

# RECOMMENDATIONS FOR PUBLIC POLICIES FOR SUPPORTING OLDER WORKERS

## BETTER WORK AT OLD AGE GUIDE



# **Guide with Recommendations for Public Policies for Supporting Older Workers**

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## Introduction

The public policy in favor of older workers in this document is one of the main objectives of the BE OLD project: Better Work in Old Age: Supporting older workers and organizational environment in coping with age transitions and work requirements.

The project implemented between 2017 and 2019 is funded by the European Commission under the ERASMUS + program.

The project is implemented within a transnational partnership that includes: **Habilitas Association**, **Cartel ALFA Trade Union National Confederation**, **University of Bucharest** (Romania), **Center for Advancement of Research and Development in Educational Technology Ltd-Cardet** (Cyprus), **DOCUMENTA**, **Instituto Europeo de Estudios Para La Formación Y El Desarrollo** (Spain), **Anziani e „Non Solo”** (Italy) and **Social Action and Innovation Center - KMOP** (Greece).

BeOLD aims to improve older workers' social inclusion by using innovative training tools. The main goal of the project is to increase professional and personal development opportunities in order to better adapt in the work place.

The project also wants to raise awareness on age management, age discrimination and ageism at work and how to create age-friendly working environments and conditions.

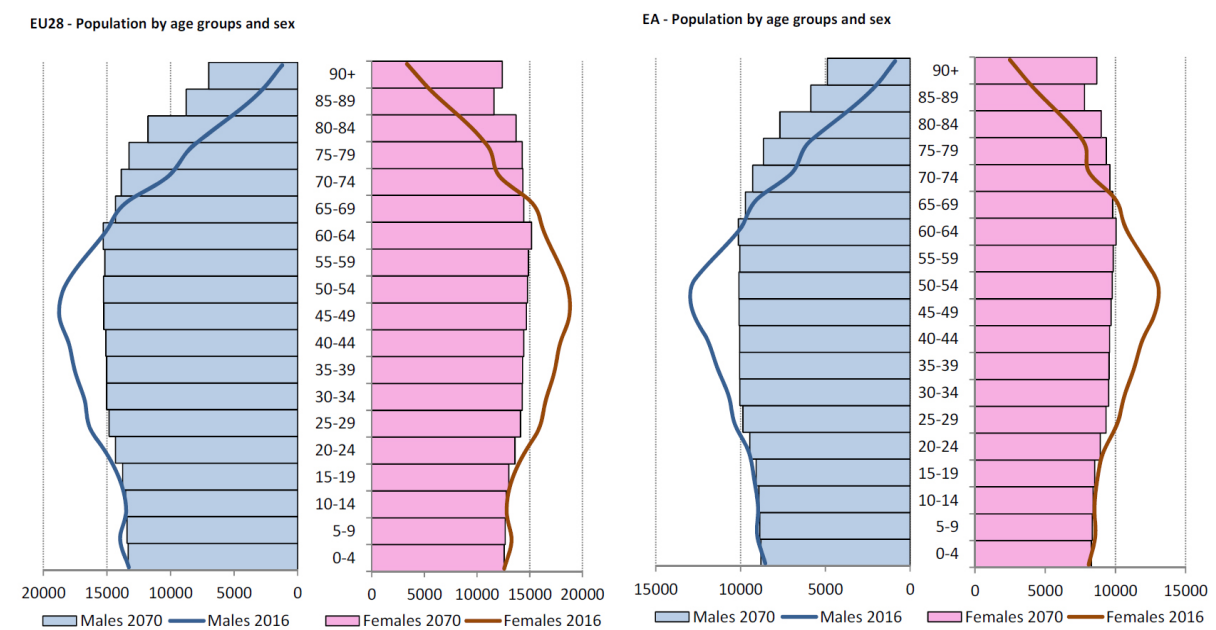


# 1. Context

## 1.1 The demographic chalange

The EU's population structure is changing and will be "turning increasingly grey" in the coming decades. The total EU population will increase from 511 million in 2016 to 520 million in 2070, but the working-age population (15-64) will decrease significantly from 333 million in 2016 to 292 million in 2070 due to changes in fertility, life expectancy and migration flow dynamics .The labor supply is projected to fall significantly over the 2070 horizon, by 9.6 % in the EU.

**Table 1: European population 2016 - 2070**



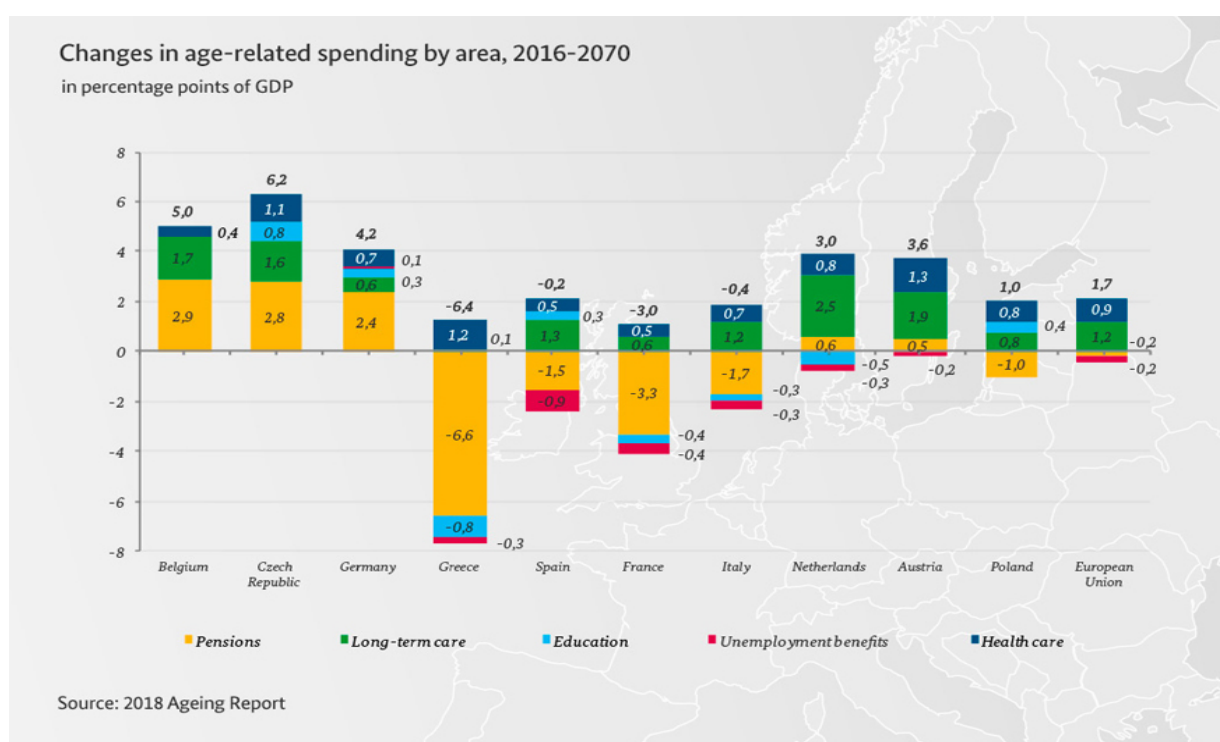
**Source:** Commission services, Eurostat.

