepreneurship among older workers. A scheme called Entrepreneurpilot ('Iværksætterpilot') is helping newly graduated young people with innovative ideas for a start-up with counseling and financial support. The scheme has not yet been evaluated but could potentially serve as a model for similar initiative for older workers.

Other initiatives aimed at facilitating the transition from unemployed to self-employed entrepreneur have been piloted. One such pilot partly financed by the European Social Fund, 'Etableringsordningen', allowed selected unemployed workers to receive unemployment benefit while starting their own company (Lund and Nørgård, 2015). On top of this participants also received training, access to a network of investors, and consultancy and legal services in relation to facilitating the start-up. Originally aimed at helping recent graduates the project also took applicants with some work experience, though the number of older workers is not disclosed. The project was well-evaluated and achieved some promising results.

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<sup>119</sup> See also OECD (2015).

A similar project is now under development in the commune of Aalborg. These projects show that there is some focus on entrepreneurship in general – and for recent graduates in particular – but not for older workers specifically. One policy recommendation is to include and make eligible older workers as participants in such pilot projects. Whether a start-up idea is supported or not, should not depend on the age of the entrepreneur.

One area related to entrepreneurship where older people may differ from younger ones is how the decision to become self-employed may interact with rules and regulations in the social security and pension systems. This issue is complex and should be thoroughly analysed before new schemes are introduced. The risk of negative spill-overs from the pension system on the decision to start as a self-employed may be smaller in the Danish context than in other EU countries due to the design of the pension system. As an example of this, self-employed are not covered by the ‘quasi-mandatory’ labour market pension system that covers most employees (but can enter on a voluntary basis). This combined with the fact that some groups of older workers may face very steep implicit taxation rates on their pension savings late in their career serves to make self-employment relatively more attractive.

A potential (but small) risk is that entrepreneurship financed by, say, unemployment benefit becomes a route to early retirement.

## **Germany**

Werner et al. (2008) conclude that older people would start businesses more often if their doubts could be eliminated, possibly via elderly-specific consulting.

## **Italy**

Self-employed workers were 30.2% of total workers in 2013 (ISTAT, 2016), and a large share of older workers are self-employed (over 30% of male workers between 55 and 64 and more than 70% of those males working at 65 or older; Anxo et al., 2012). From 2008 to 2013, even to cope with unemployment or financial problems due to the international economic crisis, self-employment has increased among Italian older workers aged 50 plus (+120,000 just considering individual companies) (ADAPT, 2014). The main policy supporting self-employment in Italy is represented by Title I and II of the DL n. 185/2000 (and Decree 295/01 - Implementation Regulations) for self-employment, targeting all people motivated to start an autonomous activity, regardless of age, and, from 2013 (according to DL 78/2013), living in “disadvantaged” Southern regions (i.e. Abruzzo, Molise, Basilicata, Calabria, Campania, Apulia, Sardinia, Sicily). In particular, the most relevant measures in place are the following:

- Loan of honor for people wishing to carry out an autonomous activity, in the form of sole proprietorship, in production of goods, provision of services and trade, with the exception of activities related to production, processing and marketing of agricultural products and transport. Total investments may not exceed 25,823 euros, excluding VAT.
- Incentives to microenterprises, available to private companies already existed at the time of submission of the application, but not yet operational. Total investments may not exceed 129,114 euro. The commercial sector is excluded.

- Franchising: facilitation for sole proprietorship or corporations that want to start an entrepreneurial activity in franchising, with Franchisors accredited with “Invitalia” (i.e. the National Agency for inward investment and economic development, owned by the Italian Ministry of Economy) that manages the mentioned measures and related support services. In all the cases above, support provided by “Invitalia” may consist of financial incentives (mostly non repayable grants and favorable loans) for investment and operating costs for the first year, and, in some cases, support services for the realization and the start-up.

Individual economic helps are not lump-sums, but they are the result of a calculation that takes into account more parameters (the amount of the investment, the operating costs as well as the characteristics of the mortgage loans). However, from 9 August 2015 it is no longer possible to submit new applications because of the depletion of financial resources allocated to this legislation supporting self-employment. The decree 140/2015 introduced by the Ministry of Economic Development, modified self-employment incentives previously regulated by Title I and II of DL n. 185/2000. According to this decree, from 2015 measures supporting self-employment are mainly targeted both to young people aged up to 35 years old, and to women of all ages, and are available throughout the Italian territory. Moreover, it is no longer available the possibility to obtain non-repayable grants, since the new legislation offers now interest-free loans up to 8 years, covering up to a maximum 75% of total costs (the initiative is called “Nuove imprese a tasso zero”, i.e. interest-free loans for new companies). Total investments may not exceed 1.5 millions of euro per each company. Applicants may be both companies already existing at least 6 months before the application, or single individuals motivated in starting a company. Furthermore, in recent years the Ministry of Labour and Social Policies (MLSP) has funded some “welfare to work” programs (e.g. “P.A.R.I.”, i.e. Action Programme for Re-employment of Disadvantaged Workers; and “Manager to Work”). These programs have been managed by “Italia Lavoro S.p.A.” (a technical agency of the MLSP) and realized in collaboration with PESs of the Italian Regions. They have been aimed to support the reintegration in the labour market of “disadvantaged” groups, among which older unemployed people, including older unemployed managers, also providing incentives and organizational support for self-employment. For example, the “Manager to Work” project has provided financial incentives up to 25,000 euro for supporting self-employment of unemployed managers. At the macro level, there are also other public projects and incentives aimed at the creation and growth of innovative start-up, targeting, again, young people under 35 and women of all ages. For example, “Invitalia” has launched the “Smart and Start” project, which has a total budget of around 200 million euro and funding innovative start-ups operating in the digital economy costing up to 1.5 million euro. In this case, the main incentives are interest-free loans up to 70% of the total investment, but available only for start-ups based in Basilicata, Calabria, Campania, Apulia, Sardinia, Sicily and in the “Seismic Crater” area of Aquila ([www.invitalia.it](http://www.invitalia.it); <http://www.sviluppoeconomico.gov.it/index.php/it/incentivi/impresa/autoimprenditorialita>; ADAPT; 2014).

#### *Solutions/measures suggested/recommended*

- Financial incentives for self-employment are crucial (e.g. even promoting microcredit), but policies should not only focus on the provision of financial incentives
- Strengthening active labour policies to support older unemployed people in receiving technical and organizational support (e.g. for developing a solid business and marketing plan), for starting an autonomous activity, even through specific training for skills updating/enhancement. In this context it should be crucial the role of Public Employment Services.

- Creation of public-private networks between institutions, chambers of commerce, employers' organizations (e.g. "CNA", "Confartigianato", "Confindustria"), foundations, universities, for implementing projects and initiatives in different fields (e.g. training, awareness campaigns, organisational and technical support, information about financial incentives, etc.) useful for entrepreneurship in older age.
- To reduce/simplify bureaucratic requirements for the start-up process and the management of autonomous activities (e.g. providing licenses/authorizations for opening a firm in short-term, to simplify timetable/deadlines for paying taxes, etc.) through specific policies.
- To encourage the creation of cooperatives of older workers/older unemployed people, by providing some of the above mentioned support, even involving cooperatives and their representatives' organisations (e.g. "Legacoop", "Confcooperative", etc.).
- To promote a real gradual retirement (see sub-section 2.1.1.1) that may also encourage self-employment among older workers.

## Poland

Self-employment and entrepreneurship are benefitting from high popularity from older people. Indeed, almost 120 000 people aged 50+ started their own business in years 2011-2012, which corresponds to 13,5% of all companies created in the same period<sup>120</sup>. Out of 189 countries, the World Bank listed Poland 108<sup>th</sup> in terms of ease of doing business entrepreneurship<sup>121</sup>. Passed the age of 50, older people however are likely to face a loss in confidence and doubt relative to their skills and experience in starting and managing a business. However, figures in Poland show that older Poles are driven to entrepreneurship more because of necessity than of the desire to realise an entrepreneurship dream<sup>122</sup>.

In the country, despite of a low employment growth and a low employment rate overall, 13.6% of older people (50-64 years old) are involved in early-stage start-up activities, which makes of Poland the third country with the highest rate of early stage entrepreneurship among seniors in the EU. Moreover, around 10% of older people think about starting a business (8<sup>th</sup> rank in the EU)<sup>123</sup>.

In Poland, we find two profiles of entrepreneurs aged 50+: The business owner who keeps on leading his company passed retirement age, and the elderly who always worked in a 9-5 office job but wishes to develop a business when came the time to retire. Both ways of being an entrepreneur are positive in terms of extension of working lives and have been the object of policy focus. Thus, programmes and initiatives have been implemented to either of the two profiles. A few of these initiatives are described in the box below.

Older people sometimes consider that creating a business at 50 is too late, and who are experiencing fear of failure and lack of self-confidence at higher level than younger people. Moreover, loans are less often given to older people than to younger people, since banks dread investing in an older person's business.

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<sup>120</sup>

<sup>121</sup> <https://openknowledge.worldbank.org/bitstream/handle/10986/16204/19984.pdf?sequence=1>

<sup>122</sup> [https://www.oecd.org/cfe/leed/EUEMP12A1201\\_Brochure\\_Entrepreneurial\\_Activities\\_EN\\_v7.0\\_accessible.pdf](https://www.oecd.org/cfe/leed/EUEMP12A1201_Brochure_Entrepreneurial_Activities_EN_v7.0_accessible.pdf)

<sup>123</sup> [https://www.oecd.org/cfe/leed/EUEMP12A1201\\_Brochure\\_Entrepreneurial\\_Activities\\_EN\\_v7.0\\_accessible.pdf](https://www.oecd.org/cfe/leed/EUEMP12A1201_Brochure_Entrepreneurial_Activities_EN_v7.0_accessible.pdf)

## 3.2.2 Meso level

### Belgium

There are several initiatives on the meso level that aspire to encourage older individuals to start their own business. In 2005, **CEZOV** launched a project called “Vliegende Ondernemers 2”. This project aims to increase the number of self-employed in Flanders. The idea is to create a pool of older workers willing to assist a self-employed worker when he or she needs help. The older workers could step in and replace the self-employed if needed.

### the Czech Republic

As women represent the ever growing segment of the new (self-)employment, there are also some projects and web based tools for education, training and peer to peer mentoring, aiming specifically at women (e.g. Gender studies *toolkit*; projects like *Podpora podnikatelek*; web platforms and educational programs; recognition awards such as *Podnikavá žena*). However both visually and rhetorically all these tools cater to younger people, such as women after maternity leave and their support to start own business. These tools could be easily used also for older workers / self-employed, if they would be presented more age- and gender-inclusively. The same holds for incentives and programs supporting work-life balance achievement.

Various platforms, such as “Business and Professional Women CZ” develops the professional, leadership and business potential of women on all levels through advocacy, mentoring, networking, skill building and economic empowerment programs and projects around the world.

### Italy

Self-employment in older age can be a possible solution to the problem of unemployment, or a personal choice. For example, at a certain point of the professional career, some people may be interested in changing job by starting a firm, trying to realize their vocations/expectations/interests. At the meso level, some chambers of commerce and employers’ organizations (e.g. “CNA”, “Confartigianato”, “API”, “Confindustria”, “Legacoop”, “Confcooperative”) have realized initiatives to foster an entrepreneurial culture in society, supporting the creation of firms, even providing financial incentives and offering information and technical/organizational skills/resources to people who aspire to become self-employed/autonomous workers. Just to give an example, in 2013 the chambers of commerce of Monza and Brianza realized a project supporting 40 older unemployed people in developing a business plan for starting an autonomous activity. But in the opinion of the experts interviewed, usually the support of intermediary bodies is provided without an organic approach: often intermediary bodies are not connected with each other at local level, and it lacks also a good cooperation among these organizations and local/regional institutions.

#### *Solutions/measures suggested/recommended*

- Also at the meso level has to be planned a more comprehensive strategy among relevant stakeholders (i.e. intermediary bodies, institutions) to offer (for free) information/advice, services and specific technical and managerial competences (as well as economic incentives for

start-up micro-firms/individual companies) to older workers wishing to extend their working lives through self-employment.

- There is also a need to provide training to older workers or to older unemployed adults (or to retired people) wishing to start an autonomous work, by offering skills to drive them towards self-employment. In this context, universities and training agencies (included training personnel of both firms and intermediary bodies) may play a key role, but there is the need to organise more and more tailored learning activities to this aim, strengthening and planning a specific training supply strategy (e.g. type of courses, methods, etc.) (Experts 1 and 2).
- Companies should support (with advices, information, technical support) older employees that at a certain stage of their working life decide to become self-employed, even because this could have benefits for both older workers (which through self-employment may do what they prefer) and for companies (they can also collaborate with his/her former employee, if useful in the perspective of the company). It could be useful to “formalize” these mechanisms, through agreement among public institutions and employers’ organizations (Expert 1).
- There is also a need to strengthen networks among older unemployed people (even through ICTs, e.g. LinkedIn, social networks), to create connections between them depending on their skills, and for driving them towards self-employment through a process managed by employers’ organisations and/or by other intermediary bodies (e.g. chambers of commerce, NGOs and foundations committed in these issues).
- Self-employment could be promoted in an innovative way also exploiting the potential of the so called “Fab Lab” (i.e. “fabrication laboratories”) and of new technologies in general, by supporting older high skilled workers (e.g. engineers, technicians) interested in changing their job (from employee to self-employed) or fired/unemployed skilled people, in developing their entrepreneurial projects (Expert 2).
- To develop initiatives to support self-employment of older low-skilled people (e.g. awareness campaigns, etc.), included those fired/unemployed.
- In implementing initiatives for promoting/supporting self-employment in older age, it is crucial taking into account also personal inclinations and interests of older people/workers, in order to increase their motivation to start/carry on their own business (Experts 1 and 2).

## Poland

The encouragement and stimulation of self-employment and entrepreneurship among people aged 50+ have been priorities of the Operational Programme for Human Capital Development through the offer of trainings and individual professional assistance and coaching. 200 000 persons benefitted from the programme between 2007 and 2011 and 50 000 created their own business within six months after participating to the project<sup>124</sup>.

However, it is to be noticed that there is no existing national document addressing the issue of entrepreneurship or self-employment among older people with the aim of extending their working lives. However, the advantage of starting a company at older age is that the entrepreneur has valuable life and work experience as well as contacts. Moreover, senior entrepreneurship is an important phenomenon that needs encouragement and support, since it contributes to extending working lives<sup>125</sup>.

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<sup>124</sup>

<sup>125</sup>[http://www.kozminski.edu.pl/fileadmin/wspolne\\_elementy/Jednostki/sfop/Artykuly\\_expertow/28\\_Przedsioborczość\\_Trzecięg\\_Wieku.pdf](http://www.kozminski.edu.pl/fileadmin/wspolne_elementy/Jednostki/sfop/Artykuly_expertow/28_Przedsioborczość_Trzecięg_Wieku.pdf)

As female entrepreneurship is concerned, many programmes have been implemented to support business among women aged 50+. Among them, the programme “Active Woman” launched in 2007 targeted the promotion of female entrepreneurship for women aged 50+.

Special focus has also been put in the development of entrepreneurship among people aged 50+ in rural areas. The projects implemented by the Job Centres of Szczecin, Olsztyn, and the Warsaw’s subsidiary job centre in Radom for years 2008-2013 are a good illustration of projects meant to develop self-employment among older people in rural areas<sup>126</sup>.

Other projects focused on boosting entrepreneurship among women. Thus, the project *Aktywizacja zawodowa kobiet po 50. roku życia z Andrychowa i okolic* (Professional activation of women aged 50+ in Andrychów and surroundings) focused on increasing the skills of 26 unemployed women aged 50+ in order for them to create their own business in tailoring and flower arranging<sup>127</sup>.

#### LOCAL INITIATIVES

##### *Dojrzały przedsiębiorca*

The local job centre of the Gdańsk region implemented in 2010 the programme “Mature Entrepreneur”, aiming at supporting older people financially in their project of business creation. The objective of the project was to support the entrepreneurship ambition of people aged 50+ in order to help them to remain in or re-enter the labour market through self-employment. Participants received grants of up to 50 000 PLN (about 12 000 euros) to start their business and received business training, coaching, and business advice. The project had a huge success and enabled the creation of 26 businesses by people aged 50+. It also made the object of a TV show in order to promote entrepreneurship and self-employment among older people.

##### *The “Best Agers” project*

The EU project “Best Agers” (2010-2012) aimed at using the professional potential of people aged 50+ and deepening it through the provision of webinar series on business planning. It implied the mapping of the situation of self-employment in the country, and of the examples of best practices in senior entrepreneurship. The project, encompassing 19 countries of the Baltic Sea region, showed innovation through the monitoring and sharing of the already existing best practices and issued a documentary film about four business creators to illustrate life at the crossroads between work and retirement.

##### *Aktywny Emeryt*

The programme Aktywny Emeryt has been implemented in 2011 by the public agency for the development of entrepreneurship in Poland, PARP. It had the aim of promoting and making active ageing popular among the 50+, through raising awareness on the benefits of entrepreneurship and business among older people in the objective of extending working lives. The participants have been offered training, educational sessions in the context of “soft skills” as well as in the topic of flexible working time and flexible business models and business creation. The social innovation dimension of the project lied in the fact that the participants had the opportunity to share their experience at every stage of their training and of their business creation.

