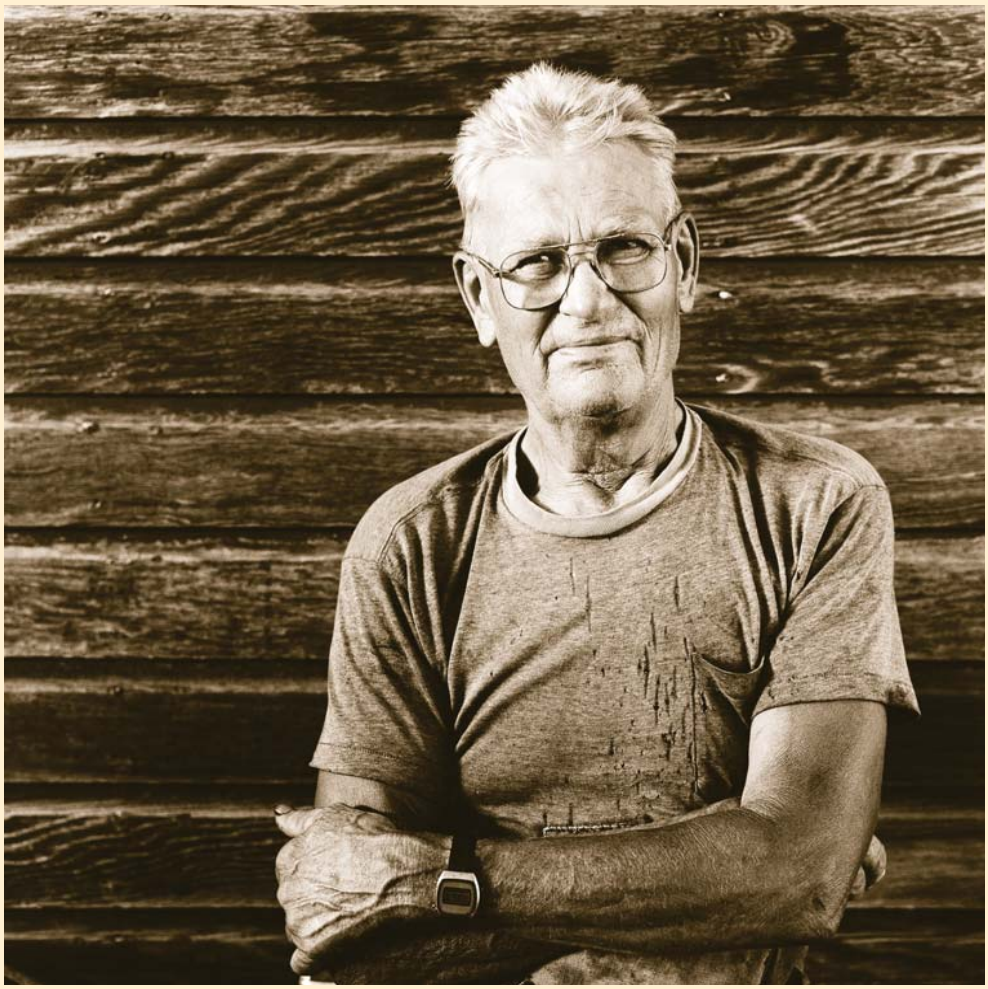
European Foundation for the Improvement of Living and Working Conditions

Age and employment in the new Member States



Age and employment in the new Member States

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Research project: Employment initiatives for an ageing workforce

European Foundation for the Improvement of Living and Working Conditions

Age and employment in the new Member States

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Foreword

The issue of Europe's ageing workforce has, over the last decade, emerged as a central priority for policymakers in the EU. This demographic shift calls into question both the sustainability of pension systems and the future of Europe's labour supply, which in turn raises questions about the prospects for economic growth.

Despite the response of policymakers, who have highlighted the need for initiatives to foster active ageing across the EU25, differences have emerged in the individual responses to this challenge. These differences are apparent not just between the individual Member States but, more markedly, between the 'old' and 'new' Member States. While policies and practices aimed at improving opportunities for older people have developed significantly in the EU15 in recent years, there has not been the same response in the new Member States and acceding countries.

Employers in many of the new Member States, for example, are still sometimes reluctant to employ older workers. Moreover, although public actors have devised policies targeting such workers, the measures have not been sufficiently specific to contribute substantially towards fostering active ageing. Nonetheless, the findings do indicate that the situation is beginning to change: in particular, there appears to be a greater level of understanding of the issue at company level among the larger companies, and increasingly among small and medium-sized enterprises.

This report explores the role and response of public actors, along with various measures implemented by public authorities, to promote the employment of older people in the new Member States and acceding countries. It also provides a comprehensive overview of Foundation case studies on age management initiatives in individual organisations in seven of the countries under consideration, ending with some recommendations for future policies and approaches.

We hope that this report, together with its companion report *Employment initiatives for an ageing workforce in the EU15*, will provide a more comprehensive picture of age and employment in the EU and, in doing so, contribute to the improvement of employment conditions for Europe's ageing workforce.

Jorma Karppinen
Director

Willy Buschak
Deputy Director

Country codes

NMS

CY	Cyprus
CZ	Czech Republic
EE	Estonia
HU	Hungary
LV	Latvia
LT	Lithuania
MT	Malta
PL	Poland
SK	Slovakia
SI	Slovenia

ACC2

BG	Bulgaria
RO	Romania

Abbreviations

EU15	The 15 EU Member States prior to May 2004
EU25	The 25 EU Member States after May 2004
NMS	The 10 new Member States that joined the EU in May 2004
ACC2	Two acceding countries due to join the EU in 2007: Bulgaria and Romania

Note: All the names of organisations highlighted in **blue** throughout the report are hyperlinks connecting to the individual case studies in the Foundation's website (http://www.eurofound.eu.int/areas/populationandsociety/ageingworkforce.htm).

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Introduction

In recent years, the European demographic situation has been characterised by a growing proportion of older people and a shrinking proportion of younger people – a trend that is set to continue for at least the next two decades (see, for example, European Commission, 2005a). These developments pose challenges for both public policy and the economy, as well as for private and public organisations. With regard to public policy, for example, the financial sustainability of pension and health systems is called into question, as is the efficient functioning of the labour market. At the same time, private companies and public organisations will need to adapt to older persons as both clients and employees.

Looking at employment, it may generally be observed that the job opportunities for people aged 50 years and over have become increasingly limited. This age group is widely deemed unattractive as a source of labour for a number of reasons: a perceived lack of flexibility and initiative; a poor grasp of foreign languages; a reluctance to take part in training; limited adaptability to new working conditions; a lack of knowledge of new technologies or production processes; and a greater tendency towards taking sick leave.

This dismissal of the older population as a potential workforce, however, represents a premature and permanent loss of human capital, as older people represent a rich source of skills and experience. Older workers, enterprises and the general public all pay the price of this neglect – for instance, through higher expenditure on social protection, unemployment and healthcare (Naegele, 1999 and European Commission, 2004b). Furthermore, the loss of a skilled and experienced labour force, particularly in those sectors with a high proportion of older employees, might cause a decline in economic growth. In view of Europe's diminishing younger population, companies will have to increasingly rely on older workers or otherwise run the risk of losing business opportunities due to labour shortages.

