



MoPAct

Mobilising the Potential of
Active Ageing in Europe

MoPAct – Mobilising the Potential of Active Ageing in Europe Extending Working Lives and Lifelong Learning Final Country Report: Denmark

February 2017

This report synthesizes sources collected during the MoPAct project. It builds on previous material published as part of the project (Barslund, 2013-2016, Bauknecht/Naegele 2013-2016) as well as unpublished material collected as part of the research efforts. ¹



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- ¹ **Barslund, Mikkel (2015):** Extending Working Lives. The Case of Denmark. CEPS Working Document No. 404 https://www.ceps.eu/system/files/WD404_0.pdf. Originally published in 2013.
 - **Bauknecht, Jürgen and Naegele, Gerd (2015):** Report on Case Studies. MoPAct WP3. Based on contributions by Mikkel Barslund, Carina Bössing, Andreas Cebulla, Katrin Gasior, Nathan Hudson-Sharp, Veronika Khýrová, Katja Linnenschmidt, Elisa Martelluci, Julija Moskvina, Liina Osila, Ana Rincon-Aznar, Agnès Romanini, Marco Socci, Izabela Styczyńska, Lucie Vidovičová, David Wilkinson, Eszter Zolyomi
 - **Bauknecht, Jürgen/Barslund, Mikkel (2015):** National Policy Report Denmark. In: Naegele, G./Bauknecht, J. (eds., 2015): National Policy Report. MoPAct, WP3, Task 2
 - **Barslund, Mikkel (2015):** Denmark. In: Barslund, Mikkel/Bauknecht, Jürgen/Cebulla, Andreas/Gasior, Katrin/Kadarik, Ingel/Khyrova, Veronika/Krumina, Marija/Linnenschmidt, Katja/Martellucci, Elisa/Moskvina, Julija/Naegele, Gerd/Osila, Liina/Principi, Andrea/Rincon-Aznar, Ana/Socci, Marco/Styczyńska, Izabela/ Vidovičová, Lucie/Wilkinson, David/ Zólyomi, Eszter (2015): Best Practice Cases. MoPAct project, WP 3, Task 2
 - **Barslund, Mikkel (2016):** 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. National Report Germany. MoPAct, WP3, Task

CONTENTS

Reading Guidance	3
1. Summary	4
2. Basic Demographic and Labour Information	11
2.1 Population and age structure.....	11
2.2 Life Expectancy	11
2.3 Fertility Rate	11
2.4 Unemployment Rates	11
2.5 Self-Employment Rate.....	11
2.6 Older Worker Employments / Unemployment Rates	11
3. Extending Working Lives and Lifelong Learning: National Policies	16
3.1 Introduction	16
3.2 Public Pension and Retirement Policies	16
3.3 Partial Retirement / Partial Retirement Pensions	17
3.4 Promoting Work after Retirement	18
3.5 Promoting Self-Employment.....	19
3.6 Unemployment Policies and Employment Protection	19
3.7 Health Protection and Promotion, Prevention of Disability	22
3.8 Age discrimination Legislation	23
3.9 Other Policy Approaches.....	23
4. Extending Working Lives and Lifelong Learning: Selected Innovative and Sustainable Approaches	24
4.1 Good practices on the Supply Side of Labour	24
4.2 Good Practices on the Demand Side of Labour	36
5. Extending Working Lives and Lifelong Learning: Drivers and Barriers	46
5.1 Supply Side	46
5.1.1 Workability / Employability	46
5.1.1.1 Motivations	47
5.1.1.2 Health	48
5.1.1.3 Life-cycle Orientation / Reconciliation of Paid Work and Care / Informal Work.....	50
5.1.1.4 Lifelong Learning	51
5.1.2 (Sustainable, real) Self-Employment	55
5.1.3 Work beyond Legal Retirement Age	56
5.2 Demand Side.....	61
5.2.1 Financial Incentives for the Employment of Older Worker.....	62
5.2.2 Non-Financial Incentives for the Employment of Older Worker	62
6. References / Sources for Further Reading	64

Reading Guidance

This final country report on the case of Denmark is a composition of several documents that were written in the context of the EU-project for MoPACT – Mobilising the Potential of Active Ageing in Europe. MoPACT is a four years project funded by the European Commission under the 7th Framework Program. More specifically, the different chapters of this report are based on a series of papers as well as on additional research.

1. Summary:

The summary was put together by Vera Gerling and is based on all parts of the following text.

2. Basic Demographic and Labour Information:

This chapter combines additional research carried out by Vera Gerling (2.1 – 2.5) with the national report on “the conceptual framework on innovative, effective, sustainable and transferable strategies to enhance the extension of working life and lifelong learning; Country: Denmark” written by Mikkel Barslund in 2015 (as result of Work Package 3 Task 1) (2.6).

3. Extending Working Lives and Lifelong Learning: National Policies

3.1 (Introduction) is also based on the national report on “the conceptual framework on innovative, effective, sustainable and transferable strategies to enhance the extension of working life and lifelong learning; Country: Denmark” written by Mikkel Barslund in 2015 (as result of Work Package 3 Task 1).

The following sections are an extract of the “National Policy Report” written by Gerd Naegele und Jürgen Bauknecht in February 2015 (as a result of Work Package 3 Task 2).

4. Extending Working Lives and Lifelong Learning: Selected Innovative and Sustainable Approaches

The models of good practice have been identified Mikkel Barslund and comprise good practice examples both on the sides of labour supply and labour demand. The text stems from the “National Policy Report” written by Gerd Naegele and Jürgen Bauknecht in February 2015 (as a result of Work Package 3 Task 2).

The models of good practice themselves are drawn from the report of Mikkel Barslund et al. written in February 2015, entitled “Extended Working Lives - Good Practice Cases”, MOPACT project, Work Package 3 Task 2.

5. Extending Working Lives and Lifelong Learning: Drivers and Barriers

This chapter is based on the “National Report Denmark” written Mikkel Barslund 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 as a result of Work Package 3 Task 4.

1. Summary²

Basic Demographic and Labour Information

In 2013, Denmark had a population of 5.6 million people, of which 2.7 million were men and 2.8 million were women.

In 2013, 18.0 % were aged 65 and over. From 1 million older people aged 65 years and more 459.000 were males and 554.000 females.

In 2014, the unemployment rate³ was 6.3 % of the total labour force, being 6.3 for men and 6.3 for women. The long-term unemployment rate⁴ was 25.1 % in 2014.

The Danish labour market as a whole held up relatively well during the crisis since 2008. This is also the case for the situation of older workers in the labour force. On a European scale the employment rate of those aged 55-64 is well above the average and most of this is full-time employment, although part-time work is common for women.

The unemployment rate for women aged 55 and over was below the country average in 2012 and not much different from the 40 to 50 years old age group. For men the picture was slightly gloomier with the 55 to 59 year olds having an unemployment rate somewhat above both the national average and the one for 40 to 50 year olds.

Classification as “Early” or “Late Mover”

When compared with other European countries, Denmark is an “early 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.

Public Pension and Retirement Policies

In 1999 the government lowered the retirement age from 67 to 65; the first cohort to retire at 65 was the cohort turning 65 in 2004. The 2006 ‘welfare reform’ (Velfærdsreformen) and subsequent modification hereof in 2011 saw the official retirement age increase from 65 to 67 during the period 2019-2022. From 2025 onwards, depending on life expectancy further changes of the minimum age eligibility for pensions and early retirement benefits (see below) are possible.

Partial Retirement / Partial Retirement Pensions

The most important pathway to retirement has for the last 20 years been the early retirement scheme for all employment groups except for people with a tertiary education.

The number of necessary years of contribution has been increased to 30 years and with contributions starting no later than at the age of 30.

² The summary was put together by Vera Gerling and is based on all parts of the following text.

³ Unemployment rate is the number of unemployed people as a percentage of the labour force, where the latter consists of the unemployed plus those in paid or self-employment. Unemployed people are those who report that they are without work, that they are available for work and that they have taken active steps to find work in the last four weeks.

⁴ Long-term unemployment refers to people who have been unemployed for 12 months or more. The long-term unemployment rate shows the proportion of these long-term unemployed among all unemployed.

Amongst OECD countries, Danish employment rate 55-59 is the second highest, but for those aged 60 the Danish rank is worse, partly due to the Voluntary Early Retirement Pay (VERP) system (particularly used by women).

The 2011 reforms have diminished considerably the importance of the voluntary early retirement scheme for future cohorts; the scheme will be negligible in 2040.

Promoting Work after Retirement

The recent reform encourages silver work. The pension increase for working after retirement age is calculated with the further expected longevity at retirement age and the number of months of later pension receipt.

Workers who continue to work after the official retirement age do not have to defer their pension. If pension deferral is advantageous depends on individual earnings. If they are low, pension receipt does not have to be deferred. With a high income deferral is for free, since the respective person would receive no public pension anyway.

Promoting Self-Employment

Self-employment becomes increasingly important as a share of total employment when looking across age group active on the labour market. Where 10 per cent of employed individuals in the age group 50-59 are self-employed this increase to 14 per cent for the 60 to 64 year olds and further to around 30 per cent for the 65 to 74 year olds. On the other hand senior entrepreneurship is not particularly prevalent in Denmark.

Unemployment Policies and Employment Protection

Danish unemployment benefits are potentially high (up to 90% of previous earnings), and long-lasting, which belongs to the 'security' part of flexicurity.

Against the backdrop of the crisis, in 2010 government implemented reforms in order to motivate the unemployed to increase job search efforts. Possible unemployment benefit receipt has been changed from 4 years out of the last 6 to 2 years out of the last 3.

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.

Danish employment protection is very weak. In some parts of the labour market, manual workers can be fired from hour to the next or from one day to another. Danish employment protection is the weakest in continental Europe, but not as weak as in English-speaking countries.

Health Protection and Promotion, Prevention of Disability

In contrast to the pro-employment policies in the pension and unemployment scheme, access to disability has in principle been made easier for elderly people, in order to help those who cannot get VERP because of the reforms. The 'senior disability pension' can be received by those who have been employed for at least 20-25 years, and are less than 5 years below official retirement age.

Amongst those between 60 and 65, health differences between those working and early retirees are marginal (Barslund 2014: 11f.). As Barslund (2014: 12) notes, this does not necessarily imply that health status is irrelevant for early retirement decisions, since, for example, someone may enter early retirement because of work-induced bad health and then health improves. Or, contrastingly, someone enters early retirement for non-health reasons and subsequently health deteriorates (see General Chapter for the effect of retirement on health).