Despite the fast demographic change faced by Europe and the accelerated aging of the population, with an impact on the labor and economy, most Member States have encouraged older workers to remain on the labor market by progressively increasing their retirement age.

As the sustainability of financing social security has been based on much younger population there are some concerns about it in the future. The rise in the proportion of older people in EU's population should not be equated with a corresponding increase in the burden on social security systems, to reach for example the conclusion that existing pension schemes will not be viable in the future. The demographic ratios alone say little about hard economic facts.

The key factor in financing the social security systems is not the demographic dependency ratio, but rather the economic dependency ratio, i.e. the number of pensioners, people receiving incapacity benefit and unemployed as a proportion of the number of employed people financing transfers through their contributions and taxes. The growth in aggregate labour productivity is another key factor, making it possible to increase the size of the "cake" to be shared between those in work and those not in work

**Table 2: Changes in age- related spending by area, 2016-2070**



For the EU as a whole, life expectancy at birth is expected to increase by 7.8 years for men and 6.6 years for women by the 2070 horizon.

Taking into account this situation the Member States implemented in the last decade a series of reforms. In the context of the labor market reform process across Europe,

different initiatives for older workers can be considered "good practices". According to A. Walker (2005), good practice in employing older workers consists in "fighting age barriers, directly or indirectly, promoting age diversity and providing an environment in which each person can reach their potential without being disadvantaged by age".

## **1.2 Incentives encouraging older workers to work longer**

The EU has called on the Member States to declare 2012 the "European Year of Active Aging and Solidarity between Generations" and to propose a wide range of activities to raise awareness and promote good practice. For example, the ESF European Network on Career and Age, supported by the European Social Fund, published a catalog of good practices in support of older workers in 14 EU countries. In addition, the EU has funded the "Best Older" initiative in the Baltic countries, a good practice that has enabled generations to collaborate, interact and develop their skills to empower and valorize 55+ people. Another EU initiative has been to develop the "Active Aging Index" which measures, on the basis of indicators, the participation of older workers in employment and active aging. (EPRS, 2014)

Member States have taken inspiration from EU initiatives and have taken steps to promote employment among older workers by developing policies and good practices.