European policy context

The importance of addressing the ageing question has been recognised at the European level for over a decade. Promoting the increased participation of older people in the labour market has been cited as a major component of any effort aimed at increasing the sustainability of economic and social development in the European Union (EU). In this context, a number of different definitions of 'older people' exist; these range from people aged 45 years and older (used in particular when dealing with a life-course perspective and preventive approaches), to people aged 50 years and over or people aged 55 years and over. In the synthesis report for the 2004 Spring European Council (European Commission, 2004b), active ageing was identified as one of the three main priority issues for which swift action is needed. In addition, the Kok report, which formed the basis for the 2005 mid-term review of the Lisbon Strategy, defines as a key priority issue the development of a comprehensive active ageing strategy in the Member States (European Commission, 2004c). The *Common actions for growth and employment* report (European Commission, 2005c) describes the ageing population, combined with a falling working-age population, as a challenge that needs to be addressed, affecting as it will Europe's economic and social future. Furthermore, promoting 'active ageing' is seen as contributing to the overall objective of the European Commission of improving people's living standards.

More specifically, as one of its targets, the Stockholm European Council of 2001 set the goal of raising the employment rate of older people (aged 55 to 64 years) in the EU to 50% by 2010, thus increasing employment levels by about five million employees (European Commission, 2002).

Accordingly, the average European exit age from the labour market is to increase by about five years by 2010 (as agreed in the Barcelona Council in 2002) – that is, from 59.9 years in 2001 to 65.4 years in 2010. These targets can only be reached by encouraging older people to remain in employment and by persuading inactive people to (re-)enter the labour market.

The situation of older employees in the EU15 has been a key priority issue at European level since 1990, when the European Observatory on Ageing and Older People was established. Throughout the 1990s, a wide range of initiatives were introduced to increase Europeans' awareness about the importance of this issue. Such initiatives included:

- the announcement of the 'European Year of Older People and Solidarity between the Generations' in 1993;
- the agreement of a 'Resolution on the Employment of Older Workers' in 1995;
- various discussions about the topic in the Councils of Cardiff and Vienna in 1998 and in Gothenburg in 2001;
- the publication of a report, *Increasing labour force participation and promoting active ageing* (European Commission, 2002).

However, for a number of reasons, including the attitude of both employees and employers towards older people in employment, the abovementioned targets are not easily attainable. Nevertheless, it is necessary to face the challenges of reducing non-wage labour costs, lowering present and future dependency burdens, securing the sustainability of social protection and guaranteeing a medium to long-term labour supply. It is generally assumed that maintaining and promoting the health and work capacity of ageing employees, as well as fostering the development of their skills and employability, is an important prerequisite for providing suitable working conditions and employment opportunities for older people. Therefore, extra attention should be paid to specific policy measures and instruments implemented at European and/or national levels, in order to promote changes in the behaviour of employers and employees and thus increase older people's participation in the labour market.

For the effective design and implementation of effective measures, substantial background knowledge of the existing context of socioeconomic research is required. In relation to the Europe-wide research already available, the following points can be noted.

- The importance of removing disincentives to remaining in employment in terms of tax/benefit structures is quite well covered in existing literature, at least from a theoretical point of view. However, it is crucial that more be learnt about the attitudes of public actors and the general public (including employers and employees) towards active ageing, and also about how better age management practices in workplaces can be promoted through public policies and through the active involvement of the social partners.
- A series of investigations has already been conducted for a number of the EU15 countries (see, for example, Walker, 1997), resulting *inter alia* in a database on good practice for combating age barriers in employment, operated by the European Foundation for the Improvement of Living and Working Conditions ('the Foundation').
- Almost no information is centrally available concerning the situation of older employees in the 10 New Member States (NMS) and in the two acceding countries Bulgaria and Romania

(ACC2);[1] also absent is any information on the roles and perspectives of public and private actors with regard to active ageing, or on workplace practices in these countries.

The latter point, in particular, underlines a potential field of action, given the fact that the employment rate of older workers (aged 55 to 64 years) in many of the NMS and ACC2 countries is considerably lower than the 50% target rate envisaged by the Lisbon and Stockholm councils. For example, in Poland, Slovenia and Slovakia, in 2004, the employment rate of older workers was below 30% (Eurostat, 2004). This highlights the importance of specific public and private initiatives aimed at improving the integration of older persons into the labour market.

However, the NMS and ACC2 have different frameworks in economic, political and social terms from the EU15, because of the profound reforms entailed in the transition made by many of these states to a market economy. Therefore, a more comprehensive investigation needs to be undertaken in order to analyse the present situation in these countries and to pinpoint future fields of action that need to be taken, assuming that initiatives 'work in another way' (see reference to 'path dependency' in Ney, 2004) in the NMS and ACC2, compared to the EU15.

Against this background, and following the research studies already conducted for the EU15, the present study aims to:

- develop a better understanding of the perspectives of governments, social partners[2] and the wider public with regard to improving the employment situation of older workers and extending working life in the NMS and ACC2;
- provide information on the development of the measures/policies of social partners and governments in the countries under consideration (such as those related to the labour market, social protection, taxation, training or the work environment);
- identify and present examples of initiatives at individual company or organisation level (for example, in the field of recruitment, training, health or job design), aimed at fostering active ageing;
- draw conclusions and provide guidance for future strategies in the field of age management in the countries analysed.

Structure of report and methodology

In order to gain an insight into the situation of and employment initiatives for the ageing workforce in the NMS and ACC2, this consolidated report focuses on both quantitative and qualitative information regarding older employees, and on relevant public and private measures in the 12 countries: Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia. The relevant information was gathered at national level by a team of experts involved in socioeconomic research in the field of employment and the labour market (see Annex 1). The team was led by the Austrian Institute for SME Research (*KMU*

[1] Following the signing of the Accession Treaty on 25 April 2005, Bulgaria and Romania are defined as 'acceding countries', likely to become full EU members in 2007.

[2] In the framework of the 2004 Spring European Council, the Member States were encouraged to intensify their efforts to realise the active ageing agenda and seek to achieve the targets in close cooperation with the social partners (European Commission, 2004).

Forschung Austria), with the assistance of the Work Research Centre in Ireland and the LBL Expertise Centre on Age and Society in the Netherlands. This consolidated report constitutes a synthesis of the national information and aims at identifying the general situation of older employees in the NMS and ACC2, as well as examining the respective framework conditions (i.e. public and private initiatives) from a supranational viewpoint. Nevertheless, specific national conditions are highlighted where relevant.

In addition to this synthesis report, the Foundation hosts a database of case studies on a wide range of age management initiatives at individual company and organisation level. Currently, it provides information on approximately 130 case studies.[3] It is intended to supplement this information with further examples from the NMS and ACC2, obtained in the framework of this project.

Generally, when referring to the 'older population' or 'ageing workforce', people aged 55 years and over are considered. During the last decade, however, thinking has shifted towards more of a life-course approach. Accordingly, it has been recognised that, to encourage people to remain in employment for longer, younger age groups need to be considered in age management initiatives. Rather than implementing 'remedial' measures aimed at avoiding 'intergenerational friction' (Drachenberg, 2005), preventive and holistic measures may be implemented (such as lifelong learning, adequate care facilities for children and dependent persons and incentives for employers and employees with regard to active ageing). As a result, the focus is shifting towards those aged 45 years and over (or even towards younger age groups), in terms of awareness raising, for instance. As far as possible, the framework of this project follows the same approach. Nonetheless, it should be noted that, in terms of data, no information about persons aged 45 to 50 years is available at European level (i.e. Eurostat); in this report, therefore, the 'older population/workforce' refers to those aged 50 years and over.

