



Active ageing

info sheet

'People in good health will have to work longer, but not necessarily full time. We will see more flexible retirement schemes, combining part-time work with pensions, and a change in perceptions as to what retirement and work mean. We need to invest more in the human capital of older workers and provide attractive, healthy working conditions.'

Vladimír Špidla, EU Commissioner for Employment, Social affairs and Equal Opportunities



Context

Europe has seen much economic and social progress over the last 50 years and – although there are large regional and social differences – Europeans are living longer than ever before, on average eight to nine years more than in 1960. The increased lifespan is great news but also poses many questions for individuals, their families and for social systems. Other demographic developments reinforce the challenges: fewer children are being born which means fewer people paying into state pension and healthcare systems, as well as a smaller pool of potential carers.

Policymakers are beginning to reconsider the role of older people in society as both providers and consumers. If current levels of productivity and pensions are to be maintained, more people will have to work for longer. Business is increasingly taking a more differentiated approach towards older people, be it as potential customers with considerable spending power or as valuable resources in the workplace in terms of skills and knowledge. Foundation research addresses these aspects and provides individuals, companies and policymakers with relevant information, examples of good practice and strategies for change in the workplace.

Active ageing

Older people are active in employment, in the family and in the community. However, retirement from paid work at the age of 65, and usually earlier, has become the norm. Investment in training and further education for anyone over the age of 55 was often regarded as a waste of resources and seldom happened. Early retirement was often used as a tool for restructuring, particularly in sectors that were struggling for profitability in the face of international competition but also in the public sector.

Now, some Member States have moved to raise the retirement age (Germany to 67) or sought to encourage workers to stay in their jobs longer. This promotion of employment opportunities for an ageing workforce requires rethinking at company, national and EU level. In particular, this means:

- introducing policies that maintain and promote the health of employees,
- developing and updating the skills of older workers through training,
- providing suitable working conditions including measures to reconcile work with family and care responsibilities – of growing importance in an increasingly female older workforce.

Companies also need to pay more attention to the prevention of burnout which can lead to long-term illnesses and problems with keeping or reintegrating workers with health problems into the workforce.

Life-course approach

Ideally, these policies should be part of a broader life-course perspective. By adapting career paths to the needs of workers at various stages in their lives, companies can maintain workers' motivation and health. This applies especially to facilitating the transitions between working and non-working periods, be it time taken off for further education, child- or eldercare or for providing a gradual transition into retirement. Attention to the realities of the life course should help to increase employment rates for women in particular, who tend to take more breaks in their working life and would profit more from better transitional arrangements.

Silver economy

Public authorities face increasing demands to provide services and facilities that meet the diverse leisure, social, housing and health needs of an ageing population. In addition, a growing number of older people have more disposable income, and, just as importantly, the time and inclination to spend this money. Having paid for their homes and their children's education, they are turning towards their own needs. Often, however, businesses are poorly prepared for this clientele. Older people are looking for varied and tailored services and products that fit their specific circumstances. The challenge for businesses is therefore to recognise these needs and provide for them. Specific products tailored to this market range from particular product designs on appliances (from mobile phones to cars) to specialist financial services (e.g. new forms of mortgages with shorter durations, specialist additional health care insurance) health or care services and travel offers.

Employment in the care sector

As the number of dependent older people increases, the care sector has needed to develop in parallel. Traditional family structures, where several generations lived together and the extended family lived nearby, have become less common. While most care is still provided by spouses and adult children, the role and contribution of formal paid care workers has become more important. The Lisbon goal of increasing women's employment rates will further affect this, as women tend to shoulder most responsibility in caring for family members. So reconciliation of working and caring responsibilities (also for grandchildren) is becoming a key issue for the older workforce. Policymakers are looking for sustainable strategies to deal with the consequences, for example by providing tax breaks for those employing carers.

An increasing demand for workers in the care sector also raises concerns about where suitable care workers can be found, as well as regarding qualifications of carers and their working conditions. In this context migrants often make up a large part of the workforce, so the care sector is also an important testing ground for policies directed towards integration of migrants and the transferability of qualifications.



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Policy responses

The European Council has agreed specific targets for older workers – to increase the employment rate of workers aged 55 to 64 to 50% and to delay their exit from the labour market. An important aspect of this is to emphasise lifelong learning and improving workers' skills. People with low skill levels are almost twice as likely to be out of work as those with high skills and generally have shorter working lives.

Many Member States are rethinking their tax and benefits systems to encourage workers to remain in the labour market longer. This includes:

- making early retirement less financially attractive,
- making it more difficult to remain on unemployment/invalidity/early pension benefits until retirement,
- promoting flexible phased retirement solutions,
- combining pensions with part-time work.

The European Council is promoting a life-cycle perspective on work as well as active ageing policies that include tax benefits and active labour market policies geared towards the needs of older workers. Supporting policies and practices are also essential in the workplace as well as considering health and reconciliation issues and training and work organisation.

Further information

- Eurofound, *Working time flexibility in European companies*, Office for the Official Publications of the European Communities, Luxembourg 2007
- Eurofound, *A guide to good practice in age management*, Office for the Official Publications of the European Communities, Luxembourg 2006
- Eurofound, *Employment in social care in Europe*, Office for the Official Publications of the European Communities, Luxembourg 2006
- Eurofound, *Employment initiatives for an ageing workforce in the EU15*, Office for the Official Publications of the European Communities, Luxembourg 2006
- Eurofound, *Age and employment in the new Member States*, Office for the Official Publications of the European Communities, Luxembourg 2006

For the last two reports, there are also national overview reports available from the Eurofound website. A database, drawn from all 27 Member States, of 200 company case studies on good practice in European companies is also available, at <http://www.eurofound.europa.eu/areas/populationandsociety/ageingworkforce.htm>

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