	Age-related spending, percentage points of GDP, 2016-2070																					
	Ageing Report 2018 - Baseline scenario																					
	Pensions			Health-care			Long-term care			Education			Strictly age-related items			Unemployment benefits			Total age related items			
	2016 level	CH 16-40	CH 16-70	2016 level	CH 16-40	CH 16-70	2016 level	CH 16-40	CH 16-70	2016 level	CH 16-40	CH 16-70	2016 level	CH 16-40	CH 16-70	2016 level	CH 16-40	CH 16-70	2016 level	CH 16-40	CH 16-70	
BE	12.1	2.4	2.9	5.9	0.3	0.4	2.3	0.9	1.7	5.8	-0.1	0.0	26.2	3.5	5.0	1.4	0.0	0.0	27.6	3.5	5.0	BE
BG	9.6	0.2	1.4	5.0	0.5	0.3	0.4	0.1	0.1	3.1	0.2	0.6	18.0	1.1	2.4	0.4	-0.1	-0.1	18.5	1.0	2.3	BG
CZ	8.2	1.0	2.8	5.4	0.8	1.1	1.3	0.8	1.6	3.2	0.4	0.8	18.1	3.0	6.2	0.1	0.0	0.0	18.2	3.0	6.2	CZ
DK	10.0	-1.8	-1.9	6.9	0.6	1.0	2.5	1.2	2.2	7.4	-0.5	-0.7	26.8	-0.6	0.6	0.9	-0.2	-0.2	27.6	-0.8	0.3	DK
DE	10.1	1.9	2.4	7.4	0.6	0.7	1.3	0.5	0.6	4.2	0.1	0.3	22.9	3.1	4.1	0.6	0.1	0.1	23.5	3.2	4.2	DE
EE	8.1	-1.0	-1.8	5.3	0.1	0.3	0.9	0.2	0.5	4.8	-0.2	0.2	19.1	-0.9	-0.9	0.2	0.0	0.0	19.3	-0.8	-0.8	EE
IE	5.0	1.7	1.6	4.1	0.8	1.0	1.3	0.8	1.9	3.6	-0.4	-0.2	14.1	2.9	4.3	1.1	-0.2	-0.2	15.2	2.7	4.1	IE
EL	17.3	-4.4	-6.6	5.0	1.0	1.2	0.1	0.0	0.1	3.1	-0.9	-0.8	25.5	-4.3	-6.1	0.4	-0.2	-0.3	25.8	-4.6	-6.4	EL
ES	12.2	1.8	-1.5	5.9	0.8	0.5	0.9	0.5	1.3	3.7	0.0	0.3	22.6	3.1	0.7	1.3	-0.7	-0.9	24.0	2.5	-0.2	ES
FR	15.0	0.0	-3.3	7.9	0.5	0.5	1.7	0.5	0.6	4.8	-0.2	-0.4	29.4	0.9	-2.6	1.6	-0.3	-0.4	31.0	0.6	-3.0	FR
HR	10.6	-2.2	-3.8	5.2	0.5	0.7	0.9	0.2	0.3	3.7	-0.6	-0.5	20.4	-2.1	-3.3	0.3	-0.1	-0.1	20.7	-2.2	-3.4	HR
IT	15.6	3.1	-1.7	6.3	0.6	0.7	1.7	0.6	1.2	3.5	-0.5	-0.3	27.2	3.8	-0.1	0.9	-0.3	-0.3	28.0	3.5	-0.4	IT
CY	10.2	1.3	2.3	2.8	0.2	0.4	0.3	0.1	0.3	5.8	-1.7	-1.6	19.1	-0.1	1.3	0.5	-0.3	-0.3	19.5	-0.4	1.0	CY
LV	7.4	-1.1	-2.6	3.7	0.6	0.6	0.4	0.1	0.1	4.5	0.1	0.5	16.0	-0.2	-1.4	0.4	0.0	-0.1	16.4	-0.2	-1.4	LV
LT	6.9	0.2	-1.7	4.1	0.6	0.4	1.0	0.7	1.0	3.9	-0.3	-0.1	15.8	1.1	-0.4	0.2	0.0	0.0	16.0	1.1	-0.4	LT
LU	9.0	2.5	8.9	3.9	0.6	1.2	1.3	0.8	2.8	3.3	-0.1	0.1	17.5	3.7	13.0	0.5	-0.1	-0.1	18.1	3.6	12.9	LU
HU	9.7	-0.3	1.5	4.9	0.7	0.8	0.7	0.2	0.4	3.6	-0.2	0.2	18.9	0.4	3.0	0.1	0.0	0.0	19.0	0.4	3.0	HU
MT	8.0	-0.7	2.9	5.6	1.7	2.7	0.9	0.7	1.4	5.4	-0.7	-0.2	20.0	1.1	6.7	0.2	0.1	0.1	20.2	1.2	6.8	MT
NL	7.3	1.2	0.6	6.2	0.6	0.8	3.5	1.8	2.5	5.2	-0.3	-0.5	22.3	3.4	3.4	1.3	-0.3	-0.3	23.6	3.0	3.0	NL
AT	13.8	1.1	0.5	7.0	0.7	1.3	1.9	0.7	1.9	4.9	-0.2	0.0	27.6	2.3	3.8	0.9	-0.2	-0.2	28.5	2.1	3.6	AT
PL	11.2	-0.3	-1.0	4.3	0.5	0.8	0.5	0.4	0.8	4.3	-0.2	0.4	20.3	0.3	1.0	0.1	0.0	0.0	20.4	0.3	1.0	PL
PT	13.5	1.2	-2.2	5.9	1.6	2.4	0.5	0.4	0.9	4.5	-1.0	-0.6	24.5	2.2	0.4	0.9	-0.3	-0.3	25.4	2.0	0.1	PT
RO	8.0	-0.3	0.7	4.3	0.8	0.9	0.3	0.2	0.3	2.5	0.0	0.3	15.0	0.7	2.2	0.1	0.0	0.0	15.1	0.7	2.2	RO
SI	10.9	3.2	3.9	5.6	1.0	1.0	0.9	0.5	0.9	4.0	0.1	0.6	21.5	4.8	6.4	0.4	-0.1	-0.1	21.9	4.7	6.3	SI
SK	8.6	-0.8	1.2	5.6	1.1	1.2	0.9	0.3	0.6	3.7	-0.2	0.0	18.8	0.4	3.0	0.2	0.0	0.0	18.9	0.4	3.0	SK
FI	13.4	0.5	0.6	6.1	0.6	0.8	2.2	1.4	2.1	5.9	-0.1	-0.4	27.6	2.4	3.0	2.2	-0.4	-0.4	29.8	2.0	2.6	FI
SE	8.2	-1.3	-1.2	6.9	0.4	0.7	3.2	0.9	1.7	5.8	0.2	0.4	24.1	0.2	1.7	0.3	-0.1	-0.1	24.4	0.1	1.6	SE
UK	7.7	0.9	1.7	7.9	0.8	1.4	1.5	0.6	1.3	5.2	-0.1	-0.2	22.4	2.2	4.3	0.1	0.0	0.0	22.5	2.2	4.3	UK
NO	10.7	1.2	2.1	7.7	0.8	1.2	3.7	1.6	3.4	7.6	-0.5	-0.3	29.7	3.1	6.5	0.6	-0.2	-0.2	30.2	2.9	6.3	NO
EA	12.3	1.3	-0.4	6.8	0.6	0.7	1.6	0.7	1.1	4.3	-0.1	0.0	24.9	2.4	1.4	1.1	-0.2	-0.2	26.0	2.2	1.1	EA
EU*	11.2	0.8	-0.2	6.8	0.6	0.9	1.6	0.6	1.2	4.5	-0.1	0.0	24.1	2.0	1.8	0.8	-0.2	-0.2	25.0	1.8	1.7	EU*
EU27	11.9	0.9	-0.5	6.6	0.6	0.7	1.6	0.6	1.1	4.4	-0.1	0.0	24.5	2.0	1.4	0.9	-0.2	-0.2	25.4	1.8	1.1	EU27
EU's	10.3	0.4	0.2	5.5	0.7	0.9	1.3	0.6	1.1	4.4	-0.3	-0.1	21.5	1.4	2.2	0.6	-0.1	-0.2	22.1	1.2	2.1	EU's

Note: Unless otherwise stated, EA: euro area; EU\*: All 28 Member States; EU27: All EU Member States except the UK; EU\*s: non-weighted EU average.

Source: Commission services, EPC.

From their study, there are some key themes that can become recommendations for governments and organizations to strengthen the position of older workers on the labor market. For example, an analysis of good practices in human resource management in German companies between 1997-2005 (Zwick and Göbel, 2013) found that adapting the working environment to the special needs of older workers, such as assigning tasks less demanding, allows them to maintain the same rhythm of productivity.