In a first research step, a background analysis was conducted on the situation of older employees in the NMS and ACC2. This was primarily based on quantitative secondary data available at European level (in order to guarantee comparability of the statistical findings) and at national level (in order to supplement the centrally available data with more recent or specific information). A compilation of the most important indicators can be found in Chapter 1 of this report, providing quantitative information on the situation of the ageing workforce in all of the 12 countries under consideration.

As part of this background analysis, the national research partners also gathered qualitative information on the perspectives and roles of the public authorities and social partners with regard to an ageing workforce. Furthermore, a preliminary investigation on existing public and private initiatives for fostering active ageing and retaining people in employment was conducted through a literature and document review.

Based on this information, the Austrian Institute for SME Research conducted a cross-country comparison involving five countries from the NMS and both of the ACC2. The Institute carried out an in-depth analysis of the role and perspectives of the public actors and social partners and of

[3] http://www.eurofound.eu.int/areas/populationandsociety/ageingworkforce.htm

available public support measures, as well as measures implemented at individual company or organisation level to encourage active ageing.

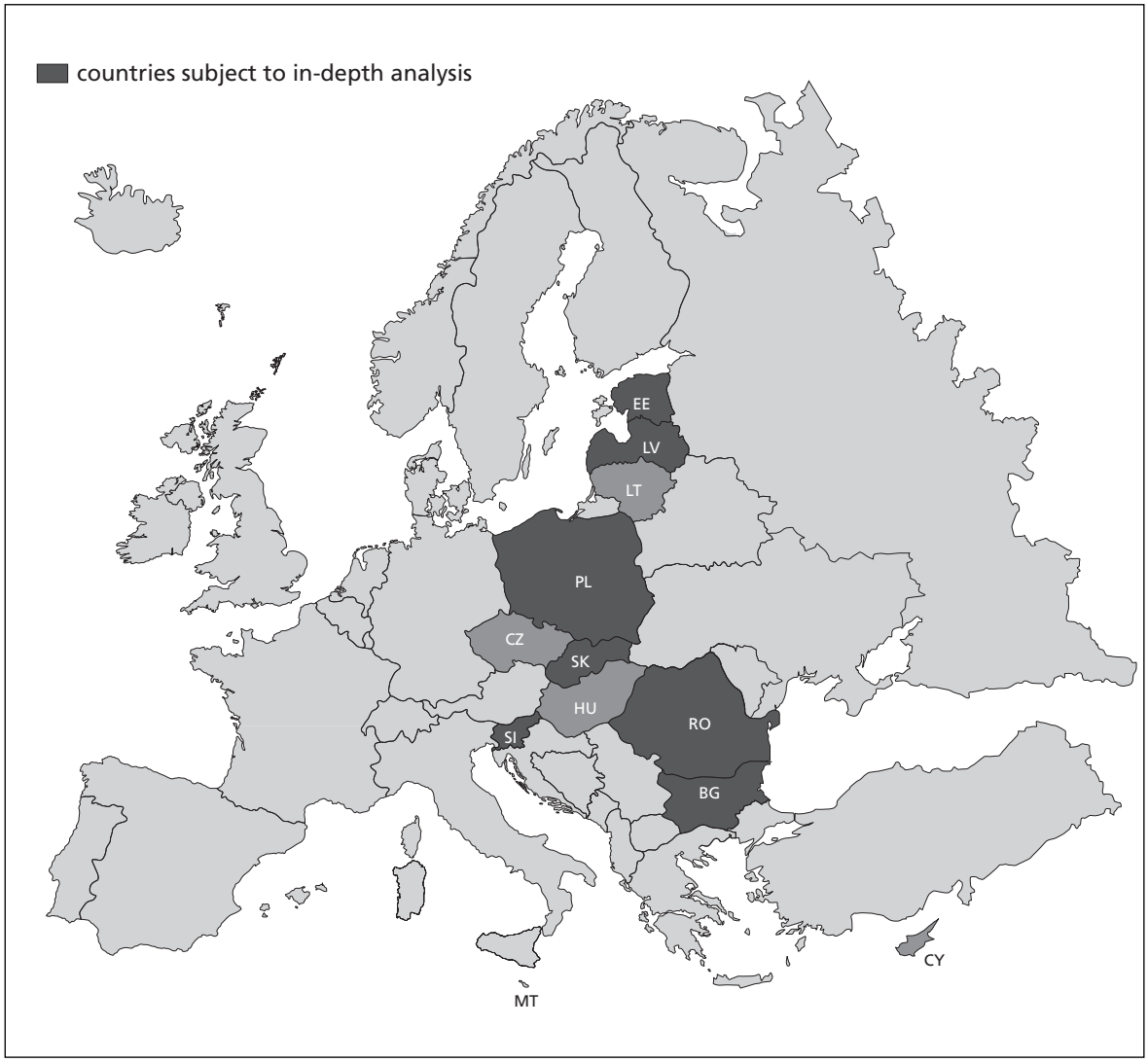
A set of indicators was devised for the purposes of selecting five of the 10 NMS countries for the detailed analysis, in a way that would ensure a good balance between different types of countries and different situations of older employees. These indicators included the following:

- size of country;
- geographical location;
- relevance of economic sectors;
- proportion of older people in the population;
- proportion of older people in the workforce;
- proportion of older people among the unemployed population;
- perspectives of public authorities;
- focus and content of available public measures.

When analysing these indicators, it appeared that several countries showed considerable similarities in relation to particular aspects. As a result, 'clusters' of countries could be identified for each indicator. The detailed analysis considered countries characterised by different framework conditions. It also aimed to investigate those countries that had not yet been the subject of analysis in other European studies. As a result, the following Member States were selected:

- Estonia – a Baltic country with various similarly important economic sectors, characterised by a comparatively older population, with the proportion of older people in the workforce being higher than 25%, and a lower proportion of older than younger people among the unemployed population;
- Latvia – a Baltic country with various similarly important economic sectors, characterised by a comparatively older population, with the proportion of older people in the workforce being higher than 20%, and a higher proportion of older than younger people among the unemployed population;
- Poland – a large central European country where manufacturing and trade constitute the most important economic sectors, characterised by a comparatively younger population, with the proportion of older people in the workforce being lower than 20%, and a lower proportion of older than younger people among the unemployed population;
- Slovakia – a medium-sized central European country where manufacturing, financial intermediation/real estate and public administration constitute the most important economic sectors, characterised by a comparatively younger population, with the proportion of older people in the workforce being lower than 20%, and a lower share of older than younger people among the unemployed population;
- Slovenia – a small southern European country where manufacturing, financial intermediation/real estate and public administration constitute the most important economic sectors, characterised by a comparatively older population, with the proportion of older people in the workforce being lower than 20%, and a lower share of older than younger people among the unemployed population.