Age discrimination legislation

Although for the year 2000 OECD reported that Denmark has the lowest age discrimination prevalence amongst European OECD countries, the 2012 Eurobarometer survey has shown that 26 % of Danish workers were discriminated against because of their age or witnessed such incidents, in contrast to the European average of 20%.

Related to silver work, age discrimination legislation has been expanded from the upper limit of 65 to 70.

Extending Working Lives and Lifelong Learning: Good practices on the Supply Side of Labour

There are two interesting cases aimed at the supply side. One, 'Senior network', has been in existence since the late 1990s. The other 'Senior workshops' is more recent and the front man, Poul-Erik Tindbæk received the EU social innovation price in 2012 for his work on this.

In addition to the mentioned initiatives there has been an increase in private recruitment/temporary placement agencies which specialize exclusively in placing senior workers.

Collective agreements for public sector workers contain a number of measures intended to retain older workers.

From 2013 the Fund for Better Working Environment and Labour Retention (under the Ministry of Employment) has offered 'senior packages to SMES (<250 employees).

Extending Working Lives and Lifelong Learning: Good practices on the Demand Side of Labour

There are a number of interesting cases coming from public services.

A school - Moellevangsskolen – an 'unretirement scheme':

This public primary school has had success employing retired school teachers (and to a lesser extent other employees at the school) as temporary teachers in case of sick leave among and job change among regular teachers. They know the school, its value and many of the regular teachers thus they can work independently from day one.

Co-housing among individuals with reduced mental capacity - Bofællesskaberne Edelsvej:

Bofællesskaberne Edelsvej has 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. This goes hand in hand with general attention to the welfare of all employees.

Public hospital - Aalborg Hospital:

- Implementation of age management policy (bottom-up development with initiative coming from employees).
- Senior consultation/evaluation with management from the age of 51.

The first talk takes a long-term perspective (how do the employee see themselves with respect to the future). Thoughts and wishes are then followed up in the yearly employee evaluation with management. There is an emphasis on flexibility for the individual regarding function of work, working time etc. The importance of further learning is also emphasized. Senior related changes (e.g. changes of working time) have to be approved by management and have to fit into the general work plan.

Demand side: three examples from retail

Three retail chains have over the years worked to increase the number of workers age 50+ in their workforce (Silvan do-it-yourself, Netto supermarket, IKEA). Silvan has worked to attract senior job-seekers (50+). Senior employees are specifically mentioned on the website with the possibility of informally getting to talk to a senior employee before applying. Specific campaigns to get seniors to apply for vacancies have been conducted. Seniors are considered as valuable to the warehouse as younger employees and the different age groups supplement each other well with respect to preferred work hours, experience (in particular in relation to advising customers) and physical strength. Silvan emphasizes that employing seniors is not CSR, but that each hired person has to fit in and make sense from a business perspective.

Similarly, for Netto, the ambition is to have a mix of staff (age, ethnicity) which is representative of the customer base. The experience is that stores staffed with a mix of age groups have a better working atmosphere. Netto has had campaigns to attract 50+ to vacancies in cooperation with public employment service. Jobs can be physically hard (with heavy lifting), but effort is being put into adjusting job content to better suit senior workers. Dansk Supermarked (the parent company) has a dedicated section aiming at older workers on their recruitment site. Senior workers are competing with other age groups for vacancies. IKEA has for a number of years worked to attract more senior employees to their warehouses.

IKEA has worked with senior organizations and employment agencies to attract more senior staff. The main motivation is – as in the case for SILVAN – to have a diverse workforce which resembles the customer base. The customer service aspect, customers prefer advice from people their own age or older, is also a motive. IKEA stresses that hires are “business” – not CSR. Flexible working hours suits both IKEA and seniors well. IKEA does not have a senior policy as such, but HR policy in general stresses individual development. This also means that education and training is available for seniors.

Extending Working Lives and Lifelong Learning: Drivers and Barriers

Workability / employability

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.

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 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.

Motivations

Financial incentives to work late in the career are not much different from those for younger workers. 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.

The age of eligibility for voluntary early retirement pension is itself increasing such that from 2023 the age threshold will be 64 years

Health

The health of people over the age of 55 has improved markedly over the last 30 years.

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.

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

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

Life-cycle Orientation / Reconciliation of Paid Work and Care / Informal Work

An important element of extending working life is the occupational lifecycle late in the career. An interesting new initiative is the 'change track' programme. A more comprehensive life-cycle approach is lacking in the Danish context – or are addressed in companies by general human resource policies.

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. The Danish model is '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.

Lifelong Learning

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.

More than a quarter of all worker above 60 years have received training within the last 12 months.

In an international comparison Denmark has a high level of further education after the completion of the first degree. Adult education and training also takes place in all stages of the working life.

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.

(Sustainable, real) Self-Employment

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.

Work beyond Legal Retirement

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.

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'.

Demand Side

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.

Public Financial Incentives for the Employment of Older Worker

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.

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.

Non-Financial Incentives for the Employment of Older Worker

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. 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.

2. Basic Demographic and Labour Information⁵

The following information is mostly drawn from OECD statistics.

2.1 Population and age structure

In 2013, Denmark had a population of 5.6 million people, of which 2.7 million were men and 2.8 million were women. (OECD 2016a)

In 2013, 18.0 % were aged 65 and over. From 1 million older people aged 65 years and more 459.000 were males and 554.000 females. (OECD 2016a)

The elderly dependency rate (64 +) in Denmark was 27.9% in 2013. (OECD 2016b)

2.2 Life Expectancy

In Denmark, in 2014, life expectancy for a new born male child⁶ was 78.7 years and for a female child 82.8 years (in average 80.8 years). (OECD 2016c)

Life expectancy at 65⁷ was 18.1 years for men and 20.4 years for women. (OECD 2016d)

2.3 Fertility Rate

The fertility rate in Denmark was 1.6 in 2014. (OECD 2016e)

2.4 Unemployment Rates

In 2014, the unemployment rate⁸ was 6.3 % of the total labour force, being 6.3 for men and 6.3 for women. (OECD 2016f)

The long-term unemployment rate⁹ was 25.1 % in 2014. (OECD 2016g)

2.5 Self-Employment Rate

The self-employment rate in Denmark was 9.0% in 2013. (OECD 2016h)

2.6 Older Worker Employments / Unemployment Rates

The Danish labour market as a whole held up relatively well during the crisis since 2008. This is also the case for the situation of older workers in the labour force. On a European scale the

⁵ This chapter combines additional research carried out by Vera Gerling (2.1 – 2.5) with the national report on “the conceptual framework on innovative, effective, sustainable and transferable strategies to enhance the extension of working life and lifelong learning; Country: Denmark” written by Mikkel Barslund in 2015

⁶ Life expectancy at birth is defined as how long, on average, a newborn can expect to live, if current death rates do not change. However, the actual age-specific death rate of any particular birth cohort cannot be known in advance.

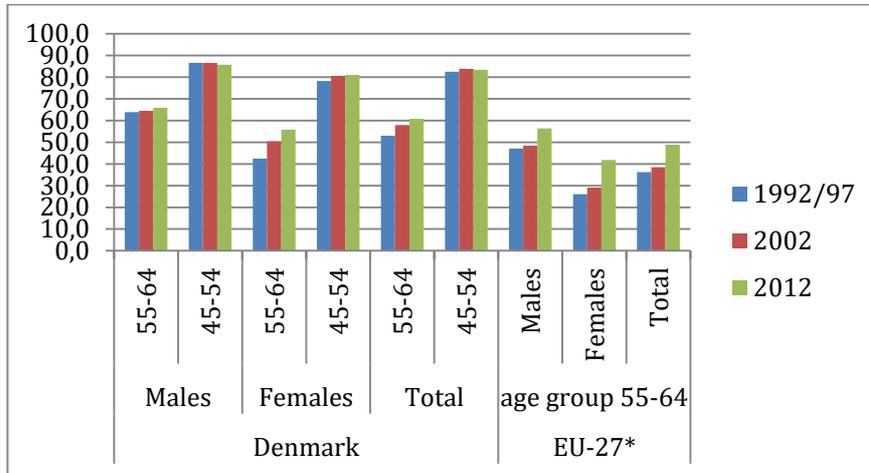
⁷ Life expectancy at age 65 years old is the average number of years that a person at that age can be expected to live, assuming that age-specific mortality levels remain constant.

⁸ Unemployment rate is the number of unemployed people as a percentage of the labour force, where the latter consists of the unemployed plus those in paid or self-employment. Unemployed people are those who report that they are without work, that they are available for work and that they have taken active steps to find work in the last four weeks.

⁹ Long-term unemployment refers to people who have been unemployed for 12 months or more. The long-term unemployment rate shows the proportion of these long-term unemployed among all unemployed.

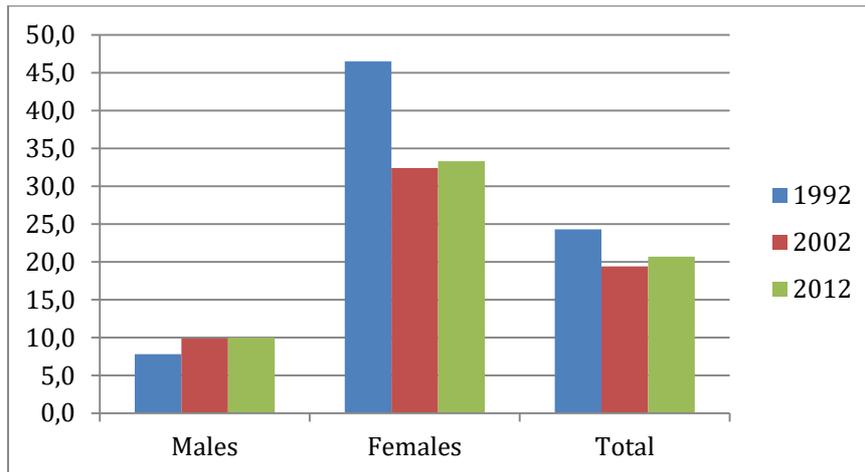
employment rate of those aged 55-64 is well above the average (Figure 2) and most of this is full-time employment (Figure 3), although part-time work is common for women.

Figure 1. Employment rate of older workers in Denmark (55-64 years old)



Source: Eurostat, own calculations.

Figure 2. Part-time employment as a % of total employment (55-64 years old)



Source: Eurostat, own calculations.

