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Demographic Change and the Labour Market Strategy Paper



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1. DC NOISE – The background

It is expected that by the year 2050 Europeans will live at least four to five years longer than today. Given that today's remaining life expectancy at age 65 is about 15½ years for men and 19½ years for women, an increase of five years will raise the cost of providing the same sized pension by 25 to 30 percent (<http://eur-lex.europa.eu>). This, however, is only about half of the demographic challenge that Europe has to prepare for. The other major change stems from the fact that large cohorts born after World War II, the baby-boom cohorts, will reach retirement age, while subsequent cohorts are much smaller as a result of lower birth rates. This can be seen from Europe's population pyramid, in which people aged between 35 and 55 are currently very numerous. In the coming 10 to 15 years these large cohorts will start retiring and drawing their pensions.

In DC NOISE, partly funded by the EU's INTERREG programme, nine regions from five countries in the North Sea Region are working together to deal with the dimensions and consequences of demographic change. DC NOISE stands for Demographic Change: New Opportunities In Shrinking Europe. The central aim of the DC NOISE project is to ensure that the North Sea Region is ready to cope with her new demographic future (Coenen & Galjaard, 2009). This means both dealing with the partly described problematic effects of demographic change, while at the same time taking advantage of the opportunities offered by this process, such as lower population density in urban areas and a more experienced workforce.

2. Objectives of the Lisbon and Gothenburg Strategy

Like all INTERREG-projects, DC NOISE is obliged to contribute to the ambitious Lisbon objective for the EU “to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion”.

The sustainable and competitive development of regions is related with demographic change through the labour market in a number of ways. Demographic change influences the population and the workforce in a community, region or country in terms of size and characteristics. Sustainable development means meeting the needs of present generations without compromising the needs of future generations. (Coenen & Galjaard, 2009).

The focus here is human capital, a main factor influencing the labour market. Human capital can be defined as the knowledge, skills, competencies, and attributes, embodied in individuals, that facilitate the creation of personal, social and economic well-being. To save and to increase human capital, the EU set the Lisbon Strategy targets that three employment-rates should be met by 2010:

- in general: 70 %
- women: 60%
- elderly: 50%

Human capital should not only be seen as a means of economic development, whereby vocational training and education makes people more productive in economy. Vocational training and education (and other individual attributes like health) lead to employability (e.g. of elderly people) and to the individual ability to lead a joyful, fulfilling life (Meadows, 1998).

In early 2010, the European Commission launched a new strategy for the next decade, the Europe 2020 Strategy. Three priorities characterise the strategy (European Commission: Employment in Europe 2010: 66):

- Smart growth: developing an economy based on knowledge and innovation
- Sustainable growth: promoting a more resource-efficient, greener and more competitive economy
- Inclusive growth: fostering a high-employment economy delivering social and territorial cohesion

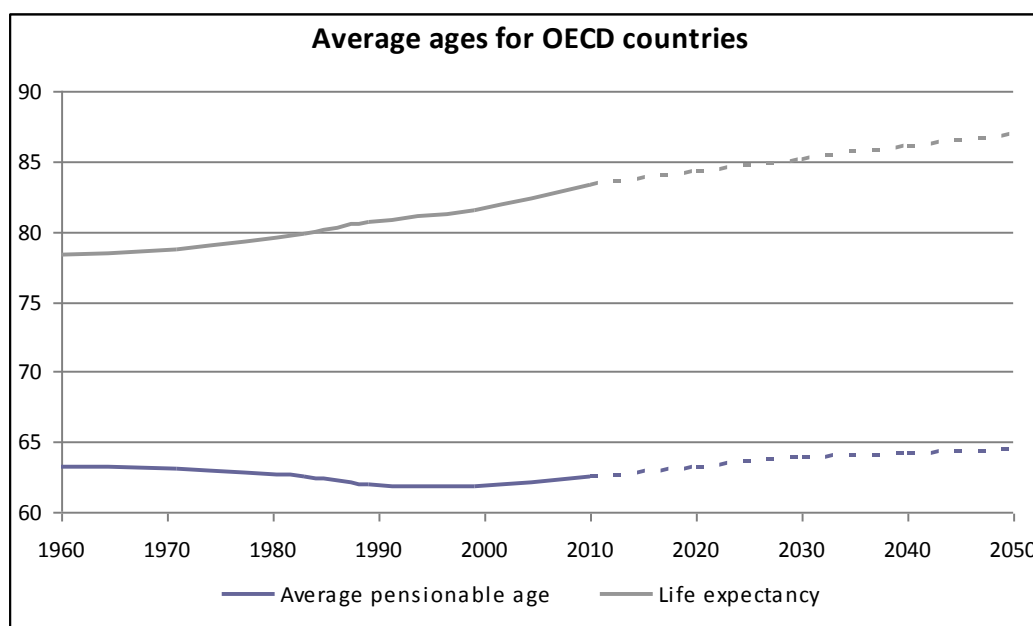
As a key element of the new strategy several main targets for the EU were agreed, including one new employment target: 75%, compared to 70% in the previous period, of the population aged 20-64 should be in employment by 2020.

3. The European labour market – The development of the labour market in the EU-27

At the end of the first decade of the new century it is the right time to note the progress that has been made in European labour markets since 2000 and to compare the results for 2009 with those of preceding years.

We want to look at the development in the EU-27, the North Sea Region and – to demonstrate the whole range of Europe – two additional states – firstly one from Northern Europe and secondly Turkey as an extreme example of Southern Europe.

First, by way of background of our debate, we will look at two major demographic trends and relate them together: we observe that the average pensionable age has decreased over the last 50 years and will stay at around that level. At the same time life expectancy has increased (and will increase further), which raises important financial concerns for the public pension systems.