<sup>126</sup> [http://www.mpips.gov.pl/gfx/mpips/userfiles/File/Analizy/Sprawozdanie%20 50 plus 01 2011.pdf](http://www.mpips.gov.pl/gfx/mpips/userfiles/File/Analizy/Sprawozdanie%2050%20plus%2001%202011.pdf)

<sup>127</sup> [http://zielonalinia.gov.pl/upload/50plus/Zalacznik\\_nr\\_5.pdf#page=599&zoom=auto,236,687](http://zielonalinia.gov.pl/upload/50plus/Zalacznik_nr_5.pdf#page=599&zoom=auto,236,687)

### 3.3 Work beyond the legal retirement age

#### Denmark

The statutory retirement age in Denmark is currently 65 years. It will gradually increase to 67 over the years 2019 to 2022 and further to 68 from 2030. Hereafter the retirement age is linked to life-expectancy at 60 years of age. There is an emerging debate on the feasibility and desirability of moving forward in time the statutory retirement age increase to 68, not least in light of the larger than expected increase in life expectancy in recent years. This chapter begins with a short depiction of the development in employment rates for people 65 years and older (Table 10).

**Table 10. Employment rates in Denmark**

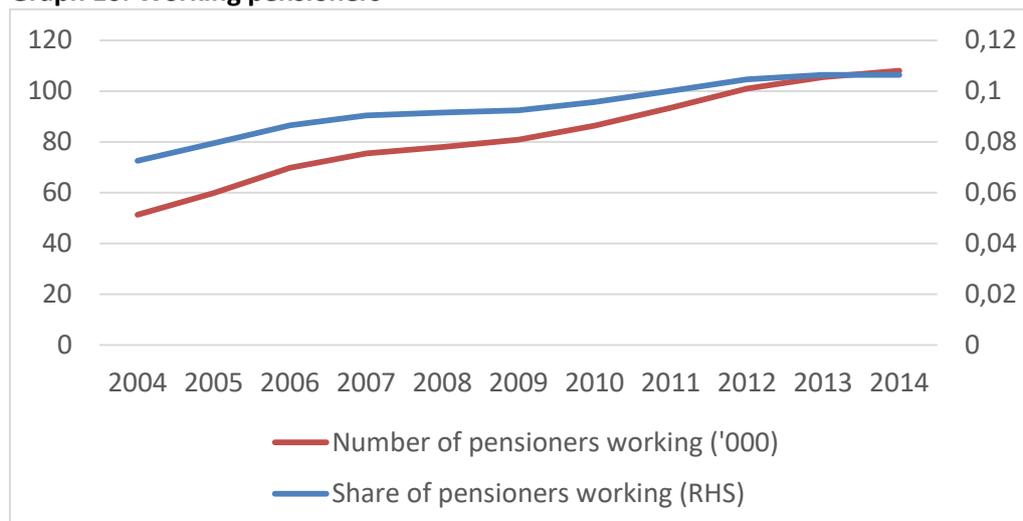
	2000	2005	2010	2015
55 to 59 years				
Total	72.6	78.0	76.9	79.7
ISCED 0-2	60.5	62.8	67.7	68.4
ISCED 3-4	73.6	79.9	78.1	81.7
ISCED 5-8	88.5	85.8	85.5	88.4
60 to 64 years				
Total	30.9	37.3	40.8	48.7
ISCED 0-2	22.4	23.2	27.3	39.0
ISCED 3-4	30.2	37.1	41.8	47.2
ISCED 5-8	51.3	54.2	55.6	61.5
65 to 69 years				
Total	8.1	13.4	12.3	15.3
ISCED 0-2	5.7	8.8	9.5	10.8
ISCED 3-4	8.5	14.4	12.6	14.0
ISCED 5-8	14.6	19.3	16.6	23.2

Source: Eurostat

Denmark has high employment rates in a comparative European perspective. This is true for all older age groups. Employment rates have been rising for the last 15 years for all educational groups, except for the group of tertiary educated 55 to 59 year olds. However, at 88 percent this group already had a very high employment rate in 2015. Employment rates of 60 to 64 year olds are particularly increasing these years due to the phase-in of the higher age for voluntary early retirement, for which the age of eligibility is increasing from 60 to 64 in the period 2014 to 2019. The early evidence points to substantial effects on the employment rate of the reform (DST, 2016b).

The same is the case for 70 to 74 year olds, although here the change has been smaller. As reported in Barslund (2015) this implies that both the absolute number and share of pensioners working have been increasing (Graph 16). In 2014, 11 pct. Of all pensioners were working; the majority in the age group 65-69 year olds.

**Graph 16. Working pensioners**



Source: Administrative data, Statistics Denmark

## Finland

The term 'legal retirement age' is misleading in the case of Finland with the flexible retirement age. A register based analysis (Kannisto 2015) concluded that during the years 2007 to 2013 the employment while retired had grown by 30%. Especially prone to work are the ones from higher socio-economic groups. This suggests that working during retirement is not due to economic necessity. The employment rate of the age group 65-74 has increased from a relatively low level during the last ten years; this is almost solely explained by increasing work during retirement.

The chapter begins with a short depiction of the development of Finnish employment rate over 65.

### *Age group 65 – 69*

Based on Eurostat data, Finnish developments are shown in a manner similar to the 55 – 64 employment rates in the first chapter. A comparison of 27 countries belonging to the EU back then or later for which data is available for 2006 and 2015 shows Finland's absolute development and relative position (own calculation based on Eurostat data). In contrast to the employment rate 55 – 64, Finland's ranking steadily improved (yet only weakly recently), but Finland's position is worse (for comparison, Finland ranked 5<sup>th</sup> and 8<sup>th</sup> there). A similar observation was made by Kannisto (2015) who concluded from register data that the employment rate of the age group (65 to 69) has increased by a third between 2007 and 2013 (Kannisto 2015).

2006: Employment rate: 7.8% (Rank 17)

2010: Employment rate: 10.6% (Rank 12)

2015: Employment rate: 14.2% (Rank 11)

### *Age group 70 – 74*

Similar to the age group 65 – 69, also here the Finnish position is not as good as with those below 65 yet improving in absolute terms and (slightly) also in EU comparison. The comparison is based on only 27 countries belonging to the EU back then or later for which data is available for 2006 and 2015.

2006: Employment rate: 3.8 % (Rank 14)

2010: Employment rate: 4.2 % (Rank 15)

2015: Employment rate: 6.0 % (Rank 13)

For this age group and with reference to lower figures in 2004 (2.4%) v. Werder and Thum (2013) suggest that since the pension reform took effect in 2005, the numbers could suggest that the reform increased employment rates of this group. The employment rate of this age group has nearly doubled between 2007 and 2013 (Kannisto 2015).

## Germany

Although the legal retirement age in Germany is currently at 65 years and 5 months, this chapter refers to those above 65. The chapter begins with a short depiction of the development of German employment rate over 65.

### *Age group 65 – 69*

Based on Eurostat data, German developments are shown in a manner similar to the 55 – 64 employment rates in the first chapter. A comparison of 27 countries belonging to the EU back then or later for which data is available for 2006 and 2015 shows Germany's absolute development and relative position (own calculation based on Eurostat data). Germany's employment rate for those 65 – 69 have improved, yet in contrast to the age group 55 – 64 its relative position is not very good.

2006: Employment rate: 6.6% (Rank 19/20 together with Austria)

2010: Employment rate: 8.6% (Rank 19)

2015: Employment rate: 14.5% (Rank 10)

### *Age group 70 – 74*

Similar to the age group 65 – 69, also here the German position is not as good as with those below 65 yet improving in absolute terms and (slightly) also in EU comparison. The comparison is based on only 27 countries belonging to the EU back then or later for which data is available for 2006 and 2015.

2006: Employment rate: 3.0 % (Rank 17)

2010: Employment rate: 3.6 % (Rank 16-18 together with the Czech Republic and Greece)

2015: Employment rate: 6.2 % (Rank 12)

## Italy

One way to prolong working life is to join or to remain in the labour market after having started receiving an old age pension, and work beyond legal retirement age is becoming more frequent in Italy

(as in Europe). Indeed, the Italian context legislation allows to combine pension incomes and employment, even though, to better promote work among pensioners, there are some critical factors to be removed at the macro level (e.g. no “real” gradual retirement exists). At the meso level there are good practices, but in general work after retirement is still scarcely supported, especially in SMEs.

## **Spain**

Since 2013, the possibility of formal work during retirement has become legally possible. This was seen as a way to reduce pension payments by paying pensions at a lower level whilst in work, but also a way of increasing tax revenue by formalising such working practices. Prior to this, work and retirement did co-exist, but was done informally through the black economy and clearly, despite the change in policy, such incentives still exist.

Employers are more likely to work longer if it is encouraged and supported by their employer (Feldman, 1994; Henkens 1999). Van Dalen et al. (2010) identify employer views on working beyond the age of 60 and 65 in Spain, as well as Greece, Hungary, The Netherlands and the UK. In Spain, whilst there is considerable support for working beyond age 60: almost half (44 per cent) of employers report that working beyond age 60 is desirable; there is much less support for working beyond age 65 (24 per cent report that it is desirable).

This latter figure is considerably higher than the desirability figure in Greece, Hungary and the Netherlands (10, 12 and 9 per cent respectively), but lower than in the UK (60 per cent). Equally illuminating are the percentages of employers who report that such working patterns are undesirable. In Spain, 29 per cent of employers thought that working beyond age 60 was undesirable, rising to 49 per cent for working beyond age 65. Here, twice as many employers thought that working beyond age 65 was undesirable as thought it was desirable.

Recruitment of older workers in response to personnel shortages also appears low in Spain compared to other countries. In Spain, seven per cent of employers reported that in response to personnel shortages they had recruited more older workers and just three per cent recruited ex-employees who have already taken early retirement. Whilst these figures are in line with some countries (Greece and the Netherlands), they are well below that of the UK where 42 per cent of employers reported that in response to personnel shortages they recruited more older workers and 23 per cent of employers recruited ex-employees who have already taken early retirement.

## **the United Kingdom**

Working past State Pension age is relatively common and workers are protected by law against discrimination. This is particularly true for women with the number of women aged over 60 in employment at record levels and the number of older women workers is growing faster than any other age group.

Working beyond State Pension age means that workers no longer have to pay National Insurance, but may be eligible for income tax. They can also claim their State Pension whilst working and if they have reached the age agreed with their pension provider they can claim their personal or workplace pension.

There is no official retirement age and workers usually have the right to work as long as they want to. There are some circumstances when employers may have the right to set a compulsory retirement age, but an employer can not make a worker redundant because of their age.

When applying for a new job, applicants do not have to give their date of birth and employers cannot make the applicant give this information if they do not want to. Employers also cannot set an age limit for a job, unless they can justify it (e.g. because of certain physical abilities) or it is a limit set by law, e.g. for the fire service.

Workers of any age can request flexible working.

Working beyond the State Pension age also does not necessarily mean continuing to be an employee. Self employment can be an attractive option particularly for individuals with modest incomes for whom forming a limited company or being VAT registered is not required. Operating as a sole trader means that some expenses will be tax-deductible.

Inadequate income following divorce, the death of a partner or the need to help with the costs of caring for an elderly parent can influence the decision to work beyond State Pension age. However, many miss the stimulation of the work environment and choose to continue to work for other reasons.

## **the Baltic countries**

In all Baltic countries, working beyond legal retirement age is motivated by:

- Low replacement rates of pensions and possibility to accumulate pensions with income from work (see also 2.1.1. above);
- Deferred retirement options which increase pension entitlements.

Working beyond legal retirement age is mostly motivated by national level policies while only one company-level practice was identified with the particular aim of supporting employment beyond retirement. Nevertheless, the case illustrates that the measures used to support employment beyond retirement at company level combine elements of various topics covered in other chapters of the report, including job sharing and flexible working conditions. Thus, the aim of prolonged employment beyond retirement age is reached through a combination of various measures. Companies implementing various measures thus also contribute to the aim of motivating work beyond retirement.

### **3.3.1 Macro level**

#### **Belgium**

**Working beyond the retirement age – pension and additional income:** Workers are allowed to continue working beyond the legal retirement age in Belgium. Retirement is a right and not an obligation. However, there are some rules that determine which workers can combine their pension benefits with an additional income obtained by working beyond the legal retirement age. In general, workers can earn an unlimited supplementary amount in some cases, while in other cases caps apply.

In recent years, this system has been reformed a number of times. The “Solidarité entre les générations” law made it possible to **combine pension benefits with earned income** (Hartlapp/Schmid 2008: 428). However, the amount that one is allowed to earn is subject to some strict rules. Although the previous federal government allowed 65+ workers with an employment record of 42 years to earn an unlimited amount on top of their pension benefits, for other workers additional income remained capped. For those workers, earnings were capped at €22,293 (employees) and €17,835 (self-employed). Despite the fact that the government raised these caps, it appeared that financial incentives to remain active beyond the legal retirement age were only limited (Contreras et al. 2013: 49). Moreover, if income is higher, this negatively affects pension benefits. Furthermore, taxes on pensions are higher if there is an additional income (Contreras et al. 2013: 49).

In 2015, this system was revised by the current government. It became less stringent. Whether someone is allowed to earn an unlimited amount on top of the pension benefits or not depends on three criteria: his/her age, employment record and type of pension. Every retired worker of at least 65 years old or who has an employment record of at least 45 years can earn an unlimited amount without losing his or her pension. Retired workers who are younger than 65 years old or who have an employment record of less than 45 years cannot earn an unlimited amount. Their additional earnings are capped. Before the rules were revised, workers that earned more than 1.25 times the cap do not receive pension benefits any longer. Under the revised rules, benefits will not be cancelled completely but they will be reduced. A worker who does not have a 45 year- employment record when he or she is 65 years old is allowed to stay in employment until an employment record of 45 years is reached. This period will also counts towards this worker’s pension benefits.

Self-employed are allowed to continue working beyond the legal retirement age of 65 as well, given the retirement is a right not a duty in Belgium. As regards combining pension benefits with additional income, the same rules apply as to employees.

### **Pension bonus**

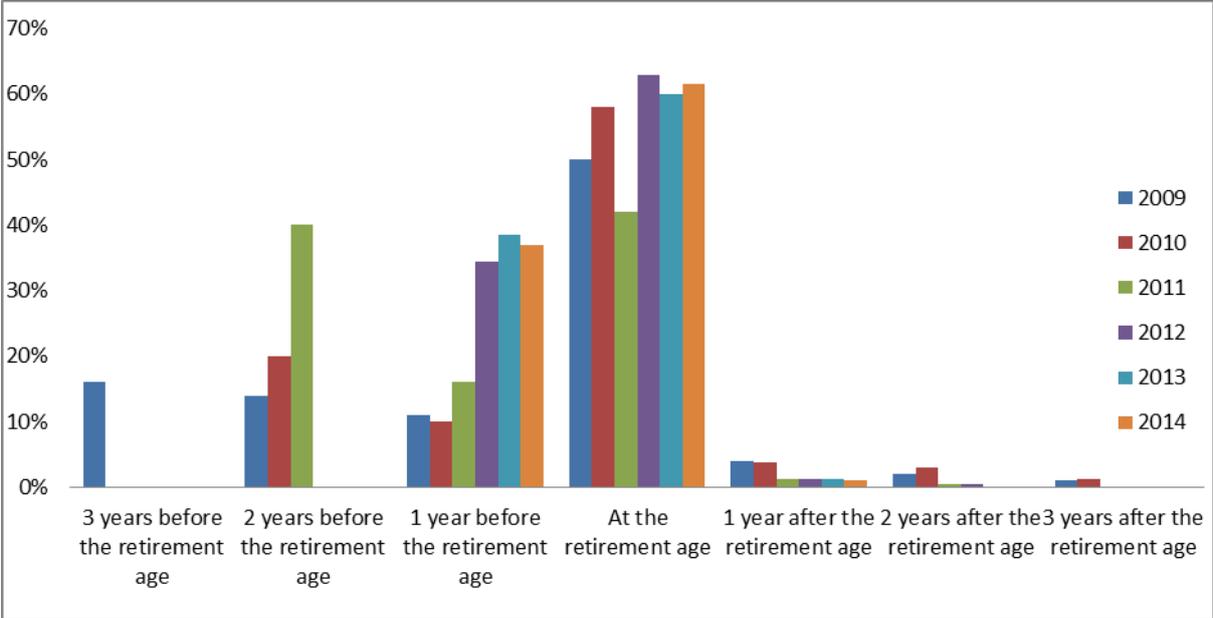
The previous government had introduced a **pension bonus**. Under certain conditions, Belgian workers who work until the legal retirement age instead of retiring early received an extra lump sum (Contreras et al. 2013: 35 based on Dekkers 2008). As Smith (2014: 6) writes, those 62 years old and with at least 44 years of contributions receive 2 € per day of full-time work (introduced in 2007). This refers to every full-time working day past this limit and is independent of wages earned or contributions accumulated (Jousten et al. 2011: 5f.). As Jousten et al. (2011: 6) note, relatively seen this 2 € are more attractive to lower earners. The current government, however, has revised this policy. The pension bonus system was cancelled in 2015. Nevertheless, workers that already started receiving the bonus before 2015 will still be entitled to it.