Figure 1 Countries covered in the study



Source: Austrian Institute for SME Research

As part of the detailed analysis involving the seven countries selected, the attitudes and strategies of governments and social partners with regard to active ageing were evaluated by investigating official documents, supplemented by half-standardised qualitative interviews with representatives of the relevant actors. The information gathered by the national research partners has been synthesised and can be found in Chapter 2; it is partly supplemented by information on the other five countries involved in the background analysis.

The in-depth analysis also focused on measures implemented by public authorities aimed at promoting the employment of older people. Some of the examples presented in this study are related to the adaptation of the social security and pension systems or to work–life balance; others refer to workplace health or ergonomics, training, skills development or career planning. Furthermore, issues such as changing attitudes in organisations or in the workforce, measures preventing people from entering disability schemes when reaching a certain age, or return-to-work

programmes for older unemployed persons have also been addressed. These findings are summarised in Chapter 3.[4]

A further aim of the research is to present an overview of case studies on age management initiatives applied at individual company or organisation level in the seven countries involved in the detailed analysis. These examples include programmes related to the improvement of working conditions and workplace health (e.g. job design and prevention), measures aimed at maintaining and promoting the health and work capacity of workers as they age (including disability management) and measures concerning job recruitment or career development (including training). The information was gathered through personal or telephone interviews with company representatives (human resources managers, directors) and, partly, with employees or their representatives. Along with a background analysis of the company (using, for instance, information provided on the company website), these interviews were conducted according to the half-standardised qualitative guidelines provided by the Austrian Institute for SME Research. An outline of these company and organisation case examples can be found in Chapter 4 (see also Annex 2 for a profile of the case studies).

In the final chapter of the report, the lessons learnt from the initiatives for an ageing workforce are outlined, with a view to supporting future policy development in this field.

[3] It should be mentioned that the measures presented in this chapter only provide examples of the initiatives prevalent in the NMS and ACC countries, and do not claim to provide a complete picture.

1 Situation of older employees in the NMS

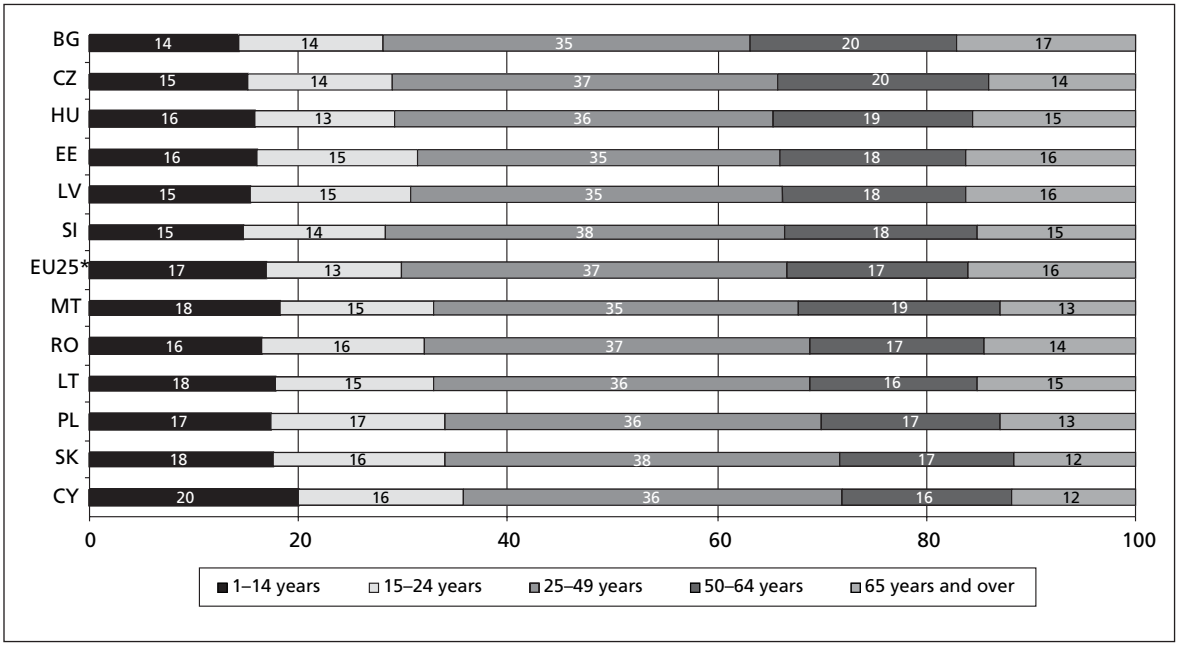
Characteristics of the older population

Age structure

About one third of the population in the EU is aged 50 years or over. In recent years, a continuous trend of ageing has been observed – a trend that is expected to continue for the next two decades.

Among the NMS and ACC2, two groups of countries can be distinguished, according to the proportion of older people in the population (Figure 2). With over one third of their inhabitants aged 50 years and older in 2004, Bulgaria, the Czech Republic, Estonia, Hungary, Latvia and Slovenia can be characterised as the 'older' countries, while Cyprus, Lithuania, Malta, Poland, Romania and Slovakia are characterised by a younger population. In the latter countries, the proportion of people aged 50 years and over ranged from 28% to 32% in 2004.

Figure 2 Percentage of population by age



Notes: * Data refers to 2001
Source: Eurostat, 2004

In general, significant differences in age structure according to gender can be observed in the countries studied. On average, the proportion of women aged 65 years and older is higher than that of men. This is particularly true for the Baltic countries and for Hungary and Slovenia, where the proportion of women in the oldest age group was between seven and nine percentage points higher than for men. In Cyprus, by contrast, only minor differences can be found.

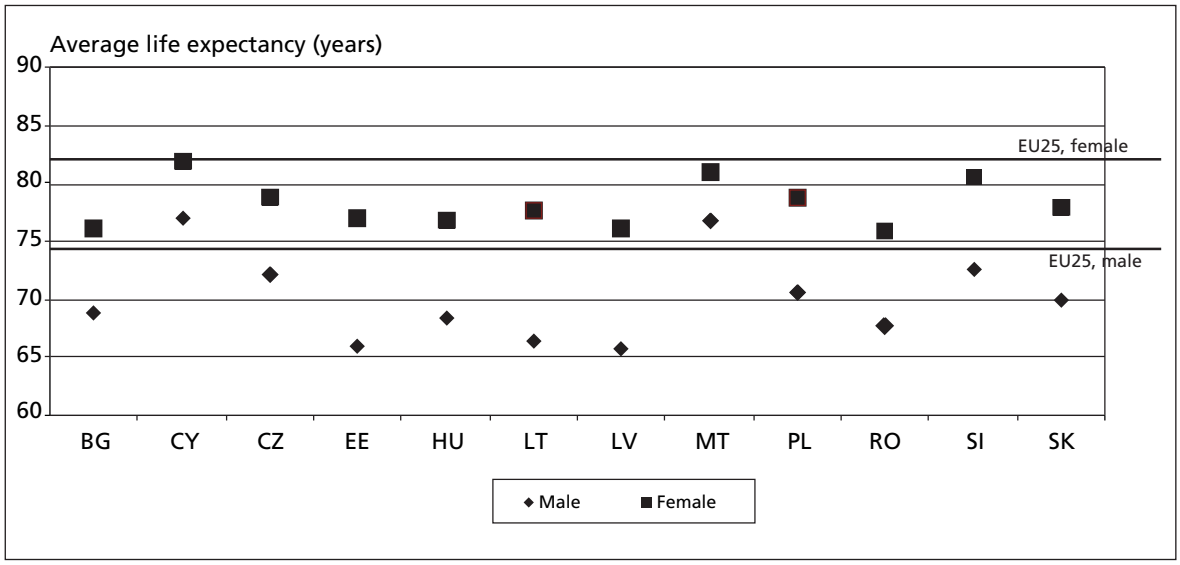
In line with the European average, an upward trend in the population's age can also be observed in the NMS and ACC2. Between 1991 and 2004, the proportion of the population aged 50 years and over increased in all countries – in the Czech Republic, Slovenia, Bulgaria and Poland, by about five to six percentage points. In Lithuania and Romania, the increase was smaller –