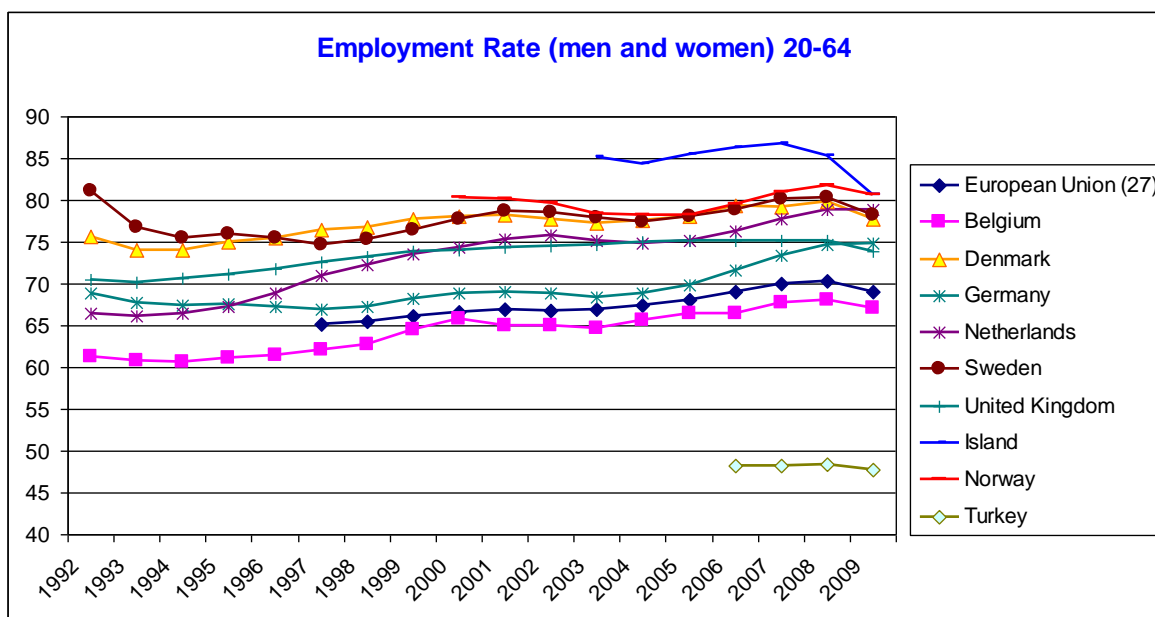
Source: OECD (2011) Pensions at a glance 2011 - www.oecd.org/els/social/pensions/PAG

Looking at the employment of men and women of all ages, an increase from 65% to 70% for the EU-27 can be noticed, as can a high employment rate among the Scandinavian countries like Sweden, Norway and Denmark.

Another result is an impressive increase in the states in middle of Europe, such as Germany, the Netherlands and, starting at a low level, Belgium.

Moreover it can be noted for the year 2009 that the economical crises caused a decrease of the employment rate.

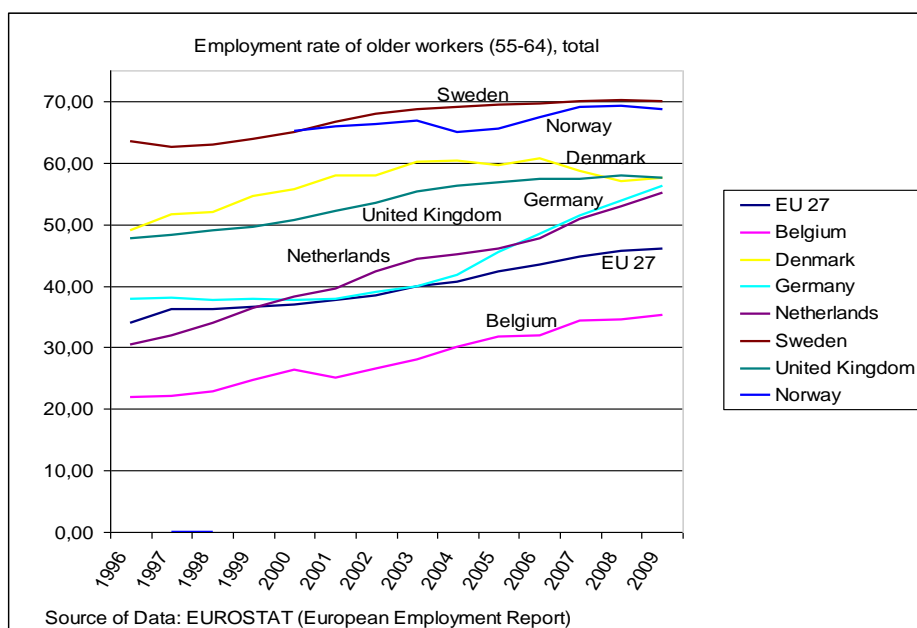
The EU has thus made significant progress towards the target set by the Stockholm European Council within the framework of the Lisbon Strategy, namely to raise the employment rate of people aged 55-64 to 50% by the year 2010. Though it has increased since 1996 by more than 10 points to 46%, it still falls four percentage points short of the target employment rate of 50%.



Source: own compilation

Regarding the situation in the North Sea Region, we discover that only Belgium has not reached the average of the EU-27, despite its impressive increase since the beginning of the century. While Germany and the Netherlands contribute to the increasing employment rate at the European level, the Scandinavian countries remain at their high level of 70%, Denmark being the only country to show a decrease.

The labour market is influenced by many factors and attitudes, parameters and values – e.g. economic, social, spatial and psychological.