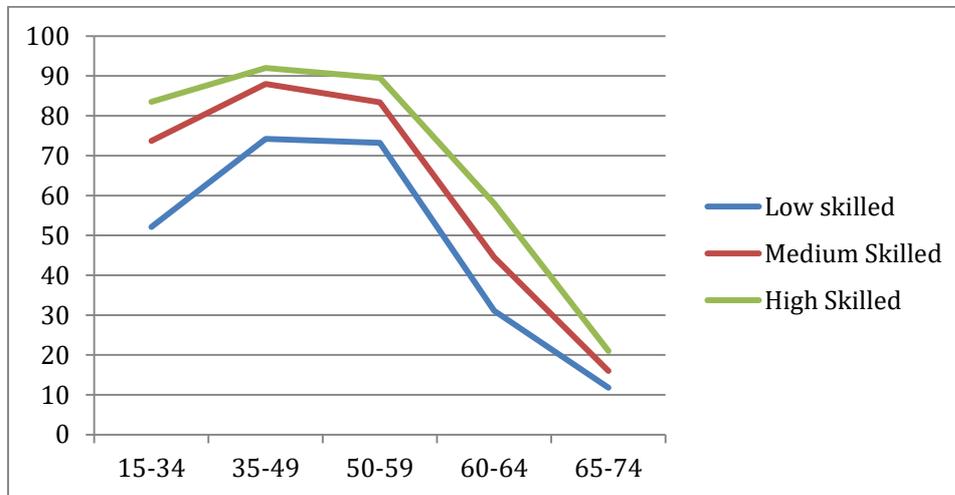
As indicated above, the group of 55-64 year olds is very heterogeneous with respect to retirement options. Voluntary early retirement is available from the age of 60 (prior to 2014, cf. above) and this is evident if the age group is split in two (Table 1). There is a marked drop off in the employment rate for the 60-64 year olds compared with those five years younger. This is particularly evident for women; proof of the fact that women are much more likely to sign up to the voluntary early retirement scheme.

Table 1. Employment rates by age and gender (%), 2010

Age group	Males	Females	Total
15-34	62.5	65.2	63.7
35-49	89.2	84.8	86.8
50-59	83.2	82.2	82.7
60-64	52.1	37.8	44.9
65-74	21.9	9.8	15.8

Source: European Labour Force Statistics, 2010. Own calculations.

The take-up of early voluntary retirement also differs among educational levels. Whereas 60% of highly skilled individuals are working in the age bracket 60-64 years, this is only the case for 30% of the low-skilled, with medium-skilled in between (Figure 4).

Figure 3. Employment rates by age and education, 2010

Source: European Labour Force Statistics, 2010. Own calculations.

The unemployment rate for women aged 55 and over was below the country average in 2012 and not much different from the 40 to 50 years old age group. For men the picture was slightly gloomier with the 55 to 59 year olds having an unemployment rate somewhat above both the national average and the one for 40 to 50 year olds (Table 2).

Table 2. Unemployment rate by age (selected years)

Men		Age Groups				
	Total	40-44	45-49	50-54	55-59	60+
2012	6.1	5.3	5.6	5.9	6.9	5.3
2007	2.9	2.7	2.7	2.6	4	3.6
1996	6.6	5.9	5.7	5.5	8	10.6
Women		Age Groups				
	Total	40-44	45-49	50-54	55-59	60+
2012	6.1	5.8	5.3	4.9	5.8	4.4
2007	4.4	4.2	3.4	3.1	5.4	5.2
1996	9.2	7.2	7.2	7.7	11.6	17.3

Note: For 1996 the figures refer to the 4th quarter.

Source: Statistics Denmark, Statistikbanken.

This was not always the case. In the 1990s the unemployment rate for older workers was higher than the average rate for the country. This was particularly the situation for women over 60 years old.

Table 3 shows the breakdown of labour market participation for different educational categories for 2010. Again, the marked break in labour market participation at the age of 60 is evident for all educational groups. Part-time work also becomes more common with age for all three educational categories.

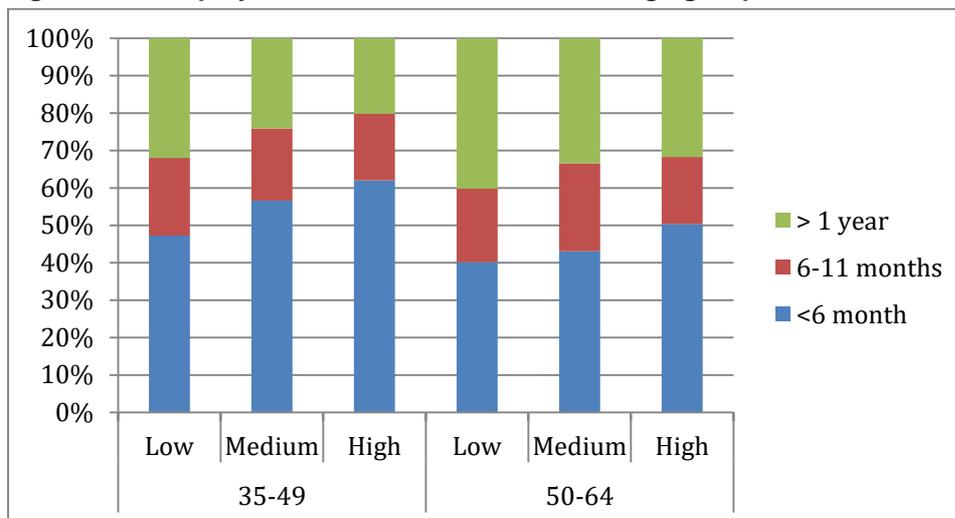
Table 3. Labour market status by age and education

	Age and Education								
	50-59			60-64			65-74		
	Low	Medium	High	Low	Medium	High	Low	Medium	High
Unemployed	7.2	6.8	3.8	1.4	1.7	1.4	0.1	0.1	2.0
Employed	73.2	83.4	89.5	31.1	44.5	58.0	11.8	16.0	21.0
Full-Time	66.9	70.2	72.2	58.0	61.2	62.2	30.4	27.3	29.6
Part-Time	23.3	18	17.6	25.4	24.5	25.5	38.2	44.1	37.7
Family Worker	0.6	0.3	0.2	0.9	0.3	0.2	2.8	1.8	0.5
Self-employed	9.1	11.5	10	15.7	13.8	12.1	27.8	26.9	32.3
Inactive	19.5	9.8	6.6	67.5	53.8	40.6	88.1	83.9	79.0
Total	100	100	100	100	100	100	100	100	100

Source: European Labour Force Statistics, 2010. Own calculations.

Long-term unemployment – defined as having been unemployed for more than a year – is somewhat higher for older workers at all skill levels. The actual extent to which this is the case is likely to be blurred by the data because long-term unemployed workers aged 60 and over, having exhausted their unemployment benefit (unemployed for more than four years in 2010), are likely to take up voluntary early retirement.¹⁰

Figure 4. Unemployment duration education and age group, 2010



¹⁰ Unemployment insurance (available for four years until 2011 and currently for two years) is, in most circumstances, higher than the amount paid out.

Source: European Labour Force Statistics, 2010. Own calculations.

3. Extending Working Lives and Lifelong Learning: National Policies¹¹

Danish flexicurity policies are based on (1) flexible labour markets (weak employment protection), (2) generous unemployment compensation, and (3) a strong emphasis on activation policies (Viebrock/Clasen 2009: 313). All three elements are depicted below in the relevant chapters.

The employment rate of older workers in Denmark (55-64 year olds) increased from 53 to 61 percent, with most of the increase due to a higher female employment rate (Barslund 2014). The number of early retirees has fallen over the last 15 years, with the take-up rate going from 72% to 52% between 2000 and 2013 (Jensen 2014: 12). Reforms, such as the one enacted in 1999 reducing benefits the first 2 years for most employees, may have induced this, although the effects are disputed (Barslund 2014, Jensen 2014).

3.1 Introduction

Classification as “Early” or “Late Mover”

When compared with other European countries, Denmark is an “early 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.

3.2 Public Pension and Retirement Policies

In 1999 the government lowered the retirement age from 67 to 65; the first cohort to retire at 65 was the cohort turning 65 in 2004. The 2006 ‘welfare reform’ (Velfærdsreformen) and subsequent modification hereof in 2011 saw the official retirement age increase from 65 to 67 during the period 2019-2022. From 2025 onwards, depending on life expectancy further changes of the minimum age eligibility for pensions and early retirement benefits (see below) are possible (Barslund 2014, OECD 2006: 69).

The Danish three pillar pension system interacts in complex ways with the individual retirement decision. The first pillar consists of public pensions – old age pension from the age of 65 (subsequently 67 and rising in line with life expectancy). A part of first pillar pensions is means tested with respect to other income, including pension income from labour market and private pension savings. Since 2004 old age pension has been deferrable (conditional on a minimum number of hours worked per year) with the deferred amount fully compensated (given average expected lifetime) in the remaining period of retirement (see below ‘silver work’).

The second pillar is the Danish labour market pension system which by now covers the vast majority of employees. Pension contributions are mandatory if the workplace is covered by a collective agreement between an employee and employers’ organization. Contribution rates vary but are substantial and most often of the order of more than 10% of gross earnings (Arnsberg and Barslund, 2012). Mandatory labour market pension schemes are either pension by

¹¹ 3.1 (Introduction) is based on the national report on “the conceptual framework on innovative, effective, sustainable and transferable strategies to enhance the extension of working life and lifelong learning; Country: Denmark” written by Mikkel Barslund in 2015. The following sections are an extract of the “National Policy Report” written by Gerd Naegele und Jürgen Bauknecht in February 2015

instalments or annuity pension schemes. For most employment groups the labour market pension system dates back to the early 1990s where it was rolled out beginning with much smaller contribution rates. This means that for those who have only started to pay into a labour market pension scheme late in the career, or have had long periods of absence from the labour market, the effective tax rate on further pension savings can be very high due to the means testing of first pillar schemes (DØRS, 2008; 2013). This lowers the economic incentive to work beyond a given age.

The third pillar is the voluntary private pension savings system. As with labour market pension schemes these are tax-deductible and with deferred taxation. Investment returns are also taxed favourably relative to other returns to savings. For most future pensioners labour market pensions will be their main income during retirement with first pillar public pensions also playing a prominent role.

3.3 Partial Retirement / Partial Retirement Pensions

Early retirement

The most important pathway to retirement has for the last 20 years been the early retirement scheme (see below) for all employment groups except for people with a tertiary education. Before 1999 the requirements for entering the early retirement scheme were low and the rather low amount of co-financing was part of the public unemployment insurance scheme. In principle eligibility rested on reaching age 60 and having contributed to the public unemployment insurance scheme for the last 20 out of 25 years (thus no formal working requirement). There was a limited financial incentive for postponing entry into early retirement until turning 63 years old. Benefits are as high as in the unemployment scheme (Madsen 2011: 4).