approximately only three percentage points. In Bulgaria, Estonia, Hungary, Lithuania and Romania, the proportion of women over 50 years of age grew more rapidly than the proportion of men in this age group; in the Czech Republic and Cyprus, the opposite was the case. In Slovenia, Poland, Slovakia, Latvia and Malta, no gender differences were seen in the shift in the population's age structure. When younger age groups were included in the analysis, the national data sources show that, since the start of the 1990s, the proportion of people over 45 (or 40) years of age has been increasing in the countries covered in this study. Once again, the proportion of older women in this age group has increased more rapidly than that of men.

Life expectancy

Life expectancy has risen across the EU – in particular, in the Czech Republic, Hungary, Poland, Slovakia, Slovenia, Cyprus and Malta. Conversely, in Bulgaria (for both sexes) and Lithuania (for men), life expectancy remained almost unchanged between 1990 and 2003. In 2003, in the 25 EU Member States (EU25), the average life expectancy was 74.9 years for men and 81.3 years for women. Malta and Cyprus displayed comparable life expectancy to the EU25 average: 76.7 years in Malta and 77 years in Cyprus for men; 80.7 years in Malta and 81.4 years in Cyprus for women. In Slovenia, the life expectancy of women was also comparatively high at 80.4 years. In contrast, relatively low life expectancies were found in Latvia, Estonia, Lithuania, Romania, Bulgaria and Hungary. In these countries, men's average life expectancy ranged between 65.7 years (in Latvia) and 68.9 years (in Bulgaria), while women's average life expectancy ranged between 75.3 years (in Romania) and 77.7 years (in Lithuania).

Figure 3 Average life expectancy in the NMS and ACC, by gender and country



Source: Eurostat, 2003

Education

In the NMS and ACC2, as well as in the EU25, younger people generally have a higher level of formal education than older people. In 2004, for example, in the EU25, 10% of those in the 65 years and over age group had completed third-level education; the equivalent figure for those aged 25 to 49 years was 24%.

However, a cross-comparison between all the countries shows that Estonia, in particular, is characterised by high educational levels: the proportion of over-50s who have completed third-level education is about twice the European average. High levels of education can also be seen in Hungary, Latvia and Slovenia. In these countries, the proportion of people who have completed third-level education is almost at the European average, while the proportion of those with a (post-) secondary education is higher than the EU average (with the exception of those aged 65 years and over in Hungary). In Bulgaria, educational levels are quite similar to the EU average. In Cyprus and Lithuania, the younger population (up to 49 years of age) has a level of education higher than the EU average; however, in these two countries, the proportion of older people (aged 65 years and older) who have a third-level education is lower than the EU average. In the Czech Republic, Poland, Romania and Slovakia, the proportion of people with a third-level education is lower than the EU average, while the percentage of those with a (post-) secondary education is higher (with the exception of those aged 65 years and over in Romania). Low levels of educational attainment could have a negative impact on a person's integration into the labour market. This was implied in findings for the EU15 (European Commission, 2002), which indicated a positive correlation between the skills level and the rate of economic activity for all age groups.

In general, in many of the countries analysed, women in the younger age groups (up to 49 years) possess equivalent (or higher) levels of educational attainment to men, although the opposite is true among the older age groups. Only in Malta and the Czech Republic do women have fewer (formal) qualifications than men, regardless of age.

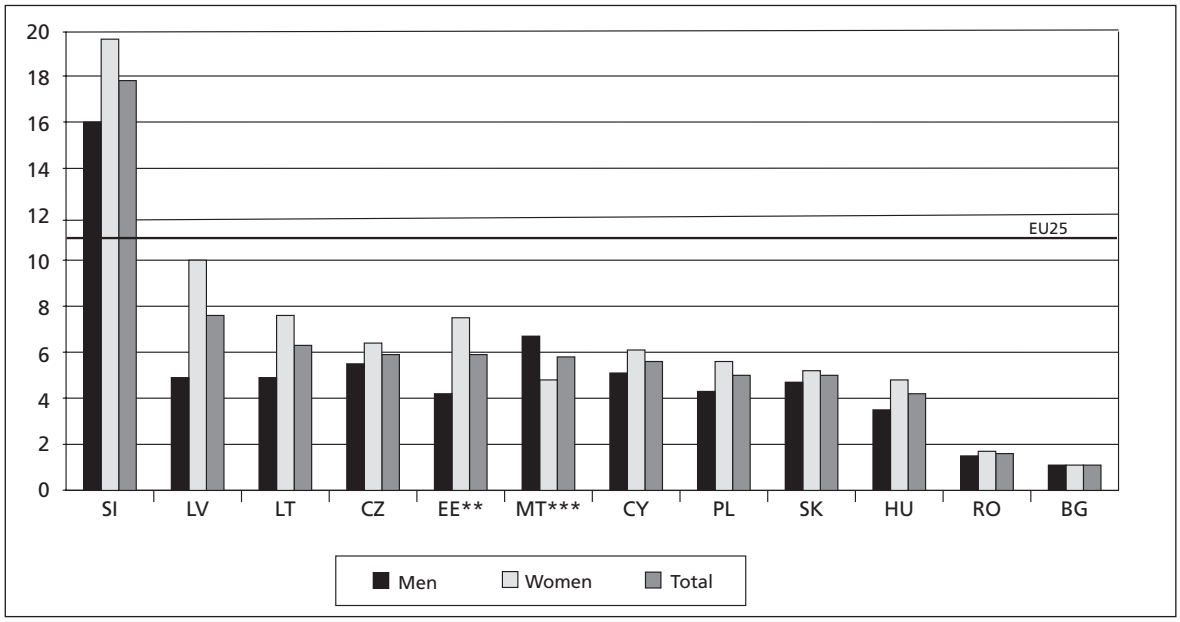
An analysis over time shows an increasing level of education in the selected countries, with the exception of Bulgaria, where it was almost constant. In the other countries, the proportion of people with a third-level education has increased slightly.

Lifelong learning

Lifelong learning is an essential component of the European Employment Strategy (EES) and an important precondition for a longer working life (Weiler, 2005). In 2005, the total participation rate in lifelong learning was 10.8% in the EU25 (11.7% for women and 10% for men). Generally, participation in lifelong learning decreases with age; this is attributed to the fact that although a range of training initiatives exists, most countries have not yet effectively included the needs of older workers in their lifelong learning strategies (Leney, 2004).