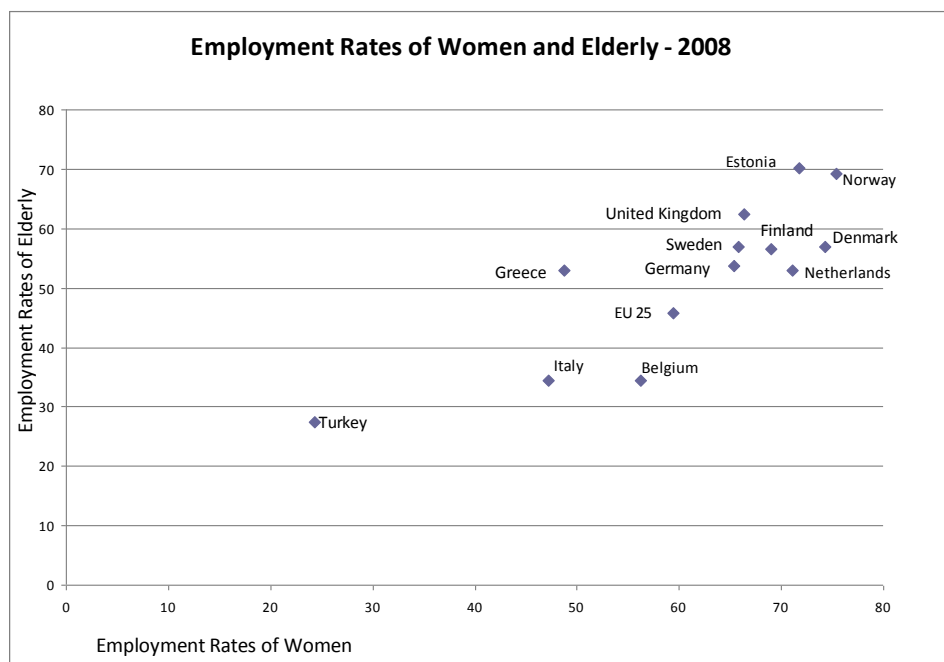
In the 50+ age groups, the employment rate depends very much on the level of education. In this age group, the gap in the employment rate between people with the highest level of education and those with the lowest level is about 25 percentage points at the age of 50, and more than 30 points in the late fifties (Demography Report 2008: 100). At the age of 65 or older, people with the highest level of education are twice as likely to be in employment as those with lower levels of education, but only about one in six of those with a high level of education will still be in employment after the age of 67.

The German example demonstrates too that employees with a higher level of qualifications are working longer: 30% of persons with an age of 60+ but without a professional education were working – as against nearly 70% of the persons in the same age-group with a University degree.

Level of Qualification	Rate of working population in %			
	50-54 Years	55-59 Years	60-64 Years	30-49 Years
Without professional education	59.7	53.8	30.3	60.6
Apprenticeship/ professional education	79.5	71.4	39.4	83.1
Professional graduation	91.4	86.6	53.7	92.4
University degree	91.9	88	69.1	89.3
Total	79.3	71.9	43.4	81.5

Source: Institut für Arbeitsmarkt- und Berufsforschung (Nuremberg, Germany): IAB-report 16/2009

A second factor determining the employment rate of elderly people is the employment of women. Member States with a high employment rate of women have a high employment rate of elderly people. The known employment model is seen again – the Scandinavian and Baltic countries are at the top while the Southern European ones need to develop their employment structures to tackle the effects of demographic change.



Source: Own compilation

The proportion of part-time employment among older workers is higher than among prime age workers: in the 25-49 age group, 15.7% were working part-time (4.7% of men and 29.1% of women). However, particularly for older men below the statutory retirement age, the choice is typically between full-time work and complete labour market exit. Gradual retirement in the form of part-time working is not yet very widespread (Demography Report 2008: 97/98).

The huge majority of older part-time workers would not want to work full-time. Only 15.5% of older part-time workers said that they had accepted a part-time job because no full-time job was available.

A different picture emerges with regard to part-time employment for the few people who remain in employment at the age of 65 and over. In EU-27, more than half of workers aged 65+ work part-time. The figures are particularly high in the Netherlands (where part-time work is common across the age groups, among both women and men), the UK, Sweden, Germany, Finland and Austria.

The pattern of part-time working at the age of 65+ differs much less between women and men. However, the prevalence of part-time working is still lower for men than for women. These data suggest that part-time working can be a useful option for continuing labour force participation.

4. The national level

A lot of EU member states have started making far-reaching changes to their pension systems. Many have decided to increase the normal retirement age.

Since the beginning of the new century, nearly all the EU Member States around the North Sea, as well as Norway, have developed and implemented additional national and regional strategies and programmes to foster and support the employment of elderly people. However they have started with different backgrounds and have used diverse instruments. According to the described employment models, examples of three different governance and policy models are presented:

If human capital is seen as crucial for regional development we are brought to ask the question “what changes the size and the composition of the stock?”. Several factors can be identified:

- a greater share of the graduates of educational institutions stay in the region
- more previously inactive people enter the workforce
- immigration from other regions
- age of retirement
- out-migration to other regions
- vocational training and education

4.1 Belgium

Belgium is here described as a case study of a Member State with a low employment rate of elderly people.

Elderly as well as unemployed workers are one of the three groups at whom the national (federal) Employment Ministry targets specific measures.

As a group, elderly Belgian citizens are characterised by their relatively low rate of employment and activity: in total more than one third of elderly Belgian males (39.5%) and more than half (56.4%) of Belgian females are not employed.

- 52.0% of the 50-64 group are employed (60.5 % male – 43.6 % female)
- 54.9 % of the 50-64 group are active (63.7 % male – 46.1 % female)¹
- 5.2 % of the 50-64 group are unemployed (5.0% male – 5.4 % female)²

¹ The activity rate is defined as the number of people occupied or unemployed as a percentage of the total population.

(www.stabel.fgov.be, 4th quarter 2010)

The elderly unemployment rate is low because:

- People benefit from early retirement pensions. They are not counted as unemployed;
- Having taken early retirement, they are unavailable to work as the term “working” is defined by the official statistical definition of "employment".

Simultaneously the average exit age is significantly less than the EU-27 average: (59.4 in Belgium and 60.7 in the EU-27).

In the past Belgium set up a system with various measures which favoured an early exit age (e.g. early retirement pension). Under this system the dismissed worker receives the early retirement pension paid by the employer in addition to the unemployment allowance until the age of 65. Recently, the multi-sector employers' organisation (FEB/VBO) representing companies in all three regions of Belgium criticized in a special paper on 50+ workers³ the cultivation (also by employers) of an early retirement mentality in the past which is still present and hinders necessary reforms (e.g. extension of working career) to face the challenge of the demographic changes and retain seniors at work.

The Generation Pact (a “political agreement by the federal government, complemented by agreements between the inter-professional social partner organisations”) of 2005 tried to suppress the attraction of the systems set up originally to favour an early exit age. Other similar systems with complementary allowances in case of unemployment, except early retirement pension, have been accompanied by higher tax rates than in the past. Moreover if driven to unemployment the elderly worker is encouraged to apply for a new job instead of retiring early: the person retains the complementary allowance from the previous employer and is entitled to receive it on top of the salary from the new employer. Therefore the total amounts to an attractive wage package. In addition, the (new) employer's salary cost is mitigated by a reduction in the employer's social security contribution.

