Strategies to promote employability of older workers – the status of policy on age and employment in European Union Member States

Thematic Paper

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1. Background

1.1 This paper considers the issues of extending working lives and of promoting age equality in the labour markets of the Member States. It is in the area of employment and related areas such as pension policy that European policy makers have taken the greatest interest in older people recently, after a long period when the main focus was on early retirement, and labour force participation rates among older workers declined markedly (Feldman 2004; Kotowska 2003). It is against this background the current actions among the case study countries must be considered. Countries such as France and Germany have experienced remarkable declines in the participation of older workers, and thus have further to travel than others such as Sweden and UK which, by contrast, have maintained relatively high levels of participation among older workers.

1.2 Three main European level agreements on older workers should be influencing public policy at national levels. These are the European Equal Treatment Directive, and the Barcelona and Stockholm targets. A recent review concluded that transposition of the directive has been uneven, little or no progress being made so far in Germany, while France and Italy have complied technically, though more could be done. Also, while the Directive calls for consultation with a range of stakeholders, this has been lacking in France and Italy (Baker 2004). Only a handful of the Member States have achieved the Stockholm target so far. The European Commission (2003a) concludes that the employment of older workers remains a major challenge in most of the new Member States, including Hungary and Poland. Regarding the Barcelona target, the average exit age from the labour force – regardless of whether they are receiving a pension or not - for the EU was 59.9 years in 2001. While there have been some positive signs recently, progress remains modest overall.

1.3 Thus, the Member States face immense challenges in tackling issues associated with the ageing of their labour forces. A key component of the strategies necessary to increase the participation of older workers will be sustained efforts to tackle age barriers. The following sections focus on national actions, with those of certain Member States provided as exemplars.

2. Strategic approaches

2.1 European institutions, the OECD, and most independent observers would argue for a comprehensive and integrated approach to tackling age barriers in the labour market. However, policy making at national level, with one or two exceptions, could be characterised as being largely ad hoc and piecemeal. The best known example of a comprehensive approach is the Finnish Programme on Ageing Workers (1998-2002). The UK has also
sought to coordinate activities across government departments, with some success (Frerichs and Taylor, forthcoming).

2.2 Elsewhere, the Czech Republic has responded to demographic change and its ageing population by devising the **National Programme of Preparation for Ageing**. An Advisory Board on Ageing was established by the Ministry of Labour and Social Affairs in the year 2000. The present programme will operate between 2003 and 2007. Areas for action include:

- support for equal rights and opportunities
- opportunities for individual development
- support for life-long learning and special training measures for older workers
- changing attitudes to ageing and older persons
- ensuring the social integration of older persons
- preventing exclusion from the labour market
- reducing the risk of layoffs among older workers
- making better use of the capabilities of older workers e.g. in mentoring roles
- increasing labour mobility and the promotion of flexible employment opportunities
- enhancing the significance of individual preparation for ageing and old age
- analysis of the situation of older people in the labour market.

2.3 The Czech Action Plan for Employment 2002 states that it will increase the proportion of older unemployed persons in active labour market measures, particularly retraining. Interestingly, in the Czech Republic two pilot initiatives offered on a voluntary basis which helped individuals aged under and over 25 to develop individual action plans (IAPs) appear to have reduced the likelihood of long-term unemployment. However, new proposals appear to oblige Labour Offices to now offer these to the former, while there appears to be greater flexibility regarding the latter. Importantly, officials in public employment offices often hold negative attitudes towards older workers (OECD 2004a).

2.4 Karlik (2003) reports that in 2001 a new regulation was passed which made early retirement more disadvantageous and employment after retirement age more advantageous. If a non-working person takes a job they may no longer lose full benefits. There was a marked decrease in the share of early retirement pensions as a proportion of newly awarded pensions in 2002. However, schemes which encourage early retirement exist in industries such as steel, mining and railways (OECD 2004a).