The number of necessary years of contribution has been increased to 30 years and with contributions starting no later than at the age of 30 (Madsen 2012: 3; this is relevant only for the new early retirement age of 62 starting from 2017 onwards, with the old age early retirement age of 60 everyone who is 60 and has 30 contribution years has to have started with 30 at the latest).

Due to the low benefit ceiling, higher pre-early retirement incomes lead to low replacement rates (since the maximum benefit is low, for high earners the pre-early retirement benefit cover only a comparatively low percentage of their prior income). Especially since 1990 the scheme is much more popular than originally anticipated and used often by women or low earners. Those claiming *efterløn* the first time when they are 62 get higher benefits. Due to a recent reform those who are eligible for *efterløn* but do not claim it until 65 get a tax-free premium of about € 20 000 (Madsen 2012: 5, Barslund 2014).

As Madsen (2012: 2) notes, amongst OECD countries Danish employment rate 55-59 is the second highest, but for those aged 60 the Danish rank is worse, partly due to the Voluntary Early Retirement Pay (VERP) system (particularly used by women) (see also Barslund 2014). Beginning from 2014 the early retirement age increases gradually from 60 to 62 over a four year period until 2017. From 2018 to 2023 the number of years early retirement benefit can be received will decrease from 5 to 3 years, such that the earliest age at which it is possible to

retire and receive Government support is 64 (with the general retirement age being 67). Going forward both the retirement age and the earliest age of entry into early retirement will be indexed to life expectancy. Further means testing has also been built into the voluntary early retirement scheme, making it a less attractive option the more an individual has built up labour market and/or voluntary private pension savings (Barslund 2014).

Due to recent reforms, VERP can be combined with work up to nearly 30 hours a week, whereas this comes with VERP deductions (Madsen 2012: 5). Evaluating recent reforms, based on development in employment rates 60-64 Larsen and Pedersen (2012: 12ff.) conclude that especially the possibility to combine efterløn with work has been successful.

The 2011 reforms “have diminished considerably the importance of the voluntary early retirement scheme for future cohorts”; the scheme will be negligible in 2040 (Barslund 2014: 4f.).

3.4 Promoting Work after Retirement

The recent reform encourages silver work. The pension increase for working after retirement age is calculated with the further expected longevity at retirement age and the number of months of later pension receipt. If pension receipt is deferred by the maximum number of years (10), pension increase is nearly at 100% (Amilon/Nielsen 2010: 192, this can be termed “calculated on an actuarial basis”, Madsen 2012: 5). In other words, pension is deferrable and the deferred amount is fully compensated with averaged expected lifetime (Barslund 2014: 5). Yet as is always the case with pension deferral, the bonus for working longer is high enough only for those whose further life expectancy is not below average. Therefore, at least the pension scheme does not financially fully incentivise those who suspect their individual life expectancy to be low to fully compensate for death-induced pension loss (whereas the low losses in Denmark due to the high pension increases for additional working years can, in combination with incentives provided by the difference between earnings and the pension level, result in financial incentives to continue to work past legal retirement age even for those who suspect to have a life expectancy below average).

The condition to delay official retirement is work of at least 1000 hours a year (in the beginning it has been 1500 hours, yet this is near the Danish average and has been suspected of discouraging potential silver workers from deferring the pension, Amilon/Nielsen 2010: 192). In order to further motivate workers above the legal retirement age, means-testing of supplementary old age pension against earnings from work has been reduced (Larsen/Pedersen 2012: 11), i.e. working/earning is punished less with reduced social security benefits. Beginning in 2000, the share of men and women (for the latter on a lower level) 65-74 with earnings more than DKK 25 000 (3 350 €) rose constantly, primarily in 2008/2009 during the financial crisis (Larsen/Pedersen 2012: 17f.).

Workers who continue to work after the official retirement age do not have to defer their pension. If pension deferral is advantageous depends on individual earnings. If they are low, pension receipt does not have to be deferred. With a high income deferral is for free, since the respective person would receive no public pension anyway (Amilon/Nielsen 2010: 193). As may be expected, individual life expectancy is the crucial factor determining if pension deferral

is economically advantageous, with workers who will live only for a couple of years being better off without pension deferral, while those who will live long can benefit from pension deferral (Amilon/Nielsen 2010: 193). Given the correlation between life expectancy and socio-economic status, one might expect that the deferral option raises high-skilled labour supply to a much higher degree than low-skilled labour supply. Empirically, it is shown that those with high education and high incomes are strongly overrepresented amongst those deferring their pension (Amilon/Nielsen 2010: 195).

As Amilon and Nielsen (2010: 196f.) argue, it is far from certain that labour supply declines with a reform lowering the pension age from 67 to 65 and introducing the possibility to defer pension receipt with pension bonuses. They argue that 77% of Danes born between 1937 and 1941 were on early retirement or social disability pension one year before they reached the legal retirement age anyway, and that pension deferral should be attractive particularly to those who do not belong to groups dropping out of the labour force before reaching 65. Quasi-experimentally comparing the last birth cohort not being able to defer pension receipt with the first being able to (June and July 1939), Amilon and Nielsen (2010: 199f.) show that the reform has raised the number of hours worked. When asked, the main reason for continuing work are 'enjoyed working' (43 % of respondents marked this as most important reason), followed by 4 financial reasons with a combined value of 46% (2010: 202). Therefore, and against the backdrop of possible social desirability effects, the first rank of 'enjoying work' should be taken with a grain of salt, yet it should still be kept in mind that it is not financial incentives alone (see also Barslund, 2013 for a further discussion of this).

3.5 Promoting Self-Employment

Self-employment becomes increasingly important as a share of total employment when looking across age group active on the labour market. Where 10 per cent of employed individuals in the age group 50-59 are self-employed this increase to 14 per cent for the 60 to 64 year olds and further to around 30 per cent for the 65 to 74 year olds (Barslund 2014). On the other hand senior entrepreneurship is not particularly prevalent in Denmark, which has a relatively low ratio of older to prime age people involved in start-up activities (OECD/Commission, 2012).

3.6 Unemployment Policies and Employment Protection

Danish unemployment benefits are potentially high (up to 90% of previous earnings, Madsen 2011: 3) and long-lasting, which belongs to the 'security' part of flexicurity (Kahn 2010: 7).

Against the backdrop of the crisis, in 2010 government implemented reforms in order to motivate the unemployed to increase job search efforts. Possible unemployment benefit receipt has been changed from 4 years out of the last 6 to 2 years out of the last 3. Further, in order to receive benefits one has to have worked for at least 1 year in the last 3 years, whereas to receive benefits *again*, half a 0.5 year was enough. This has been raised to 1 year (Madsen 2011: 4).

As Rother and Arendt (2011: no page numbers) state, "the use of active labour-market programmes is extensive in Denmark compared to most countries". Amongst 28 countries analysed by OECD (2013, data from 2011), with 2.3 % of GDP Denmark had by far the highest

public expenditure on active labour market policies (OECD mean 0.6 %, Belgium ranks second with 1.6 %, OECD 2013).

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. Further, the public employment service has to offer “early activation” for those unemployed aged 60 or older (Madsen 2012: 2). The job is on normal terms and obligatory. However, it does not have to respond to the level of qualification of the unemployed being offered the senior job. 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, so that the number of people entitled to these jobs declines.

Further, insured unemployed over 60 have the right and duty for activation within the first 6 months of unemployment, in contrast to 9 months in the case of those aged 30 and older (Madsen 2012: 6).

Special ‘soft’ rules for the older unemployment concerning their obligations to take part in Active Labour Market Policy programmes have been abolished recently (Madsen 2012: 3). As Madsen (2012: 6) notes, the age-independent treatment of the unemployed mirrors “a general feature of Danish labour market policy”. Further, in 2009 the time span after which newly unemployed have to put their CV online so that potential employers can find potential new employees has been shortened from one month to 3 weeks (Madsen 2010: 7, doubting that there are significant effects since the central database is rarely used by companies for recruitment). Additionally, since 2010 job centres have to help those likely to become unemployed to write an action plan on what has to be done to get re-employed; before, this has only applied to those already unemployed (Madsen 2010: 7). This is a very proactive feature. Generally, in the Northern European re-employment happens quickly: Amongst 21 European countries the 4 Northern European countries had the lowest share of long-term unemployed amongst their unemployed (Bauknecht 2013: 283 based on OECD data from 2008).

Early on, the Ministry of Employment introduced local and regional networks of unemployed older workers, which are called ‘senior network’ (Madsen 2012: 6). Groups of unemployed over 50 years old get financial assistance from the National Labour Market Authority so that they can create networks and “develop new areas of employment” (Madsen 2012: 6). As of 2012, roughly 25 such networks existed (Madsen 2012: 6).

Employment protection

Danish employment protection is very weak. Anxo et al. (2012: 5, based on Jensen and Madsen 2011) point out that in some parts of the labour market manual workers “can be fired from hour to the next or from one day to another”. According to Kahn (2010: 5), Danish employment protection is the weakest in Continental Europe, but not as weak as in English-speaking countries. Weak employment protection may be one reason for the low share of long-term unemployment in Denmark (Goul Andersen and Jensen 2002: 23ff. state that employment protection increases the share of long-term unemployed).

Employability policies

In 2007, more employability policy competences have been transferred to local authorities (Lindsay/Mailand 2009: 1043 state this happened as a bait in order to gain local authorities' acceptance of a fundamental reform of regional and local structures leading to larger municipalities).

Wage subsidies

The Danish Wage Subsidy Scheme is strongly monitored and can "impede the substitution of ordinary employees in advance of the subsidies hiring" but does not "establish specific mechanisms to prevent displacement along the subsidised contract, which might give some employers incentives to replace ordinary jobs by cheaper subsidies ones" (Rotger/Arendt 2011: no page numbers).