New measures have been implemented for elderly unemployed workers: their reintegration in the labour market has been favoured through:

- Elderly unemployed people are forced to register as a job seeker for a lengthier period. When they get a new job, they keep part of their unemployment allowance and the employer gets a reduction in its social security contributions;
- Mandatory / Voluntary units for professional insertion in case of company restructuring and collective redundancy, support for job search is provided for 6 months on full wages even if inactive for workers older than 45;

² The unemployment rate is defined as the number of unemployed people as a percentage of the total active population (total of the occupied and the unemployed).

³ VBO/FEB: “50+, experience is our capital, hoe 50-plussers langer aan het werk houden? / comment garder les 50+ actifs plus longtemps ”

- Redundant workers over 45 are entitled to be offered an outplacement procedure in case of dismissal (individual or collective);
- Through the Occupational Experience fund (Fonds de l'expérience professionnelle) companies are granted subsidies for investments to promote ergonomics and/or skills promotion for elderly workers;
- The '50+ premium' allows employers in Flanders to permanently reduce employers' costs when they employ an older worker (not to be combined with the federal measure 'Activa Win-Win').

The national (federal) employment institution ONEM/RVA has implemented the "Plan ACTIVA Win-Win", one of its target groups being the over-50s. Monetary measures are: diminished employers' social security contributions and a work allowance ("allocation de travail") whereby part of the unemployment allowance is distributed as a contribution to the salary after taxes.

Most of the measures of Belgium employment policy have a passive nature⁴ (Prof Dr Ludo Struyvens, Peer country comment paper, Belgium):

Short term (< 1yr)	Long term (>1 yr)
<ul style="list-style-type: none"> • Income protection • Dismissal • Reduced working time arrangements • Mandatory / Voluntary Staffing Cell 	<ul style="list-style-type: none"> • Tax penalty • Job search & cumulation of job severance indemnity with new wage • Activa Win-Win • 50+ premium

Active measures are mostly linked to lifelong learning. One of the challenges addressed by the Flemish government in its reform programme 2005-2008 and the following employment action plans concerns the promotion of employment of older workers. The promotion of an age-conscious personnel policy, the introduction of training vouchers, the increase of opportunities for guidance, information and advice and the development of networking between actors in this field (Actief 50+) are some examples of recent initiatives. The Flemish employment agency furthermore developed a communication policy especially promoting elderly employment, whereas the agencies of the Walloon and Brussels-Capital regions seem to focus more on creating and/or promoting jobs for 15-24 year olds.

The different approaches can be explained partly by the constitutional process of competence transfer: federal policy, labour law and its accompanying measures and subsidies is transposed to the regional level. However the strategies, priorities and the way to imple-

⁴ Prof Dr Ludo Struyvens – Mutual Learning programme, Peer country comment paper, Belgium, 2010

ment the policy differ from one region to another due to a complex system of division of competences between the Federal State and the three regions of Flanders, Wallonia and Brussels-Capital. During the last decade an important number of competences have been delegated to the regions and the language communities. Over 90% of labour market issues are of the responsibility of the regions. Education and training, however, are competences of the three language communities (Dutch, French and German). Therefore, initiatives on federal level do not reflect the existing multitude of initiatives in the different regions.

There is a growing gap between the situation of elderly workers in the labour market and the measures addressing workers aged from 50 to 64 as one of the three target groups of federal employment policy for 2006-2010. Due to the country's internal 2010/2011 political crisis, Belgian federal employment policy currently maintains its 2006-2010 strategy. Any governmental engagement in adjusting measures to the economical conjuncture and long-term social changes is blocked.

4.2 Germany

Germany can be characterised as a member state with a changing policy and an increasing employment rate among elderly people.

During the last decade Germany started various political and juridical initiatives to tackle the labour market challenges of demographic change.

The increase of the normal retirement age from 65 to 67 is taking place relatively slowly in Germany and is phased over 18 years, with an additional month of working for each year, starting in 2012. The political decision was made after a controversial political debate, which did not stop afterwards. The unions and a not unimportant left wing party still do not agree.

Another major initiative is the so-called "Riester-Rente" ("Riester-pension", named after the Federal Minister formerly responsible for Labour Market and Social Affairs), an additional pillar of the German pension system. While the first pillar – the national pension system – is obligatory for nearly all employees and employers, the second pillar – the pension with employer-only contributions – and the "Riester-pension" are voluntary. The main element of the "Riester-pension" is income-related public subsidies to the contributions; especially for employees with low incomes, the funds are attractive.

As a result of the wide public debate and the need to build a highly-skilled work-force, the social partners began to tackle the consequences of demographic change by using the tools they have – concluding and implementing a special collective agreement. The unions and employers' association as social partners of the chemical industry agreed on an innovative contract with the title "Lebensarbeitszeit und Demographie" ("Working life and Demography"). Its implementation is nowadays guided by different projects.

The public pension system in Germany allows early retirement albeit at the cost of pension deductions. Deductions are calculated under the assumption that life expectancy is indepen-

dent of the age of retirement and apply equally to men and women. The "fair" level of deductions is currently under debate, the general feeling being that they are too low.

Since the 1990s the German pension system has been gradually adapted to the challenges of demographic ageing. A major focus of the measures of 1992, 1997 and 2000 was to reduce the need for future increases in contribution rates, notably by raising the labour force participation rate of older workers and hence the effective retirement age. The statutory retirement age is currently being raised to 67 years for all types of pensions except invalidity pensions. Early retirement is only possible at reduced pension levels. Thus, conditions for early retirement were tightened and financial incentives for working longer were introduced.

The federal programme "Perspective 50plus – employment pacts for older workers in the regions" was launched in October 2005. Its target is to improve the employability and employment opportunities of older persons. Perspective 50plus is a Federal Ministry of Labour and Social Affairs programme. With its networks and innovative methods that have been adjusted to regional particularities contributing to the reintegration of the long-term unemployed, this programme supports and subsidises 62 regional employment pacts. Every pact can thus develop placement ideas on its own and under its own responsibility or it can test integration strategies and further develop successful approaches. This freedom and flexibility has led to a relatively high degree of motivation and creativity in the individual pacts.