3. **Reforming retirement income systems: changing the early exit culture**

3.1 It is arguably in the area of retirement income systems that most recent reforms have taken place in the European Union. Yet early exit remains both popular and possible. For instance, despite recent reforms ostensibly aimed at maintaining older workers in employment, a deep early exit culture exists in France and against this backdrop, few firms it seems have developed policies around the employment of older workers and there is not a widespread belief that population ageing will necessitate such a reorientation. Moreover, policy-making is deeply contradictory, with efforts to extend working life undermined by pressure to tackle unemployment, often at the expense of older workers. Companies, trade unions and employees have colluded in the perpetuation of a system where 55 has become “the normal age for definitively leaving the labour market”. Such a situation has not only had a profoundly negative effect on how such workers are viewed by managers and supervisors, but moreover,
workers aged in their 40s are now viewed as ‘nearly old’ and find their employment prospects severely curtailed (Guillemard 2004, p. 177-178).

3.2 In its pension reforms the French government is trying to reduce the number of those opting for early retirement. The contribution period before an individual is eligible for full pension benefits has been increased (European Foundation 2004), while the age at which a person automatically retires has been increased from 60 to 65. The new pension system provides incentives for those who work past the age of 60. Gradual retirement is also being extended. On the other hand, in 2003 it was still the case that an redundant worker aged 56 could receive unemployment insurance benefits worth up to 75 per cent of their previous salary for up to three and half years, with no job-search requirement. Added to this, this period could be counted in the calculation of a pension. Moreover, early pensions are still popular, for example, in the motor vehicle industry, while there has been considerable public resistance to pension reform (OECD Observer 2003 a b).

3.3 Similarly, in Hungary reform of the pension system has tended to take centre stage, alongside a major overhaul of the welfare state more generally. The retirement age increased for men from 60 to 62 in 2002 and will increase for women from 55 to 62 until 2009. An increase of legal retirement age to 65 years for both sexes is expected between 2015 and 2020. Added to this, the minimum contributory period is increasing gradually to 20 years until 2009.

3.4 Additionally, and importantly, pathways to early retirement have been partially closed (Széman 2004), though this is still possible under certain conditions, with the result that if individuals are willing to accept a penalty on their pensions, they are able to continue to retire at the age of 55 for women and 60 for men. Another feature of reforms has been the implementation of restrictions on access to disability benefits, with the addition of training programmes in an effort to mobilise the disabled (Széman 2004). Attention has also been paid to the fourth pillar in Hungary. Workers can now receive an enhanced pension if they defer retirement.

3.5 Likewise, the primary focus of public debate in Italy regarding older people has been pension reform, and has only recently begun to turn to the issue of re-activating older workers. Here, the situation has been characterised by a high level of passive protection, with particularly high levels of expenditure on pensions, to the neglect of labour market policy. Reforms include increasing the pension age to 65 for both women and men, increased pension income resulting from deferral, raising the minimum age at which a pension can be claimed, part-time flexible retirement and the opportunity to mix income from employment with pension income (Mirabile 2004; Ciccarone & Marchetti 2003).

3.6 A law of 2001 aimed to encourage the deferral of retirement by encouraging workers to move on to a temporary contract. Private sector workers who are eligible for a seniority pension can sign a contract extending their tenure for two years. However, take up has been low (OECD 2004b).

3.7 It has been noted that such reforms may be weakened by disinterest in part-time working (Mirabile 2004). Nevertheless, the average age of retirement has risen for both men and women since the mid-1990s, due to a large extent to pension reforms. Though the rise has not been marked to date (less than 0.5 years for men and 3 years for women) it is predicted that the trend will strengthen as new reforms are phased in (Ciccarone & Marchetti 2003).
3.8 In Poland pension reform was initiated in 1999 with the intention of increasing the average age of retirement. The Programme of Limiting and Restructuring Social Security Expenditures submitted by the Deputy Prime Minister in 2003 covered issues connected with population ageing and its impact on public finances. The programme included proposals to increase the legal retirement age of retirement for women to that for men and changes to pre-retirement benefits, limiting opportunities for early retirement. There has been opposition to these proposals.

3.9 As part of pension reforms, those who have reached statutory pension age are allowed to work without limit while receiving the allowance. Not many take this opportunity, but numbers are increasing. Proposals include the possibility of partial retirement at the age of 62 years.

3.10 Nevertheless, in Poland there are still extensive early retirement arrangements which allow workers to withdraw early from the labour market without job-seeking, though reform is continuing.