As for early exit possibilities, they refer to early retirement but not only. In fact, Duval (2003) notes that social transfer programmes destined to the elderly can actually serve as alternative routes for early retirement, notably unemployment or disability benefits. Consequently, Belgium is making conditions to access early retirement in terms of age and career duration increasingly restrictive over the years for both men and women.

## **the Czech Republic**

The share of older worker working beyond the legal retirement age is rather small in the Czech Republic. According to the statistics on retirement published by EUROFOUND over 60% of Czech workers retired at the statutory pension age in 2014 (Graph 17). Second-most common is to retire one year before the statutory pension age (37%). Around 1% of those retiring in 2014 had postponed their pension by 1 year after reaching the statutory pension age, and none of the new retirees deferred pension 2 or more years.

**Graph 17. Proportion of people retiring at, before, or after the statutory age (%)**



Source: based on data from the Ministry of Labour and Social Affairs (Quoted in: EUROFOUND, report from project “Extending working lives through flexible pension schemes” Czech Republic: post-pension age partial retirement scheme; by Georgiana Runceanu)

In case of employment activity, an increase of 1.5% is added to the pension benefits for every extra 180 calendar days worked. By many that is regarded as too low to motivate the postponement of the retirement, especially when there are no restriction on continuous economic activity and simultaneous pension withdrawal.

**Denmark**

*Deferred pension*

Incentives to work past retirement varies a lot with individual circumstances. The basic old-age pension and the means tested pension supplement can be deferred in an (almost) actuarially manner for 10 year, thus until the age of 75. The old-age supplement (‘ældrechecken’) available to low income households (and means tested) cannot be deferred. There is a minimum amount of hours worked limit in order to defer pensions. Deferral of old-age pension is flexible in that one can retire, but then later defer pension should the person ‘unretire’.

Ultimately how deferral affects life-time income and therefore in principle the incentive to work beyond retirement is complex and depends on both private pension wealth (including private labour

market pensions) and potentially the income and pension wealth of one's partner (see OECD, 2015; DORS, 2008 and 2013). Working an additional year and deferring old age pension entitlements increases pension wealth at retirement, and the annuity payout from labour market pensions and the supplementary pension scheme ('ATP'). This in turn has an effect on means tested element of the deferred pension as well as on other means tested subsidies available to pensioners.

There is some evidence that the option to defer pension rights and associated implications are not widely known (Forsikring&Pension, 2010; Larsen et al., 2011).

Incentives to work beyond the age of eligibility for the voluntary early retirement pension (VERP) scheme have also been strengthened in a series of reforms (in 1999, 2006 and 2011, see Barslund, 2015 and DORS, 2013 for details)

#### *Working and receiving old-age pension*

It is possible to work and receive old-age pension after the statutory retirement age. The pension supplement is means tested above a gross income level of around 9,000 euro. Above this threshold the average effective marginal tax rate is increased from around 37 to 52 pct. At the income level (around 40,000 Euro) where the pension supplement is no longer available due to the means testing against income, the basic old-age pension is means tested at a similar rate. Thus, in total this implies an approximate average effective marginal tax rate of 52 pct. for incomes above 9,000 Euro. Payouts from labour market pensions are included in gross income when it comes to mean testing of the pension supplement whereas this is not the case for the basic old-age pension. Individuals receiving payouts from the labour market pension may therefore be able to earn substantially less than 9,000 euro before being subject to means testing.

Means testing affects more than half of all pensioners in the age-group 65-69. OECD (2015) reports that 52 pct. have their pension supplement reduced with 29 percent not receiving any supplement at all. Basic old-age pension was reduced for 7% of pensioners in this age group.

#### *Unretirement*

There are no barriers to 'unretirement' other than those explained above related to means testing of the old-age pension and the pension supplement. Incentives to unretired are closely linked to those of working and receiving a pension at the same time.

## **Finland**

The share of those 65-74 employed has tripled in the 2000s and is now at about 10% (Takala et al. 2015: 1).

For each month of postponed retirement after the age of 68, there is a pension increment of 0.4% (Ilmakunnas/Ilmakunnas 2006: 7). This is a 4.8 % yearly increase for deferred retirement.

From the beginning of 2017 accelerated accrual rates for 63-67 year-olds will become obsolete and, instead, an increase for deferred retirement will be paid. If retirement is postponed past the lower age limit for retirement, the pension will grow with a 0.4 per cent increment for deferred retirement each month. In addition, pension will accrue with a 1.5 % accrual from earnings.

Those beyond the upper age limit of the flexible retirement age, thus currently those above 68 years, are exempted from mandatory pension insurance; neither the employee nor employer has to pay the insurance contribution. This might make them more attractive as employees.

## Germany

Workers over the legal retirement age (and receiving pension benefits) do not have to pay contributions to the pension and unemployment schemes. They have to pay contributions for health insurance and nursing care insurance (if they earn more than € 450). Although taxes on income are principally independent of whether someone is over the legal retirement age or not, a “steuerlicher Altersentlastungsbetrag” (tax deduction for older workers, § 24a EStG (Einkommenssteuergesetz or personal income tax code)) regulates that a certain percentage of the wage is not to be taxed. The percentage declines from 40% in 2005 to 0% in 2040. Further, there is a maximum amount that can be left untaxed. This amount also declines (from € 1900 in 2005 to € 0 in 2040). Yet, for a certain employee, percentage and amount apply for the rest of his/her life, so that e.g. someone who became 64 years old in 2014 can in 2015 (when 65 years old) work with 24% of his/her earnings (not more than € 1140 per month) not being income-taxed.

Those over the legal retirement age who keep working and do not receive pension benefits get a 0.5%points pension rise for every additional working month (Bundesregierung 2013). This means that someone born in January 1950 reaches legal retirement age in May 2015 (65 years + 4 months due to the ‚Retirement at 67‘-reform), and if this person works until January 2016 (66th birthday), pension benefits are 4%points higher (8 months with 0.5%points each). A ‚Minijob‘ (up to € 450 per month) does not increase pension benefits.

Pensions are taxed according to §22 EStG (‚sonstige Einkünfte‘ or ‚miscellaneous income‘). According to the ‚Alterseinkünftegesetz‘ from 2005 (‚Law on Old-Age Income‘, own translation), the share of the pension that is to be taxed will rise from 50% in 2005 to 100% in 2040. Since a rising share of pension incomes has to be income-taxed, this contributes to the general pension decline and incentivises older workers to delay retirement or to work during pension receipt. Although the ‚Grundfreibetrag‘ (the tax free minimum amount) leaves very low pensions untaxed, the rising percentage of pension income to be taxed reduces the level under which gross pensions are not to be income taxed. Since the ‚Grundfreibetrag‘ is twice as high for married couples, in retired one-earner households tax-free pension benefits for the one earner may be twice as high.

## Italy

From January 2009, the Italian legislation (DL n. 112/2008 as enforced by Law n. 133/2008) allows the full combination of paid employment and pension incomes, thus facilitating regular work for older people receiving pensions. Pensions calculated according to both the previous (retributive) and the new (contributive) schemes can be fully combined with employment or self-employment income. Limits to combining them and consequent reductions in individual pension payments established by previous law, remain in the cases of invalidity pensions and allowances (assegno di invalidità) and for employees who transform full-time into part-time work. The latter is a 1996 exception to the general rule that in order to be eligible for receiving a pension, an Italian employee must before quit his/her

employment relationship with the employer (while this obligation does not exist in the case of self-employment). Furthermore, the recent labour market reform abolished the possibility for employers in large companies, to fire a worker who reaches the statutory retirement age, in order to allow workers to possibly work until the age of 70. The latter means that in large companies, employers have the right to fire a worker aged 70 years or more. Whilst it is mandatory for employees to resign in order to be entitled to pension benefits, there is a high probability that pensioners re-enter the labour market. They are often hired by means of one of the non-standard contracts provided by Italian legislation, for example as freelance workers and in some cases under the obligation of invoicing (so called co.co.co. or Titolari di partita IVA, namely VAT payers), because these contracts were traditionally less burdensome in terms of taxation for both employees and employers. In this regard it is worthwhile to note that precise restrictions to the use of these flexible and temporary contracts, which were introduced by the labour market reform of 2012 in order to avoid irregular work, probably reduced some of the opportunities previously exploited by employers to re-employ older workers after their retirement from their earlier main career (Principi et al., 2015; ISFOL, 2013b). Furthermore, work after retirement is increasing for self-employed people. In most cases, the latter may imply a flexible fixed-term contract with an employer, so that even if he/she results formally as a self-employed, for the worker there is no actual difference if compared with other employees in terms of work tasks and schedules. According to data from the National Institute of Social Security and the National Institute of Statistics (INPS-ISTAT) in Italy there has been an increasing trend in the number of working pensioners aged 55 years and over, between 2007 (1,011,081) and 2010 (1,380,041), for both genders. Compared to 2010, provisional data for 2011 seem to indicate a decrease of working pensioners in terms of numbers, while their share decreased in particular in the age group 55 to 59 years, possibly because of the increased statutory retirement age (Principi et al., 2015; Principi, Checucci and Di Rosa, 2012).

#### *Solutions/measures suggested/recommended*

- To stimulate a public political discussion about work after retirement. In particular, as stated above, in Italy the precondition to receive a pension is that older people (once they fulfil other requirements to receive a pension) must fully withdraw from the labour market, with the exception of self-employed workers. This does not facilitate work after retirement, since it is more difficult to access the labour market again once an individual has left it. For supporting work after retirement, at the policy level is recommended to introduce a real “gradual retirement”, in order to offer more opportunities to older people for working after retirement.
- To design a different and better system of taxation of income from pensions, since the Italian taxation of pensions is one of the highest in Europe (i.e. 20% vs. 0.2% in Germany; source: Eurispes, 2016).
- To reduce barriers for working pensioners, to access the public sector (e.g. education, health).
- To better regulate contracts types for promoting paid work after retirement and to tackle undeclared work in this area, which was and continues to be widespread. This may be done through an increased supervision by inspectors from the Ministry of Labour and Social Policies, and insurance institutions.

## **Poland**

Despite of the tremendous improvements of those past decades, Polish salaries and standards of living are still lower than in other EU countries and the retirement pensions are quite low. Thus, working beyond retirement age can be seen as an obligation for many Poles. However, a survey stated that the

first reason for older Poles to work beyond retirement age is the wish to keep active. The reason involving the financial argument comes only second.

The common opinion is that people who reached retirement age are not keen on keeping having a professional activity. In 2016, the new Polish government announced the lowering of retirement age to 60 years old for women and 65 for men, showing the overall tendency to slow down the process of extending working lives started by the preceding governments.

A law limiting the possibilities of combining paid work and retirement benefits has been implemented in 2010. The law states that such a combination between retirement benefits and a salary is possible only in the case that the person concerned has reached statutory retirement age and that the person and the employer are bound by an employment relationship. This regulation discourages retired persons from working, and thus extending their working lives while having the guarantee of their retirement benefits. Therefore, many older Poles and retirees pursue work on the black market, stimulating thus the shadow economy of the country, already above the EU average<sup>128</sup>. This situation is beneficial for the retiree since he/she will keep on receiving retirement benefits and for the employer since Labour Code regulation do not apply (thus creating insecure working conditions) and there are no administrative and tax burdens on the line.

It is to be noticed that there are no policies, as well as local or national initiatives aiming at tackling the issue of black market among older people in Poland.

## the Baltic countries

All Baltic countries allow for deferred retirement. According to the MISSOC database<sup>129</sup>, unlimited deferment is possible in Estonia and Latvia while Lithuanians can defer retirement for up to five years as at July 2015. In Estonia, old-age pension is increased by 0.9% for every month of deferred retirement. In Lithuania, pension is increased by 8% for each full year of deferment. In Latvia, working beyond pensionable age is reflected in the pension calculation formula. In Estonian case, it has been outlined that take-up of this option is relatively low (Nurmela, Osila, and Leetmaa 2014). In 2012, 2.0% of pensioners who entered into the old-age pension scheme, had used the option to delay retirement (Ibid.). However, there have been no studies on the reasons why the use of this option has been so low.

### 3.3.2 Meso level

#### Belgium

In the **Flemish education sector**, there are some opportunities for workers to remain active after their retirement, on the condition that no other candidate was found for the position. If a worker is less than 65 years old when he or she is hired in the education sector, he or she can have a regular career like any other teacher. If a worker is at least 65 years old, he or she can only be employed on a temporary basis.

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<sup>128</sup> F. Schneider, "Size and Development of the Shadow Economy of 31 European and 5 other OECD Countries from 2003 to 2015: Different Developments", 2015.

<sup>129</sup> Mutual Information System on Social Protection, <http://missoc.org/index.htm>

## Denmark

Most meso level initiatives are implicitly aimed at retention of workers until the statutory retirement age. However, some offer a framework for planning to work beyond the retirement age.

### *Social innovation initiatives*

There are two interesting socially innovative cases aimed at facilitating longer working lives. One, 'Senior network', subsidised by the Danish Ministry of Labour, has been in existence since the late 1990s. The other 'Senior workshops' is more recent. It is now being run as a consultancy by the innovator, Poul-Erik Tindbæk, under the name of 'en3karriere' ([www.en3karriere.dk](http://www.en3karriere.dk)) (see also Tindbæk, 2009). Poul-Erik Tindbæk received the EU social innovation price in 2012 for his work related to 'Senior workshops'.

'Senior workshops' targeted 58-59 year olds (at the time when one has to decide on early retirement versus continuing work in Denmark). The 2-days workshops were designed to get participants to reflect on how they want to spend the rest of their life. How they want to structure retirement etc. It is not meant to focus on staying in employment per se, but rather to overcome a sort of routine reaction: "I am 60 - therefore it is time to retire". It also includes a health test to make participants aware of the benefits of staying in good health.

The workshop model has been evaluated by participants showing good results. Around 40% decided to stay longer on the labour market than otherwise planned, 40% were encouraged to improve their health and almost half decided to take up volunteering work. The model has not been more rigorously evaluated against a 'control group' of seniors which have not participated in the workshops. How long and to what extent people follow through on these plans is naturally difficult to assess but the initial results are encouraging.

'Senior network' ('Senior Erhverv' in Danish) is driven by volunteers organized in 24 independent network of seniors spread across Denmark. The network's mission is to create the best job seeking environment for unemployed seniors aged 50 years or older. While each of the independent networks receives some support from the Agency for Labour Market and Recruitment day to day management is the responsibility of the unemployed seniors themselves. Activities include visits to companies, training and social activities in addition to a traditional CV data base. The networks have in recent years had some success in finding employment to members. An evaluation was carried out in 2006 (AMS, 2006). It reported for the period of the evaluation, 2005, a total subsidy per member that found regular employment of the order of 1,000 euro.<sup>130</sup> In total 719 members found regular employment. In addition, a lower number of network members found subsidies employment. The effect on employment of older workers from the 'senior networks' is smaller – perhaps much smaller – than the 719 who gained unemployment, since some of those would have found employment even in the absence of the network. No rigorous effect evaluation of the initiative has been conducted. The number of people finding regular employment should be compared to total unemployment of around 25,000 individuals in the age group 55-64 in 2005.

### *Collective agreements*

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<sup>130</sup> This number is calculated by dividing the total maximum subsidy per 'senior network' with the average number per network finding regular employment during the period.

Collective agreements for public sector workers contain a number of measures intended to retain older workers (first introduced in 2008 and subsequently modified in later rounds of negotiation). They stipulate the right for the employee to a 'senior conversation' (or senior age management consultation) as part of the yearly evaluation of the employee (the exact age at which the 'senior conversation' begins is determined locally at the workplace or city council). The employee has the right to say 'no, thanks' and have the yearly evaluation as any other employee.

The 'senior conversation' is the starting point for a dialogue on how job demands from elderly workers and the workplace leader (if any) can be met to the satisfaction of both parties. Broad instruments are available which cater both to employee wishes (reduced working time, changes of responsibilities) and employer instrument to retain workers which would otherwise retire (early) – e.g. increased pension contribution.

Many private collective agreements now also include the possibility for the employee to negotiate with the employer part time employment where the reduction in working time is partly financed by reducing pension contributions. This can happen from five years before the official retirement age (currently 65, but gradually increasing in the future). Depending on the agreed labour market pension contribution rate for the workplace up to a 10 percent reduction in working time can be financed by reducing pension contributions in the period leading up to retirement.

As noted these collective agreement measures are more explicitly aimed at retaining workers until they reach the retirement age. In fact, according to OECD (2015), some collective and individual workplace agreements have a built-in maximum retirement age of 70.

#### *Government initiative to improve age management practices at meso level*

From 2013 to 2015 the Fund for Better Working Environment and Labour Retention (under the Ministry of Employment) offered so-called 'senior packages' to SMEs with less than 250 employees. A senior package is meant to create awareness about age management in SMEs. The main purpose is to prepare SMEs and employees for the post 55+ working life – and make SMEs better at keeping elderly workers in employment. The package consists of a structured programme lasting 3-6 months involving external consultants and compensation for working time lost for the SME (management and employees). Participants are one or more managers, employees older than 55 years and an employee representative. The initiative received a mixed evaluation when it comes to increase retention among older workers (Deloitte, 2015). Only 7 pct. of participants reported an increase in their expected age of retirement whereas 5 pct. actually reported a *decrease*. Maybe equally important; there was limited interest from companies in participating and only a fraction of the allocated money was spent.