Among the countries under consideration, Slovenia shows the highest lifelong learning participation rate, despite its comparatively older population. The remaining countries are characterised by levels of participation lower than the European average (Figure 4). Romania and Bulgaria display the lowest levels of participation and therefore have the highest risk of (older) people being less attractive to potential employers. The EU's trend of women having a higher participation rate in lifelong learning is reflected in the countries under study, particularly in Latvia, Slovenia, Estonia and Lithuania; Malta is an exception, women being engaged in lifelong learning to a lesser extent than men. In Romania, the number of people engaging in further education appears to decrease with age (see National Institute for Statistics, Household labour force survey (AMIGO), 2003), a finding that is also apparent in Cyprus (see statistics of education 2002–2003).

Figure 4 Participation in lifelong learning, by country (%)*



Notes: * Percentage of the population aged 25–64 years participating in education and training over the four weeks prior to the survey.
** Unreliable or uncertain data for men
*** Provisional values
Source: Eurostat, Structural indicators, 2005

Disabilities

In the EU25 in 2002, 16.2% of the population were found to have longstanding health problems or disabilities; in Estonia, the Czech Republic and Slovenia, the proportion was considerably higher – between 20% and almost 25% of the population. In other words, countries with comparatively older populations had higher levels of health problems or disabilities. In Cyprus, Hungary and Malta, about 10% of the population suffered from health problems and disabilities, while in Lithuania, Slovakia and Romania – the comparatively 'younger' countries – only 6% to 8% of the population were found to have disabilities. Not surprisingly, the prevalence of health problems and disabilities is higher in the older age groups than in the younger. For example, only 1.3% (in Hungary and Romania) to 9.4% (in Estonia) of 16 to 24 year olds suffered from health problems or disabilities, in comparison with 14.1% (in Romania) or over 40% (in Estonia, Slovenia and the Czech Republic) of 55 to 64 year olds. As shown in the EU15, people with disabilities are much more likely to be economically inactive than those without disabilities (European Commission, 2002): therefore, the higher disability rate of the older population can be seen to negatively affect their integration into the labour market.

In Cyprus, Malta and Slovenia, the disability rate of men was slightly higher than that of women. Conversely, the Czech Republic, Romania and Estonia are characterised by slightly higher disability rates among women than among men. In relation to the 45 to 54 year old age group, a higher disability rate was observed among men in Cyprus and Malta, while the Czech Republic, Estonia, Lithuania, Slovakia and Romania showed comparatively higher disability rates for women. Meanwhile, in the 55–64 year old age group, a higher disability rate among males prevailed in Hungary, Malta and Slovakia, in contrast to Estonia, the Czech Republic and Romania, where the disability rate was slightly higher for older women than for older men.

In some countries, the number of people with disabilities has been increasing over time, according to national register data on disability pension claimants.[5] For example, in Cyprus, the number of people on invalidity pensions has been growing since 2002, especially among the female population, according to the Social Insurance Services of Cyprus. In Lithuania, the number of people receiving disability benefits has grown between 2004 and 2005, particularly in the 30–55 years age group, according to the State Social Insurance Fund Board of Lithuania. In Slovenia, the average number of disability pension recipients each year has been increasing almost continuously between 1990 and 2004, as has the average age of the beneficiaries (53.4 years for men and 49.5 years for women in 2004) (Institute of Pension and Disability Insurance of Slovenia, annual report 1994). In Hungary, the number of disability and accident disability pensions increased from an all-time low in 1999 until 2001, although it did decrease slightly again between 2002 and 2003. Since 1995, Poland has also been characterised by a slightly declining number of people in receipt of a pension resulting from an inability to work, according to the Social Insurance Institution of Poland.

As regards the payment of invalidity pensions, clear differences emerge between the countries concerned; however, this can be attributed partly to the differing legal frameworks, which influence people's eligibility for respective benefits.

- In Cyprus, the proportion of disability pensions is very low, although this proportion has been increasing slightly since 1995. In 2004, only about 3.6% of retired men and 0.2% of retired women received a pension due to disability, while just 8% and 3% of retired men and women, respectively, received payments due to invalidity. In the same year, 88% of retired men received an old-age pension. The situation in relation to retirement pensions differs for women: in 2004, nearly 40% of women received a widow's pension, approximately 33% received an old age pension, while 23% received a social pension (Social Insurance Services of Cyprus).
- The Czech Republic is characterised by both a high disability rate and a significant number of early retirees. Between 1996 and 2000, the proportion of people retiring early (as a percentage of all retirees) increased by more than 40 percentage points to 59.2%. This development can be attributed to the introduction of legislation facilitating early retirement for older workers. Nevertheless, since 2000, the proportion of early retirees dropped again, falling to 43% in 2003 (OECD, 2004).
- By 1 January 2005, about 40% of pensions in Estonia resulted from an incapacity to work; about 50% were old age pensions and the remainder pertained to other types of pensions such as survivors' pensions (Statistical Office of Estonia). The relatively high proportion of invalidity pensions is in line with the country's above-average disability rate.
- In Hungary, by 1 January 2004, about one quarter of pensions received were due to disability, 15% of which were received by people below the retirement age and 11% by people above the retirement age; over 50% of pension recipients received an old age pension, while 7% received benefits due to a reduced capacity for work.
- In Poland, in 2003, 31% of the pensions covered by the non-agricultural social security system were granted due to an inability to work, 51% were retirement pensions and 18% were family pensions (Social Insurance Institution of Poland).

[5] Due to differing eligibility criteria for disability pensions across countries, the subsequent national data are not directly comparable with each other and with the abovementioned harmonised data.