3.11 In Spain, in order to slow down the rate of early exit and to prolong working life, new public policies have emerged. For example, a measure to encourage long-term contracts among older workers has been implemented, though its effect has been slight. Additionally, to encourage older unemployed workers to re-enter the labour market, it is now possible to receive (reduced) unemployment benefits while working. Equally, there is an option to retire gradually by receiving a pension while working part-time. Also, people who defer claiming their pension receive an enhancement (European Foundation 2004), though this has been criticised for being a weak measure that will have little influence on employee behaviour and has more to do with the government’s desire to reduce social security expenditure. In addition, there have been efforts to promote greater demand for older workers via reductions in the employer’s contribution to the social security system of those aged 45 or older (OECD 2004c). The older the person, the greater the reduction (Gago and Avello 2003) and there is a further reduction if a woman is employed (OECD 2004c). However, it is argued that an early rather than a later retirement culture still persists in Spanish firms, which policy makers have been slow to address (Araico 2004). Importantly, there has been resistance to reforms from trade unions keen to protect the rights of their members regarding early retirement.

3.12 The ageing of the labour force is currently high on the agenda of British policy makers and there has been a gradual shift towards an extension of working life in the last 15 years. The Government’s manifest position is neatly summarised in its recent Pensions Green Paper where it sets out its proposals for reforming the retirement income system. In this paper the Government sought views on the following issues:

- additional help for those aged 50 and over to help them return to work and piloting measures to help recipients of disability benefits return to work
- treating men and women between 60 and women’s State Pension age as active labour market participants when women’s State Pension age rises from 2010
- providing generous increases for those deferring claiming their state pension
- allowing people to continue working for their employer while drawing their occupational pension, raising the earliest age from which a pension may be taken from age 50 to age 55 by 2010, and consulting on best practice to ensure that occupational pension rules do not discourage flexible retirement
- changing public service pension scheme rules, for new members initially, to make an unreduced pension payable from 65 rather than 60.

4. Active labour market policies

4.1 In France, measures planned and carried out by the government include efforts to involve both social partners and industry to improve the situation. The National Action Plan for Employment of 2003 mentions the desire of the government to embark on a national mobilisation plan for workers aged over 55, and also the issue of access to training for those aged 45 or over, including accreditation of prior learning and skills appraisal. Additionally, long-term unemployed people aged 50 or over are to be encouraged to find work through a relaxation of rules concerning the combination of income from employment with state benefits, wage subsidies are being made more attractive to employers to encourage them to recruit more workers aged over 50, and older workers are to be encouraged to establish a small business.

4.2 Training facilities and working conditions are also being examined and improved. For example, there have been efforts to maintain or restore a worker’s employability, whatever their age, by improving their skills (Guillemard 2004). Furthermore, the government states in the National Action Plan for Employment of 2003 that it is attempting to encourage small business to retain older workers by establishing a service to assist them in long-term staff planning, with the aim of extending the working lives of employees.

4.3 Nevertheless, it does not appear that the ageing of the labour force has a prominent place in policy debates, and unlike gender and ethnicity, age discrimination is not considered a significant issue by government or the social partners. Added to this is public support for early retirement, and there is limited campaigning on this issue. For example, recently, one trade union which pressed an employer to retain older workers found this vetoed by its membership who preferred early retirement. The reasons are partly cultural. For example, ‘discrimination’ is a new concept, and linked to this, because previously, generous ‘pre-retirement’ schemes have encouraged older workers to exit the labour market. With unemployment among older workers increasing, this situation may change, though currently, older unemployed workers are not obliged to search for a job.

4.4 The French project Vectorat (http://www.tred.ie/transnational/france.html) is concerned with changing working practices to increase the involvement and use of the experience of older workers in French companies. Its aims include developing training courses, tools and motivational schemes to facilitate the professional evolution of employees in the later stages of their careers and to create a network of exchange and dissemination of good practices.