Local authorities can give wage subsidies of about 50 % of the minimum wage for the hiring of long-term unemployed. These subsidies can last for one year, but mostly half a year is agreed on. In 2006, the 'Act on an Active Employment Effort' put in place the new requirement that in order to receive the wage subsidy, a company's normal number of employees has to increase with the hiring of the subsidised person (Rotger/Arendt 2011: no page numbers). The authors state that this rules out substitution but also reductions of employment before the subsidised worker gets hired. The 'normal' number is the average of the three months preceding subsidised work and the same three months in the previous year (substitution of a subsidised worker or another non-regular employee with a subsidised worker is possible). The maximum number of subsidised workers depends on company size (the 'Reasonableness' condition): 1 subsidised worker for companies with 1-5 employees, 1 for every 5 employees in the case of companies between 6 and 50 employees (that is, between 1 and 10 subsidised workers) and 1 for every 10 employees in the case of companies with more than 50 employees (Rotger/Arendt 2011: no page numbers). The authors analysed the programme's effects: The wage subsidy *decreased* hiring by small private firms by 0.016 employee one month after treatment; "there is no deadweight loss in the sense that subsidised firms would not have hired an individual on ordinary terms in absence of the subsidy".

The cumulative effect rises in subsequent months, resulting in a total positive effect of 0.71 after 7 months. Combined with the separation effect of 0.47 after 7 months this results in net job creation of 0.26 jobs per subsidies firm (Rotger/Arendt 2010: 23, data from 2006 covering the whole of Denmark).

Workers aged 50 and above are exempt from the condition that a person can only enter wage subsidised employment after a period of 6 months unemployment. Presently, wage subsidised jobs play a minor role for older workers with only around 3,000 employed in the first quarter of 2014 (Barslund, 2014). Quantitatively more important are the so-called 'flexible jobs' ('fleksjob') which offer a wage subsidy to companies hiring individuals with permanently reduced workability. Labour contract can be both part and full time and the company is compensated in relation to the reduced workability (see Barslund, 2014). In Q1 of 2014 around 30,000 people aged 50 and above were employed in a flexible job. Accessibility to flexible job arrangements is subject to screening for permanently reduced workability.

Here, seemingly the solution to give employers the highest incentive for hiring the least attractive group has been chosen.

In 2008 a 'Job Scheme' has been introduced. It included an allowance of ca. € 4 000 per year for pensioners and reduced employment requirement for postponed retirement, tax reductions for workers at 64 who have worked full-time from 60 to 64 with an annual income of less than € 76 000 (Botti et al. 2011: 18)

3.7 Health Protection and Promotion, Prevention of Disability

In contrast to the pro-employment policies in the pension and unemployment scheme, access to disability has in principle been made easier for elderly people, in order to help those who cannot get VERP because of the reforms. The 'senior disability pension' can be received by those who have been employed for at least 20-25 years, and are less than 5 years below official retirement age (Madsen 2012: 4). Though the criteria for qualifying are the same as for 'normal' disability pension, since the applicant has not to undergo the standard workability tests, the senior disability scheme "has therefore been described as a 'fast-track' to disability pension" (Madsen 2012: 4).

Amongst those between 60 and 65, health differences between those working and early retirees are marginal (Barslund 2014: 11f.). As Barslund (2014: 12) notes, this does not necessarily imply that health status is irrelevant for early retirement decisions, since, for example, someone may enter early retirement because of work-induced bad health and then health improves. Or, contrastingly, someone enters early retirement for non-health reasons and subsequently health deteriorates (see General Chapter for the effect of retirement on health). The first effect may explain why one in six early retirees leaves the labour market for health reasons (Barslund 2014: 12 based on Larsen et al. 2011) although health differences between both groups are marginal. The fact that the number of workers dropping out of the labour force due to bad health is lower when labour demand is higher shows that health interacts with other factors in determining early retirement (Barslund 2014: 12). Nevertheless, the fact that even in times of high labour demand workers enter early retirement for health reasons shows that bad health as a factor pushing workers out of the labour market and as an area where improvements can raise older workers labour supply is not as irrelevant in Denmark as the comparison of health status between those working and early retirees suggests.

Disability pension

Those who lost working capacity can claim flat-rate førtidspension. Like efterløn, replacement rates are generous for those with previously low incomes, yet (being flat-rate benefits) low for those with higher previous incomes (van Oorschot/Jensen 2009: 273). In the past, for those over 50 entitlements also depended on their labour market chances, which made førtidspension a de facto early retirement scheme. This has been abolished in 2003 (van Oorschot/Jensen 2009: 273).

3.8 Age discrimination Legislation

Although for the year 2000 OECD reported that Denmark has the lowest age discrimination prevalence amongst European OECD countries, the 2012 Eurobarometer survey has shown that 26 % of Danish workers were discriminated against because of their age or witnessed such incidents, in contrast to the European average of 20% (Barslund 2014: 10f.). Such comparisons have various shortcomings, amongst them (1) difference age structures if the whole population is asked instead of a certain age group and (2) a higher liability in some societies to feel discriminated against.

Related to silver work, age discrimination legislation has been expanded from the upper limit of 65 to 70 (Madsen 2012: 3).

3.9 Other Policy Approaches

Campaigns

As Jensen (2014: 14) notes, between 1999 and 2008 there were “state organised campaigns” arguing that longer working lives are win-win situations, since

- (a) seniors gain since older workers are “not excluded or subject to economic, social and political marginalisation”
- (b) companies gain since it is good for business.

These campaigns were “rooted in social gerontology and American diversity management ideology” (Jensen 2014: 14). This was supported by EU anti-discrimination legislation and by subsidies to age management consultants. Jensen argues that this supported a “new late-exit-culture” and asks if this was more important than changed incentives.

4. Extending Working Lives and Lifelong Learning: Selected Innovative and Sustainable Approaches¹²

4.1 Good practices on the Supply Side of Labour

There are two interesting cases aimed at the supply side. One, 'Senior network', has been in existence since the late 1990s. The other 'Senior workshops' is more recent and the front man, Poul-Erik Tindbæk received the EU social innovation price in 2012 for his work on this.

'Senior workshops' target 58-59 year olds (at the time when one has to decide on early retirement versus continuing work in Denmark). The workshops are 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.

'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.

In addition to the mentioned initiatives there has been an increase in private recruitment/temporary placement agencies which specialize exclusively in placing senior workers.

Collective agreements

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 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.

¹² The models of good practice have been identified Mikkel Barslund and comprise good practice examples both on the sides of labour supply and labour demand. The text stems from the "National Policy Report" written by Gerd Naegele and Jürgen Bauknecht in February 2015. The models of good practice themselves are drawn from the report of Mikkel Barslund et al. written in February 2015, entitled "Extended Working Lives - Good Practice Cases"

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.

Government initiative to improve age management practices

From 2013 the Fund for Better Working Environment and Labour Retention (under the Ministry of Employment) has offered 'senior packages to SMES (<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.

Good Practice 1

1. Actor

City council of Aarhus and Poul-Erik Tindbæk (winner of EU social innovation price 2012)

Mixed strategies/actors, i.e. are there different actors involved?

Individuals and regional authorities (for funding)

State of the art: What is being done?

Senior workshops

Workshops which target 58-59 year olds (at the time when one has to decide on early retirement versus continuing work).

The workshop is 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 it is time to retire". The participants should reflect on what their wishes are for the "third career".

It also includes a health test to make participants aware of the benefits of staying in good health.

Description from the website:

A third career - is a project organized in the city of Aarhus and financed by funding (from European, national and regional level) and by payment from companies. It's the goal to support the development of age-friendly activities in companies and to support senior employees to develop and unfold their competencies as long as possible creating their own new career in the third age.

Public incentives used?

Yes, publicly financed

In practice/idea/proposal

Initial project ended 2013. It is continued within the framework of <http://www.en3karriere.dk/> (it is not entirely clear of this still involve public funding)

2. Reasons

To retire from working life is one of the most difficult changes and transitions in life and one of the most important social problems to address in all EU member states. Many people do not think, that leaving the working week behind and getting ultimate freedom will be a problem. In addition, there is a general lack of public awareness of all the radical changes retirees will have to go through in the process of retirement.

Ways of retirement may be as flexible as careers before retirement. Consequently it is need to qualify seniors for making an appropriate decision: on when and how to retire, and in a way not just following fixed retirement ages or standard retirement patterns. Just as most other transitions of a lifetime, the process of retirement may be considered and decided upon. Not only for one's own welfare, but for the needs of society as well. Retirement patterns happens to make contributions to the state of economies and welfare of all EU member states. (change-makers.com)

3. Description of approach

A broad measure of supply side: work, volunteering, civic participation

Is the approach targeted especially on older workers or on all age groups?

55+

3.1 Dimensions and quality of work

3.2 Values/Motivation

3.3 Professional Competence (Lifelong Learning)

3.4 Health

Participants' health status was 'measured' at the workshop (in a simple way) to get them to reflect on the value of keeping a good health in order to live and active life in the third and fourth career (after 60+)

3.5 Close Social Network

One of the purposes of the workshops was to get people to talk to and discuss with other people in similar life circumstances. No explicit focus on creating networks.

3.6 Family, work-life balance

The question of which form of work-life/volunteering-life balance do you desire after 60+ was very implicit in the workshops

4. Work after retirement ("silver work")

As in 3.6

5. Life course orientation

Only as to the aspect of after 55+/60+

6. Overarching dimensions of MOPACT touched

7. Linkage to informal work/civic engagement/social volunteering?

One of the aspects touched upon (and stressed) is the opportunities for volunteering and civic engagement for those determined to end their formal working career but still want to remain active.

8. Other socially innovative dimensions touched worth being mentioned?

9. Brief SWOT evaluation including transferability, sustainability and usability

Transferability should be straight forward. It is unclear if it is sustainable without public subsidy (i.e. will individuals be able/willing to pay the cost price, will firms be willing?, What would this

mean for equity concerns?).

The main weakness is that we do not know if one two-day workshop will have a lasting impact. An evaluation report noted that around 40% decided to stay longer on the labour market than otherwise planned, 40% are encouraged to improve their health and almost half decide to join volunteering work. The extent to which people follow through on these plans are naturally difficult to assess but the initial results are encouraging.

10. Further relevant information

The man behind the (Danish implementation of the) idea Paul Erik Tindbaek has given a lot of interviews and written a book about the project.

Good Practice 2

1. Actor:

Kommunernes Landsforening (Employer's organisation for Councils and regions) and KTO (organisation representing more than 50 unions with employees in local councils and regions). It covers around 500,000 employees.

Mixed strategies/actors, i.e. are there different actors involved?

Yes

State of the art: What is being done?

Collective agreement covering employees of city councils and regions ('rammeaftale om Seniorpolitik' – agreement on age management)

The agreement (first introduced in 2008 and modified in 2011) stipulates 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' to the measure.

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.