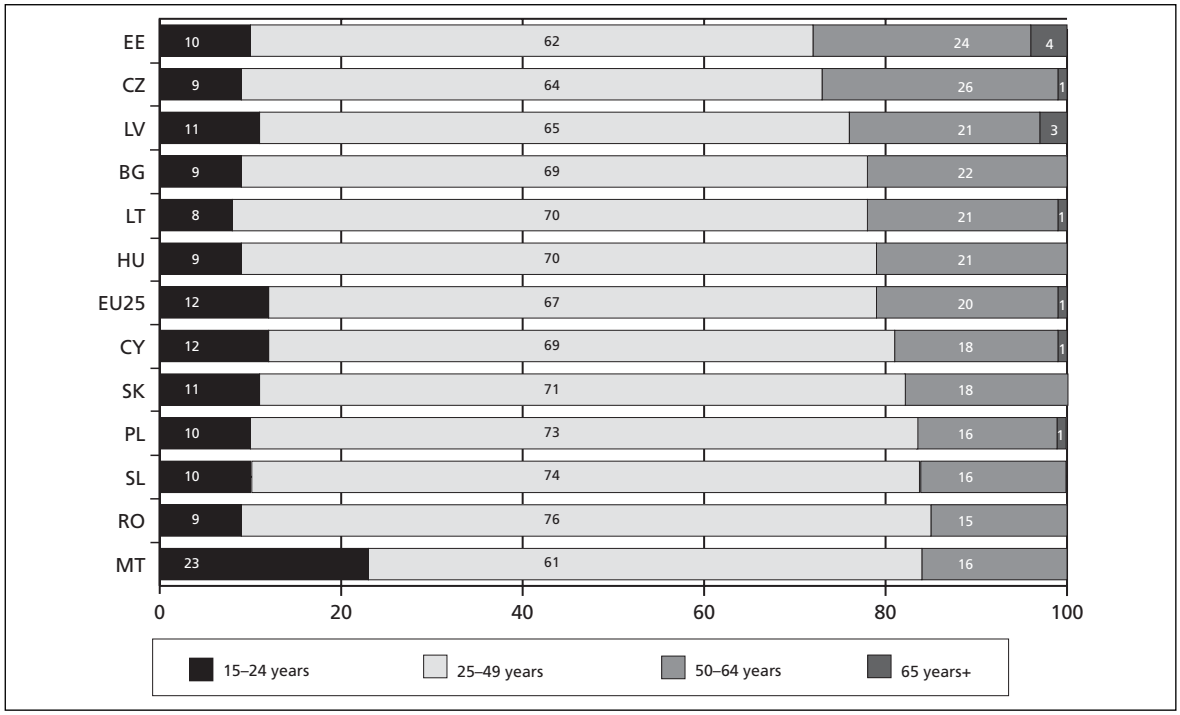
- By the end of 2004, about 16% of pensions in Romania (excluding those of farmers) were invalidity pensions, up from 12% in 1996. As a result, the proportion of pensions received for age reasons began to decrease (down from 71% in 1996 to 66% in 2004), despite a rise in the absolute number of pensions (Romanian Statistical Yearbooks).
- In Slovakia, about 20% of the pensions paid by the government pertained to (partial) invalidity in 2003, while 56% were old age pensions and the remainder widows', widowers' or orphans' pensions (Statistical Office of the Slovak Republic).

Employment situation of older people

Age structure

The age structures of the workforce differ in the NMS and ACC countries. In relation to the category of 'dependent employees', both Estonia and the Czech Republic have the oldest workforce, with around 25% of employees aged 50 years or over (Figure 5). In contrast, Malta has the youngest workforce of dependent employees: 16% of the workers are aged 50 years or over, while 23% are aged between 15 and 24 years.

Figure 5 Age structure of employed population, by country (%)



Source: Eurostat, 2004

Note: Figures have been rounded up to 100%

In relation to gender differences in the age profile of dependent employees, female employees are comparatively younger than male employees in most of the countries. This can be attributed to the relatively lower retirement ages of women. In particular, in Slovenia, Cyprus and Bulgaria, the proportions of dependent female employees aged between 25 and 49 years old were higher than the proportions of men in this age category; however, in the 50 years and older age category, the proportion of older male employees was higher than that of women. Only in Estonia and Hungary,

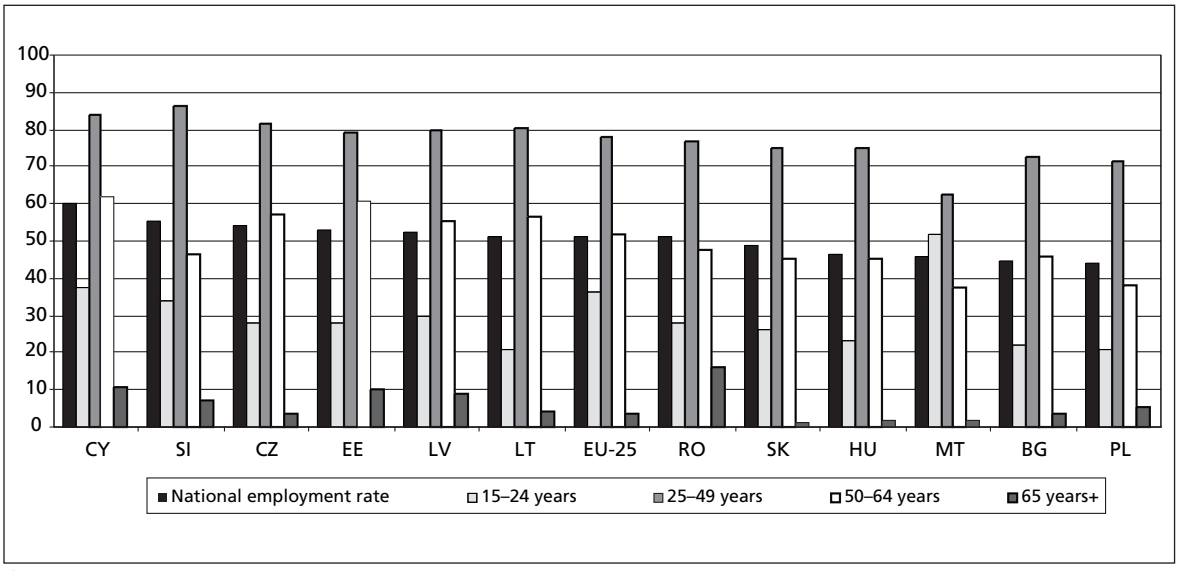
countries that have a comparatively older workforce, were the proportions of older female employees (aged 50–64 years) higher than the respective proportions of older male employees.

An analysis over time shows almost stable age structures in the category of dependent employees; however, in some countries, the proportion of older workers (aged 50–64 years) has increased somewhat. For example, in Hungary, Slovakia, Slovenia and Romania, the proportion of older workers has increased for both sexes. In Estonia, Latvia and Bulgaria, this proportion increased particularly among women. In Malta and Poland, the proportion of workers in the 25–49 years age group has grown, especially among women.

Employment rate

In 2004, the average European employment rate – that is, the proportion of employed persons aged 15 years and over out of the total population of the same age – amounted to 51.3% (Figure 6). Considerable differences prevail between the individual countries in this respect. In Cyprus, the employment rate was higher than the European average at 60.3%, while in Slovakia, Hungary, Malta, Bulgaria and Poland, a lower employment rate was found, ranging from 44% to 48.9%. A comparatively higher employment rate among older workers (aged 50–64 years) was found in Cyprus, Estonia, the Czech Republic, Lithuania and Latvia, ranging from 55.1% to 61.7%. With the exception of Cyprus, these are also countries with a comparatively older workforce. In contrast, in Poland and Malta, the employment rate of older people was quite low at around 38%. In relation to the 65 years and older age group, the average European employment rate stood at 3.7% in 2004. The employment rate for this category of workers was particularly high in Romania, Cyprus, Estonia, Latvia and Slovenia, ranging from 7.2% to 15.8%. In general, a decline in employment rates with increasing age can be observed. With the exception of Cyprus and Lithuania, the favourable involvement of older people in the labour market in the abovementioned countries might be explained by a comparatively low percentage of younger inhabitants in these countries (see Figure 2), thus 'forcing' workers – against the background of an economic boom – to remain in employment for longer to satisfy employers' needs for human resources.

Figure 6 Employment rate, by age and country (%)



Source: Eurostat, 2004

The employment rate of women in the NMS and ACC2 is much lower than that of men. For example, in 2004, the female employment rate ranged between 26.7% (in Malta) and 50.6% (in Cyprus), while the male employment rate varied from 49.1% (in Bulgaria) to 70.9% (in Cyprus). Malta, Cyprus and the Czech Republic, in particular, are characterised by large differences between the sexes in relation to employment rates. For example, in Malta, the employment rate of men amounted to 66.3% in 2004, compared with an employment rate of 26.7% for women. In comparison with the other NMS countries and the EU25 average, Malta showed the lowest employment rate for older women (50 years and older).