4.5 In Germany the issue of active labour market policies has recently come to the fore. The Hartz Modern Services in the Labour Market Commission, which was established in 2002 as the Federal Government’s plan to modernise public employment services, makes specific mention of initiatives for older workers. On the supply side the ‘pay guarantee for older employees’ measure targets older unemployed people aged 50 or over. It involves a grant of 50 per cent of the net difference in pay between the job they had before becoming unemployed and their new job if the latter is of lower pay. This subsidy is not subject to social security or tax contributions. On the demand side, employers who recruit workers aged 55 or over will be exempted from paying their share of the costs of employee development. In addition, an age limit imposed for part-time and temporary work beyond which such arrangements must be revised is being reduced from 58 to 52, with the intention of improving employment opportunities for older workers (European Employment Observatory 2003).
4.6 The Hungarian National Action Plan on Social Inclusion 2004-2006 states that employers are being offered incentives to employ unemployed workers aged 50 years or over in the form of the removal of the obligation to pay healthcare contributions.

4.7 In Italy, while active labour market programmes have tended to favour younger workers, the Biagi Law also provides for a so-called ‘integration contract’ providing financial hiring incentives via collective agreements, for disadvantaged groups, including people aged 50 or over (OECD 2004b). However, it has been noted that also increasing the coverage of apprenticeships to include people aged up to 29 has confirmed “the traditional youth orientation of the overall policy package” (Marano & Sestito 2004, p. 13). Moreover, it has been concluded that “many of the regulatory and contractual arrangements introduced in Italy to favour the access to a job have mostly applied to youths” (Marano & Sestito 2004, p. 13). However, some Italian regions are promoting the employment of older people in so-called ‘social solidarity services’, which involve working in the community. Financial incentives to encourage the employment of older workers are sometimes available (OECD 2004b).

4.8 The main objective of the Polish National Strategy for Employment and Human Resources Development 2000–2006 is to achieve greater labour force participation. But it says little about age and employment, though provision for up-dating the skills of older workers is mentioned. “Programme 50+” is promoting activity among people aged 50 or over in the form of measures such as engaging them as mentors, or projects of training and guidance for them.

4.9 In Spain, in 1999 a pilot programme was established which mainly targeted those aged over 40 and mixed vocational training with a period of public employment of between 6 and 12 months. The government has also offered financial incentives to older workers who are willing to participate in vocational training and accept assistance in finding a job. In the Spanish National Action Plan for Employment 2003 it is stated that the government is attempting to encourage older workers to remain in employment by introducing financial incentives for both workers and employers. Nonetheless, it has been argued that the desire for an extension to working life and a reduction in the use of retirement pathways has not been sufficiently matched by measures to re-integrate older workers (Araico 2004).

4.10 New Deal 50 plus has been the main flagship employment programme for older workers in the UK. Implemented in April 2000, in its original form (Department for Education and Employment, 2000) it offered employment advice to non-employed older people who had been claiming benefits for at least six months or more. The programme was voluntary and was open to people inactive on benefits as well as those who were registered unemployed. A wide range of practical help from a Personal Adviser was available: help with job-search skills, costs for travelling to interview, work-based learning for adults and work trials. There was also a range of help specifically for people with disabilities. It paid a financial Employment Credit on top of a person’s wage if they took a job. This top-up money was paid directly to the employee. The programme has subsequently been revised and offers: personal advice and support to find a job; a £1,500 in-work Training Grant and financial support when in work, paid as part of a Working Tax Credit.

4.11 Since its launch 110 thousand clients have moved into employment via the programme (Department for Work and Pensions, 2004), though this represents a minority of those classified as unemployed and only a small fraction of those who are actually eligible. Of these starts, a third have had a disability, and almost a third were women.
4.12 The majority of Employment Credit claimants fall into the 50-54 age group (59 per cent), and were previously claiming unemployment benefits (72 per cent) while 7 per cent were claiming disability or sickness related benefits previously (Grierson, 2002). Clients generally move into full-time employment, although a large minority – almost one third – move into part-time employment. Similarly, the proportion of those moving into self-employment has increased over time.

4.13 Evaluations of the programme have been undertaken. Early findings were that overall impressions of the programme were positive. The most useful element of the programme was felt by clients to be the Employment Credit. It was viewed as an incentive to take low paid work both in terms of level and reliability of income. That the Credit was not known about by the employer was also viewed as a positive by clients as it was felt this would not affect the wages on offer. This is particularly important, given that the new Working Tax Credit is administered via the employer. It also seemed to have a positive effect in terms of reducing reservation wages. While the level of the credit was considered acceptable, there were concerns that it only lasted for one year. It also tended to be most effective in geographical areas where there were low wages and low living costs. There is evidence that the ending of the Employment Credit caused financial hardship for some, something that has been considered in the design of the Working Tax Credit (Moss & Arrowsmith, 2003). There was a particular issue regarding the sustainability of part-time employment, with those unable to increase their hours once the Employment Credit ended penalised, although the majority of clients tended to remain in employment once they had found it. Moss and Arrowsmith also suggest that a factor accounting for the low take up among disability-related benefit claimants may have been that financial gains from moving into paid employment could be small, and a few would actually be worse off.