Three instruments are available:

- Senior employment
- 'Change in generation' scheme
- 'End of employment' scheme

Add a) senior employment

This comes in two forms (which can be combined): lower working time and change in job content. Common for both is that the employer's pension contribution stays unchanged at the level received prior to going on senior employment. Thus, it is attractive for people who want to prolong their employment career to boost pension savings. Other elements which can form part of an agreement on senior employment are i) full or part wage compensation (if new senior employment involves less hours or less demanding responsibility and therefore less pay), ii) an extra pension contribution and iii) loyalty bonus if the employee leaves his/her job after turning 62.

Senior employment can also be temporary, where after the employee continues his/her former job.

Add b) 'Change in generation' scheme

This scheme is aimed at the management layer and include the possibility of incentives older managers to stay longer in the job with the following tools: wage raise, loyalty bonus (paid out if the employee stays in the job for x number of years), and increased pension contribution.

Add c) 'End of employment' scheme

This scheme can be used for employees in ordinary work (as opposed to senior employment cf. above) whom the council or region want to keep in employment until a given age. Instruments consist of extraordinary pension contributions and continued wage for a given number of months after ending the employment relationship. E.g. a city council can offer an employee 2 years of additional pension contribution if they person retire after his/her 62 year birthday

Public incentives used?

Yes

In practice/idea/proposal

In practice

2. Reasons

Challenges due to the demographic change which will impact city councils and regions particularly hard since their workforce tends to be older on average. Better age management practices should contribute to keep elderly workers to stay longer on the job.

3. Description of approach

Both demand and supply (increasing demand and supply for older workers by offering flexibility in the way they are employed)

Is the approach targeted especially on older workers or on all age groups?

Targeted to 55+

3.1 Dimensions and quality of work**3.2 Values/Motivation**

Some of the measures could foster employee motivation to work longer. For example, partial retirement can inhibit full retirement. On the other hand it also gives an option for those who would otherwise have worked full time to work less than full time. The effect on overall labour supply depends on which effect dominates.

3.3 Professional Competence (Lifelong Learning)

Not specifically covered, but partners are aware of the need to avoid less adult education to elderly because they are elderly.

3.4 Health

Not specifically covered

3.5 Close Social Network**3.6 Family, work-life balance**

Possibilities to reduce working time can allow workers to adjust working hours to family circumstances. This can be done also temporarily.

4. Work after retirement (“silver work”)

Possible and can be encouraged by negotiating a bonus which will be paid out if a person works longer than to his/her 65 year birthday (this is individually negotiated, though)

5. Life course orientation**6. Overarching dimensions of MOPACT touched**

Social inequality could be exacerbated because employers´ can and (probably will) offer better conditions (pay, days off etc.) to resourceful elderly workers.

Intergeneration solidarity: The agreement could raise staff costs and possibly reduces wage increases available to other workers. It is not guaranteed that younger workers will get the same advantages when they are older.

7. Linkage to informal work/civic engagement/social volunteering?

8. Other socially innovative dimensions touched worth being mentioned?

9. Brief SWOT evaluation including transferability, sustainability and usability

The scheme or parts of it are transferable to the extent a collective agreement system offers some possibilities for individual negotiations.

Most elements are costly and therefore require either a higher overall wage bill or wage restraints for other age groups.

It is difficult to evaluate the labour supply effect of these schemes.

10. Further relevant information

The latest version of the agreement

<http://www.personaleweb.dk/rammeaftale-om-seniorpolitik>

http://www.personaleweb.dk/sites/default/files/Rammeaftale_om_seniorpolitik_-_en_vejledning_2012.pdf

Good Practice 3

1. Actor:

“Senior packages” - Government sponsored introduction to age management practice in SMEs (<250 employees)

Mixed strategies/actors, i.e. are there different actors involved?

Yes, employers and employees

State of the art: What is being done?

SMEs (<250 employees) can apply to the The Fund for Better Working Environment and Labour Retention (under the Ministry of Employment) for a “senior package”. 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.

Public incentives used?

Yes, package financed by the Government agency (around 1 mill. Euro annually)

In practice/idea/proposal

In practice since mid 2013. Around 40 companies have received support.

2. Reasons

Helping SMEs to keep their older workers longer

3. Description of approach

Both employability (in terms of guidance to elderly workers) – and demand side.

All aspect of 3) are covered in the individual talks with 55+ employees. But the main goal is to create awareness.

Is the approach targeted especially on older workers or on all age groups?

55+

3.1 Monetary/financial incentives

Yes, as mentioned above: 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.

3.2 Regulations, collective agreements etc.

3.3 Image and awareness campaigns

Part of an awareness campaign

3.4 Anti-discrimination activities**3.5 Networking of actors (e.g. fostering „joint/mixed approaches”)****3.6 Advise and other kind of support for employers, other key actors, key persons****4. Work after retirement (“silver work”)**

Addressed implicitly

5. Linkage to informal work/civic engagement/social volunteering?**6. Overarching dimensions of MOPACT touched****7. Brief SWOT evaluation**

Transferability should be possible (at least to cooperative labour market models). Public subsidies are needed. No evaluation/knowledge of whether it is working/effective. Also there could be a high degree of leakage, i.e. companies applying for funding even if they would have done roughly the same programme without public funding.

Strength: It may help to overcome barriers at the firm level of how to get started with age management policies.

8. Further relevant information (also sources such as literature, interviews etc.)

http://www.forebyggelsesfonden.dk/senior_vejledning.html

Good Practice 4

1. Actor

“Senior Erhverv” (<http://seniorerhvervdanmark.dk/>) – consists of 24 local networks of unemployed seniors aged 50+ who are interested in finding work.

It was initiated at the local level in the late 1990s by unemployed seniors

Mixed strategies/actors, i.e. are there different actors involved?

Unemployed seniors

State of the art: What is being done?

Each of the 24 local networks is independently administered, but form part of the structure “Senior Erhverv Denmark”.

The purpose of the local networks is to match unemployed seniors in the network with local job opportunities. Activities are member driven and includes visits to potential employers, short courses on job search and general networking among networks members

Public incentives used?

Yes, support is received from Danish Agency for Labour Market and Recruitment under the Ministry of Employment

In practice/idea/proposal

In practice since 1999. In total the 24 local networks had more than 1500 members in 2013.

2. Reasons

Helping 50+ into employment

3. Description of approach

Both workability and employability (in terms of guidance to elderly workers).

Is the approach targeted especially on older workers or on all age groups?

55+

3.1 Dimensions and quality of work

3.2 Values/Motivation

3.3 Professional Competence (Lifelong Learning)

3.4 Health

3.5 Close Social Network

This is an important part

3.6 Family, work-life balance

4. Work after retirement (“silver work”)

Addressed implicitly

5. Life course orientation

Not covered

6. Overarching dimensions of MOPACT touched

The network is open to everyone above 50 seeking employment. However, it may be that mostly resourceful individuals are using it (an evaluation report from 2007 confirms this).

7. Linkage to informal work/civic engagement/social volunteering?**8. Other socially innovative dimensions touched worth being mentioned?****9. Brief SWOT evaluation including transferability, sustainability and usability**

Transferability should be straightforward. Activity level and effectiveness likely to depend on public support but maybe other financing models can be found. A total of 40 percent of 50+ in the network returned to employment in 2013. In fact at least one of the local networks was running "low" on unemployed seniors and was actively advertising for more members.

The networks received a positive evaluation in 2007, but it is of course difficult to measure the direct impact of the networks.

The networking part in itself is positive, but it should be kept in mind that the more successful networks have a high churn of members which can adversely affect the social element.

10. Further relevant information

<http://seniorerhvervdanmark.dk/http://seniorerhvervdanmark.dk/>

Evaluation report:

http://ams.dk/upload/AMS/Publications/pub0274/Netvaerksevaluering_2005-06.pdf

4.2 Good Practices on the Demand Side of Labour

There are a number of interesting cases coming from public services. Three of these are described below.

A school - Moellevangsskolen – an ‘unretirement scheme’:

This public primary school has had success employing retired school teachers (and to a lesser extent other employees at the school) as temporary teachers in case of sick leave among and job change among regular teachers. They know the school, its value and many of the regular teachers thus they can work independently from day one.

Co-housing among individuals with reduced mental capacity - Bofællesskaberne Edelsvej:

Bofællesskaberne Edelsvej has 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. This goes hand in hand with general attention to the welfare of all employees.

Public hospital - Aalborg Hospital:

- Implementation of age management policy (bottom-up development with initiative coming from employees).
- Senior consultation/evaluation with management from the age of 51.

The first talk takes a long-term perspective (how do the employee see themselves with respect to the future). Thoughts and wishes are then followed up in the yearly employee evaluation with management. There is an emphasis on flexibility for the individual regarding function of work, working time etc. The importance of further learning is also emphasized. Senior related changes (e.g. changes of working time) have to be approved by management and have to fit into the general work plan.

Demand side: three examples from retail

Three retail chains have over the years worked to increase the number of workers age 50+ in their workforce (Silvan do-it-yourself, Netto supermarket, IKEA). Silvan has worked to attract senior job-seekers (50+). Senior employees are specifically mentioned on the website with the possibility of informally getting to talk to a senior employee before applying. Specific campaigns to get seniors to apply for vacancies have been conducted. Seniors are considered as valuable to the warehouse as younger employees and the different age groups supplement each other well with respect to preferred work hours, experience (in particular in relation to advising customers) and physical strength. Silvan emphasizes that employing seniors is not CSR, but that each hired person has to fit in and make sense from a business perspective.

Similarly, for Netto, the ambition is to have a mix of staff (age, ethnicity) which is representative of the customer base. The experience is that stores staffed with a mix of age groups have a better working atmosphere. Netto has had campaigns to attract 50+ to vacancies in cooperation with public employment service. Jobs can be physically hard (with heavy lifting), but effort is being put into adjusting job content to better suit senior workers. Dansk Supermarked (the parent company) has a dedicated section aiming at older workers on their recruitment site.

Senior workers are competing with other age groups for vacancies. IKEA has for a number of years worked to attract more senior employees to their warehouses.

IKEA has worked with senior organizations and employment agencies to attract more senior staff. The main motivation is – as in the case for SILVAN – to have a diverse workforce which resembles the customer base. The customer service aspect, customers prefer advice from people their own age or older, is also a motive. IKEA stresses that hires are “business” – not CSR. Flexible working hours suits both IKEA and seniors well. IKEA does not have a senior policy as such, but HR policy in general stresses individual development. This also means that education and training is available for seniors.

Good Practice 1

1. Actor:

- Netto/ Dansk Supermarked (grocery chain)
- Silvan (do-it-yourself chain, around 2,000 employees)
- Ikea (furniture/do it yourself chain, around 1.200 employees in DK)

Mixed strategies/actors, i.e. are there different actors involved?

