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CONFERENCE OF THE EUROPEAN EMPLOYERS' PROJECT ON ACTIVE AGEING: AGE MANAGEMENT PRACTICES IN ENTERPRISES IN EUROPE

PANEL SESSION: "THE WAY FORWARD" - EUROPEAN SOCIAL DIALOGUE CONTRIBUTION TO TACKLING THE CHALLENGES OF DEMOGRAPHIC CHANGE AND FOSTERING STRUCTURAL REFORMS

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BUSINESSEUROPE decided to carry out this joint project with CEEP and UEAPME because we believe that demography is a key issue for European growth prospects.

As this conference draws to a close, I would like to highlight a few ideas to be taken into account when drawing conclusions from this work.

This morning and earlier in the afternoon, we have discussed the impact of demographic change on European labour markets. We have also shared companies' good practices on active ageing.

Today, due to the crisis and the particularly high level of youth unemployment, the policy debate tends to focus on the integration of young people on labour markets. I am convinced that this is perfectly compatible with the development of active ageing policies. Because the reality is that if we want to promote active ageing, we must improve the overall functioning of labour markets. The best way to promote active ageing is to develop policies that improve growth and facilitate job creation throughout Europe.

1. What are the main remaining obstacles to be addressed by national policy-makers to facilitate the professional integration of older workers?

Our approach should be to remove the obstacles preventing the professional integration of any category of workers, older workers or young professionals, women and men, etc.

Let me give a few examples of weaknesses to be addressed in our labour markets that are particularly relevant to improve labour market opportunities for older workers:

- Excessive or badly designed employment protection rules. They act as a disincentive to recruitment in general but affect more particularly older workers and the long term unemployed, because they discourage employers from taking



the extra risk of recruiting persons who do not perfectly match all the requirements of the profile required.

- On the supply side, unemployment traps still exist in many countries where high benefits make it economically irrational for older workers to work or return to work.
- Labour costs of older workers are also an issue. A certain bias towards seniority-based wages and benefits systems still prevails in Europe. This can also put older workers at a cost disadvantage by disconnecting the total cost of labour from productivity levels, especially when combined with compulsory wage indexation systems which amplify this effect.
- Last but not least, inadequate skills and competences of older workers can be a risk factor as their participation in lifelong learning lags behind in many countries. We must increase this participation across Europe if we want to avoid a skills crunch in the future. Countries with the highest participation rates in this area (above 20%) are also more successful economically (e.g. Denmark, Finland, Sweden, UK).

2. What is the impact of flexible working in facilitating active ageing without disrupting the business process?

Flexible working is definitely part of the solution and can create a “win-win” situation for both employers and workers.

Flexible working helps employers to take account of variations of production cycles. But it also facilitates transitions into and out of the labour market and transmission of skills from experienced workers to younger workers, when needed. Some companies are making real efforts to reconcile workers’ demands with production needs.

A positive attitude towards flexible forms of work is therefore essential. However, to really achieve win-win situations it is essential to be well aware the complexity of managing work organisation when working patterns are very individualised and recognise that not every wish can always be accommodated.

Flexible retirement patterns are not limited to work in the context of an employment relationship. We must not forget the entrepreneurship dimension. Some retirees choose to create their own business to increase their income after retirement. If their business is successful, it can lead to job creation for other workers. In some countries, excessively stringent earnings thresholds beyond which they lose their pension rights prevent them from doing so. This represents a loss of growth and jobs opportunities.



3. What are main lessons from project and which next steps could be taken by social partners at EU level?

This project shows that if we want to improve the situation of all categories of workers, we have to open up labour markets.

Companies (private or public, small, medium-sized or large) are active and have developed practical solutions to promote active ageing, but they also measure costs and return on investment of the actions to be taken. Today, we wanted to put the spotlight on good practices and to bring added value to the European debate on this important issue. Cost implications and efficiency considerations must be well reflected in the final report.

There will be a follow-up to this project. We will discuss the issue jointly with the trade unions next year in the framework the EU social dialogue work programme.

Recent labour market data show that policy measures to extend working lives have begun to bring results, even in the present context of crisis. Employment rates among workers aged 55-64 increased by an average of 10 percentage points between 2000 and 2010.

Moreover, according to a recent Eurobarometer survey (2011), 70% of respondents believe that they would be capable of carrying out their current work until the age of 60-64, and one third stated that they would like to continue working after they reach the statutory retirement age.

So, we have positive elements to build on in order to carry out successful age management policies not only in the interest of individual companies and individual workers but also in the general interest by making our economic and social systems function better.