4.14 Few had heard of or were interested in the training grant element of the programme. Also, support provided by a Personal Advisor was less likely to be cited than the Employment Credit (Atkinson et al., 2000). A reason contributing to the low uptake of the Training Grant was found to be the lack of support in developing a training plan and buying training. Clients had no experience of buying training for themselves, and therefore had little knowledge about what they needed or where to access training (Atkinson, 2001; see also Moss & Arrowsmith, 2003). A view was that support ended too abruptly once the client entered work and that ongoing help would be beneficial.

4.15 A further survey of clients carried out in 2000 (Atkinson & Dewson, 2001) found that the value of the Employment Credit was less clear-cut, with over half of those surveyed stating that they would have taken a job anyway, although it had encouraged almost two-thirds (63 per cent) to take a job earlier than they otherwise would, and over two-fifths (43 per cent) to stay in the job for longer than they might otherwise have done. Regarding what they thought they would do after the credit ended, 40 per cent of clients felt they would probably remain in the job, 11 per cent felt that they would return to benefits, while the rest planned to remain in work and increase their earnings.

4.16 The evaluation found that clients were tending to move into unskilled and low paid service or manual jobs, despite the fact that that many were previously in higher paid or more skilled work. Although the majority were relieved to be back in work, there were some who were more negative about their experience in work (Atkinson et al., 2003). However, self employed clients tended to be positive about their experiences of claiming the Employment
Credit, which was viewed as helpful in supporting them through the first year of building up their business.

4.17 Other research has considered what happens to New Deal 50 plus clients once the Employment Credit ends (Grierson, 2002). For the client group for whom there was 12 full months of benefits data after their credit expiry: 84 per cent were not claiming benefits at the 52 week stage; and 77 per cent had not returned to claim benefits at any stage during the 12 months following the end of their entitlement. Also, there was a substantial difference in job retention between Jobcentre Plus 50 plus clients in general, and those in receipt of the credit, six months after their job starts. Employment credit claimants had a higher retention rate of 84 per cent, compared to 70 per cent for clients overall.

5 Tackling age discrimination; the role of regulation, legislation and collective bargaining

5.1 As noted above, the response of national policy makers to the Equal Treatment Directive has been piecemeal. In the Czech Republic an amendment to the labour code in 2001 outlawed any form of discrimination in employment, though recruitment agencies are excluded. It also appears to be the case that employers find ways round the law and, in fact, many employers, particularly smaller ones, are simply unaware of its existence. It is also important that unusually, protection from unfair dismissal is accorded a worker even if they become entitled to receive a pension, though redundancy on grounds of age has been common.

5.2 In France, the Labour Code was amended in 2001 to cover every aspect of working life in relation to discrimination, including age, adjusts the burden of proof in discrimination cases and makes it easier to pursue a case (AARP, undated). This does not appear to have taken place with strong support from either employers or trade unions, and age discrimination does not feature in collective agreements. Also, the Labour Code had stipulated that an employer terminating the contract of a worker aged 50 and over must pay a special premium known as the Delalande contribution. This appeared to have had a small effect on redundancy among older workers, and may in fact have discouraged their recruitment on the grounds that any subsequent layoff could prove costly to the firm (Jolivet 2000). The French National Action Plan of 2003 announced that the contribution would be relaxed for firms laying off employees recruited at age 46 or over.