During the first programme phase (2005 till the end of 2007) some 80,000 persons were contacted. More than 25 per cent of these long-term unemployed persons were finally successful in finding their way back into the general labour market. Eighty-one per cent of the women and men who were placed in employment found a job requiring the payment of social insurance contributions. The remaining 19 per cent set up their own business or found marginal part-time jobs (www.perspektive50plus).

By the end of 2010, 165,000 older long-term unemployed persons were to be activated and 45,000 women and men were to be integrated into the labour market.

In January 2008 yet another new feature was introduced – the further development of the Federal programme's concepts. The transition to a fund allocation that is solely success-driven is an essential element of this new concept. Here, employment pacts can choose between two different funding models that are either based on their activation and integration efforts or on their integration successes.

4.3 Norway

Norway is here described as an example of the Scandinavian labour market model with a high employment rate of women and of elderly people.

Norway has 4.7 million inhabitants and a labour force of 2.44 million. Nearly 0.6 million of them work for the state or municipal administration.

The unemployment rate in Norway, at 2.7 percent, is now very low – and experts expect a further decrease (Lund, 2009). The number of vacant positions in private and public sectors is expected to outnumber the number of unemployed, an indicator of the high Norwegian skill needs.

“Unemployment among elderly workers has generally been lower than the general level of unemployment. However, the relative proportion of long-term unemployed is higher among older workers, indicating increasing problems in finding a new job with increasing age (Solem & Øverbye, 2002).

The average duration of life in Norway has increased from 74 years in 1970 to 80 years in 2005.

The high employment rates of elderly people are a result of various national strategies to keep seniors at work:

- Active and committed role of the social partners: Together they carry out the Tripartite Actions CSP and IW
- CSP - Centre for Senior Policy: This “National Initiative for Senior Employees” has the objective “... to promote better use of senior staff resources and competences in the workplace” (www.seniorpolitikk.no). Along with the social partners the Norwegian Labour Market Ministry is an active member of the tripartite action.

The “CSP - Centre for Senior Policy” is operated by the social partners and financed by funds from the government. In the tripartite agreement between the government and the social partners the focus is on:

- raising awareness of older workers’ resources and qualities
 - stimulating an inclusive and positive work environment for all age groups (age diversity)
 - a better coordination of senior policy among the social partners and the government” (Lund, 2009)
- One concrete action of the tripartite agreement is the IW strategy for developing a more Inclusive Workplace (IW). Reducing sickness leave and including more people with disabilities in working life are two objectives of the IW strategy. Improving the working conditions is used as the main tool.

The third objective, promoting a better use of senior employees' resources and competences in the workplace, is underlined by a special indicator – increasing the average retirement age by half a year before 2009.

- Other Norwegian strategies to retain seniors at work are:
 - leisure days and other incentives for employees over 63

- controlled experiments on patterns and models of working time in the public sector
- the “Seniornett”, an ICT competence-building service for people over 55 (www.seniornett.no)

Related new strategies to retain senior staff at work implemented since 2010 are: changes in the pension schemes in order to reward an extension of the working period; new welfare measures combining a full pension with a salaried job; and contracts to commit clients to work or training in return for social security measures (Lund, 2009).

5. The regional level

It may be seen that the labour markets in the North Sea Region and the action regions in the DC NOISE project face similar challenges within the differing situations and characteristics of each region. Changes in the labour markets are not homogenous. The main changes in demographic characteristics in the labour markets, such as ageing, depopulation and shortage of highly educated employees, will depend on regional characteristics. Also the effects of demographic change on sectors of the labour market and the economic background can be quite different.

Some regions in the project are more peripheral, while others are more core economic regions. They have their own economic structures and have undergone very different regional structural economic changes.

Last but not least, cultural dimensions influence the labour market. For example religious values and attitudes in many regions are still important for the tendency to work. The lower employment rates in southern Europe can be caused by the meaning family life there still has. Against that the Norwegian society is work-oriented. For Solem and Øverbye it “is tempting to speculate if this is due to a remnant of Protestant work ethic in an otherwise secularised society, or caused by hegemonic social democratic culture.” (Solem and Øverbye, 2002: 6)

The projects of DC NOISE as well as the projects of other regions therefore contribute to giving concrete answers at regional and local level to questions like:

- How can we reduce the mismatch between supply and demand?
- How can we keep and train a highly-qualified workforce?
- How can we change the negative image by which the ageing workforce is still afflicted?
- How can we motivate and support senior workers?
- How can we support lifelong learning and increase employability?
- Some sectors like healthcare are particularly concerned by demographic change (because of the growing number of people who need care):
 - How can we make the care sector more attractive for youngsters in order to compete with sectors like IT, etc.?
 - How can we keep the sector attractive for senior workers?

Approach / Instrument	Example / Good Practice
Vocational Training	<ul style="list-style-type: none"> • Groningen Region
Fostering Entrepreneurship of Elderly	<ul style="list-style-type: none"> • Edinburgh: Chamber of Commerce
Matching / Recruiting	<ul style="list-style-type: none"> • Hamburg: PlusPunkt • Bremen • Twente: Career-Centre
Empowerment	<ul style="list-style-type: none"> • Knutepunkt Sörlandet
Attracting and Maintaining Human Capital	<ul style="list-style-type: none"> • East Flanders: Survey • Twente: Career Centre • Zeeland: Attention in Healthcare
Awareness-Raising - Employers	<ul style="list-style-type: none"> • Knutepunkt Sörlandet • ERSV West Flanders
Knowledge Transfer	<ul style="list-style-type: none"> • Zeeland: Grey Matters

5.1 Vocational Training

In Groningen part of the demonstration project is the long-term retention of poorly educated people for the region by offering them training and/or guiding them towards health-care jobs. As mentioned before, highly educated people are very mobile on the labour market. A high proportion of well and higher educated people are crucial for a strong regional competitive economy in the sense of the Lisbon strategy.

As background the project offers employers a tool for forecasting their need for new workers by applying a strategic approach to staff capacity planning.

5.2 Fostering entrepreneurship among elderly people

Seniors present an important stock of human capital. They have a great potential of skills and knowledge which should continue to benefit to the economy. New ideas and business start-ups are not limited to young people.