In the OECD policy agenda, there are three main areas of work encouragement at an advanced age: 1. Strengthening financial incentives, 2. Addressing employers' barriers, and 3. Improving employability. A study in four European countries (France, the Netherlands, Norway and Switzerland) found that these countries have implemented policies in line with the first area of intervention proposed by the OECD, namely the strengthening of financial incentives. The implementation of policies and best practice in

the other two areas has been far less practiced, limiting only to awareness-raising campaigns on occupation and how to tackle barriers. For this reason, the authors of the study argue that more attention should be paid to the other two areas. For example, by offering better training opportunities, improving working conditions and better family policies for women. (Sonnet and Manfredi, 2014)

In other cases, there were a number of special regulations for older workers in Europe. For example, in Belgium, the federal law of December 2005 attempted to stimulate employment and economic activity of older workers by providing employment subsidies and other incentives to improve working conditions and recruitment of older workers. In Bulgaria, the Employment Incentive Act states that the state covers the salary for a period of one year if an employer hires a person over 50 years of age. In France, the National Employment Plan for Older Workers establishes a minimum of 50+ workers, and its failure is sanctioned. Slovenia offers workers over 55 for men and 51 for women the possibility of gradual retirement with a short work schedule. Spain has launched a national employment scheme for older workers in the form of partially subsidized contracts. (O'Dempsey and Beale, 2011).

The positive evolution of people living longer and healthier lives is not, however, aligned with the duration of their professional lives, as people do not remain professionally active for a longer period of time. Overall, the expected duration of working life in the EU in 2017 was 35.9 years, 3.0 years longer than in 2000 . Lack of workplaces and appropriate active labour market policies and measures, health issues, lack of relevant skills, as well as unsatisfactory work-life balance are important reasons for a premature departure from the labour market.

Although obviously it is important for workers themselves also to take responsibility for maintaining their own employability, it should be noted that key reasons for early retirement include health problems caused by physically and mentally demanding work, high work intensity, laying-off of older workers, as well as a lack of continuing training and dearth of (re-)employment opportunities. In addition, new forms of work organization are increasingly limiting older people's options to continue working for the same firm in less demanding areas.

### 1.3 Fighting discrimination against older workers

A myth about the different generations at work was that older workers should get early retirement to allow younger workers to enter the labor market. However, an OECD econometric analysis in 25 countries in 1997-2011 could not identify any relevance between increasing the employability of the older and that of young people. The analysis shows that an increase in the professional insertion of older people is equally associated with an increase in the employability of young people. (OECD, 2013)

At the same time, exposure to age discrimination or negative stereotyping influences early labour market exit decisions. If possible, people would rather see themselves and be seen as “a young pensioner rather than an old worker” and many studies around ageing at work have shown how age stereotyping plays into early labour market exits . The gender perspective on older workers’ jobs and working conditions should be considered. Research has shown that the employment of woman and men aged 50 and over is characterized by occupation segregation (i.e. a gendered division by sectors of activity of occupational categories). Over the past decade, the “semiretirement” trend is still more widespread among women than men .

Due to the heavy strain put on active individuals, who work in order to support themselves, the young population and the retired population, a stigma might form towards the older, who may be perceived as a burden. However, the stigma does not stop just within social groups, but also among some employers who might perceive the aged workforce and retired population as lacking in energy, hard to train and "unemployable".

Age-related stereotyping, and the resulting discrimination against older people, remains a major barrier to longer careers in many European countries. It is essential to combat discrimination and negative value judgments against older workers. This also requires a positive attitude to lifelong learning and preventive healthcare. A more targeted approach would save resources and make a difference in terms of quality of work where this is necessary for staying in work longer.

It is essential to combat discrimination and negative value judgments against older workers. This also requires a positive attitude to lifelong learning and preventive healthcare. In terms of productivity, it is important to note that older workers are not necessarily less productive than younger ones, but they do have different abilities and

competences, with their main strengths being the professional knowledge and experience they have accumulated over the years. The more these facts are known, the less age discrimination there will be when deciding whether to keep older workers on or to hire them as employees.

The European Union has legislated age discrimination early enough, along with the "Prohibition of age discrimination in relation to Article 19 of the TFEU and the Employment Equality Directive 2000/78". This directive, which came into force in 2000, called on all Member States to draft and transmit their own anti-discrimination laws over a period of 3 years, in line with the principles of the Framework Directive. In addition, Article 21 of the Charter of Fundamental Rights of the European Union (legally binding on EU bodies and Member States when implementing EU legislation) explicitly prohibits age discrimination. Article 25 of the same document recognizes the right of the older to live a dignified and independent life, participating equally in social and cultural life. (EPRS, 2014)

## **1.4 Key role of older workers for the economic system**

Since older people can stimulate the economy as both savers and consumers, it is clear that we should view demographic change as an opportunity, not as an obstacle. Just based on the legal and actual retirement age, people aged 60-65 are already classified as „old“. However, given the annual increases in life expectancy, including during retirement ages, this statistical indicator should not be used to assess a person's capabilities – especially since older people do not seem to become less productive, and also contribute to the creation of value. It also appears that the increase in average education levels and in health will enable people to use the years of life they have gained productively.

The European Commission acknowledges the importance of the social protection systems and the potential impact of the pension systems in keeping older employees active on the labour market. In some of the Member States there are legislative barriers that prevent older employees from continuing being active on the labour market after retirement age. The impact of such legislative barriers on active ageing should be further analyzed and potential solutions should be taken into consideration.

Labour market reform models in the Member States have been based on the realities and specific of each country, but the global economic crisis of 2008 has produced deviations

from public policies and has led to the imposition of urgent measures. In particular, the crisis and the major reforms that followed have mainly affected macro-structural areas, such as labor protection legislation (EPL), unemployment compensation, minimum wage and general wage policy (Turrini et al., 2015) . For example, Austria, in the context of labor market flexibility, canceled the exceptional rule that a company could not lay off a 50-year-old worker and two years in the company (CE, 2017).