Legal regulations: *Unemployment benefit.* Following a recent case in the Danish Supreme court, it is now clear that membership of an unemployment benefit scheme is not available to individuals aged above the retirement age. This can potentially limit labour supply of older workers by reducing the expected payoff from working longer. However, extending unemployment insurance to people above 65 with the ability to defer old-age pension would create the potential to use unemployment as a way of receiving a higher life-time pension income.

Employees' willingness to work beyond retirement age:<sup>131</sup> the elements of age-management policies that are successful in keeping older workers working in the Danish context are relatively well documented. A number of survey and qualitative interview studies have been conducted (Larsen et al., 2011; Breidahl, 2011; ÆldreForum, 2007; Poulsen et al., 2006). Overall, it has to be pleasant to go to work, with the enjoyment coming from the work itself, colleagues, customers and the feeling that one's work is valued and appreciated.

The last point is important; in a survey of older workers Aeldresagen (2010) found that direct communication from management to the individual worker that he or she is welcome to stay as long as possible is a powerful motivator for older workers.

Flexible working time is often mentioned as being important, as is a good atmosphere with colleagues, interesting work tasks and the opportunity to pass on knowledge to younger workers. The feeling that effort is appreciated is equally important. Some gender differences have been reported, i.e. male workers seem to attach more importance to the salary aspect than women. A feeling that it is hard to satisfy the demands of the job is associated with earlier retirement (Larsen, 2008).

## Germany

Daimler's programme 'Space Cowboys' allows retired workers to work on temporary projects for no more than six months per year. The programme is rather new (2013), the number of workers affected is very low. A forerunner has been a programme at Robert Bosch GmbH (since 1999). Similarly, Otto, a mail order company, recruits retired leaders and professionals 65-75 who previously worked for the company on a part-time basis. A precondition is that they have special knowledge, for example concerning old computer programmes. Further, Otto plans to use retired former employees for training for younger workers.

Currently, silver work programmes affect only a very small share of retired workers.

Legal regulations: An expert stated that legal certainty is a crucial issue and sees considerable differences between large companies and medium-sized companies. In the former, some regulations can be found, possibly even in the legal grey area. There's enough knowledge to construct regulations which are legally not contestable. In medium-sized companies, employers ask if and how they could end the employment relationship if they prolong it now. The uncertainty also exists in the area of jobs subject to social security contributions: What is allowed, also during pension receipt, what not etc.

Employees' willingness to work beyond retirement age: An expert stated that it is crucial if one likes his/her work or not. Another one that it is a mixture of individual and institutional components. The decision is not made at age 60 but earlier. If motivation vanishes at 50 or 55, then the idea of the earliest possible exit emerges, as far as it is financially possible. Decisions are based on several issues, also the social interaction and the offers for older workers, and knowledge transfer and appreciation, the latter also as a signal for younger workers. The expert stated that it cannot be proven empirically, yet in workshops with older workers they say "if things would always be that transparent I would work longer".

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<sup>131</sup> This section is based on Barslund (2015).

A different expert states that in a survey of 5000 employees half of them want to work beyond retirement age, but mainly those in large companies do not want to work for the same employer. Models are needed to allow for transitions. Crucial factors for the willingness to work longer are work that one enjoys and the willingness to stay mentally fit, and the most crucial adverse factor is monotonous work.

A different expert states that respectful leadership has a considerable effect on employees' willingness to work beyond retirement age. This also applies to appreciation, success, for high-qualified workers and also in the blue collar sector. The expert asks if employees are prepared for work beyond retirement age in companies, if it is talked about their goals and their social surroundings and doubts that there is any progress. One idea could be coachings and information concerning their possibilities, also with respect to legally possible earnings during pension receipt. The expert states that there are so many regulations to be considered, and such much insecurity, and the company level does not deal with this systematically.

Concerning leadership and workplace circumstances is added by an expert that the highest serotonin production is caused by good social relationships. This can also be caused by age-diverse teams and good cooperation between younger workers and older workers. Here not just older workers have to be focused, but also younger workers, since they work together in companies. This is a leadership issue. The second important aspect is that employees want to be supported, so lifelong learning is crucial. And the third precondition is fairness. If all three preconditions are fulfilled, then there is no problem.

An expert states that intrinsic motivation is a very important reason for work beyond retirement age, yet that it is also possible that this result from self-selection since mainly high-SES people get jobs beyond retirement age.

## Italy

The most frequent measures to raise the employment rate of people receiving a pension, are silver work programmes implemented especially by large companies or supported by employers' organizations. For example "Confindustria Veneto SIAV" promotes the participation in the labour market of retired people by encouraging local companies to make professional consulting contracts with retired managers, to continue to use their know-how, their skills and their experience, which represent a competitive asset for the firms. Through the "SeniorCoop" initiative promoted by "Legacoop Emilia Romagna", retired former executives offer their professional competence and experience to people (young and older people) who want to create/start cooperative enterprises, through theoretical training meetings and training "on the job", thus by transferring their expertise and skills in the various steps of the development of cooperatives (i.e. planning, management of cooperative enterprises, financial information, etc.). Focusing on silver work programs introduced by companies, "Loccioni Group" supports work after retirement of older people through the "Silverzone" program, which is basically based on a mentorship initiative, through which a new employee is joined by a retired person over 65 that has met "Loccioni Group" along his/her way (e.g. collaborator, client, supplier, partner) and together they work on highly innovative projects. Retired people involved in this program can value the professional skills acquired during their working career and can transfer their know-how to help young people, providing them support for the creation of spin-off and for the start-up of companies. In this way they provide a real contribution to economic and social development of the local context. "Silverzone" has fostered the creation of several start-ups (80) and allowed the registration of important patents in

the industrial sector (e.g. a young new graduate and an engineer 80 years old created a patent in the automotive sector) (Socci and Principi, 2015a). Even though the above are interesting good practices, work after retirement in Italy is still scarcely supported at the meso level, especially in SMEs. However, the situation is better in large companies. Indeed, according to a survey carried out by ISFOL (2015), 53.3% of Italian large companies have collaborated with retired former employees (e.g. for intergenerational initiatives/skills transfer to new employees) and/or with former top management figures with strategic know-how the company still needed, mainly by stipulating consultancy contracts with such people.

#### *Solutions/measures suggested/recommended*

- To provide incentives for companies (included SMEs) to hire individuals who are already retired in order to use their skills, know-how and experience, this contributing to firms' competitiveness. Their role could be also crucial in intergenerational initiatives/skills transfer to young and/or new employees.
- To stimulate a greater engagement of employers' organizations in supporting the collaboration of working pensioners within companies, especially in SMEs.
- To provide flexible work arrangements is important for older workers in general, but it seems to be even more important in the case of retirees. Since in Italy arrangements for working pensioners are mainly negotiated at the individual and company level, it should be encouraged, through awareness campaigns and collective agreements at the company level, the introduction of specific working arrangements (e.g. part-time options, flexible working hours) enabling retired people to work.

### **the Baltic countries**

A Lithuanian case highlighted particular aim of offering employment opportunities to the workers at the age beyond official retirement age (Bauknecht and Naegele 2015 case of Elis Electric, Lithuania). The measures introduced for this combine elements of policies covered in the rest of this report, including job sharing (experienced older electricians are offered to perform only a part of the task that requires high-level qualification, preciseness and proficiency, whereas tasks related to heavy physical loads, endurance or climbing (e.g., lifting heavy loads, working at height, etc.) are delegated to younger workers who are less experienced but physically stronger), flexible employment relationships (retired ex-employees, at their request, are invited to do one-off jobs requiring specific skills under fixed-term employment contracts) (Ibid).

## **3.4 Other aspects of workability / employability**

### **Belgium**

Another interesting measure that the federal government has implemented to encourage older workers to remain active is the concept of 'senior holidays'. In Belgium, private sector employees build up holiday rights in the previous year of employment. In practice, this implies that workers who switch from the public to the private sector typically are not entitled to any holidays (except for national holidays). Another area where this issue becomes clear is for young workers, who often are not entitled to any holidays in the first year of employment.

Older workers that go back to work after a longer period of inactivity may not have built up sufficient holiday rights. This issue may stop them from returning back to work. For this reason, 'senior holidays' were introduced for workers of at least 50 years old. These senior holidays can only be used after a worker has used up all other holidays that he or she is entitled to. Workers receive a benefit equal to 65% of their average daily wage, capped at €50.98 (gross, by day). These benefits are paid out by the national employment organisation. The idea of senior holidays is an interesting one, considering that it tackles an important barrier that can prevent someone from becoming active again.

## Finland

The *City of Helsinki* understood that demographic change also means more diversity. To live up to the different life situations and different needs age management was introduced. It should help to create an age-conscious working environment. The objective was to manage people of different ages within the municipality in a way that the requirements of people in different life situations and with different goals will be taken into account during the planning, organising and designing of work, as well as in other areas of management.

## Italy

Concerning policies for disabled people, the Law 68/1999 "Norme per il diritto al lavoro dei disabili" (law for right of working disabled people) promotes work placement and socio-economic integration of disabled people through support services aimed at increasing employment opportunities and by means of financial incentives for companies hiring disabled people (these incentives have been rationalized by DL 151/2015). But in Italy this law has been largely circumvented and disregarded (Socci and Principi, 2013). According to this law, each firm's workforce must be made up to 7% of persons from this category, but in the reality this is not the case and this often triggers corruption episodes in the commissions responsible for issuing disability certifications. It has been estimated that forged disability certificates cost taxpayers over 8 billion euro per year (The European House-Ambrosetti Foundation, 2014). In 2009 a law has been introduced trying to reduce the number of "fake invalid people" ("falsi invalidi") through stricter controls (Ciccarone, 2012). In a report written to study the status of the implementation of Law 68/1999, the Italian Parliament reported that there has been a decrease in the number of disabled persons entering the labour market in recent years, mainly due to the effects of the economic crisis. For example, in 2012-2013 there were 800,000 disabled people officially registered by PES and available to work, but only 18,000 were placed at work (often with atypical contracts) (Ministero del Lavoro e delle Politiche Sociali, 2014). In 2013 in Italy there were around 3 million of disabled people, and only 3.5% of them were employed. Among the working population, 17% of employed disabled people is 45 to 64 years old (24.6% men, 10.4% women) and 0.5% among workers 65 years or more (0.9% for men, 0.3% for women) (Socci et al., 2015).

### *Solutions/measures suggested/recommended*

- Even though the 2012 Stability law facilitated the use of part-time work and tele-work for disabled workers (Ministero del Lavoro e delle Politiche Sociali 2012), there is a need to improve the working conditions of disabled people (taking into account also specificity related to their age), enabling them to carry out their jobs more effectively.
- To develop a more efficient support provided by PES in favouring the placement of disabled people, encouraging also a more direct role of private employment agencies in placement activities.

- To combat the phenomenon of “fake invalid people”, through more controls to be made by competent public offices, including effective financial penalties and layoffs for corrupted members of commissions responsible for issuing disability certifications.
- Maintaining, in the long-term perspective, public funding and “tailored” financial incentives to companies for supporting employment opportunities for disabled people, since in 2015 there was a concrete threat of cutting the public budget allocated to this goal, due to public financial difficulties.

## 4 Demand side

### Italy

According to the definition employed in this project, the analysis of the demand side of labour is mainly focused on positive actions which indirectly positively affect the participation to the labour market and the extension of working life of older workers. Here, we consider innovative and sustainable approaches and initiatives targeted to/implemented by employers. These approaches/measures may be launched by different actors (e.g. public sector, employers’ organizations, trade unions, NGOs, etc.) and could include a variety of measures (e.g. financial incentives, awareness and information campaigns, exchange of best practices, etc.). In relation to the above, we first discuss (public and non-public) financial incentives for supporting the employment of older workers (section 3.1), and then (public and non-public) non-financial incentives (section 3.2) to sustain both employment and the extension of working life of the older workforce in Italy. Even in this case, in each sub-section is analyzed the state of art and then are presented some suggestions/recommendations for improving the situation in the Italian context.

### Poland

Poland does not propose any socially innovative policies in the area of financial or non-financial incentives for the employment of older workers. Thus, it is impossible to analyse the barriers and drivers in that respect. This means that social innovation is still far from covering all aspects of active ageing and is a concept in phase of development in the country in comparison to the Western countries.

Since the Polish EU accession, and since the Year of Active Ageing in 2012, a lot has been done in Poland regarding active ageing policies, notably in the area of employability, entrepreneurship, socialization, and lifelong learning. Many of these policies can be seen as socially innovative, but do not define themselves as such. Indeed, the idea of social innovation is perceived in the country as being a vague concept.

Despite the fact that the government offers financing for socially innovative projects, the latter present a few structural lacks, as described above in the different areas of active ageing policies. There seems to be the overall need for increasing trust and cooperation in the implementation of active ageing programmes in order for them to remain socially innovative and to be attractive for the target group of people aged 50+.

The issue of lack of trust by the recipients is linked to the fact that social capital in Poland is very low. Therefore, in order to increase the efficiency and innovativeness of active ageing policies and in order to increase social capital, more effort should be put in programmes enabling the socialization of older people. More socialization would enable the building of relationship and of communities, which would not only enable to hamper social exclusion, but also to restore the feeling of trust among older people. Enabling to the elderly access to other people, with the possibility to share their experience, common interests and hobbies, fears and dreams is a great way to build a better ageing environment and open their minds to more trust, and provide them with more motivation to active ageing initiatives. The challenge of socialization initiatives are the existing reluctance from older people. Indeed, the general lack of trust is a barrier to the development of volunteering programmes – among other initiatives – in the country. These programmes thus need to appear as much attractive and least bonding or committing as possible in order to be accepted by older Poles.

Therefore, initiatives and programmes bringing older people together, and programmes mixing generations around common activities are very precious drivers of active ageing. Innovative programmes going to that direction can be found in the framework of projects that are not directly linked to active ageing. Here it would be important to mention the programme Świętokrzyska Ekonomia Społeczna, which is a programme implemented in the Świętokrzyskie region on the theme of social economy. The project organized a multigenerational meeting between children in middle school and older people from seniors' clubs and UTWs in order to open a multigenerational debate on a subject which is in phase of development in Poland. This kind of initiatives, which core aim is not active ageing but the promotion of another aspect of social and economic life and which are including an active ageing aspect in some of their activities are very beneficial, in a sense that it enables the mainstreaming of active ageing into all activities of public and private life.

Moreover, more would need to be done at local level in order to enable growing trust into active ageing programmes and facilitate their implementation. Also, the involvement of external entities could be the solution to the companies' lack of human resources in, for example, the conduction of mid-career reviews, which could be pursued by a third party such as independent consultant or labour offices in the framework of their active ageing programmes. This implies the necessity for the different entities from different sectors to establish and build cooperation. It also implies additional initiatives needs to be done from the side of companies. Indeed, the active participation of the supply side is crucial to improve the working conditions of older people, to increase the recruitment of people after 50, and to reduce gender inequalities among older workers<sup>132</sup>.

As far as cooperation between institutions is concerned, here the issue is also the consequence of the past: During communist times, social innovation was an unknown concept and all powers were centralized in the State, so private entities – including NGOs – and other entities that would be responsible for the implementation of active ageing initiatives policies were almost inexistent. Today, 25 later, NGOs and local entities have developed, and we find many Seniors' clubs, foundations, associations, etc. Added to active ageing policies implemented by local job centres, municipalities, regions, etc., we see that the variety of entities in charge of the policies' implementation is in phase of development.

As far as the future steps are concerned, it is to be noticed that initiatives related to the issue of employability, such as promotion of a healthy lifestyle, organisation of touristic activities implying physical

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[https://crzl.gov.pl/images/01-Biblioteka/Publikacje/Projekty\\_Rynek\\_Pracy/Wyrownywanie\\_50/RAPORT\\_OECD\\_Lepsza\\_praca\\_wraz\\_z\\_wiekami\\_Polska\\_2014\\_wersja\\_polska.pdf](https://crzl.gov.pl/images/01-Biblioteka/Publikacje/Projekty_Rynek_Pracy/Wyrownywanie_50/RAPORT_OECD_Lepsza_praca_wraz_z_wiekami_Polska_2014_wersja_polska.pdf)

activities, Universities of the Third Age, voluntary work, or inter-generational meeting and activities are part of the solutions presented in the updated version of the SBG and ASOS programmes adopted for the period 2014-2020. The updated versions propose multidisciplinary issues tackled and initiatives proposed. The box below proposes the main elements that are key to the successful implementation of socially innovative active ageing policies.

- Establishing and maintaining dialogue and cooperation between stakeholders (associations, local authorities and governments, NGOs, seniors and Ministries emitting policies)
- Establishing and developing media coverage of awareness raising policies relative to active ageing, ageism, and stereotypes
- Establishing and developing policies on active ageing from the youngest age in order to guarantee the effectiveness of life-cycle orientation policies.
- Encouraging the involvement of employers in the employability of people aged 50+
- Introducing and developing IT tools in order to develop social innovation
- Guarantee and ensure the monitoring and evaluation of all programmes and initiatives lead in the field of employability, health, life-cycle orientation, LLL, etc. in order to analyse the lessons learnt.