The pilot **Hi Ho Silver** developed by the partner **Edinburgh Chamber of Commerce** (UK) as part of the project **Cities in Balance (CIB)**, funded by the ERDF and concerning the North West Europe region, aims to provide business and employment opportunities to seniors aged over 50.

It assists seniors in developing business activities, social enterprises or cooperatives to gain benefit not only on an individual level (self-esteem, leisure pursuit, remaining active) but also in terms of income generation for the local economy and themselves.

Based on market research and other experiences, the pilot identified six key areas which have been considered to be useful when exploring self-employment: *“Is self-employment right for you, Ideas generation, Starting your own business, Starting your own consultancy, E-marketing, and Tax and pension implications”*.

A specific training programme, ‘**SELECT**’ (Senior Enterprise Learning Edinburgh City Training), organised in the form of evening classes, has been established which reached more than 100 seniors. The workshops were delivered by internal and external business advisers and complimented by individual guidance (e.g. career coaching, interview and CV skills). In the future this training programme will be fully integrated in the business gateway provision of Edinburgh.

5.3 Matching / Recruiting

The partner region East Flanders focuses in its demonstration project on a better labour market participation in the healthcare sector, especially of over-50s as a way to not only keep workers in the healthcare system but also to find new people. As we mentioned above part of the solution for a shrinking workforce is working on the mismatch between supply and demand, where on the one hand people are not active in the labour market because they are for instance unemployed, and on the other hand more people will be needed in the future.

In the partner city region Hamburg the demonstration project, carried out by the private enterprise PlusPunkt, concerns the integration of long-term unemployed elderly people (over 50) into the labour market through extensive processes of matching, education and coaching.

PlusPunkt looked for the success factors of integrating elderly into the labour market. They asked employers, matched elderly people, former unemployed and experts like the staff of the matching agencies. The main questions were:

- What are the attitudes of employers towards elderly people?
- Have employers any ideas about tackling demographic change?
- Are financial subsidies an incentive for employers to recruit elderly people?

As result of the study the authors remark that the majority of the employers have had positive experiences with over-50s. Their main assets are their work experience and reliability. As challenges the employers regard the physical health and the flexibility of the elderly.

The authors see a lack of strategies and concepts to tackle the consequences of demographic change. More than 50% of the employers would recruit elderly people if public subsidies were available. As a result of the interviews with the matched elderly and the employees of the matching agencies, the authors state that self-confidence, a positive work-attitude and good work experience are important for integration.

On the other hand the individual counselling and coaching offered by PlusPunkt and other service companies are an important success-factor.

5.4 Empowerment

In the partner region Groningen the demonstration project focuses on interesting new people in healthcare jobs, but also on motivating healthcare workers to stay in the sector. To interest more young people to work in the healthcare sector innovative care solutions like IT are stimulated. Though a process of mentoring and coaching, the knowledge and skills of older, experienced healthcare workers are transferred to new people and this is also used to motivate people for healthcare jobs. Unfortunately many older workers in healthcare leave their jobs, while as we have seen the workforce in general is becoming older.

West Flanders strengthened the economic position of the unemployed over-50s population: the jobless elderly got more detailed information, advice and hints while searching for a new job.

5.5 Attracting and maintaining human capital

Providing for the future in terms of a shrinking workforce and an ageing population requires answers and solutions as to retaining seniors in the workplace and avoiding the loss of their knowledge and competences due to retirement.

Therefore another type of measures in the demonstration projects concerns creating enough supply in a specific labour cluster. When labour supply tightens, private companies and the public services have to compete for people. In good economic times working for the government is seen as less favourable compared with the private sector, which is perceived as providing employment which is more dynamic and better paid. In bad economic times people are more willing to accept a public service job with more security.

Three DC NOISE pilots developed activities contributing to further retaining the workforce. The project in East Flanders (Belgium), **A healthy care of healthcare**, focuses on the effects of demographic change in the labour market in relation to healthcare. Since the healthcare sector already finds it difficult to find appropriate staff, and due to the increasing demand for care, this sector is particularly interested in retaining its workers. A research study, as one part of the project, therefore analysed the situation regarding absenteeism and staff turnover in home care. The VUB (Vrije Universiteit Brussel) carried out the survey on personnel flow at two home care institutions in East Flanders. As result the survey pointed out a “clear relation between absenteeism and early staff outflow” and indicated the need for

“integrated policies concerning working conditions and recruitment”. It reveals that home care more and more depends on staff over 50 years old, which demands preventive health-care measures and improvement of working conditions (reduction of work pressure, adjustment of working time) to avoid drop-outs. Young people do not see sufficient career possibilities in this sector.

The pilot of the partner **Knutepunkt Sørlandet** (Norway), entitled **Senior Policy**, aims to contribute to the development of a specific senior policy in the municipality. It aims to retain important labour experience and knowledge, and motivate workers to continue working beyond the age of 62, so that fewer staff will retire between 62 and 67 with a contractual pension. This senior policy includes the aspect of knowledge transfer which has been implemented by a mentoring programme. The mentor should be considered as an adviser and resource person for new employees, who helps them to integrate themselves into a new workplace and team. In addition the project prepares inputs to the budget process of senior-related political actions to put forward improvements in working conditions.

In the partner region Twente the demonstration project is about getting and keeping enough highly educated and skilled people in the workforce. Measures concern interesting graduates in working in the region and attracting people from other regions through publicity campaigns and facilitating their move to the region. As we have seen above, interesting people in a region has much to do with the attractiveness of a region.

The pilot project **Attention in Health Care**, carried out by the Dutch partner region of Zee-land, focuses on how to retain staff already working in care organisations, especially older care workers. It uses an Action Research methodology to gain insight into the issues faced at the workplace. This tool can be regarded as subjective, describing the needs of particular groups, such as workers. The promoters of the pilot write that “the balance between care giving and taking, avoiding stress and changing perspectives appear to be important issues in maintaining an older workforce” (John Sas-Sasinergera).

5.6 Awareness-raising among employers

To keep older people in the workforce is not just a matter of motivating the employees but we also need an age-conscious staff policy in organisations, particular towards over-50s.

The project **Demographic and age-conscious staff policy, 50+citizens and the labour market, sensitising and reinforcing** developed and implemented by the DC NOISE partner **West Flanders** (Belgium) focused on sensitising the labour market regarding workers over 50 years old.