One of the outstanding phenomena generated by economic and social transformations is the segmentation of the labor market, which refers to a breakdown of safe and insecure jobs. Labor market segmentation addresses issues in major areas of the economy and the labor market, such as macroeconomic efficiency, workers' rights, and social cohesion in general. A segmented labor market is characterized by significant mobility barriers and the high share of workers who feel „caught” in unstable and insecure workplaces without an alternative. This phenomenon mainly affected the young generation during the crisis, in many European countries (especially the southern ones). In this context, European countries intervened through reforms in specific areas, such as: employee protection (measures to prevent dismissals and restrictions on the conclusion of fixed-term contracts); stimulating the employment of unemployed; the intensity of active labor market policies. An example of this is France, where a stimulating measure for employing young people or older people with permanent contracts is that employers are exempted from contributions to the state for a certain period of time. (Eichhorst, Marx and Wehner, 2017)

Regarding the development of competences and skills, in December 2016, the European Council adopted the EC Advocacy Improvement Initiative that requires Member States to develop and adopt a series of specific interventions to strengthen the basic skills and competences of adults, 63 million in number in 2016 (EC, 2017). Lifelong learning and skills upgrading are another major challenge for the current and future workforce, as technology is constantly evolving, thus influencing work environments. Against this background, the results of the OECD's 2002 Pivotal Adult Skills Study (PIAAC) show that less qualified workers who have not been trained to develop or update their cognitive capacities are more vulnerable to technological change and less competitive on the market work (OECD 2013). The EU nevertheless offers lifelong learning opportunities for older adults, such as Grundtvig actions that support partnerships and exchanges of senior volunteers across Europe (AGE Platform Europe, 2012).



Regarding retirement issues, the standard retirement age has grown throughout Europe to keep workers on the labor market as long as possible. However, besides the age limit, there are other policies that governments and organizations can implement to strengthen the position of older workers. For example, a law has been adopted in Germany that flexibly and mitigates the transition from work to retirement. Specifically, this law promotes „retirement“, a process that combines early retirement and part-time work, while providing incentives for additional income instead of a standard retirement pension. This practice allows older people to remain on the labor market after retirement age, giving them the possibility to acquire supplementary pension rights and at the same time relieving employers of the obligation to pay contributions to the state. (CE, 2017)

## 2. Proposals for public policy suggested by partners

Based on the research carried out throughout the project, the partners from the five countries: Romania, Cyprus, Greece, Italy and Spain made a series of policy proposals in favor of the elderly workers as follows:

### 2.1 Greece

Greece is in a transformative phase in terms of the wider economy and labour market. The labour market is one of the main pillars of Greek society and the issue of older workers is one of the special cases that will define the present and future of economy and social cohesion. Ageing societies and ageing workforce is a common issue in all European societies and Greece is not an exception. Moreover, the economic downturn that the country has been under made this transformative phase even harder for many people. Nowadays, with the extension of retirement age limits and other reforms, workers 55 years old and older became a basic part of the workforce and a lot needs to be done in order to develop productivity and job satisfaction in this particular age group.

In the context of our study, we identified the main reforms and changes regarding policies and legislation in the labour market and for older workers particularly. Although many things have changed towards legislation, specific policies and incentives for older workers are still absent from Greece, both in public and private sector. A positive fact is that age discrimination seems not to be a problem, at least in the working environment, because for those older people who become unemployed, the return to the job market is not easy and this seems to be a serious problem and a sign of age discrimination. Though our sample of five older workers and four Human Resource managers is small, the results of the interviews were helpful to identify the main barriers older people are facing and also what they consider to be the advantages and the disadvantages in the working environment, as they grow older.

What the participants mostly highlighted was the fact the physical condition can be considered as a barrier that matters, together with routine and lack of motivation. Our

interviewees stated that motivation in the form of financial incentives, training and mentoring opportunities could make them more willing to work and remain productive.

In this context, the first policy to recommend is the adoption of certain measures towards the provision of extra incentives to the workers above a specific age limit. These incentives could be in the form of established lifelong learning opportunities, in order to keep up with technological and managerial advances. This kind of training could be centralized by the state or within organizations through collective agreements. The compulsory form of this practice would make older people to adapt into the continuous training culture and become more active and willing to improve themselves. The BeOld project is a good example towards this direction, with the vocational counselling methodology address to older workers. In practice, the budget for this kind of training can be covered by multi-stakeholder partnerships under the umbrella of the state or the EU, which funds this kind of initiatives all across Europe.

The second policy recommendation refers to mentoring. As experience and “know how” from the years in work allow older workers to be considered as ‘expert’, a good practice might be the spreading of this knowledge to the younger colleagues through mentoring. Mentoring practice has a twofold benefit for an organization. First, as we saw above from bibliography and from interview answers, mentoring gives extra motive to older workers to continue to be productive and willing to offer in work and in parallel the organization can save money that in other case would spend to pay external trainers or to cover the expenses for training seminars. By establishing mentoring practice creates an internal procedure, by which knowledge passes from one generation to the other, creating an environment of interaction and trust. This practice to be adopted is more a matter of willingness and good coordination, rather than money spending.

## 2.2 Cyprus

On the basis of the desk and field research in Cyprus the main conclusion is that age discrimination in the workplace is not a tangible phenomenon experienced by those in the age group. In other words, it does not seem that those over 55 face explicit discrimination at work by their employers or others due to their age. Rather, it seems that age discrimination is a personal experience of older workers whose lack of technological skills as a default of their age causes them to feel threat/insecurity in the workplace. Hence what is perhaps necessary is for the state to set training programs within the private and

public sector that are tailored to meet the needs of older workers with regards to technological skills.

Companies' hiring strategies should also be somewhat regulated by the state in order to prevent the non-employment of those over the age of 55. This however is something which is currently in place as the Cyprus Ministry of Labour, Welfare and Social Insurance has launched a program developed to encourage the employment of elderly over 50 years old.

Some good practices that were mentioned and are noteworthy to be included are as follows:

- Tailored training regarding technological skills of those over 55.
- Provision of flexible working hours for those over 55.
- Job enrichment by setting in place incentives to boost motivation and to amend routine
- Mentoring schemes (pairing older workers to train/mentor younger workers) that help those over 55 to feel confident and of value to the company.

### **Policy recommendations**

- Creation of state policies that focus on the empowerment of older workers within employment by boosting both technological and personal skills.