## **the Netherlands**

While not discussed here, some of the policy initiatives and measures (both at the macro and meso level) that are covered in the first section of this report under 'supply-side', also address the issue of employers' demand for older workers and impact on the interaction between labour supply and demand. Occupational health and safety or working time regulations that aim to safeguard workers health and well-being by outlining duties for employers is one example. Policies to improve the skill-set of older workers through financial incentives for employers, such as the case with the Dutch sector-specific training funds, or measures that influence employers' hiring practices through labour market integration measures, such as the speeddates or the experience certificate, could also be mentioned here.

### **4.1 Financial incentives for the employment of older workers**

#### **Belgium**

The Belgian government has introduced several financial incentives to encourage employers to hire older workers or to ensure that these workers can be employed for a longer period of time. In fact, financial incentives appear to be the main focus of the Belgian policy in this regard.

#### **Denmark**

##### *'Senior jobs' in the public sector*

Municipalities are legally obliged to offer special 'senior jobs' to unemployed persons between 55 and 59 who have exhausted their unemployment benefit and are entitled to Voluntary Early Retirement

Pay when they are 60. 'Senior jobs' are on normal employment terms. However, there is no requirement that individuals must be offered a job corresponding to their qualifications and previous career. In order to get one of these 'senior jobs', one has to be entitled for early retirement benefits, which in turn presupposes 30 contribution years. The number of people eligible for this job category will decline with time as the number of individuals eligible for the early retirement scheme becomes smaller. OECD (2015) reports that 4 872 people were granted a senior job in 2014. Due to the reduction of the maximum length one can receive unemployment benefit from four to two years, this number is inflated relative to the 'equilibrium number' that can be expected to be eligible for a 'senior job'. There is no central source for the total number of senior-job placements.

## **Italy**

Financial incentives, both public and non-public, are among the main assets for promoting the employment of older workers and/or the reintegration of older unemployed people in the labour market. These incentives may have different forms, for example hiring subsidies, wage subsidies, exemptions from social security contributions to be paid by firms hiring older workers. But such incentives can also include initiatives funded by non-public organizations. The following sub-sections (3.1.1 and 3.1.2) provide an analysis of solutions already implemented/available in Italy, and offer some suggestions about possible actions/solutions to be implemented.

## **the Netherlands**

While most implemented active labour market programmes in the Netherlands are targeted at the general workforce and not specifically at older workers, there are some examples for more age-specific measures that offer incentives for employers to hire and retain older workers. Such is the mobility bonus which aims to stimulate the demand for older workers (reduced employer contributions when hiring a worker aged 50 years and older). In 2008, 50% of Dutch employers indicated that they were aware of this latter measure and 10% reported to have used it (Houtman, 2012). Larger companies were not only more likely to be aware of this scheme than smaller organisations, but also more of them made actually use of it. Smaller organisations tended to have more difficulties to implement measures to accommodate older workers in general (Houtman, 2012; van Dalen et al, 2005).

Another labour market instrument is the no-risk policy - if an employee aged above 55, who has previously been unemployed for at least a year, becomes sick in the first five years of the new job then the sickness insurance is paid fully by the PES on behalf of the employer (Bekker and Wilthagen, 2014). Further measures include the extended trial period whereby the standard trial period of three months could be prolonged to six months for workers above the age of 55, or the trial placement – during the first months of work the employer does not pay a salary to the employee still receiving unemployment or disability benefit. The maximum period of trial placement is three months, with the possibility of extension to six months in special circumstances. The measure is applicable to anyone with unemployment or sickness or disability benefit.

Regarding the effectiveness of above measures, Van der Werff et al. (2012) find that the mobility bonus for older unemployed, the doubled length of the trial period for older workers, and trial placement with continued benefits all produced significant positive effects. A recent evaluation of the no-risk policy shows a minor and insignificant effect of the measure on changing employers' hiring behaviour when it comes to older workers (Bekker and Wilthagen, 2014).

Also, a number of instruments exist to support self-employment for the unemployed and inactive. These include provision of start-up business loans and income support, and assessment of a business plan by a work coach early in the unemployment period (OECD, 2014a). In addition, measures were initiated to support self-employment after the crisis. In 2009, a government scheme that provides financial guarantees for loan applications as well as a micro-finance scheme for small entrepreneurial activities combined with coaching and support were introduced (European Commission, 2010). Although a relatively high share (20%) of Dutch self-employed is aged 45 years or above, it is primarily those with better social and financial capital that chose self-employment (Van Solinge, 2012). Self-employed in the Netherlands are eligible to receive the state pension, but they need to pay pension contributions in order to be covered by an occupational pension scheme. For older workers, this reduces the incentive to become self-employed as an alternative at the end of their working life. An additional potential barrier for older workers, especially those with less updated skills, is that the self-employed are excluded from benefitting from education and training offered under the scope of collective labour agreements and need to arrange training and education themselves (European Commission, 2010).

## **Spain**

The remuneration system in Spain causes significant problems for the employment of older workers. According to Simón (2009) Spain has the highest share of seniority-related wages in Europe, whilst the Salary Structure Survey carried out by the Spanish Statistical Office (INE - Instituto Nacional de Estadística), highlighted that seniority bonuses account for around a quarter of the monthly gross wage of a salaried worker in Spain.

Some workers become less productive as their cognitive performance deteriorates close to retirement age, so this strong element of seniority pay means that relative wages do not always reflect relative productivity. Not all workers exhibit a decline in productivity; Skirbekk (2004) showed that workers who carried out tasks based on experience and verbal skills maintain a relatively high productivity level. Partly because of this, Tobes et al., (2007) highlight that the vast majority of employers prefer to retrain highly qualified older workers.

The high costs of terminating a permanent contract also deters companies from keeping workers on permanent contracts. Furthermore, the amount of severance pay also affects the supply of labour as it can discourage workers who are close to retirement age and have lost their jobs from seeking to return to the labour market. Tobes et al. (2007) note that commercial contracts and contracts of a specified length are considered by companies to be the best way to encourage older workers to stay in employment.

Wage subsidies for employees aged 59 or older who had worked with the company for more than four years were introduced in 2006 whereby the company's social security contributions were reduced by 40 per cent for one year. At the same time, employees aged 60 on permanent contracts had their employer contributions reduced by 50 per cent with a further 10 percentage point reduction each subsequent year to encourage the retention of these workers. This meant that employees aged 65 on permanent contracts attracted no contributions.

## **the Baltic countries**

There are only very few cases of financial incentives for the employment of older workers from Baltic countries. While there are general measures of, e.g. wage subsidies, these are not targeted specifically at older workers. Also, there are often no impact assessments from the perspective of age (e.g. comparing the effectiveness of measures among younger and older age groups). Furthermore, there were no non-public financial incentives identified to motivate demand for older workers. Below some available evidence from Baltic countries has been outlined.

### 4.1.1 Public financial incentives for the employment of older workers

#### Belgium

**Labour cost reduction for 54+ year old workers:** Employees of ages 54 and up are eligible for a so-called “**target group labour cost reduction**”. In practice, employer social security contributions are reduced for these workers, depending on their age and wage level. Contributions are only reduced for workers that earn less than €13,401 (gross) on a quarterly basis. For workers between 54 and 57 years old, employer contributes are lowered by €400 each quarter. For workers of ages 58-61, contributions are decreased by €1,000 quarterly. For workers aged 62-64, the reduction amounts to €1,500. Finally, for workers of ages 65 and over, contributions are lowered by €800 each quarter.

**Labour cost reduction when hiring 45+ year old job seekers:** A similar system was introduced to encourage companies to hire older job seekers. Every 45+ year old job seeker who has been unemployed for at least 6 months receives an “**employment card**” for the national employment agency. An employer that hires a job seeker with an employment card qualifies for a reduction in the social security contributions that have to be paid for this worker for a period of five years. Commonly, the reduction amounts to €4,000 during the first year. In some cases, it stays at this level while in other cases it decreases to about €1,600 each year. Importantly, the reduction in social security contributions is tied to the duration of unemployment of the older worker. For older workers that were unemployed for at least 18 months, employers receive an additional bonus for a period of 2.5 years. Part of their wages (€500/month) are covered by the national employment agency. Employers can deduct these €500 for the net wages that they pay. Annually, this amounts to a labour cost reduction of €6,000.

**Labour Taxation:** In international comparison, Belgian taxes are rather high. Within the EU Belgium has the highest taxes on low wages, mainly due to flat-rate contribution rates to social security schemes, which are common in conservative welfare states (Dagsvik et al. 2011: 780ff.). The problem of low-skilled workers are (1) the productivity trap, that is, too low productivity for wages to be paid by the employer, and (2) the poverty trap, i.e. insufficient incentives for paid work (Dagsvik et al. 2011: 780ff. based on Nielsen et al. 2005). The problem was, how can those with low earnings (due to low productivity) be financially motivated to work without giving benefits to those whose earnings are low due to part-time work?

The solution of the Workbonus can be considered highly innovative: reductions on social security contributions were based on hourly wages, or on Full-Time Equivalent earnings. Therefore, those who would earn more than a minimum amount if they had a full-time job (the regulation has been removed since this has been higher than the minimum wage) and less than a certain amount (€1,259 in 2006) got the full social security contribution reductions (€140 per month in 2006). Above the threshold,

reductions get less until they complexly vanish at a full-time equivalent of € 2,000. Since this is not cash benefits but reductions in social security contributions, those working part-time with low hourly wages save less contributions than those working full-time, so that they are motivated to work full-time (Dagsvik et al. 2011: 781ff.): “The Belgian Workbonus ... target to low-skilled workers and screen out individuals with a high preference for leisure. At the same time, workers with higher wages cannot reduce their working time to attract the benefit” (Dagsvik et al. 2011: 804). But, as Dagsvik et al. (2011: 804) note, the Workbonus is suited to Belgian circumstances: Due to minimum wages and centralised wage bargaining, employers cannot reduce gross wages for those receiving the Workbonus. The Workbonus had an effect on those near minimum wage but not for those at median wage (Dagsvik et al. 2011: 799).

On 1 August 2015, the Workbonus system was reformed and extended. The highest wage level that still qualifies for the bonus was raised from €2,385 to €2,413. The lowest wage level that qualifies for the maximum bonus was increased from €1,501 to €1,546. Finally, the maximum bonus level was raised from €183.97 to €189.98.

**Employment bonus:** The Flemish government offers an **employment bonus** for up to one year to employers that hire a 50+ year old worker who was previously unemployed. One important criterion is that this worker has to receive a permanent contract (it does not apply to temporary contracts). The bonus ranges between €1,200 and €4,500 each quarter. The level of the bonus depends on the wage of the worker.

**Wage subsidy:** The most important single policy element of the Intergenerational Solidarity Pact was the wage subsidy (Smith 2014: 2). It is paid for all older workers, not only those newly hired, and it is low (50 € for those 50+ and 800 € for those 65+). Since Smith (2014: 2) argues that the effect of the wage subsidy depends on its level and the price elasticity of labour demand, due to a low subsidy level and expected weak labour demand elasticities she expects a weak positive effect on older workers' employment.

In 2007, government reduced employers' social security contributions for workers with a salary below € 12 000. The reduction steps in at the age of 50 with € 50 per quarter and rises by € 50 per year until the age of 56. From the age of 57 on, the reduction is at € 50 again plus € 50 for every years worked over that age, which can be combined with employers social security contributions reductions that existed before ISP (Smith 2014: 6f.: The maximum reduction is € 800 € due to € 400 because of the 2007 measure and € 400 because of a 2004 measure).

**Subsidised projects:** In Belgium, employers can propose a project to improve the well-being of older workers (45+). Projects can cover different topics, for example ways to improve the organisation of work, to address physical and psychological concerns, or to improve the employability of workers. In some cases, the government covers 50% of the costs of such projects, up to a limit of €500 per worker involved per month (for a maximum of 24 months).

## the Czech Republic

Many of the projects covered also in previous reports have included the wage subsidies, which are often considered as a key for the project success. The project can create a work position and the employer can “test” the new employee, which she / he would maybe not consider otherwise.

An example of a success story including the wage subsidies is Generation tandem, currently running in Central Bohemian region. Employers have now the possibility to apply for a contribution on wage for their employees. This opportunity is open for the new employees under 30 years and for the current employees in pre-retirement age. The purpose of this project is to secure the generation exchange on one certain work position.

In reality there’s one current employee in pre-retirement age (at maximum 3 years to retirement) in a risk of losing a job. On the other side, there’s a new colleague under 30 years, who was applying for a job at the employment department. The elderly employee is educating the new one, therefore they have to be employed at the same time (so the employer can get the contribution for both of them). The amount of money for the employer could be at maximum 740 EUR/month for a new employee and 890 EUR/month for the current one. Employer can get the contribution from 6-12 months.

Nowadays trend of working group is to create mix teams, not only generationally – it can modify with a gender mix, which leads to higher competitiveness of the organization. Main reasons are that the elderly employees are calm, loyal and have a lot of experience, compared to that – the young employees are much more innovative, excited and open-minded. The entire project is a win-win for the employer as well, because of the competitiveness, larger opportunities in the employee’s selection and the contribution at the same time.

The goal of the Generation tandem is transferring the experiences and supporting the employability of the pre-retirement citizens. The Generation tandem is running till 31.12.2018.

There are other forms of support available thru program MoLSA together with other partners offers within the support of the social innovations projects. For example, the leaflet “Social innovations for curious, brave and creative” is available to download on the web pages of the European social fund ([www.esfcr.cz](http://www.esfcr.cz)). One of such projects “Elva help” is using social rehabilitation tools to educate clients how to train a pet (mostly a dog) according to their individual needs to improve a quality of the owner’s life. This process focuses on interaction of a client as a partner right from the beginning of a service as well as it decreases an economical burden of the service.

## Denmark

### *Wage subsidies*

There are a number of subsidies employment initiatives which are of importance for older workers. According to Statistics Denmark around 40,000 people above the age of 50 were in subsidies employment in the beginning of 2016 (DST, 2016). The majority (approx. 30,000) were employed in so-called flexjobs. Flexjobs are targeted individuals with little ability to work and limited probability of obtaining employment on normal conditions. Employers pay salaries for the actual effective work performed and municipalities pay an extra wage subsidy. This means that a company can employ someone for 20 hours, but only pay for 10 hours if the employee ability to work is only 50 pct. It is possible to be employed for very few hours – down to one hour per week. OECD (2015) has cautiously criticized the flexjob initiatives for not bringing enough employees into regular employment. A recent evaluation of

the flexjob scheme showed that few people in the scheme expect their employability to get better over the next 3 years (Holt et al., 2015).

Another scheme is employment with wage subsidy. Approximately 1,700 individuals in the age group 50-64 years took part in this scheme in the beginning of 2016. Employment with wage subsidy is available to people who have been unemployed for more than 6 months irrespective of age. However, older workers (50+) are eligible for a wage subsidy even earlier. Remuneration, paid by the employer, is in line with unemployment benefit (or social assistance if applicable), but companies receive a subsidy to cover the wage. Unemployed can stay up to four months in the same company while receiving a wage subsidy. Similar to employment with wage subsidy, there exists an 'internship' scheme ('Virksomhedspraktik' in Danish) where unemployed people can get a short internship in a company to see if the profile matches the company or to develop specific skills. The maximum duration is four weeks (though, in some instances up to 13 weeks).

An important question is whether such subsidies schemes create additional employment. There is some evidence for this in Denmark. Rosholm and Svarer (2011) summarize these findings. A general finding is that subsidised employment in private companies shortens the spell of unemployment, i.e. lets the unemployed person find a job faster than he or she would otherwise have done. For public sector employment the evidence is at best mixed.

## Finland

In the interview, Työläjäarvi (STTK) suggested that in many professions wage subsidies could compensate employers for the decreasing productivity of older workers, so that the public fills the gap between the (lower) costs for employers and the constant (high) costs of older workers. Työläjäarvi states that neither lower wages nor lower social security contributions (for employers) could be alternative solutions since the social security scheme is already slightly underfinanced due to demographic change. Työläjäarvi suggests that employers could be motivated to employ older workers if consumers would prefer employers who care for older workers, so that with better market chances employers could be compensated for the wage-productivity gap. Työläjäarvi refers to recent developments where companies caring for the environment received much public attention (interview information from v. Werder /Thum 2013)

### *Wage subsidies*

### *Partial unemployment benefits*

Unemployed full-time job seekers taking up a part-time job or a full-time job of short duration can simultaneously receive unemployment benefits. Kyrrä (2010b: 911ff.) shows that participants find a permanent full-time job considerably faster than non-participants, possibly because employers use short full-time jobs as a probation period, whereas the effect is especially strong for long-term unemployed. Though Kyrrä's result is in line with other studies, e.g. by Kauhanen (2005, cited in Kyrrä 2010b: 914), he states that possibly there are substitution effects and hidden costs, so policy conclusions should not be drawn prematurely, although partial unemployment benefits come with "no major direct costs".