State of the art: What is being done?

Silvan:

Silvan is specifically interested in attracting senior job-seekers (50+). Senior employees are specifically mentioned on the website with the possibility of informally getting to talk to a senior employee before applying. Specific campaigns to get seniors to apply for vacancies have been conducted. Seniors are considered as valuable to the warehouse as younger employees and the different age groups supplement each other well with respect to preferred work hours, experience (in particular in relation to advising customers) and physical strength. Silvan emphasizes that employing seniors is not CSR, but that each hire has to fit in and make sense from a business perspective.

Netto:

The ambition is to have a mix of staff (age, ethnicity) which is representative of the customer base. The experience is that a store staffed with a mix of age groups have a better working atmosphere. Have had campaigns to attract 50+ to vacancies in cooperation with public employment service. Jobs can be physically hard (with heavy lifting), but effort is being put into adjusting job content to better suit senior workers. Dansk Supermarked (the parent company) has a dedicated section aiming at older workers on their recruitment site. Senior workers are competing with other age groups for vacancies.

IKEA:

IKEA has for a number of years worked to attract more senior employees to their warehouses. IKEA has worked with senior organisations and employment agencies to attract more senior staff. The main motivation is – as in the case for SILVAN – to have a diverse workforce which resembles the customer base. The customer service aspect, customers prefer advice from people their own age or older, is also a motive. IKEA stresses that hires are “business” – not CSR. Flexible working hours suits both IKEA and seniors well. IKEA does not have a senior policy as such, but HR policy in general stresses individual development. This also means that education and training is available for seniors.

Public incentives used?

NONE

In practice/idea/proposal

In practice

2. Reasons

Silvan: Found that seniors provided for good customer service also in relation to the customer base of do-it-yourself people who preferred advice by older employees. The campaigns started in 2006 when it was difficult to hire and retain workers in general. Seniors often make for a more stable employment relationship because they are less likely to change jobs.

IKEA: Same as above

Netto: A good age mix in stores provides for a good atmosphere in the stores.

3. Description of approach

3.1 Monetary/financial incentives / Dimensions and quality of work

No public incentives

IKEA: For each year employed after the age of 40, employees get one extra month (to a maximum of three months) of redundancy pay in case of lay offs. After 10 years of employment, you earn the right to retire by working part time for six months with full time pay.

3.2 Regulations, collective agreements etc.

Part of agreements with employees

3.3 Image and awareness campaigns / Professional Competence

No / IKEA: training and education available for all

3.4 Anti-discrimination activities / Health

No / IKEA: Some Health benefits provided to all employees

3.5 Networking of actors (e.g. fostering „joint/mixed approaches”)/

Close Social Network

3.6 Advise / other kind of support for employers, other key actors, key persons

All three: flexible working time is seen as a benefit by the seniors employed.

4. Work after retirement (“silver work”)

Silvan & IKEA: possible and also sought after people combining retirement and work.

Netto: Employment contracts stipulate that the employment relationship ends at 70 years of age. No special effort has been done to reach out to people already retired.

5. Life course orientation

Overarching dimensions of MOPACT touched (gender, older migrants, intergenerational solidarity, handicapped workers, social inequality, regional dimensions etc.)?

Silvan: Younger workers learn from the experience of the older staff

6. Linkage to informal work/civic engagement/social volunteering?

NO

7. Other socially innovative dimensions touched worth being mentioned?

NO

8. Brief SWOT evaluation including transferability, sustainability and usability

The retail sector seems to be an interesting but overlooked options for seniors / early retirees able to work flexible (working hours and time).

Transferability in principle straight forward. However, a good HR policy is likely a prerequisite for making it work well.

9. Further relevant information

Cases:

<http://sm.dk/filer/ydelser/pension>

Seniorpraksis på danske virksomheder Friis, Karina; Jensen, Per Harboesgaard; Wègens, Jesper, 2008.

<http://seniorpraksis.dk/~media/SFR/Seniorpraksis.dk/Files/Implementering/Seniorer-i-detailbranchen.pdf.ashx>

„Aldre paa arbejdspladsen – 10 gode eksempler“, Per Tybjerg Aldrich, Marchen Vinding Petersen, Anne Lisbeth. Skytte

http://www.lo.dk/Politik/beskaeftigelse/Mere%20om%20beskaeftigelse/~media/LO/Politikomrader/Beskaeftigelse/BeskaeftArbejdsmarked/0409_Aeldre_paa_arbejdspladserne.ashx

<http://sm.dk/arbejdsomrader/sektionsside/pension/arbejde-og-pension/projekt-om-unretirement-1/virksomheder-der-har-ansat-aeldre>

<http://www.eurofound.europa.eu/areas/populationandsociety/ageingworkforce.htm>

Good Practice 2

Three examples from public services (supply and demand side of labour)

1. Actor

- Moellevangsskolen (public primary school, full-time teaching staff: 39)
- Bofællesskaberne Edelsvej (social care, full time staff 55, part time 25)
- Aalborg Hospital, Ergo and physiotherapy (health care, around 130 employees)

State of the art: What is being done?

Moellevangsskolen – an ‘unretirement scheme’:

This public primary school has had success employing retired school teachers (and to a lesser extent other employees at the school) as temporary teachers in case of sick leave among and job change among regular teachers. They know the school, its value and many of the regular teachers thus they can work independently from day one.

Bofællesskaberne Edelsvej –

‘Senior evaluations/conversations’ from 56 years to get an idea of where the employee is wrt. thoughts on retirement, further development ect. General attention to the welfare of all employees.

Aalborg Hospital –

Implementation of age management policy (bottom-up development with initiative coming from employees). Senior consultation/evaluation with management from the age of 51. The first talk takes a long-term perspective (how do the employee see themselves wrt. The future). Thoughts and wishes are then follow-up in the yearly employee evaluation with management. There is an emphasis on flexibility for the individual wrt. Function of work, working time etc. The importance of further learning is also emphasized. Senior related changes (e.g. changes of working time) have to be approved by management and have to fit into the general work plan. Thus, it is not an entitlement.

Public incentives used?

NONE

In practice/idea/proposal

In practice

2. Reasons

Moellevangsskolen: flexibility on both the employee and employer’s side makes it a perfect match

Bofællesskaberne Edelsvej: Important to have the full age spectrum among employees. Older workers complement younger ones. Older workers as ‘workplace culture carriers’.

Aalborg Hospital: Management sees a future with potential recruitment problems. However, the age management policy was initiated from the employees

3. Description of approach

Moellevangsskolen: none of points are covered, except for the network effects for the retired teachers. They get to spend some time with former colleagues

3.1 Dimensions and quality of work

Bofællesskaberne Edelsvej: Management stresses the value of all workers – and that no one should feel employment insecurity due to their age

3.2 Values/Motivation

Bofællesskaberne Edelsvej: Emphasis on a good working environment and social activities with all staff.

3.3 Professional Competence (Lifelong Learning)

Bofællesskaberne Edelsvej: investment in lifelong learning independent of age of employee. Lifelong learning is a key ingredient in the further development of all employees (older and younger)

Aalborg Hospital: Seniors have equal opportunities for further learning

3.4 Health

3.5 Close Social Network

Aalborg Hospital: Part of the agreement is an expansion of senior related activities.

3.6 Family, work-life balance

Moellevangsskolen: very flexible working arrangements

Aalborg Hospital: Individual flexibility is at the core

4. Work after retirement (“silver work”)

Moellevangsskolen: that is the purpose

5. Life course orientation

Bofællesskaberne Edelsvej: yes

6. Overarching dimensions of MOPACT touched

Moellevangsskolen: the school has made sure that ‘retired teachers’ participate in all school activities (also the less exiting ones) so as not to be seen a privileged group among the employees.

7. Linkage to informal work/civic engagement/social volunteering?

NO

8. Other socially innovative dimensions touched worth being mentioned?

NO

9. Brief SWOT evaluation including transferability, sustainability and usability

Moellevangsskolen: could be relevant for other schools. However, much of the benefit on either sides seems to derive from the fact that the unretired teachers previously taught at the same school and therefore know colleagues and daily routines. Also less unretired has been hired in times of large supply of younger teachers.

Bofællesskaberne Edelsvej: Difficult to transfer since the key value seems to come from the management. Difficult to evaluate the value-added.

Aalborg Hospital: The basis is an age management policy which is financed within the limits of local wage negotiation within collective agreement. Thus, in principle, it can be transferred to other public entities. Difficult to evaluate the value-added.

10. Further relevant information

Cases:

Bofællesskaberne Edelsvej, social care, public:

<http://www.cabiweb.dk/film/seniorer-film-fra-seniorprojektet/>

Moellevangsskolen:

<http://sm.dk/arbejdsomrader/sektionsside/pension/arbejde-og-pension/projekt-om-unretirement-1/virksomheder-der-har-ansat-aeldre>

Aalborg Hospital: Seniorpraksis på danske virksomheder Friis, Karina; Jensen, Per Harboesgaard; Wègens, Jesper, 2008

Good Practice 3

Private recruitment/temporary agencies (supply and demand side of labour)

In DK there are now a couple of private recruitment companies which specialise exclusively in placing senior workers (e.g. Senior-vikar.dk). It started in earnest in one city but is now spreading to larger towns/cities. Those I know of are commercially driven. It might be an idea to look into what valued added/barriers they overcome that traditional recruitment/temporary agencies are not able to tap into.