The key barrier that was identified both by the HR Managers and the employees over 55 were related to the group's lack of technological and personal development skills. In Cyprus, the state currently launched a program that aims to encourage the employment of elderly over 50. However this is not sufficient to target the insecurities that this group faces when in employment. Hence policies should be directed more at the empowerment of older workers when in employment, rather than solely focusing on including them in the labour market although that should not be dismissed either.

Potential impact and risk: Developing such a program needs to take into account the specific gaps faced by this age group and in relation to their industry. This would require an extensive amount of time and resources. Nonetheless efforts such as these will significantly advance the benefits of age diversity in the workplace.

- Amendment of working schedule of those over 55 so as to ensure work/life balance

Most employees mentioned the importance of having a more flexible working schedule that corresponds to their physical and psychological needs. Policies focused on addressing these in relation to this age group could positively change the productivity and motivation levels of those over 55.

Potential impact and risk: The employees would have to be trained in advance to learn the basics of working with a flexible schedule so as to avoid creating an adverse effect of them lacking self-discipline and time management skills that are necessary to ensure such a schedule is constructive both for the company and for themselves.

On a final note, Cyprus is still at its early stages regarding policies and practices directed to ensure age diversity in the workplace. It seems that age discrimination experienced in companies by the over 55s, seems to be less explicit and more related to their individual feelings of insecurity due to their outdated work-related technological skills. It is certain that best practices from EU should be adopted in Cyprus to effectively lay the foundations for effective age diversity in the workplace. Indeed, the current BeOld project is one step forward towards achieving that.

## 2.3 Italy

HR managers and workers aged 55+ reported physical concerns as the main barrier to longer working lives. The physical condition is a barrier which is particularly relevant for workers with demanding occupations. The lack of investments in the development and the upgrade of workers' skills throughout their career is also an identified issue. Finally, the research highlighted that linking fiscal incentives to age considerations can play against the inclusion of some age groups in the labour market, as well as create conflicts among generations and forms of ageism.

In order to tackle the three identified barriers, Anziani e Non Solo would propose:

- To revise the list of 'demanding jobs' that are concerned by the "social advance pension" (see paragraph 3). With the increase of the average pension age, the list of jobs that are considered 'demanding' should be further revised to allow a growing number of older workers to retire earlier because of the effort that their jobs require. However, given the very high Italian pension expenditure, more initiatives should be taken or supported by public authorities to explore opportunities for those workers to change their careers. The example proposed by the care service provider (see paragraph 4) is for example an innovative project that should be supported, tested, adapted, and up scaled.



- The European Social Fund and other relevant funds could be used to encourage companies to create more integrated age management strategies that support the life-long learning of workers. Systems should be developed to recognize, certify and validate the experience of workers throughout their working lives to increase their opportunities to stay 'employable' in the labour market. Synergies should also be created between the 'Alternanza Scuola Lavoro' Programme (Alternanza Scuola Lavoro, 2018), which allows student to acquire practical experience in companies/ organizations, and mentorship programs in companies/organizations. Older workers could become young students' mentors so that older generations' skills are better transferred to younger generations. This could also be an option to allow workers with more demanding jobs to stay longer in the labour market by devoting the last working years to a task which is not physically demanding.
- Fiscal incentives to hire unemployed people should not be linked to age considerations only, in order to avoid age discrimination and conflicts among generations. In order to keep workers for longer in the labour market, better fiscal incentives should also be provided to companies that help their employees combine their personal/care responsibilities with their work. This second set of incentives would have the benefit of increasing the very low employment rate of women who are more often reducing their working hours or leaving the labour market because of family responsibilities. By providing more fiscal incentives to help workers combine family and work responsibilities, Italian policy makers could also encourage more families to have children or more children, thus indirectly contributing to the sustainability of the Italian pension system.

Finally, given the fragmentation of national interventions to support older workers, the website of the Italian Ministry of social Affairs could also be used as a platform to gather the main relevant policies, funds and measures. This way, the website would become a platform for the HR managers who wish to build their capacity in this area, as well as for the older employees who wish to better know their opportunities in the labour market.

## 2.4 Spain

The contribution of our study in the older workers' employment research field aims to be the development of specific policy recommendations, in order to provide some practical solutions for European/national and organizational level. The desk and field research in the five European countries allows us to identify some common issues and relevant policies that could apply in the European context. The policies we propose as results of

this study are based on the findings of the interviews with the older workers and Human Resource Managers in all five case studies of our sample. Therefore, the practical implication is of high probability, as came out of the everyday practice in working environments. The policy recommendations we propose are the three following:

### **Amendment of working conditions according to employees' needs**

As we identified physical condition as one of the major barriers for older workers in our study, in most national reports there are recommendations for relevant policies in order to tackle potential barriers regarding physical condition. More specifically, the first policy recommendation of the Italian report is the revision of “demanding jobs” by the “social advance pension” in order to allow older workers in those occupations to enjoy more benefits regarding retirement age and other incentives. Additionally, in Cyprus a recommended policy is the amendment of working schedule, in order to provide more flexible and age-friendly circumstances for older workers, such as flexible working hours or less physically demanding tasks. However, any particular age management initiative must be carefully formulated, in order to avoid conflicts between generations. As the Italian report states, fiscal incentives for companies must not be linked only to age, but also to take into consideration other indicators, as gender or family responsibilities.

### **Lifelong learning as a compulsory process**

The other main barrier for older workers that we highlighted in our research is the potential digital competence incapacity, which belongs to the learning domain. To combat older workers' deficiency in digital competence, there is a need for training and life-long learning process in general for this age group. In this context, all five reports recommend as policy the establishment of training opportunities both on national and organizational levels. More specifically, the Cypriot report proposes tailored training regarding technological skills of those over 55, while the Greek report recommends compulsory centralized training, funded by the EU/State or the organization, in order that workers keep up with technological and business advances. A similar recommendation appears in the Romanian report, verified also by the overall results of our sample, which show that workers attend training seminars funded by the employer or training that is free of charge.