### *Low-wage subsidies*

On 1/2006, Finland started a low-wage subsidy scheme for workers over 54 years of age (temporarily limited until 12/2010). The subsidy was targeted on full-time workers (at least 140 hours/month) with monthly earnings between € 900 and € 2000. The subsidy pays 44 % of the wage over € 900. Subsidies declined when earnings exceeded € 1600 and are at € 0 with earnings of € 2000. Subsidies can be at € 220 max which can be up to 16% of the gross wage (Huttunen et al. 2009: 3). The subsidy can be considered a reduction of employers' payroll tax.

Huttunen et al. (2013: 51f.) expect that the low-wage subsidy (1) increases the number of employed low-skilled workers and decreases the number of workers who can be substituted by low-skilled workers (due to higher hiring or lower exit). For the number of hours worked by a particular worker, the authors show that for a given hourly wage of € 9 a lower number of monthly hours (less than 155) implies a lower payroll tax, and between 155 and 178 hours the "marginal payroll tax is the same as originally" (Huttunen et al. 2013: 52 – the subsidy should start at € 1260 since with lower earnings and € 9 per hour the number of working hours is below the necessary 140).

For the number of hours worked per workers, Huttunen et al. (2013: 52) state that the marginal tax rate is crucial, and the extent to which taxes affect gross wages:

"The gross wage rate remains fixed for perfectly elastic labour supply, whereas the wage reaction completely absorbs the change in the tax rate if labour supply is fixed. In the realistic intermediate case, part of the payroll tax decrease is captured by workers via a higher wage rate. Similarly, hours and the wage rate will decrease for workers whose marginal payroll tax increases and remain unchanged for workers whose marginal payroll taxes are unaffected by the reform." (2013: 52)

This temporary subsidy (from 1/2006 until 12/2010) provided 16% of gross earnings or 13% of pre-reform labour costs. The subsidy was paid to employers and limited to full-time workers (at least 140 hours/month) earning between € 900 and € 2000 per month: The subsidy was at 44% of earnings above € 900 and capped at € 220, so over € 1440 the subsidy no longer increased. For earnings above € 1600 the subsidy has been decreased by 55%, so that at € 2000 the subsidy vanished (Huttunen et al. 2013: 50). The subsidy has been a reduction of the payroll tax. The full-time wage with the best absolute wage subsidy is between € 1400 and € 1600 and with the best relative wage subsidy is € 1400. The average full-time wage in 2006 was at € 2500 and "in typical low wage sectors, the lowest full-time wages were around € 1300" (Huttunen et al. 2013: 51), so that the subsidy really indeed low-wage workers. As Huttunen et al. (2013: 51) note, for the extensive margin (the number of people working) theoretical predictions are clear since lower costs for low skilled workers raises employment of low-skilled workers and decreases employment of those who can be substituted by low-skilled workers. For the intensive margin, labour supply effects are more complicated. The number of hours worked increases for those workers whose marginal payroll tax declines. As Huttunen et al. (2013: 52) note, effects size depends on effects of tax changes on gross wages (tax incidence). For effects of the subsidy on wages, Huttunen et al. (2013: 52) assume that due to Finland's large unions and the small share of workers in the targeted group that wage negotiations have not been significantly affected by the tax incentives. Incentives provided by the programme lead Huttunen et al. to expect a bunching of workers at the point at or slightly above the 140 hour-point. The authors (2013: 56) find that employment rates rose especially for those over 54. Yet, the authors (2013: 57) find that a huge decrease in labour costs leads to a low increase in employment, i.e. labour demand is rather inelastic. Further, they (2013: 57) find that the subsidy increased the hours of older low-wage workers and had negative effects on hourly

wages. Huttunen et al. (2013: 59) suspect that companies increased the official number of hours because of the subsidy yet did not change monthly wages. Positive effects mainly amongst the oldest age group and far less among younger groups could result from the reform making part-time pension less attractive (Huttunen et al. 2013: 59). The authors (2013: 59) conclude that “the prospects of improving labour market position of older low-skilled workers with financial incentives for the employers appear limited...intensive margin...we found effects only among those who were 58 or older”, because they can get part-time pensions and are flexibly concerning their working hours.

## Germany

### *Wage subsidies*

The recruitment of workers over 50 can be subsidised by an ‘Integration Subsidy’ for at least one year and for no more than three years. For those with severe disabilities the maximum duration is five years. The subsidy has to cover at least 30 per cent and not more than 50 per cent of the wage costs – wage and social security contributions – but decreases after one year by at least 10 per cent, and for the severely disabled after 2 years (§421f SGB [social security code] III). Employers may also be exempt from contributing to unemployment insurance if they hire an unemployed person aged 55 or above.

These subsidies are intended to resolve problems created by de facto seniority wages – that is, wages based not on age but on tenure – which raise older workers’ reservation wages and have weak negative effects on the employment of men aged between 50 and 64, and yet stronger negative effects on their hiring rates (Keese et al. 2006; Bovenberg/Gradus 2008; OECD 2011).

The research institutes ZEW, IAB and IAW (2005) assessed the effects of integration subsidies for persons with less than six months’ duration of unemployment. They were found to increase the probability of re-employment of the treatment group (50–52 years old) in contrast to the control group (48–49 years old). The effect amounted to an increase of re-employment probability of two percentage points against the background of a general re-employment probability of 15 per cent within half a year. The authors stated that this effect was not dominant in their model explaining re-employment, but also not small. However, by contrast, Boockmann and colleagues (2007) state that due to deadweight effects there is no net effect due to hiring subsidies, since subsidised hiring merely substitutes for unsubsidised hiring.

Findings on net effects on employment are contradictory. If these effects are positive, such measures also decrease inequality, since the re-employment of unemployed people raises the incomes of the previously unemployed. If these effects are not positive, inequality is not reduced since those not obtaining jobs due to deadweight effects are also unemployed and therefore also belong to the group with low incomes.

## Italy

During the economic crisis, the Italian Government and the Regions enforced measures supporting the reintegration in the labour market of older unemployed workers 50+, a socially disadvantaged group having many difficulties to find a job, and exposed to the risk of long term unemployment (e.g. in 2013 older long-term unemployed needed 27 months on average to re-enter the labour market, i.e. 6

months more compared to the average of total unemployed people). For example, the Government provided exemptions from social security contributions and subsidies for companies recruiting people belonging to this category. In particular, through the Budgetary Law 2010 (Law 191/2009) it has been decided that companies hiring older workers who were entitled to unemployment benefits did not have to pay social security contributions for those workers. These measure have been confirmed in Budgetary Laws 2011 (Law 220/2010) and 2012 (Law 183/2011) (ATDAL, 2014). The labour market reform enforced in 2012 (Law 92/2012), has introduced a set of stable measures protecting the market position of older workers. For example, from 2013, an incentive is available to companies hiring over 50 year old people who have been unemployed for 12 months or more. The amount of the incentive (i.e. tax reductions 50% for 12/18 months) depends on the age of the workers, their job position and their type of contract (fixed/open-ended).

Under the Budgetary Law 2015, the Government introduced a substantial financial incentive for companies hiring workers with the new type of open-ended contract (i.e. *contratto a tutele crescenti*; see sub-section 3.2.1 for more details) established/regulated by the “Jobs Act” (Law 183/2014). In detail, each firm, hiring - between the 1<sup>st</sup> of January and the end of 2015 - a worker under a permanent contract (including all transformations from a temporary to a permanent job), was exempted to pay contributions to social security up to 8,060 euro per year for three years. Thus, such incentive was expected to stimulate the diffusion of open-ended contracts, even though these new open-ended contracts seems to be only nominally permanent, since they allow for extremely cheap (for firms) layoffs and deprive workers of the reinstatement right (see sub-section 3.2.1 for more details)<sup>133</sup>. However, the novelty is that this kind of financial incentives concerned all workers, rather than specific groups (i.e. long-term unemployed people, young, disabled people, women, older people) or industries. Anyway, according to Fana, Guarascio and Cirillo (2015) the labour market reform promoted by the “Jobs Act” is failing in meeting its main goals, i.e. boosting employment and reducing the share of temporary and atypical contracts. In particular, the employment rate during the process of implementation of the “Jobs Act” was not particularly increased, and this was mainly due to temporary jobs. Furthermore, financial incentives to companies do not seem to translate into new permanent positions but mainly on contracts’ transformation from fixed-term to permanent ones. Moreover, after the end of the possibility for companies to access financial incentives introduced by the Budgetary Law 2015 (i.e. from January 2016 onwards) there has been a decrease in the total hiring (-13.1% between January and April 2015 and the same period in 2016; -8.5% among older workers 50+) especially concerning open-ended contracts (-35.1% in total vs. -28.3% among older workers 50+). The trend related to new fixed term contracts has remained basically stable, whilst among older workers there has been an increase of such kind of contracts (+5.4% between January and April 2015 and January and April 2016). It has also to be noted that there has been a huge increase in the use of an atypical employment contract, the voucher (i.e. hourly tickets used to compensate workers carrying out “accessory jobs”, where the net hourly salary amounts to 10 euro), that may be defined as the Italian version of the German “mini-jobs” (Fana, Guarascio and Cirillo, 2015). In the first four months of 2016, have been sold vouchers

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<sup>133</sup> According to the new legislation (and as one of the main point of the “Jobs Act”) it has been changed the so-called “Article 18 of the Workers’ Statute”. It has been removed the employment protection for workers with an open-ended contract, in the event they got fired for economic or restructuring reasons. This protection gave workers the right to sue to get their jobs back. In place of this protection, workers get a severance cheque, whose monetary value rises according to their seniority (i.e. years of work in the company). The full implementation of these measures affected the employment protection of Italian workers, typically considered high.

(often used by employers to pay older workers), for 43.7 millions euros that is +43.1% compared to the same period of 2015 (INPS, 2016).

#### *Measures/solutions suggested/recommended*

Financial incentives do not seem to be really effective in supporting both employment of older workers and the re-integration in the labour market of older unemployed people. The main reason is that in the Italian legislation do exist perhaps too many kinds of financial incentives targeting different categories of workers, so these many incentives compete for a limited amount of funds. Therefore, to be more effective, financial incentives for recruitment purposes should be focused on few and selected targets, among which older workers, especially older long-term unemployed.

To harmonize the use of recruitment subsidies for older people offered at different levels (e.g. European, national, regional/local).

Apart from the above, the main effective measure to recommend in Italy for support employment of older workers is the reduction of the tax wedge, which is considered by Expert 1 as “the mother of all the reforms”, since it will be able to stimulate companies to recruit workers, including older workers. More in detail, the tax wedge is the difference between the salary costs of a single “average worker” to the employer and the amount of net income that the worker receives. The taxes included are personal income taxes, compulsory social security contributions paid by both employees and employers. Italy has the 5<sup>th</sup> highest tax wedge among the 34 OECD member countries in 2015, compared with the 6<sup>th</sup> highest position in 2014. The average single worker in Italy faced a tax wedge of 49% in 2015 (+1.9 percentage points compared to 2000), against an OECD average of 35.9% (-0.7 percentage points in comparison to 2000) (OECD, 2016). These data show clearly the importance of introducing such reform (i.e. it could support hiring reducing “structurally” the amount of compulsory social security contributions paid by employers), to combine with a significant rationalization of other kinds of financial subsidies linked to recruitment. For implementing these measures it is crucial the role of the Government and of other relevant stakeholders (e.g. employers’ organizations, unions, etc.) that have to develop a common strategy to introduce the mentioned initiatives.

Strengthening the coordination between financial and non financial incentives for sustaining the employment of older workers (e.g. outplacement services, active labour market policies, role of Public Employment Services, etc.).

## **the United Kingdom**

There are no financial incentives in the form of wage subsidies available for the recruitment of older workers in the UK. However, tax credits do act as a financial incentive. The eligibility for tax credits includes age, but some credits have been for families with children and, consequently, have been concentrated on younger workers. Tax credits have been used for two purposes: to supplement low income (irrespective of work status) and to encourage low-paid employment (through subsidising low earnings), i.e. to ‘make work pay’. The former have tended to focus on families with children or disabled people. The latter have had paid work eligibility criteria, but have also sometimes restricted eligibility by family status or personal characteristics. The current system was introduced in 2003 (Revenue Benefits, 2014). It has both types of tax credits: a Child Tax Credit, for parents and not requiring employment, and a Working Tax Credit, with employment criteria. The previous system did not provide tax credits to most low-paid people without children.

Working Tax Credit for those not responsible for children requires those aged 25–59 to work at least 30 hours per week, reduced to 16 hours for those aged 60 and over. Disabled people may claim from the age of 16, as long as they work at least 16 hours per week.

Universal Credit is replacing tax credits, jobseeker's allowance, employment and support allowance, income support, and housing benefit. Those on low income or out of work may be able to claim.

## **the Baltic countries**

In Latvia, 'work experience with a stipend' programme (in place until the end of 2011) has been particularly popular among older individuals (Nurmela, Osila, and Leetmaa 2014). The measure aimed to provide work and income support for those unemployed who no longer receive unemployment benefits, but are willing to engage in community jobs in municipalities, performing low-skilled non-commercial work such as cleaning, development and maintenance of public infrastructure and local social services. Within this programme, local authorities created new (mainly unskilled) jobs for unemployed people where they could work for up to six months and receive a stipend of LVL 100 (EUR 142) which was later reduced to LVL 80 (EUR 114) (Latvijas Lauksaimniecības and Meža Zinātņu Akadēmija 2011). 36% of all participants of the programme in 2010 were individuals 50+, and 41% respectively in 2011. Despite high participation rates and overall very positive evaluation (Latvijas Lauksaimniecības and Meža Zinātņu Akadēmija 2011), the programme was also criticised in the media for bringing only short-term benefits, as it does not create permanent working places and programme participants are not socially insured (Nurmela, Osila, and Leetmaa 2014).

The 'subsidised workplace programme' is another initiative provided for older individuals in Latvia. This initiative is considered to be particularly efficient in promoting older people employment as well as continued employment (after the end of the subsidy period) (Nurmela, Osila, and Leetmaa 2014). The aim of the measure is to facilitate the development of sustainable and long-term working places for unemployed with lower productivity level and preserve their skills and competencies (LR Labklājības Ministrija 2012). In this programme, private employers provide jobs subsidised by the Latvian PES and offer them to unemployed people for a period up to 12 months. Those over 50 years of age were 31- 36% of all beneficiaries of the programme in 2010-2012. The programme had a positive impact on continued employment, according to SEA data; around 26% of individuals of pre-retirement age after their participation in the programme were able to find a permanent job in 2011 (LR Labklājības Ministrija 2012). Around 74% of individuals of pre-retirement age who took part in this programme found a job within three months of it ending<sup>134</sup>.

### **4.1.2 Non-public financial incentives**

#### **Belgium**

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<sup>134</sup> Projektu un kvalitātes vadība, *NVA nodarbinātības pasākumu novērtējums* (Evaluation of SEA employment measures), Rīga, 2013; *NVA pakalpojumu darba devējiem novērtējums* (Evaluation of SEA services for employers), Rīga, 2012

In contrast to the wide range of public financial incentives, only little evidence of non-public financial incentives was found. In the **construction sector**, for example, there is a fee for 58 to 65 year old workers that continue working after the age of 58. This fee amounts to €2,000 per year. In addition, there is a fee for older workers of €500 if they have an employment record of at least 25 years and €700 if they have an employment record of at least 35 years. Other sectors may use similar tools.

## the Czech Republic

No other information except investments and costs into above mentioned programs, such as in Škoda Auto a.s.

## Italy

Among non-public financial incentives for supporting, directly or indirectly, the extension of working life, could be cited cases of non public organisations funding research projects to improve the situation in this field, in Italy. Sometimes, financial incentives in this sense could also not be national. One example of this could be the case of the “Volkswagen Foundation”, which (Project “Carers@Work”, carried out between 2009 and 2011) wanted to find transferable and innovative solutions for promoting the reconciliation of paid work and informal elder care in four European countries, included Italy. In particular the research project provided also recommendations and suggestions (even to policymakers and enterprises) for sustaining the employability of older working carers in Italy (and not only in this country - Hoff and Hamblin, 2011; Santini, Lamura and Principi, 2011). Cases regarding national funds in this respect, concern organizations and foundations which provide financial incentives for funding projects. These projects could be developed in collaboration with companies, public institutions and other private social organizations in a logic system network, creating good practices trough public-private partnerships, with the goal of supporting the employment/employability of older workers and the reintegration in the labour market of unemployed older people (e.g. the “Adecco Foundation for Equal Opportunities”). In other cases, financial incentives are used by some organizations for carrying out research on older workers and/or for promoting (in favour of companies) the development of tools, actions and concrete solutions that firms can adopt in order to better involve, enhance and manage strategically senior employees, promoting active ageing of older workers (e.g. “Randstad Italy”; “Impronta Etica”; employers’ organizations as “Assolombarda” and “Confindustria Veneto SIAV” - Soggi and Principi, 2015a; websites of mentioned organizations). Furthermore, other interesting initiatives offering non-public financial incentives are those implemented by the National Inter-professional Fund of employees and employers operating in the Credit and Insurance sectors (“FBA”). Every year, this organization funds companies operating in such economic sector, for supporting the implementation of a range of activities for the benefit of their employees. For example, in 2012 “FBA” provided 10 millions of euros to companies for funding lifelong learning initiatives targeted to older workers 55, in order to update/develop competencies, skills and know-how of these employees, strengthening their employability and contributing to raise their motivations for extending working lives.