Besides original non-traditional information campaigns in the form of “company theatres” performed during meetings of employers, and the distribution of roll-ups based on photos and cartoons, the pilot organised company visits with jobseekers, and developed tools such as a checklist to screen job advertisements and an age scan of employees in companies.

Company visits:

The purpose of the company visits was twofold: senior jobseekers should become more familiar with companies, and companies should become more familiar with the expectations, needs and potential of the jobseekers. The two-hour visits were organised all over the region in different sectors, and included a company presentation and visits to different departments, a testimony from a senior staff member, a presentation by the regional employability service on a general 50+ theme and discussions among those involved.

These visits were very successful, because it seems that on the employers' side preconceptions against workers over 50 could be altered, the jobseekers themselves became more self-confident, realising that there are still job opportunities they were unaware of or considered too difficult, and the employment agency gained a broader knowledge of new companies and employers. Company visits will therefore be integrated into the future work of ERSV West Flanders.

Screening of job advertisements:

In order to improve job advertisements so as to take the needs of over-50s into account, a checklist was developed which enables HR managers to screen their job advertisements, "more specifically to check the terminology used in these advertisements and their possible (mis)interpretation by people over 50 seeking jobs". The checklist includes practical 'tips & tricks' for age-neutral recruitment. Attention is drawn to explicit or implicit age discriminatory terminology, and reference is made to the legal context as set out in a web tool of the Belgian Centre for Equal Opportunities and Opposition to Racism (www.diversiteit.be). The checklist has also been integrated into the Diversity Remix kit of ERSV West Flanders, an information set for employers province-wide. It has also been included in the EAD (diversity) Toolbox as well as the 50+ Toolbox, both available from the websites of the Flemish authorities (www.werk.be, www.leeftijdenwerk.be and www.dejuistestoel.be).

Age-Scan (leeftijdsscan):

A very specific instrument is the age-scan combined with a benchmarking tool which aims to give a company (profit, non-profit or governmental) an insight into its own age structure, age policy and its situation in relation to other companies in the same sector of activities. "The tool detects (possible) future problems related to an ageing workforce. If such problems show up, the organisation is recommended to pursue an age-conscious staff policy. Once the age scan has been executed, an analysis report is automatically generated. This consists of the company's age pyramid and sectorial benchmark details. The age scan is basically an electronic questionnaire and can be backed up by face-to-face interviews by diversity ('EAD') consultants. This instrument was immediately considered very useful, and has been incorporated in an existing Flemish region diversity toolbox on labour market issues. The age scan tool has been extended and the benchmark has been refined into a Flemish-wide instrument, including an optional English version. A separate Flemish website (www.leeftijdsscan.be) has been created, which will ensure that the tool has a long-term impact.

5.7 Knowledge transfer

The problem with a shrinking work force lies not just in having too few people but also in the loss of senior knowledge due to retirement. In the partner region Knutepunkt Sørlandet, in the town of Vennesla, the demonstration project focuses on keeping senior staff (and their knowledge) in the municipal organisations by motivating and helping people approaching retirement to stay at work longer.

It is not only in the partner region of Zeeland that companies face a loss of knowledge due to the retirement of older employees. The personal knowledge which forms part of the capital of the company is often not written down, but exists only in the mind and experience of workers. Different companies have faced problems in transferring this knowledge to apprentices. To document and transfer such invisible knowledge, skills and procedures, the actors of the project “Grey Matters” produced a hypervideo, which consists of a record of the work process, to which digital explanatory content was added afterwards.

The method was handed over to the private sector and, according to the promoters, funded by companies.

5.8 Sustained employability

Regarding the ‘employability’ of senior workers (so-called ‘Best Agers’) a detailed and concrete “17-point programme for the sustained employability of best agers” has been developed by the **Department of Work Science, University of Gothenburg, Göteborg, Sweden** in the framework of the **Best Agers project** (INTERREG IV – Baltic Sea region) and is presented below:

For agers themselves:

- Look for employers who have a good record with respect to the work environment, competence development programmes, and a positive attitude to older employees;
- Take advantage of offers to join competence development programmes;
- Avoid as far as possible repetitive work, shift work, and physically strenuous work tasks. Listen to your own body;
- Try to establish a good relationship with your supervisors, so that they engage in your work and are aware of your accomplishments;
- Engage in your trade union and try to interest them in opening discussions with the employer how to further the principles of Age Management in the workplace;
- Engage in physical training in your free time;
- Develop a CV that reflects the full range of knowledge that you possess, not one that only lists exams and jobs.

For employers:

- Develop the work environment so as to make sure that all employees are given work tasks that are within their capacity, taking into account individual characteristics such as age and sex;
- Implement principles of Age Management in the work organisation, in consultation with the trade unions;
- Develop career plans for all employees, involving competence development programmes.
- Develop mentoring programmes where older employees can use time for knowledge transfer to younger ones;
- Develop stepwise and flexible pension options in order to retain some older employees and their knowledge for a longer time, rather than applying strict compulsory retirement based on age alone;
- Work with the organisation, in particular middle management, in order to develop a positive attitude towards older employees. This means recognising the competence of older employees and communicating that they are often able to achieve at least as good results as younger workmates, if they are given adequate working conditions.

At the society level:

- Revoke all instances of age discrimination in laws and regulations;
- Build safeguards against age discrimination in the operation of governmental agencies that have an impact on ageing and work;
- Implement an ombudsman function for appeals from people who consider themselves victims of age discrimination;
- Be trendsetters. Involve older people in parliamentary work and other visible governmental operations.

5.9 What can we learn from the projects in general? – A summary

- A multitude of new ideas, practical and innovative approaches and measures is available;
- Mutual learning, the exchange of knowledge and experience on useful instruments, is essential to enlarge and increase their impact and to avoid overlapping, duplication and unnecessary costs;
- Establishing networks among stakeholders strengthens the impact and the viability of the projects;
- To guarantee the sustainability of a project and its further development on a larger scale, the results should be disseminated on different political levels;
- Prejudices are still deeply anchored: raising awareness is a long-term effort, but there is a positive evolution and attitudes are changing.