### **Mentoring as a standard procedure**

Finally, as mentoring capacity has been identified as a special characteristic of older workers in most national contexts, a policy recommendation could be towards this direction. According to literature (Farr, Tesluk & Klein, 1998) and common experience, mentoring has a twofold positive impact on an organizational level. Firstly, it gives extra motivation to the older worker as he/she interacts with younger people and shares his/her knowledge and secondly the organization saves resources as an internal training takes place and there is no need to address to external trainers. In this vein, Romanian and Spanish reports calls for mentoring/tutoring programs and the Greek report as well highlights the significance of mentoring as a tool of both personal and organizational development. Therefore, an official policy in organizations could be the recruitment of older workers in mentoring and also the development of a process of internal training and interaction between generations.

## 2.5 Romania

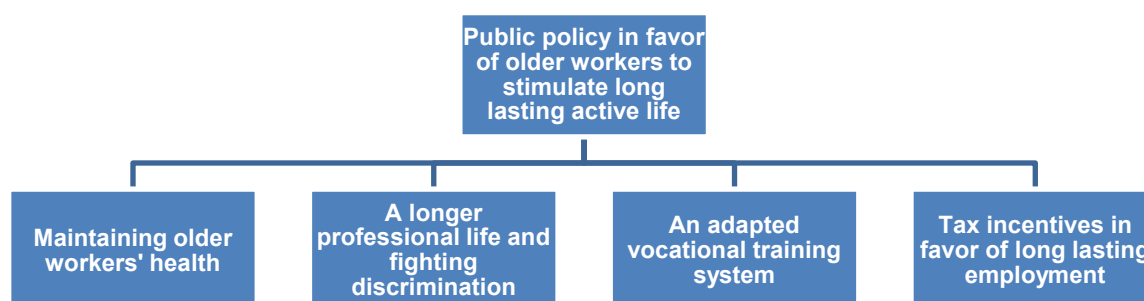
Despite the dramatic demographical change which Romania is facing and the accelerated and continuous aging process of the population, which will impact on the labour market and economy, there are no measures implemented to support older workers and to maintain them on the labour market, except the progressive augmentation of retirement ages for both men and women. The young people benefit from such measures – facilities for employers, and stimulants for them in order to get employed. There are public national strategies which document the need for such measures and also provide concrete actions to be taken in this area. As we could conclude from the interviews conducted in our research, managers affirm that older workers are real assets for companies, providing expertise, maturity, stability, being mentors for young workers and equilibrating the teams. The huge potential of older workers has to be exploited in the benefit of productivity and for facilitating an active aging and a healthier life until advanced ages.

On the other hand, older workers evaluate themselves at higher levels in terms of skills acquired and used, and they do confirm the idea that an adapted work environment and facilities, such as part time work, for them would help them to adjust to age changes and to stay active longer on the labour market. The reality discovered through this research is that older workers benefited of training courses paid by the employer, but only for building up technical skills. There are no companies which provide training programs to help them in order to prepare for age transitions, a better integration on the labour market and new perspectives in their career and life.

A measure that could be more easily implemented would be to introduce compulsory training programs in companies (private and public, which have older employees) that target personal development of older workers, support them to adjust to age changes and to re-calibrate their skills and competences for a future career or for a rewarding retirement period. This training program would be in the responsibility of HR departments or these services can be externalized and subcontracted from training providers. Its duration can be from 2 to 5 days and will be assessed through a training report elaborated by the trainers, which will contain the trainees' feedback. Older workers can also benefit from personalized plans that can be elaborated within the company, again by the HR specialists and the older workers themselves, or in counselling centres/offices of the workforce occupation. These plans will contain career objectives for later life and retirement preparation actions to be undertaken. The final goals, as the National Strategy on Social Inclusion and Poverty Reduction affirms, are that all persons who work can participate in all aspects of society and those who retire live in dignity, maintain their independence and enjoy life thoroughly.

### 3. Public policy in favour of older workers to stimulate long lasting active life

According with our research during the project life, public policy in favor of long lasting active life should be based on four pillars:



The contribution of our research in the field of older workers' employment research aims to develop specific policy recommendations to provide practical solutions at European / national and organizational level. Office and field research in the five European countries help us identify some common issues and relevant measures that could be applied at European level. The policies we propose are based on the conclusions of interviews with senior workers and human resources managers from all five countries of our study. Policy recommendations result from the daily practice of respondents.

The principle from which we start is to recognize that hiring or keeping older people in the workplace has become a serious challenge in the recent past that addresses mainly to EU companies and the labor market, which must be assumed as public responsibility at the central level. Co-operation between several governmental structures (ministries, agencies) at central government level needs to be doubled by cooperation between the various organizational actors directly involved (companies, NGOs, pension funds, health



funds). The public policy proposal we are advancing is the premise of a strategic framework that can accommodate the multitude of particular situations in which the problems of the older worker manifest - both strictly in the space of the labor market and outside it in the public space.

The concrete measures and actions proposed under this public policy can then be tailored and customized into specific plans at the level of the communities concerned. We therefore recommend a structured strategic framework on three levels of institutional and organizational construction: European, central, governmental, normative and corporate, of individual actors who face daily concrete situations.

Also, the public policy we are proposing should have as a central element the construction of an integrated and management intervention system for the support of older workers.

### **3.1 Maintaining older workers' health**

According to Eurobarometer data, more than a third of the 55-64 age group employees declare they are willing to continue their professional activity after retirement age if they are healthy. That is why it is extremely important for public policies to help maintain the health of employees throughout their working lives.