### *Measures/solutions suggested/recommended*

- Even though good practices do exist, initiatives implemented in this field are not particularly developed/widespread in the Italian context, and often are also fragmented. Therefore, there

is a need of strengthening the coordination among organizations and companies offering non-financial incentives to support firms and their older workforce.

- To promote the exchange of experience and good practice among these organizations, for example through workshops and public conferences.
- To guarantee the sustainability of the initiatives developed, also after the end of the research project (i.e. in the mid-long term).
- To offer tax benefits to organizations providing financial incentives for implementing measures and projects sustaining companies and older workers' employment and employability.

## **the Baltic countries**

There were no non-public financial incentives identified among Baltic countries.

## **4.2 Non-financial incentives for the employment of older workers**

### **Italy**

### **Netherlands**

### **4.2.1 Public non-financial incentives for the employment of older workers**

#### **Belgium**

In sharp contrast with the range of financial incentives aimed at employers, only little non-financial incentives are provided. Given that employers in Belgium have mainly expressed their concerns about the high labour costs, especially of older workers, this is not very surprising. One set of measures that is relevant in this case, however, are information campaigns and campaigns aimed at addressing the negative image that employers have of older workers. In this area, there also is a large role for the social partners. Any form of age discrimination is illegal in Belgium.

In 2012, the federal government launched a campaign called "still young; already old", which was aimed to tackle stereotypes among workers and employers. Previously, in the mid-2000s, the government published a document entitled 'Response to negative stereotypes for older workers'. It builds on the research performed by the CAPA which serves a dual purpose: mapping age-related stereotypes and their impact on employees, and contrasting these stereotypes with the existing academic literature (in terms of physical/physiological, cognitive and social capacities). The study concludes that the physical/physiological stereotypes can largely be confirmed by academic evidence, although clear differences emerge for individual cases. In terms of cognitive capacities, the picture is more mixed: while some stereotypes overestimate the issue, other underestimate it (e.g. the fact that older workers have

more memory issues than many anticipate). The study further reports that social support and autonomy are crucial factors for older workers to remain active.

## The Czech Republic

The National Plan for Positive Ageing for period 2013- 2017 (NAPPA) has an extensive section on employment and lifelong learning. Within this document points of action for various stakeholders are defined sending clear messages on the priorities within these general policies areas. As action on these points is periodically reported to the Government, the stakeholders are urged to act within given areas towards defined goals. The support of employment of older workers is based on the general concept of age management and includes both rising awareness and financial support to projects aiming at rising employability of older people via the age management tools. As a result, e.g. the Job office officers were additionally trained in the age management, gaining additional expertise to assist the older job seekers better. Further, as a result of the NAPPA the collection of some of the statistical information has increased, so the evidence based policy making in this area has been enhanced.

## Denmark

### *Age discrimination legislation*

Bauknecht and Naegele (2016) put forward two kinds of age discrimination effects on older worker's employment:

(1) Direct factors concern older workers' hiring and firing probabilities, their chances to be included in further training programmes, their chances on promotion and several other factors which could reduce older workers' employment rate.

(2) Secondly, older workers' motivation is affected by management's attitudes towards older workers (Büsch et al. 2010).

In 2004 The Danish Act on Prohibition against Discrimination on the Labour Market, adopted in 1996, was amended to also include the criteria of age and disability following the 2000 EU Directive on equal treatment in employment and occupations. Some collective labour market agreements used to include a mandatory retirement age of 70 (OECD, 2015). However, following an amendment to the legal basis of anti-discrimination related to the labour market, since 1 January such clauses are no longer legal.

Still, whether age discrimination is a particular problem in the Danish setting is not clear. However, it cannot be dismissed. Barslund (2015:8) writes:

An important aspect representing possible room for improvement in Denmark is that of age discrimination. The OECD (2005) reported age discrimination in Denmark in the year 2000 to be the lowest among the European members. Very few 50+ year olds reported being discriminated against due to age. However, a Eurobarometer survey in 2012 found that 26% had either witnessed discrimination (23%)

or had been discriminated against (6%) in the workplace due to age (Eurobarometer, 2012b).<sup>135</sup> This is significantly higher than the European average of 20% and places Denmark far down the ranking of European countries. Reinforcing this problematic situation, a study by the National Research Centre for the Working Environment, building on survey data from 2011, documented that age discrimination is related to earlier retirement, at least for men (Thorsen et al., 2012). There is some conflicting evidence coming from other survey material. A survey in 2007 (Ugebrevet A4, 2007) asked public sector employees over the age of 50 a number of questions related to age and work environment. It showed that one-in-ten employees felt their age was a problem for them in relation to their work situation.

In 2014 the Danish Confederation of Trade Unions, the largest national trade union confederation in Denmark, did a survey among employees asking about barriers to stay on the job until retirement (LO, 2014). Overall, 7 pct. stated that their current employer did not value older workers while 2 pct. indicated that younger workers did not appreciate older employees. For employees aged 50+ these numbers were only slightly higher at 9 and 3 pct., respectively.

The OECD's 'scoreboard on older workers' indicators show that the hiring rate for workers in the age category 55-64 years is consistently much higher than the EU average.

Nevertheless, despite many public campaigns over the years, OECD (2015) highlights a lack of awareness among companies of the working potential of older workers. Something which is corroborated by the 'senior packages' as described above.

#### *Employment protection*

There is no special employment protection for older workers.

## **Finland**

#### *Employment protection*

Against the backdrop of the low number of workers over 65, Braconier (2010: 25) proposes to weaken employment protection on dismissals for those over 65 (the new minimum retirement age in his proposal) in order to incentivise employers to hire workers at 65 (who could be considered a productivity risk by employers).

## **Germany**

#### *Age discrimination legislation*

There are two kinds of age discrimination effects on older worker's employment:

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<sup>135</sup> The question asked made clear that the respondent should only consider age discrimination when it related to individuals being perceived as too old.

(1) Direct factors concern older workers' hiring and firing probabilities, their chances to be included in further training programmes, their chances on promotion and several other factors which could reduce older workers' employment rate

(2) Secondly, older workers' motivation is affected by management's attitudes towards older workers (Büsch et al. 2010).

In 2006 the General Anti-Discrimination Act has been implemented (OECD 2012b).

§1 of the Allgemeines Gleichbehandlungsgesetz (AGG, Equal Treatment Act) states that the goal of this law is to prevent discrimination (original: 'Benachteiligung') on grounds of several reasons, amongst them, age.

§2 defines the areas of application, amongst the areas defined in §2 (1) there are lots of work-related areas, such as selection of applicants, hiring, access to employment, access to promotion in employment, redundancies, payment etc.

§3 defines direct and indirect discrimination. The former refers to cases in which the respective person gets worse treatment due to one of the factors in §1 (e.g. age) in comparison to another person which is similar in a "comparable situation" (i.e. someone similar in other respects). Indirect discrimination refers to cases in which "ostensibly neutral rules, criteria or proceedings can put people because of one of the §1 reasons (e.g. age) at a disadvantage, unless these rules, criteria or proceedings are justified by a legal goal and the means to reach this goal are appropriate and necessary" (own translation).

§8 regulates "legal different treatment due to occupational requirements" (own translation) and allows discrimination on one of the grounds of §1 "if this ground is a relevant and crucial occupational requirement because of the kind of job to be done or the circumstances under which the job is done, as far as the goal is legal and the requirement is appropriate" (own translation).

Lastly, according to §22 (Beweislast or burden of proof) if one (e.g. an older worker) shows evidence (Indizien) that there has been discrimination based on a §1 ground, the other party (e.g. the employer) has the burden of proof to show that this is not the case.

In 2012, the Expertenkommission "Gemeinsam gegen Diskriminierung: Für eine gerechte Teilhabe jüngerer und älterer Menschen" (expert commission "Together against discrimination: For a more just participation of younger and older people", own translation) drafted and published its recommendations. Since the Allgemeine Gleichbehandlungsgesetz (General Act on Equal Treatment) protects from disadvantages in central areas of life such as work, the Antidiskriminierungsstelle des Bundes (Federal Anti-Discrimination Agency) had asked the commission to give recommendations for action to reduce age discrimination.

On the concrete level, the commission criticised that many wage agreements automatically end the employment relation as soon as an employee reaches the legal retirement age. Further, the commission demanded better re-employment chances for older long-term unemployed. Further, the commission demands a closer examination of (unintended) negative consequences of current tariff regulations and regulations on the company level on the employment chances of other age groups as well as older workers (e.g. seniority pay or de facto seniority pay). Out of the nine recommendations, five are directly related to employment. The commission suggests

- (1) To companies, administrations and social partners to improve age management in companies/organisations with the goal to sustain/improve older workers' employability. The main focus here should be the reduction of work burdens, the improvement of health prevention and the introduction of life-cycle oriented HR management
- (2) To legislators to expand possibilities for occupational training in order to achieve formal acknowledgement of qualifications which workers have acquired later in life. Further, current legislation in the Arbeitsförderungsrecht ('Work Promotion Legislation', own translation) concerning measures for further training and to occupational rehabilitation should be examined under the aspect of a better inclusion of older workers (Social Security Code III entails the Arbeitsförderungsrecht. §1 [1] states that the goal is to prevent unemployment, to shorten unemployment and to balance out labour demand and supply. §1 [2] states that individual employability is to be supported by the means of skill improvement).
- (3) To legislators to erase all regulations in the Arbeitsförderungsrecht (see (2)) which are barriers to the reintegration of older jobseekers, and  
to science to conduct research on possible exclusion risks of older jobseekers which result from active employment promotion as well as to the application behaviour of older jobseekers and hiring practices towards older jobseekers
- (4) To social partners to constantly check their collective agreements if these agreements are demographically sensible. This applies primarily to collective agreements and regulations on the company level in terms of unintended side effects or side effect on other employees.  
Further, public employers are to evaluate their practice in the case of the flexibilisation of the transition to retirement of civil servants.  
Science is to research on the effects of seniority pay on other age groups as well as on older workers.
- (5) to legislators to erase or at least considerably raise the limits on additional earnings for early retirees, as well as a flexibilisation of part-time pensions in order to allow for the part-time employment of older workers.

As Ebener and Hasselhorn (2015) note, there is a lack of research on the impact of the Equal Treatment Act (Allgemeines Gleichbehandlungsgesetz, AGG),

#### *Employment protection*

There is no special employment protection for older workers, but for those with long tenure in the company (special protection for long tenure ranges from one month after two years to seven months after twenty years, BMAS 2013). Although special protection due to long tenure primarily protects older workers, this de facto older worker employment protection does not inhibit the hiring of older jobseekers. OECD (2012) states that employment protection is not as strong as to discourage hiring or employment of older workers.

BDA (Confederation of German Employers' Associations) proposes to make it easier for employers to lay off older workers. Though older workers are not especially protected by law (long-tenure workers are, whereas this in fact are primarily older workers), some collective agreements necessitate the

agreement from work councils for the dismissal of older workers. Further, severance payments are especially high for older workers due to some collective agreements. BDA argues that these special rules make older workers unattractive to employers. Further, BDA argues that also several other advantages for older workers in collective agreements (like shorter working hours, higher wages etc.) make them more expensive and therefore less attractive to employers.

## Italy

An important role in supporting the employment of older workers is also played by non-financial incentives (both public and non-public), as for example Employment Protection Legislation and the age discrimination legislation, which characteristics, quality and effectiveness may have positive or negative effects for the older workforce. The following sub-sections discuss lights and shadows and provide some suggestions on these issues. Furthermore, we emphasize the necessity to develop more “tailored” awareness campaigns, in order to contribute to a better management of older workers.

### *Employment Protection Legislation*

Among the public non-financial incentives for strengthening the participation in the labour market of older workers, the Employment Protection Legislation (EPL) framework has a key-role. On the one hand, high EPL means a positive situation for employed older workers. On the other hand, it means difficulties to access the labour market for unemployed older people. The recent EPL reform introduced by the “Jobs Act”, which reduce the costs of hiring and firing, even though can support higher productivity, affect negatively employment protection of workers, included older workers, since they are now less guaranteed in such context.

In detail, from the late 1990s, in Italy have been implemented some reforms for increasing labour market flexibility and to reduce the employment protection of the labour force (i.e. Law 196/1997, the so called “Treu package”; Law 30/2003, the so called “Biagi Law”). Also as a result of such measures, according to OECD (2009), in recent years employment protection in Italy does not seem to be outstandingly strict than in other OECD and European countries. For example, taking in consideration the latest available data about EPL provided by OECD, in 2013 in Italy there was less protection than in Germany and in France in terms of “protection of permanent workers against individual and collective dismissals”<sup>136</sup>. Furthermore, in Italy the value related to the indicator “regulation on temporary forms of employment” (2.71) was lower than in France (3.75) and Spain (3.17). Instead, Italy has a more strict regulation (and so more protection) than most of other EU-countries (except for Belgium) concerning “specific requirements for collective dismissal”, because dismissals in large companies is usually very difficult to put into practice according to some rules of the Italian labour code (called “Workers’ Statute”) (OECD Employment Protection Database, 2013; <http://www.oecd.org/els/emp/EPL-data2013.xlsx>). However, the last Italian labour market reform introduced by the “Jobs Act” has largely removed the employment protection for workers with an open-ended contract (also) in large companies. In particular, as stated above, the “Jobs Act” introduced a standard permanent contract with employment protection increasing with tenure (i.e. contratto a tutele crescenti), implying less rigid dismissal protection (even in large companies) than the previous open-ended contract. This new standard permanent contract limits further the possibility of reinstatement of workers following unfair dis-

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<sup>136</sup> In a scale from 0 (least protection) to 6 (most protection), the Italian value was 2.79 vs 2.82 in France and 2.98 in Germany.

missal and excludes this possibility for the case of redundancy (dismissal for objective reasons - “*motivo oggettivo*”). Instead, workers unfairly dismissed for objective reasons receive monetary compensation. This monetary compensation increases with tenure: equal to 2 monthly wages per year of service (a minimum amount equivalent to 2 months and a maximum amount equivalent to 24 monthly wages). Moreover, for fixed-term contracts lasting up to 3 years (instead of 1 year before the reform), employers no longer need to specify the reason of the termination of the contract. The above demonstrates that employment protection in Italy has been increasingly reduced by the last labour market reform implemented according to the “Jobs Act”. Workers, included older workers, are less guaranteed in such context. Indeed, in Italy, where the aim of implementing a “flexicurity” approach in the labour market is pursued through a less stringent EPL, lacks of fundamental “ingredients” of this approach, as for example effective active labour market policies, developed training/lifelong learning system, well functioning Public Employment Services.

#### *Age discrimination legislation*

As for the legal framework concerning antidiscrimination policies, a general principle of equality is contained in Article 3 of the Italian Constitution. On the one hand, Article 37 safeguards equal treatment and mentions age only as a minimum limit for salaried workers. The application of this general principle is committed to the Workers’ Statute (Statuto dei lavoratori - Act no. 300/1970, Article 15) and the Legislative Decree 216/2003 which acknowledged the European Directive 2000/78/EC, establishing a general framework for equal treatment in employment and occupation. In Italy there is not yet a consolidated anti-age discrimination tradition. Undoubtedly, the adoption of specific anti-discrimination legislation on various grounds, is essential to combat discrimination, however, the problem of age discrimination cannot be limited merely to legislation (Rymkevitch and Villosio, 2007; Principi et al., 2012).

#### *Solutions/measures suggested/recommended*

Concerning the employment protection legislation:

- Traditionally in Italy employment protection is not regulated on the grounds of age, but rather it progressively increases with job tenure. In this context, there is a need to introduce some changes in careers pathways, for example linking more job protection to performance assessment/productivity rather than only to seniority. Furthermore, after the reduction of employment protection caused by the enactment of the “Jobs Act” there is a need to provide and strengthen all public services/resources to help (especially in the future) less protected workers. It means to provide effective active labour market policies and lifelong learning system; to develop the efficiency of PES; to reinforce outplacement services, wage support and unemployment schemes, especially for older long-term unemployed people, even due to the abolishment from 2017 onwards of the “mobility allowance” (Mobilità), which offered benefits and a special fast track by public employment services, for workers fired in case of firm crisis and/or conclusion of the coverage of other job protection measures. It should be also monitored and evaluated by the Government, social partners and research institutes (e.g. unions, employers’ organizations, ISTAT - Italian National Institute of Statistics) the effects of the new rules about work contracts on the working conditions of (even older) workers, in order to to introduce some changes in the labour market legislation, if needed to improve the situation.

Concerning age discrimination:

- From a legal and political point of view there is a need for initiatives aimed to disseminate information on antidiscrimination policies, to reinforce the social dialogue and to encourage social partners to promote equal treatment and ensure the monitoring of practices at the workplace. It is also important to reinforce the controls of possible age-discriminatory contents of advertisements/public and private tenders about job vacancies (this could be done in collaboration between NGOs - as already happen, as in the case of the “Association Over 40” - and competent public offices). It is however crucial to intervene also from a cultural point of view, in order to combat simplified and widespread stereotyped views which imply that older workers are less productive compared to younger workers, and to support a positive image of this group of people even in society.