Potential other cases to explore (private and public companies) where there is relatively little info in the public domain:

Serviceteam Nyborg, cleaning, public:

<http://www.cabiweb.dk/virksomhed/tema-fasthold-seniorer/>

SOSU Nord, healthcare, public:

<http://www.cabiweb.dk/virksomhed/tema-fasthold-seniorer/>

Fugato A/S, Industry, private:

<http://www.cabiweb.dk/virksomhed/tema-fasthold-seniorer/>

A/S Arovit Petfood, Industry, private:

<http://www.cabiweb.dk/film/seniorer-film-fra-seniorprojektet/>

Other sources:

<http://sm.dk/publikationer/tilbage-til-arbejdsmarkedet-erfaringer-folkepensionister-og-efterlonsmodtagere-der-arbejder/@@download/publication>

<http://www.personaleweb.dk/seniorpolitik-rammeaftaler>

<http://sm.dk/arbejdsmrader/sektionsside/pension/arbejde-og-pension/gode-rad-1/gode-rad-til-kommuner-og-jobcentre-der-vil-hjaelpe-aeldre-i-arbejde>

<http://www.lederne.dk/NR/rdonlyres/C8307535-FC5D-41BE-9854-194206B49D40/0/konferenceinvitationseniorpraksisprisen021109.pdf>

<http://www.age-platform.eu/home/128-good-practices/best-practices-employment/1378-flex-seniority-a-shortcut-to-active-ageing-denmark>

[http://bm.dk/da/Aktuelt/Nyheder/Arkiv/2009/03/Ny bog om seniorpraksis paa danske arbejdspladser.aspx](http://bm.dk/da/Aktuelt/Nyheder/Arkiv/2009/03/Ny%20bog%20om%20seniorpraksis%20paa%20danske%20arbejdspladser.aspx)

<http://vbn.aau.dk/files/16359856/Seniorpraksis.pdf>

<http://www.raabokommunikation.dk/filer/Handel.pdf>

andel.pdf

<https://www.google.be/webhp?sourceid=chrome-instant&ion=1&espv=2&ie=UTF-8#q=seniorpolitik+social+innovation+site:.dk>
[https://www.google.be/webhp?sourceid=chrome-instant&ion=1&espv=2&ie=UTF-8 - q=seniorpolitik+social+innovation+site:.dk](https://www.google.be/webhp?sourceid=chrome-instant&ion=1&espv=2&ie=UTF-8-q=seniorpolitik+social+innovation+site:.dk)

<https://www.google.be/webhp?sourceid=chrome-instant&ion=1&espv=2&ie=UTF-8#q=Flex-seniority>
[https://www.google.be/webhp?sourceid=chrome-instant&ion=1&espv=2&ie=UTF-8 - q=Flex-seniority](https://www.google.be/webhp?sourceid=chrome-instant&ion=1&espv=2&ie=UTF-8-q=Flex-seniority)

<http://seniorpraksis.dk/da/Vidensbank/Case-eksempler/Eksempler.aspx>
<http://seniorpraksis.dk/da/Vidensbank/Case-eksempler/Eksempler.aspx>

<http://www.arbejdsmiljoviden.dk/Viden-om-arbejdsmiljoe/Seniorer>
<http://www.arbejdsmiljoviden.dk/Viden-om-arbejdsmiljoe/Seniorer>

http://www.forebyggelsesfonden.dk/senior_vejledning.html

http://www.lo.dk/Politik/beskaeftigelse/Mere%20om%20beskaeftigelse/~/_media/LO/Politikomrader/Beskaeftigelse/BeskaeftArbejdsmarked/0409_Aeldre_paa_arbejdspladserne.ashx

5. Extending Working Lives and Lifelong Learning: Drivers and Barriers¹³

5.1 Supply Side

5.1.1 Workability / Employability

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 are 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.¹⁴

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 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

¹³ This chapter is based on the “National Report Denmark” written Mikkel Barslund 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 as a result of Work Package 3 Task 4.

¹⁴ Detailed statistics from the working condition survey are obtained from:
<http://data.arbejdsmiljoforskning.dk/webview/>

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.

5.1.1.1 Motivations

Macro level

Financial incentives

Financial incentives to work late in the career are 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).

5.1.1.2 Health

Macro level

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.¹⁵

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.

Meso level

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.

¹⁵ The same pattern is found in LO (2004).

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 Arbejdsmiljøpris 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 and 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.

5.1.1.3 Life-cycle Orientation / Reconciliation of Paid Work and Care / Informal Work

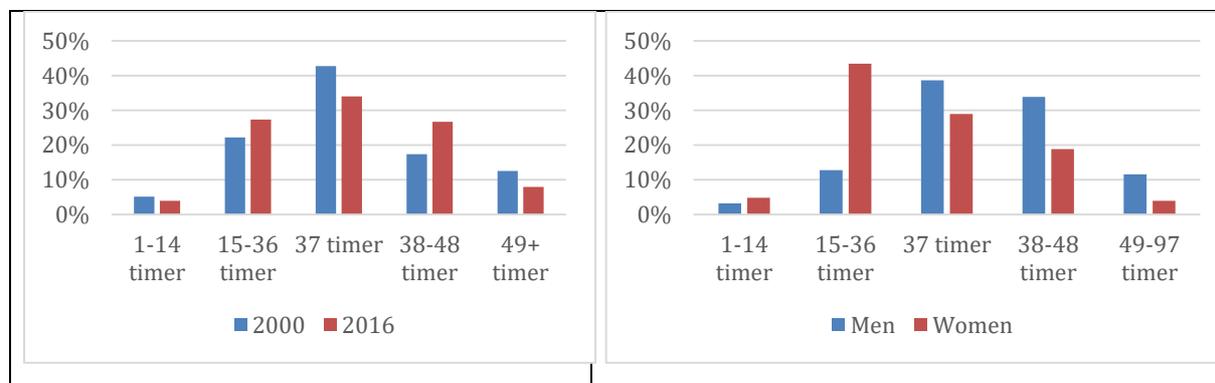
Bauknecht and Naegele (2016) defines five life cycles (from the Conceptual Framework):

- 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 5.1.1.4 ‘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 (Figure 1). 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.

Figure 5. Distribution of working time for 55-64 year olds.



Source: Statistikbanken, Statistics Denmark (2016)

Care

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.

Macro level

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)

Meso level

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.

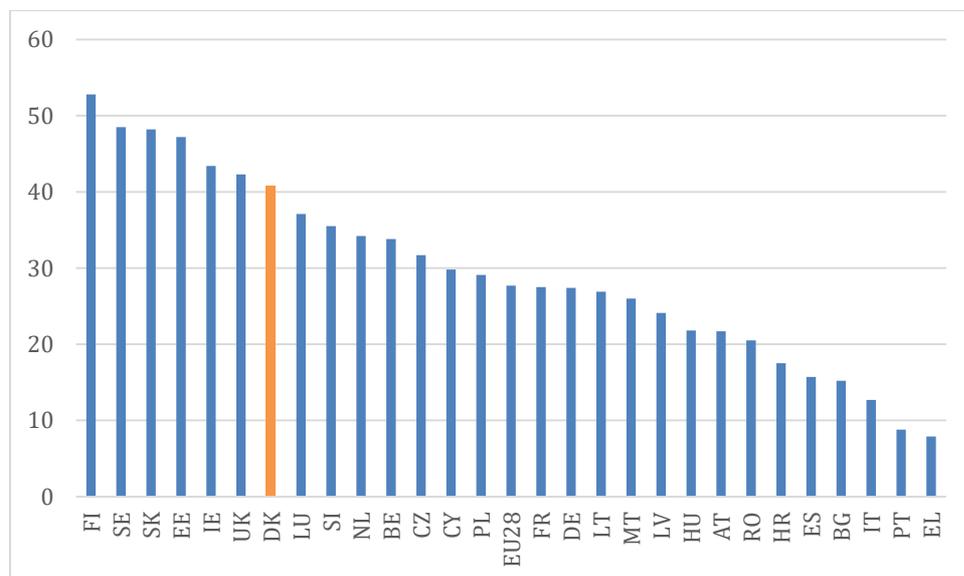
5.1.1.4 Lifelong Learning

Macro level¹⁶

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 (Figure 2).

Figure 6. 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).¹⁷ 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 2..

¹⁶ Parts of this section build on Barslund (2015).

¹⁷ Extracted from SHARE wave 5 (2013).

Table 4. 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
Denmark	33	32	27
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.

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 2).

Table 5. 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 3).

Table 6. 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.¹⁸

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.¹⁹

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

¹⁸ Of course, retrospective questions carry well-known risks in terms of recall and response biases.

¹⁹ See also Singer and Toomet (2012) for similar results from Germany.

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

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.

Meso level

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 access

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 of innovation in an occupation with many 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.

5.1.2 (Sustainable, real) Self-Employment

Macro level

As noted in Barslund (2015), the issue of the senior entrepreneur is not pertinent in the Danish discourse.²⁰ 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

²⁰ See also OECD (2015).

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.

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.

5.1.3 Work beyond Legal Retirement Age²¹

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 7).

²¹ Part of this section relies heavily on Barslund (2015).

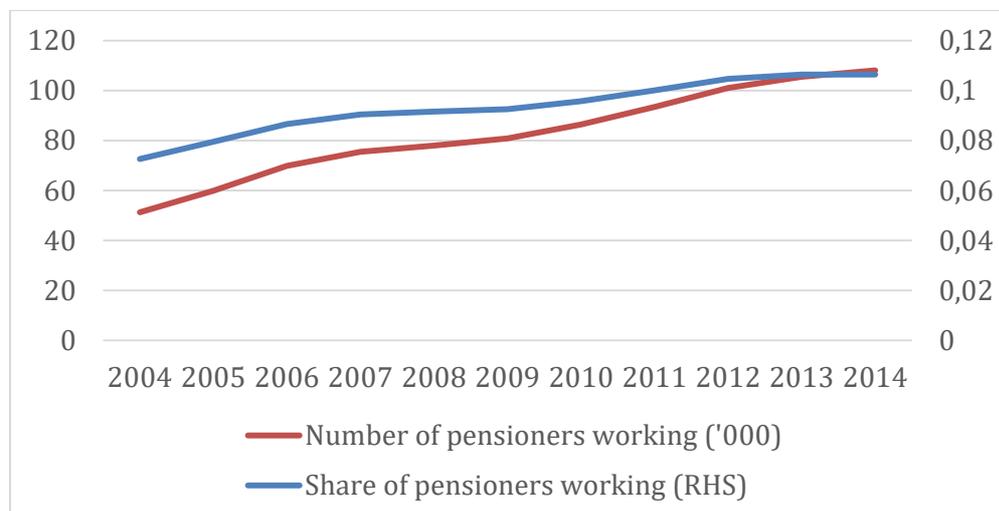
Table 7. Employment rates in Denmark

	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 (Figure 3). In 2014, 11 pct. Of all pensioners were working; the majority in the age group 65-69 year olds.

Figure 7. Working pensioners

Source: Administrative data, Statistics Denmark.

Macro level

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.

Meso level

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) (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 and shows 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.²² 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.

²² 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

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 counts 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 finance 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 agreement 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:²³ 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).

5.2 Demand Side

'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 seniorjob 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.

²³ This section is based on Barslund (2015).

5.2.1 Financial Incentives for the Employment of Older Worker

Public financial incentives for the employment of older workers

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 til four month in the same company while received 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 match 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 shorten 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.

5.2.2 Non-Financial Incentives for the Employment of Older Worker

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).²⁴ 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.

²⁴ The question asked made clear that the respondent should only consider age discrimination when it related to individuals being perceived as too old.

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