5.3 The German federal government recently announced that it would produce a draft version of a law aimed at tackling against discrimination in the labour market by autumn 2004. This belated development is partly due to the fact that the term ‘age discrimination’ has not found much recognition amongst politicians or scientists working in the field of old age policy (Frerichs & Naegele 1997). Furthermore, it may also be the result of strong opposition from employers’ associations to statutory measures, which are seen as bureaucratic and ineffective and at the same time limit an employer’s freedom of choice. By contrast, trade unions favour legislation against discrimination in the labour market, although views on this are split because early retirement is still seen by many as a socially acceptable way to leave the labour market. How the legislation will be overseen is unclear, with the government keen to minimise effects on business. A national equality body will be established, though its organisation and remit have not been specified (Baker 2004).
5.4 There are in fact already several legal provisions against age discrimination in the labour market in Germany. According to § 36 SGB III, federal employment agencies may only accept age limits in job advertisements from employers if these age limits are justified by the type of job that is offered. The Law on Labour Relations at the Workplace (Betriebsverfassungsgesetz, BVG) stipulates that both employers and works councils may not discriminate against workers on grounds of age and that works councils have the right to initiate measures to promote the employment of older workers (§ 75, 80 and 96, BVG). However, in practice these provisions do not prevent these actors from negotiating early retirement. Issues of training, protection from redundancy and options for part-time work for older workers also feature in some collective agreements (European Foundation 2004; Frerichs and Taylor, forthcoming).

5.5 Elsewhere, Italy addresses discrimination in employment on the grounds of age in its constitution, which states a general principle of equality and non-discrimination. A Workers’ Statute prohibits discrimination on various grounds, though age is not explicitly mentioned. There are currently no plans to strengthen existing provision, though the recent Biagi Law has added age discrimination to the prohibited acts for job agencies in their placement activities (OECD 2004b). In addition, an independent governmental Department of Equal Opportunities helps individuals, informs policy and disseminates information to raise public awareness. The issue of age discrimination has not been high on the agenda in discussions between the social partners (Trentini & Lombardia, undated).

5.6 Similarly, issues of discrimination generally are only just coming on to the policy agenda in Hungary, with the primary areas of attention being disability, gender and ethnicity, though measures to encourage firms to recruit older workers are also being implemented (American Chamber of Commerce in Hungary 2004). With regard to the implementation of anti-discrimination legislation, transposition was due to be in place for the country’s accession to the European Union on May 1st 2004. As far as specific provisions on age are concerned, progress had been made in relation to employment, where legislation and measures exist, and vocational training, where legislation exists. However, the Constitutional Court has decided that age-restrictions in employment were not discriminative unless they were arbitrary. In terms of forced redundancy, compulsory retirement caused by the employer choosing to discriminate on grounds of age appears to be commonplace.

5.7 Spain has some age discrimination legislation related mostly but not exclusively to employment. However, age is not consistently addressed in anti-discrimination legislation. Spain has had constitutional provision on equality since 1978 and there is also provision on age discrimination in the Workers’ Statute of 1980 (EIRONLINE 2003; OECD 2004c). Although age is not specifically mentioned, the general wording of the Spanish Constitution is taken to cover age. Article 17 of the Workers’ Statute addresses discrimination in employment, but does not specifically refer to age. However, Article 96 of the same statute dealing with working conditions and Article 28 of the Law of Offences Dealing with Discrimination in Recruitment include age as one of the grounds.

5.8 Primary legislation introduced in 2003 addresses discrimination in employment on various grounds including age, and in terms of both direct and indirect discrimination. However, the trade unions would also like to see the principle of equality built into collective agreements (some progress appears to have been made here), while the Spanish Confederation of Employers’ Organisations (CEOE) considers that equal treatment with regard to age has already been progressed, with steps to eliminate incentives for early retirement and the ending
of seniority pay supplements. CEOE also argues that legislation is not the best way to tackle discrimination believing that it is burdensome for business. It would prefer to see greater support to business in terms of helping it to increase access to employment for disadvantaged groups and workplace adaptation (EIRONLINE 2003).