Concerning other issues:

- On 18 January 2016 it has been presented at the Italian Parliament (Act 3538 Chambers of Deputies) a law proposal to support active ageing of older people, stimulating their involvement in activities of social utility and through lifelong learning (“Misure per favorire l’invecchiamento attivo della popolazione attraverso l’impiego delle persone anziane in attività di utilità sociale e le iniziative di formazione permanente”). Even though this law proposal is not specifically focused on the labour market and employment of older people, it could be very useful in order to provide a general legal framework to sustain an Italian strategy for active ageing, thus offering more opportunities to older people, which will be increasingly recognized and valued as a resource for society. In the same vein, it is worth to mention that several Italian Regions have already implemented Laws for promoting active ageing (e.g. Liguria, Friuli-Venezia Giulia, Umbria) or intend to do so (e.g. Veneto, Basilicata). This proves that the public debate about active ageing in this country is quite lively in this phase, despite the clear trend of public financial restrictions and limitations.

## the Netherlands

The relatively high labour costs of older employees as well as the fact that they are well-protected (Conen et al., 2010) remains an important barrier for the hiring of older workers. This still remains the case in the Netherlands, even though an age-neutral approach to collective dismissals was introduced in 2005 (Skugor and Bekker, 2012). The Dismissal legislation was amended introducing the “proportionality principle”, (*afspiegelingsbeginsel*) which is to be applied in all business layoffs. Based on this rule, the employees who hold interchangeable positions are divided into age groups within which the number of employees to be selected per age group is determined (ELLN, 2011). For further selection, the seniority principle (last-in-first-out) is applied within each age group. Thus, pursuant to this principle, redundancies must affect all age groups of the employed staff equally, resulting in a more balanced risk across various age groups.

The elderly workforce is also often confronted with negative perceptions regarding their productivity. Experts interviewed for a national report on the situation in the Netherlands agree that negative stereotypes towards older workers still prevail among employers as well as in the general public (Gasior & Zólyomi 2013). Although employers seem to value the soft qualities of their older employees (e.g. loyalty to the company, reliability, social skills), they tend to give a much higher weight to hard qualities (e.g. flexibility, mental capacity, willingness to learn new skills) when evaluating worker productivity which leads to a less favourable assessment for the older workforce (Van Dalen et al.

2010). Self-reported rates of age discrimination among Dutch older workers are also relatively high (20% in the 55-64 age group) (Conen et al, 2010).

*Combining labour market and pension policies with public campaigns aimed at changing public perceptions about older workers' employment and at informing and engaging employers can produce better incentive designs*

The Netherlands has a relatively long tradition in using age management policies which aim to increase age-awareness in firms and promote a positive image of older workers among employers (Gasior & Zolyomi, 2013). There has been a growing interest among employers in these programmes as many sectors and organisations are already facing the challenge of an ageing workforce. This, together with fast changing technological innovations and increased globalisation, poses important issues such as how to transfer and secure their employees skills-set and work experience. Age management policies can assist employers to adjust their strategies to prepare for this. From the early 2000s onwards, the Dutch Ministry of Social Affairs and Labour initiated a series of programmes which provided financial support and information for companies to develop age management policies e.g. the 'Age Mirror' (2005), the programme 'Age-conscious HRM' (2004-2009) or the so-called 'Argument Map for Employers' (2007) which was distributed in the 2007-2009 period under the Dutch national Talent 45+ Programme (ESF Age, 2015).

*The Dutch case offers a variety of age management measures and instruments which can initiate change in the company's work organisation and its handling of age issues*

The age mirror aims to provide an overview of the company in relation to age management. It asks relevant questions to determine where the organisation stands in terms of the age structure of the organisation and offers points of departure for developing and implementing age management policies in the company. It offers a checklist with questions structured in the following steps:

1. Determining whether or not the organisation has a problem with 'ageing';
2. Discussing the problem with relevant people on behalf of the employer or employee;
3. Developing a vision, devising strategies and executing action;
4. Learning from experiences.

The tool is intended to raise the issue of developing company age management policies and strategies, and initiate actions and dialogue within the organisation.

Another instrument that aims to facilitate employers to implement age management measures is the Work Ability Index (WAI). In 2007, the Dutch Ministry of Social Affairs and Employment started the Work Ability Index project in order to promote the idea of workability as well as the Work Ability Index itself (Blik op Werk, 2015). The main goal of the Work-Ability Index is to encourage employers to tailor work to individuals as they age – and also to improve those individuals' health, skills or knowledge required for the job (Ilmarinen, 2006). Originally developed in Finland by the Finnish Institute of Occupational Health, it considers several factors that enable a person to function well in a job including physical and mental health, skills and motivations, and the work environment.

## **the United Kingdom**

Legal protection against age discrimination in employment was introduced in 2006 with the Employment Equality (Age) Regulations (EE(A) Regulations). The regulations covered age discrimination in relation to any age. However, for older people, it included a 'default retirement age' allowing employers to set a compulsory retirement age of 65 or over. This provision was abolished in 2010 although compulsory retirement could continue for a further year from abolition. The regulations were superseded by the Equality Act (2010), bringing together and extending various Acts and regulations covering discrimination and equal pay (e.g. the EE(A) Regulations, the Equal Pay Act, the Race Relations Act and the Disability Discrimination Act). The age provisions of the Act were implemented in 2012.

The government supported the age discrimination legislation through their Age Positive campaign. This now comprises a website which brings together research and information on effectively managing an ageing workforce of all generations.

## **the Baltic countries**

Employment protection legislation can potentially have various impacts on older people's employment. Baltic countries vary in their extent of employment security for older workers. Estonia in particular has moved towards higher flexibility in employment rules. Nevertheless, all three countries in total have concluded that these regulations tend to have relatively low impact on employment of older workers due to enforcement problems and low awareness of these regulations. Further, in some sectors there still exist regulations limiting employment opportunities based on age (although countries have moved towards their abolishment). On meso level, some initiatives to motivate employment of older workers were identified.

In general, older workers seem to be covered by more strict rules in Latvia and Lithuania while Estonia has moved towards a more flexible model (Nurmela, Osila, and Leetmaa 2014). Older workers have higher employment protection compared to younger people based on two main principles: higher employment protection to people who are in pre-retirement age (or reached retirement age) and higher employment protection to people with longer job tenure (based on the assumption that older people have more often longer job tenure). Though there is no evidence from research allowing to judge on the impact of this additional protection on employment opportunities of older workers, we may presume that this could act as disincentive for employers for hiring older workers.

Employment protection based on a person's age varies in Baltic countries. Estonia does not have any special conditions for people in pre-retirement age. Further, Estonia's employment protection legislation is considered highly flexible according to OECD's calculations (OECD 2013). At the same time, Lithuanian employment legislation includes longer advance notice requirement, stricter dismissal rules and additional financial benefits upon termination of employment contract for people in pre-retirement age. Latvia remains in between the two extremes - people in pre-retirement (along with nine other categories of employees) are given priority in remaining in employment upon redundancies.

In all three countries, job tenure provides additional protection in cases of layoffs and termination of employment contract. In Estonia, protection of workers in the labour market based on their job tenure has moved towards more flexibility along with the rest of employees with the recent labour law reform. For instance, length of notice periods has been reduced by one month in case of individual dismissals. Since 2009, severance pay for employers is no longer dependent on job tenure, meaning that

the expenses for dismissal of employees with longer job tenure has become cheaper for employers reducing by 1 – 3 month average salary, depending on the length of job tenure. Also, until 2008, people with longer job tenure had a preferential right to keep a job during layoffs in certain cases. These preferential rights have not been included in the new Employment Contracts Act.

In Lithuania and Latvia, longer job tenure ensures mostly higher redundancy benefits. In Lithuania, severance pay varies from 1 average monthly wage up to 6 average monthly wages in case the length of service is more than 20 years. In Latvia, redundancy compensation varies from one months' average earnings to four months' average earnings for employment tenure of more than 20 years<sup>137</sup>.

However, these regulations are not reported to have an extensive impact on employment of older workers due to poor enforcement and low knowledge of these conditions (Nurmela, Osila, and Leetmaa 2014). The fact that people often do not know their rights and thus labour law requirements are not followed, has been confirmed in a research on the implementation of Employment Contracts Act in Estonia (Masso et al. 2013). Both Latvia and Lithuania have reported cases where employment contracts were terminated “by agreement between the parties” or people left the job “voluntarily”, i.e. without the aforementioned notice periods and/or severance pays, see for instance Gruzevskis and Blaziene (2013), Kamerade (2012).

Latvia still reports laws that limit the opportunities available to older employees, setting the legal age limits for individuals working in specific sectors or professions i.e. civil servants, as well as judges, prosecutors, police officers, border guards (The Civil Service Law, the Office of the Prosecutor Law and the Military Service Law). Civil servant after reaching the retirement age loses the status of civil servant, and his/her work unless there is a special permission (issued by the director of the organisation or the ministry) for them to continue work. Age limits have been also applied to<sup>138</sup> the Law on Institutions of Higher Education until 2003 when the Constitutional Court has recognized these restrictions illegitimate (Kamerade 2012). Similar provisions were declared invalid in Estonia in 2007. In 2007 the Estonian Supreme Court declared invalid the articles of the Public Service Act that legally permitted the dismissal of public sector employees aged over 65 years, merely on the basis of their age. Moreover, if the dismissed employee had an employment history of more than five years, the compensation for dismissal based on the employee's age was smaller than that of regular redundancies. Similar articles of the Employment Contracts Act affecting private sector employees were changed a year earlier, in 2006 (see also Nurmela and Karu (2007).

## **4.2.2 Non-public non-financial incentives for the employment of older workers**

### **Belgium**

Again, only very few initiatives of a non-financial nature were found at the meso level. One example is the arts sector, where GRAFOC organises workshops aimed at companies on a range of topics. Examples are coaching, workability, and career development.

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<sup>137</sup> These compensations are paid by the employer.

<sup>138</sup> The age limits (up to 65 years old) were applied to administrative positions and academic positions in the state research institutions and organisations, as well as positions in elected collegiate scientific institutions, to university professors, assistant professors and administrative positions (rector, vice-rector, dean)

## Italy

Employers' change of attitudes towards older workers is a main aim to pursue in order to incentivise the employment and the extension of the working life of older workers. Currently, in Italy, negative stereotypes about older workers are one of the main barriers to their employment, as exemplified by the debate on the wage-productivity gap (OECD, 2006). This debate, concerns the fact that wages tend to increase whilst workers' productivity is supposed to decrease during the employees' professional career. Therefore, since younger workers are perceived more productive and earning less compared to older employees, many employers may tend to prefer to recruit/retain younger workers and/or tend to act in a discriminatory way against older workers. In Italy the increasing presence of older workers in the labour market, mainly as a consequence of the last pension system reform (rather than to the will of employers), is often associated in the public debate with the perception of having a low labour productivity, which will be increasingly low in the coming years due to the extension of working lives. But this seems to be a quite stereotyped view. Indeed, some studies show that the relationship between age and productivity is complex and multidimensional, because ageing affects differently the individual skills (Ilmakunnas et al., 2007). The supposed decline of productivity with age may be reduced (and it may disappear) if workers remain in the same structure of production and gain specific job experience. Researches also show that productivity decreases if there is a lack of investments by companies in this respect, and if the human capital is not updated (e.g. Rebora, 2010). The literature has also highlighted that older workers are perceived both positively and negatively by employers. For example, employers generally have positive opinions about the loyalty and reliability of older workers, but they have quite negative opinions about their familiarity with new technologies, their flexibility, their ability to change, and about their ability to interact with younger workers. These visions are often stereotyped (Principi, Fabbietti and Lamura, 2015), especially with regard to the adaptation to new technologies. There are of course differences between younger and older workers, but the sociological and psychological research shows that although older workers do not learn as quickly as their younger colleagues, however, older workers are able to acquire and manage new skills as younger workers (Contini, Malpede and Villosio, 2007; ISFOL, 2012). Moreover, psychological and gerontological studies suggest that older people gradually may lose some aspects of previous work capacity but over time they increase skills not possessed significantly in the earlier stages of working life (Lieberum, Heppe and Schuler, 2005; Rebora, 2010). Interesting findings emerged also from a study (Principi, Fabbietti and Lamura, 2015) investigating if the age of Italian Human Resources (HR) managers affects their perceptions of the qualities/characteristics of older and younger workers (i.e. manager attitudes) and on the implementation of age management initiatives benefiting older employees (i.e. manager behaviours). According to the mentioned study, the age of an HR seems to influence her/his attitude towards older and younger people, because HR managers judge more positively workers having a similar age. In particular, older HR managers tend to have a better opinion of older workers' qualities than younger HR managers do, and, in general older workers tend to be more appreciated in larger companies. On the other hand, younger HR managers tend to judge more positively the qualities of younger employees. However, in the implementation of age management initiatives, the age of HR does not seem having a significant role. It means that even though younger HR managers have less positive opinions about older workers' qualities, this not necessarily result in an automatic penalization of older workers. Indeed, in the implementation of age management policies (in general more frequent in large companies) for older employees, younger HR managers do not behave very differently compared to older ones. Nevertheless, companies with younger HR managers tend to adopt more frequently early

retirement schemes (even though the pension legislation is likely to reduce this companies' longstanding attitude in the future).

*Measures/solutions suggested/recommended*

- In the light of the above, it is crucial to develop awareness campaigns at various levels (e.g. production system, social partners), specific policies and organizational initiatives aimed to combat stereotypes about the perceived negative characteristics of the older workforce, especially concerning their supposed low productivity.
- Since earnings profiles are currently considered too high for older workers, with negative consequences on their employability, there is a need to stimulate a public debate about an innovative and sustainable review of wage practices based on age or tenure, for example linking more wage with professional merit and performance, in order to sustain the employability of older employees.
- To structure/offer specific training programs targeted to employers and managers of different ages, with the aim of helping them to recognize that both older and younger workers have useful even though different qualities and strengths, that may be synergic and complementary to each other, for the benefit of companies' competitiveness and workforce's productivity. At the same time, supporting a more widespread implementation of age management policies to the benefit of older workers (within companies of different sizes) could contribute to improve managers' perception about the positive qualities and skills of these employees.

In addition to the above, in Italy it is also necessary to develop awareness campaigns and to foster the exchange of good methods and best practices of age management at the company level, for promoting effective approaches to support the participation of older workers in the labour market. This especially within SMEs (since they are around 99% of total Italian firms). This could happen even through a stronger involvement/collaboration of intermediary bodies/stakeholders (e.g. employer's organizations, trade unions, chambers of commerce, foundations, universities, research centers, etc). The role of such bodies is important because they have the knowledge of the territories and the capacity to reach the companies in a proactive way. This would favor the implementation of measures supporting older workers. In this context it is crucial the role and the involvement of unions, included their availability to cooperate with other stakeholders, as for example companies and their representatives bodies, for managing in a modern way the ageing of the Italian workforce.

## **the Baltic countries**

Data analysed for the Baltic country reports indicated some meso level initiatives with the aim of increasing employers' willingness to employ older workers. For instance, the Lithuanian Trade Union Confederation initiated international project funded by the European Commission– 'Age Management Strategy for Sustainable Growth in Era of Crisis' (Nurmela, Osila, and Leetmaa 2014). The project, experts from various countries will exchange their experience in the area of age management. The project aims at exchange of experience and developing competencies of Lithuanian employers and their representatives in the area of age management. Training seminars and national level meetings are organised during implementation of the project together with an Age Management Manual issued at the end of the project activities.

Another example of sharing experience and information on age management among employers is the 'senior friendly enterprise' award from Latvia, organised in 2012 (Nurmela, Osila, and Leetmaa 2014).

The Ministry of Welfare together with Free Trade Union Confederation, the Employers' Confederation and Institute for Corporate Sustainability and Responsibility identified best practices in the field and as a result five enterprises<sup>139</sup> were awarded a 'senior friendly enterprise' status. The main aim of the award was to promote best practices regarding seniors' employment and to show and explain with practical examples how to create suitable working environment for seniors and to develop appropriate motivation policies.

A project-based initiative in Estonia by NGO Second Chance organised, together with Unemployment Insurance Fund, nine seminars were held for employers in order to discuss challenges and concerns faced by ageing workforce; introducing key benefits of recruiting older people to help overcome widespread prejudices against older workers (Bauknecht 2015).

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<sup>139</sup> SIA Rimi Latvia, AS Latvijas Balzams, SIA Grifs AG, VAS Starptautiska Lidosta Riga (Riga Airport), SIA Janis Roze

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## 6 Appendix

**Table 11. Italy: List Of Experts Consulted**

<b>Expert #*</b>	<b>Name and surname</b>	<b>Institutional affiliations</b>	<b>Job/Role</b>
1	CARLO CARBONI	Polytechnic University of Marche Region	<i>Full Professor in Economic Sociology and Labour Market Policies</i>
2	FRANCESCO ORAZI	Polytechnic University of Marche Region	<i>Associate Professor in Economic Sociology and Labour Market Policies</i>
*Number used for citations through the report			