6. Developing a labour market strategy – Recommendations

Summarising the different experiences of the projects, recommendations will be developed which give hints for new strategies: This paper addressed the question *what can local and regional actors do to overcome the negative effects of demographic change in the labour market and to seize the opportunities of demographic change?*

What we can learn is that the regions face very similar problems but come up with different solutions depending on different mechanisms. The starting point for all projects is however that we have to raise awareness of demographic change and its effect on the labour market in order to create (new) solutions. Transnational cooperation plays an important role in helping to achieve this. Through transnational cooperation we learn about solutions tailored to the specific regions, and from good examples for other regions within the North Sea Region. We learn about obstacles and changes, and dos and don'ts. In the sense of INTERREG the exchange of regional consequences and solutions is an important tool for raising awareness, problem perception and the development of innovative solutions in the DC NOISE regions. All regions are forerunners in some aspects, due to their demonstration projects, and can thus inspire the other regions (Coenen & Galjaard, 2009).

An important starting point underlying many of the demonstration projects, regarding the objectives of the Lisbon-Strategy, is that the relatively low labour participation rates of the elderly should not be accepted. The process of an ageing society will then automatically result in a shrinking labour force. A new view of the traditional labour force age (16-64) and its characteristics (silent reserves) must be taken.

As early as 2004, the report of the High-Level Group on the Future of Social Policy in an Enlarged European Union presented policy recommendations on the employment of young people, women and older workers which are still valuable. To increase the employment rate of older workers the High-Level Group developed policy recommendations for concrete actions at three levels:

At the level of employment and social security systems:

- decrease the incentives to leave working life early and severely reduce early retirement systems
- promote later retirement through pension reforms
- develop the possibility for retired people to work (including through part-time or temporary jobs)

At the company level, in particular through the involvement of the social partners:

- promote lifelong learning for older workers
- improve working conditions
- modernise the organisation of work in particular to better meet the needs of older workers while effectively using their expertise, including through shifting types of jobs

(e.g. from a management job to an advisory or coaching position) or by taking up employment in a subsidiary company

At the level of society:

- increasing the employment rate of older workers will require society to think differently about the potential contribution of older workers; this will imply a tremendous change of mentalities
- promote a shift in public opinion through for instance advertisement campaigns (as is done in Nordic countries)

In addition to the existing policy recommendations and based on the experience of the DC NOISE project and its exchanges with the various other projects in other regions of the European Union, and despite of the differences of regions, approaches and tools developed, some conclusions and recommendations for the complete North Sea Region can be made:

- Regions as stakeholder and decision-makers:

Regions have to be regarded as stakeholders and decision-makers in implementing an active labour market policy. They have contact with the employers, the representatives of the employees and the chambers and know all their strengths and weaknesses in detail.

The federal systems in Belgium and Germany, and their governance models with shared responsibilities and tasks, can be taken as model.

Cities and regions have to find appropriate forms of relationship which combine competition with cooperation. A model of cooperation between sparsely populated peripheral regions and urban areas with universities, which takes the region's strengths as advantages, can be an alternative to increasing competition by tackling the rural brain-drain in isolation.

- Level of sectors: collective agreements

A collective agreement, e.g. with the objective of improving working conditions or fostering vocational training, can be a way to increase efforts to raise the employment rate of elderly people.

The agreement in the German chemical industry can be seen as a model.

- Social partners

Including the social partners will be a fruitful way of developing and implementing new models of labour market policy. Trade unions and employers' federations have a particularly important role to play in several Member States. In the Netherlands, Denmark and Sweden the social partners conclude collective agreements on occupational pension provision at the level of sectors. Membership in these schemes is mandatory. As a result, coverage rates of such schemes are particularly high, up to 91% of employees in the case of the Netherlands. Other countries (Belgium, Germany) are now following this approach or are preparing measures to do so, while Italy, an EU Member State not belonging to the North Sea Region, is also considering making participation in private funds mandatory.

The Tripartite Agreement in Norway can be regarded as an example.

- Prolonging working life

As previously described, life expectancy in the European Union has risen steadily in recent years, with the result that the duration of pension payments has also increased. This development affects a significantly higher proportion of elderly citizens, even given the decline in birth rates. Therefore, extending working life appears to offer a path towards ensuring financial liquidity that is suggested in the European Employment Strategy and is implemented by many countries.

- Tools and Instruments: flexible and adjusted

The ways of managing demographic change have to suit the regional circumstances, and the ways of working with different target groups have to be adjusted to their needs and strengths. Coaching and empowerment may be useful for deprived and long-term unemployed people facing various obstacles – such as vocational training for women who wish to return to the labour market after caring for a child.

The national or regional regulations should be very flexible, without rigid restrictions – and should be able to be adapted to meet regional needs.

Experience gained at grassroots level should have an impact on national level. Networking should be supported and policy coordination mechanisms developed to bring the various stakeholders together.

Private actors such as professional service enterprises should be involved in carrying out the projects.

Suggestions to create an EU-wide database/toolbox of existing tools and instruments are welcome. It is important that access to existing knowledge and experience is not limited to some regions and stakeholders involved in specific projects, but that it is available to everyone, so that it is used as widely and in as many ways as possible.

7. Attachments

7.1 Links to databases

- www.eurostat.de
- www.iab.de
- www.oecd.org

7.2 Web addresses and contacts of relevant organisations and stakeholders

7.2.1 European Union

- www.dcnose.eu
- www.mutual-learning-employment.net
- www.eu-employment-observatory
- <http://ec.europa.eu/social/ey2012.jsp>

7.2.2 Belgium

- www.leeftijdscan.be
- www.leeftijdenwerk.be
- www.dejuistestoel.be
- www.emploi.belgique.be
- www.rva.be

7.2.3 Germany

- www.perspektive50plus.de
- www.demographie-hamburg.de
- www.inqua.de

7.2.4 Norway

- www.seniorpolitikk.no

7.2.5 United Kingdom

- www.5050vision.com
- www.ageconcern.com

7.3 Publications and literature

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STRUYVEN, LUDO, in consortium with GHK CONSULTING LTD and CERGE-EI: Peer Review on “Activation of the elderly: increasing participation, enforcing employability and working age until the age of 67”, Peer Country Comments Paper – Belgium, 2010.

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