5.9 While the impact of the Equal Treatment Directive on Governments appears to have been varied, there are instances where some have taken comprehensive approaches. Such examples include Ireland, the Netherlands and the United Kingdom. Since the publishing of the European Equal Treatment Directive there has been substantial debate in the UK around the form and content of legislation proscribing age discrimination. The legislation will cover both direct and indirect discrimination in employment and vocational training, covering the areas of retirement, recruitment and selection, promotion, pay and non-pay benefits, unfair dismissal and redundancy. It is stated that in exceptional circumstances, differential treatment according to age will be allowable, though employers must be able to justify doing so. The government initially proposed to consult on the draft regulations in the first half of 2004, though this deadline has since slipped considerably, with proposals not now expected until autumn 2005. The issue of a default retirement age for companies in particular has caused considerable controversy, with fierce debate and disagreement within government, between employers and trade unions, and even between employer groups (Financial Times, 24th, 26th of April, 23 June, 2004). A new Commission for Equality and Human Rights (CEHR) (DTI 2004) will have responsibility for the legislation.

6. **Awareness raising**

6.1 In several Member States awareness raising activities are being undertaken. In Germany numerous actions have been undertaken. For instance, in the year 2000, the German Federal Employment Agency launched a long-term campaign called 50plus – they can do it. This campaign was designed to foster the integration of older skilled unemployed workers through ongoing job-placement initiatives of regional employment agencies and to promote their re-integration into the labour market. The target group was: older unemployed aged 50 to 55; skilled workers from selected occupations; unemployed workers who are motivated to obtain work, and the short-term unemployed.

There were two main reasons for this campaign. First, despite mass unemployment, Germany faces shortages of skilled labour in certain economic sectors such as IT and engineering. The campaign aimed to remedy these skill shortages. Second, the Federal Employment Agency recognised the potential of older workers (e.g. at the start of the campaign, nearly 35,000 engineers aged 50 and over were unemployed). The Federal Employment Agency argues that starting with easier to place older workers was the right course of action, considering the labour market barriers facing older unemployed people generally.

6.2 An evaluation from the Federal State Employment Agency of Northrhine Westfalia (LAA, 2001) found that training measures for older workers had been set up by regional employment offices and one third had established job-pools for older unemployed workers. Job-placement of older unemployed workers was most favourable in regions with low unemployment rates and where the industry of manufacturing metal products and electronic machinery dominated. It was found to be virtually impossible to place older job-seekers in the IT sector. The results demonstrate a slight shift in the attitudes of regional employment agencies towards the job-
placement of older unemployed. However, in terms of participation rates of older workers there has been limited progress, with policies promoting early retirement on the one hand, while promoting re-integration on the other.

6.3 Also in Germany, a transfer project which ran between 1999 and 2003, called Demographic Change–Public Relations and Marketing Strategy aimed to increase public awareness of the impact of demographic change on employment and distribute knowledge on effective age management among employers. If outputs of the project can be taken as a measure of success, the number of workshops, presentations, publications, media releases and Internet/homepage launches indicate a strong outreach.

6.4 Since 2002, the Federal Ministry of Education and Research has funded an initiative called ‘Demography-Initiative’. This project is headed by three trade associations and funds 127 companies to implement solutions for age-appropriate personnel policies.

6.5 In April 2002, the Federal Government presented its overall strategy for sustainable development. Incorporated within it is a sub-theme called Potential of older people in the economy and society (Bundesregierung 2003). This will include so-called pilot or light-house-projects run by companies which will promote the employability of older workers and encourage lifelong learning. The strategy is led and co-ordinated by the Federal Chancellery with other ministries involved.

6.6 In 2003, the Federal Ministry for Family and Senior Affairs established its 5th Commission for Reporting on the Situation of the Elderly, which will focus on the subject of “promoting the potential of older people in the economy and in society”. In 2005, it will produce a report with recommendations on how to promote the labour market potential of older people.

6.7 In 2003, the Federal Ministry for Economy and Labour implemented a public awareness and network campaign called ‘Team Work for Germany’. The issue of older workers is part of this campaign. A public relations bureau is providing information on role model companies which employ and recruit older workers. Furthermore, this year a prize was awarded to two companies that are considered exemplars of the recruitment and retention of older workers (Gülker 2004).

6.8 In 2002, the Federal government started the national initiative: ‘New Quality of Work’. In 2003, as part of this initiative, a sub-group was formed to promote employment among older workers. It is intended to create a network of occupational health professionals to foster health promotion for older workers and to raise awareness of good practice.