The following policies and measures can help maintain worker health:

- Permanent adaptation of workloads to the worker's capacity in order to avoid affecting the state of health.
- In many sectors the health of the workers is affected by working conditions. Introducing robots or automation wherever possible, especially for replacing workers performing hard and hazardous jobs. Adapting the working environment to the special needs of older workers, such as assigning tasks less demanding, allows them to maintain the same rhythm of productivity.
- Flexible working program for workers over 55. Most employees have mentioned the importance of a more flexible work schedule that matches their physical and psychological needs. Policies focused on addressing these issues could positively influence the productivity and motivation of 55+ workers.
- Assign new stimulus responsibilities to motivate the older worker and remove it from routine;

- Implementation of stress reducing strategies at workplace (such as mindfulness programs or facilities for treatment and rest)
- Mentoring schemes (pairing older workers to train/mentor younger workers) that help those over 55 to feel confident and of value to the company.
- Adapting the current health and care systems to meet future demands. National policies and social partner initiatives have focused on promoting “work ability” – a concept that combines the ability to continue working because of improved health and enhanced employability through ongoing skills development; flexible working arrangements – time, place, contracts;
- Measures to ensure that people are physically and mentally able to remain in work longer, by making working conditions favorable for older people, while bearing in mind that the demanding nature of work may impose limitations and ensure these limitations are properly monitored and managed;
- An European policy on work health and security;
- Introduce effective prevention strategies and risk assessment, taking into account existing legislative obligations, including training of all workers on health and safety rules at the workplace;

### 3.2 A longer professional life and fighting discrimination against older workers

Continuing working life after retirement age is one of the policy areas in which, accordingly with the research conducted at the national level, we propose the following:

- As we have seen in interviews conducted within our research, managers say older workers are a winner for companies, providing expertise, maturity, stability, being mentors for young workers and balancing teams. **The huge potential of older workers needs to be exploited** to the benefit of productivity and to facilitate active aging and to ensure a healthier life up to older ages.
- Stimulating the continuation of active life through higher valorisation of pension rights after retirement age.
- Removing legislative barriers that prevent continued working life after the legal retirement age. In some Member state there are legal providing that forbids the continuation of working life at workers will;

- Prohibition by law of dismissal of + 55 age workers; Base redundancy decisions on objective, job-related criteria to ensure the skills needed are retained and ensure that retirement schemes are fairly applied;
- Tighter legislation for combating all forms of discrimination;
- Conduct research to establish whether the low employment rate among older people is an effect of discrimination on the labour market;
- Initiatives and campaigns focused on up-skilling women to facilitate their return to work after a break;
- Intergenerational and mentoring programs;
- Early education regarding the aging process (in schools);
- Promote recruitment on the basis of the skills needed and selection on merit;
- Base redundancy decisions on objective, job-related criteria to ensure the skills needed are retained and ensure that retirement schemes are fairly applied.

### **3.3 A vocational training system that allows an update of competencies correlated with technological change**

Maintaining older workers' in-work requires a permanent adaptation of skills correlated with technological dynamics. Based on our research we are recommending the following policy to be considered by Member States, social partners and local authorities when they are addresses the older workers issues:

- Safeguard respective public financing for pro-active labour market policy to reintegrate older unemployed people into the labour market, including advice and support for job-seekers and reduce the risk of long-term unemployment; this also means allocating the necessary resources for a pro-active labour market policy;
- Provide a full range of advisory and support services for job-seekers, as well as tailor-made placement support (e.g. state-subsidized employment, transitional support, non-profit-making social projects) and preventive and rehabilitation measures to support long-term reintegration at all ages;
- Measures introduced by companies, through collective agreements or by law to achieve more participation of older people in continuing training (e.g. incentives to remedy the low level of participation in in-service training, especially among under-

skilled workers, provision of the necessary funding for a campaign to improve skills among the over 40s, and improving the legal framework for training leave).

- Strengthen the role of NGOs in supporting adult learning programs and become partners with governments to implement large-scale educational initiatives for older people;
- Implement (paid) training leave policies to increase the participation of adults in vocational education, as it may help to overcome both time and cost barriers;
- Increase older people's access to digital technology, including through the adaptation of equipment and software for their specific needs (e.g. multilingual software);
- Financially support targeted vocational training program and practical and tailored ICT training programs for the over-45 age group. Training opportunities making particular use of resources made available by European Social Fund;
- Recognition of the newly acquired skills, either formally or informally, through certificates and qualifications, and also recognition of the 'learning by doing' competencies;
- Awareness-raising campaigns regarding the importance of lifelong learning and digital training possibilities offered to older people;
- Awareness-raising campaigns on the importance of a lifelong learning mind-set in the context of the future of the work and active ageing.
- Develop the capability of the EU Member States to gather, analyse and interpret statistical data regarding labour market trends, older workers employment rate, people's skills gap, as well as other changes in the society.

### **3.4 Tax incentives in favour of long lasting employment**

Tax incentives and fiscal policy are other instruments identified during our research as being in favour of long lasting employment. In these respect we recommend the following measures to be considered by the Member States when implementing policy in favour of older workers:

- Tax incentives for businesses to invest in continuous training and development program for employees as well as in attracting and hiring older employees;
- Tax incentives for businesses that are employing older workers from the age group 55 – 64;

- Greater financial valorisation of the work periods after retirement;
- Legal providing for reduce rates of social security contribution for workers that are continuing working over the pension age.



## Conclusions

Based on the research carried out during the project, the partners from the five countries, Romania, Cyprus, Greece, Italy and Spain made a series of policy proposals in favour of the older workers. In drafting the public policy presented, we grouped the more than thirty punctual proposals within four pillars.

The measures we have proposed under the first pillar, maintaining the health of the workers, are very important because many of the older workers would like to continue their active life even after the legal retirement age. Therefore, the continuous improvement of working conditions must be a priority for all Member States.

A longer professional life and fighting discrimination against older workers is the second pillar, within which measures such tighter legislation for combating all forms of discrimination, research to establish whether the low employment rate among older people is an effect of discrimination on the labour market, or initiatives and campaigns focused on up-skilling women to facilitate their return to work after a break, can be taken.

Within the third pillar, a vocational training system that allows the adaptation of skills and competences in relation to the dynamics of technologies, all interested actors governments, social partners, civil society organizations, local authorities can play an important role in all stages of the process.

The fiscal stimulus policies included in the fourth pillar are additional measures to those in the first three pillars. Used intelligently they can encourage older workers to significantly continue their professional activity. These measures can be implemented by national legislation or by collective agreements concluded by the social partners.

We are aware that some of our policy proposals can be found in some EU Member States. However, we consider that, at national level, this policy proposal is sufficiently flexible and will allow governors or legislators to choose different combinations of one-off proposals that would best suit the context.

Considering that in the five Member States from which the project partners come from, many of the policy proposals for older workers are currently lacking, this policy guide can be a useful tool for all stakeholders interested in promoting policies for older workers.

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