6.9 The British Government launched its Code of Practice on Age Diversity in 1999. This sets out principles of non-age biased employment practices. Included is guidance on the application of the principles and examples of best practice. However, a Confederation of British Industry survey in the year 2000 found that although half of employers surveyed were aware of the code, only nine per cent were using it (Education and Employment Committee (2001b, p. 8). More recently, government commissioned research (Goldstone & Jones 2001) found that a very small number of respondents surveyed – nine per cent – had seen a copy of the code and a very small number of companies – two per cent – stated that they had changed policies as a result.
6.10 Since 2000 the British government has also run Age Diversity in Recruitment Awards of Excellence (Education and Employment Committee 2001a, p. 7) and has aimed to raise awareness of the issue via the placement of articles in trade publications and the general business and regional press (Education and Employment Committee (2001b, p.4-5). Another initiative is the Age Positive website (http://www.agepositive.gov.uk/) which comprises a variety of features including: employer case studies, a discussion forum, and advice and guidance.

7. Concluding comments

7.1 The issue of age discrimination in the labour market and tackling age barriers more widely has not been prioritised in the Member States until recently. While there are emerging policy debates, policy-making is in its infancy in most countries and barely exists at all in some. This conclusion reflects the realities of the situation in some countries where youth unemployment rates remain high (e.g. Poland), a continued emphasis on early retirement (e.g. France) and the relative newness of the issue (e.g. Germany). To an extent, countries such as Finland and the UK can be contrasted with this generally gloomy picture.

7.2 It can also be observed that national policy-making is sometimes contradictory, initiatives on the integration of older workers sometimes co-existing with others which facilitate their removal. This suggests that there might be value in the development of an outline policy framework on what constitutes ‘active ageing’ from an employment perspective.

7.3 It is perhaps also arguable whether age discrimination is much recognised as an issue many countries. Certainly, in France and Germany and some of the new Member States, it has only recently been recognised. Elsewhere, much work appears to have taken place. Why it has not been so prominent an issue in some countries is unclear. However, one explanation may be that the early exit of older workers has simply not been viewed as a problem in countries such as France and Germany, where generously funded early retirement programmes have cushioned the impact. As publicly funded early retirement schemes are closed it might be expected that age discrimination would begin to gain greater recognition as an equality issue. In some countries, a policy emphasis on problems associated with youth unemployment may have focused public attention elsewhere.

7.4 While age discrimination as a public policy issue is not prominent, the issue of age and employment is. Early retirement as a policy tool is now widely discredited, numerous reports pointing to deleterious effects on economies, employers and individuals. Pension reform has been a feature of all the case countries, though the concerns are almost entirely fiscal, being about the sustainability of retirement income systems, rather than being about equality. Arguably, the present situation resembles that of the 1980s and 1990s in reverse. Then, older workers were presented as a burden on society, blocking the ascendency of younger workers. Early retirement was viewed as the solution. Now, along with an incessant rhetoric around dependency ratios, older workers have again been presented as a burden, though this time, the conclusion is that they must take their place once again in the labour market. Thus, later retirement is viewed as the solution. Whether this will benefit the vast majority of older workers is a matter of conjecture. While some may benefit from greater access to employment and derive economic benefit from this, others may find themselves at risk of long-term unemployment, or in precarious employment (Frerichs & Taylor, forthcoming).
7.5 Also, such a perspective does not sit well with the European Commission’s desire for the promotion of ‘active ageing’, except in the starkest and weakest of terms. Older workers are barely valued in their own right. Their primary value comes from relieving the burden on younger people. This risks pushing older workers on to the labour market, while age barriers are left largely intact. Where older workers may find employment therefore may be on the margins of the labour market, in low income, low security work, with few opportunities for career development or advancement. Others would, in effect, be retired, yet would not have access to the income and relative security that formal (early) retirement would have provided. Yet more would spend periods in and out of employment in low security and low status employment.

7.6 Thus, the challenge for European policy makers will be to support the development of labour markets that provide real opportunities for older workers willing and able to make a contribution, and encourage those that can to do so, while at the same time, those with skills deficits or other barriers that limit their employability have the opportunity to retire sooner or flexibly. However, this preliminary assessment suggests that policy makers are some way short of achieving such a goal.

8. References


Trentini, M. & Lombardia, I. (undated) Industrial relations and the ageing workforce: a review of measures to combat age discrimination in employment – Italy, EIRONLINE.