An analysis over time shows a relatively stable employment rate in the EU25 between 2001 and 2004. Nonetheless, the employment rate for the younger population has been falling slightly during this period from 37.8% to 36.4%, while that for people aged between 50 and 64 years has risen slightly from 49.8% to 51.9%, particularly among the female workforce. Nevertheless, no clear overall evidence of an employment substitution effect between the older and younger age groups may be observed at EU level (European Commission, 2005b).

In some of the NMS and ACC2, there has been a noticeable rise in the employment rate of older workers, to a higher extent than the European average. This has been particularly evident in recent years in Lithuania, Latvia, Bulgaria (especially among older women), Slovenia, Hungary, Estonia and Cyprus. With the exception of Lithuania, these countries are generally characterised by a stable, although slightly increasing, overall employment rate. In Estonia, the rise in the employment rate among older workers is especially true for female employees. Nevertheless, due to the fact that the employment rate started rising at an earlier date, respective growth between 2001 and 2004 was lower in Estonia than in the two other Baltic countries. In the Czech Republic, despite an overall falling employment rate, the rate for older employees increased slightly. In Malta, Poland and Romania, where the employment rates have generally been falling, a drop in the employment rates of the older population (50 years and over) can also be observed.

The available data also indicate that in those countries that have a comparatively higher employment rate among the older workforce, the rates are increasing further. For example, in Latvia and Lithuania in 2004, the already high employment rate of older workers increased to 55.1% and 56.8%, respectively (an increase of around seven percentage points on the 2001 figures (Figure 7)). Conversely, in those countries where the integration of older people into the labour market is relatively poor – particularly in Malta, Poland and Romania, where the employment rate of 50 to 64 year olds is lower than the European average – the rate is decreasing.

By sector, the most important fields of activity for older employees in the NMS and ACC2 are agriculture (as it is in the EU25, although to a lesser extent), followed by public administration, education, health and other services. In all the countries (with the exception of Latvia and Romania), the highest proportion of employees aged 50 years or over can be found in the agricultural sector, with figures for 2004 ranging from 20% in Slovenia and Poland to 40% in the Czech Republic (almost twice the EU25 average). In Romania, Hungary and Slovenia, the highest proportions of older employees can be found in the public administration, education, health and other services sectors (20% in Romania and Slovenia and around 25% in Hungary). In Latvia, the highest proportion of older employees is in the transport and communications sector, while in Poland, the biggest employers of older workers are the agriculture, financial services and real estate sectors.

Figure 7 Employment rate of population aged 50–64 years (%) and its variation, by country 2001–2004 (% points)

Source: Eurostat, 2004

Generally, the lowest proportion of older workers is found in tourism and trade. In Slovenia, Slovakia, Bulgaria, the Czech Republic and Hungary, the lowest proportion of older workers is in the hotel and restaurant sector, while in Poland, Romania, Latvia and Hungary, the lowest proportion of older employees can be found in wholesale and retail trade (together with the hotels and restaurant sector), at employment rates ranging from 9% to 16%. Clear gender differences also prevail across all age classes in relation to employment in the different sectors. Generally, fewer women than men work in the construction and manufacturing sectors; at the same time, the proportion of female employees is considerably higher in public administration, education, health and other services sectors, as well as in wholesale and retail trade.

Education

Compared with the educational attainments of the overall population, dependent employees generally possess higher levels of formal education. In Cyprus, Estonia and Lithuania, the workforce had comparatively high educational levels, corresponding to the higher qualification levels of the overall population. In these countries, about one third of the employees had a third-level education, compared with the EU25 average of 25%. In the Czech Republic, Slovakia and Romania, a higher proportion of employees had completed their secondary education, although fewer possessed a third-level education as compared to the European average. The lowest educational levels were found in Malta.

Generally, female employees are better educated than their male counterparts; in the older age groups, however, this situation can be reversed. For example, in Cyprus, Hungary, Romania and Malta, up to the age of 49 years more female than male employees have a third-level education; however, with increasing age, the education level of men approaches or exceeds that of women. In Bulgaria, Latvia, Lithuania, Poland, Slovenia and Slovakia, female employees up to the age of 64 years have a higher level of education than do men. Only in the Czech Republic do female employees (as well as the entire female population) possess lower qualification levels than men (particularly for older age groups).

An analysis over time shows a slight rise in educational attainment among employees, similar to the trend observed in the overall population. This is particularly the case in Slovenia, Malta and Hungary. Only in Bulgaria, Latvia and Romania did the educational attainments of the workforce remain almost constant over time; in Lithuania, by contrast, the proportion of employees with a third-level education fell over time (with the exception of those in the 15–24 years age group).

In the EU15, the participation rate of older workers (aged 50 years or over) in training and further education is known to be in substantial decline, particularly among low-skilled workers (European Commission, 2002). A similar pattern can also be observed in the NMS and ACC2. For example, data for the Czech Republic show that the incidence of training among employees increases with educational attainment but declines with age. In particular, older workers – who could benefit greatly from upgrading their skills to help facilitate their integration or continuation in the labour market – refrain from engaging in further education (OECD, 2004). In Romania, it was found that the level of participation in further education and the duration of the training period both decreased with age. For example, in 2003, over 90% of the participants in further education aged 15 to 24 years attended courses lasting two years or longer; by contrast, only around 75% of 35 to 49 year-olds did so. An insignificant number of cases was registered among people aged 50 years and over in this respect (National Institute for Statistics, 2003).

Working hours

In 2001, the average working week of employees in the NMS and ACC2 was found to be longer than that in the EU15. Although differences exist between the countries, the average working week in almost all of the countries considered (as per collective agreement) is 40 hours. The longest working weeks were recorded in Romania (44.3 hours), Latvia (43.5 hours), Bulgaria (42.4 hours) and Slovakia (42.2 hours). Considerably shorter working weeks were recorded in Malta (39.3 hours), Slovenia (39.5 hours) and Cyprus (38 hours) (Paoli and Parent-Thirion, 2003).

In general, men work more hours per week than women, with the sole exception of Romania, where the reverse is true. In Malta and Cyprus, in particular, the average number of weekly working hours of men was much higher than that of women (Paoli and Parent-Thirion, 2003).

As they get older, people tend to prefer shorter working weeks. In 2001, only 8% of workers aged 35 to 44 years worked less than 30 hours a week; by contrast, 27% of workers aged 65 years or more worked less than 30 hours a week (Paoli and Parent-Thirion, 2003). Generally, it appears that the average number of weekly working hours peaks among those in the 35–44 years age group (45.4 hours) and starts to fall with increasing age (e.g. 39.6 hours for a relatively small proportion of employees aged 65 years or over).

In Hungary, the majority of employees (about 80%) worked 40 hours a week in 2001. However, with increasing age (60 years and over), the proportion of people working full time began to decline: only about 50% worked 40 hours a week, while over 10% worked part time for 15–20 hours or 21–35 hours a week. In the younger age groups (up to 59 years), only 2%–4% of the employees worked part time (Central Statistical Office of Hungary).

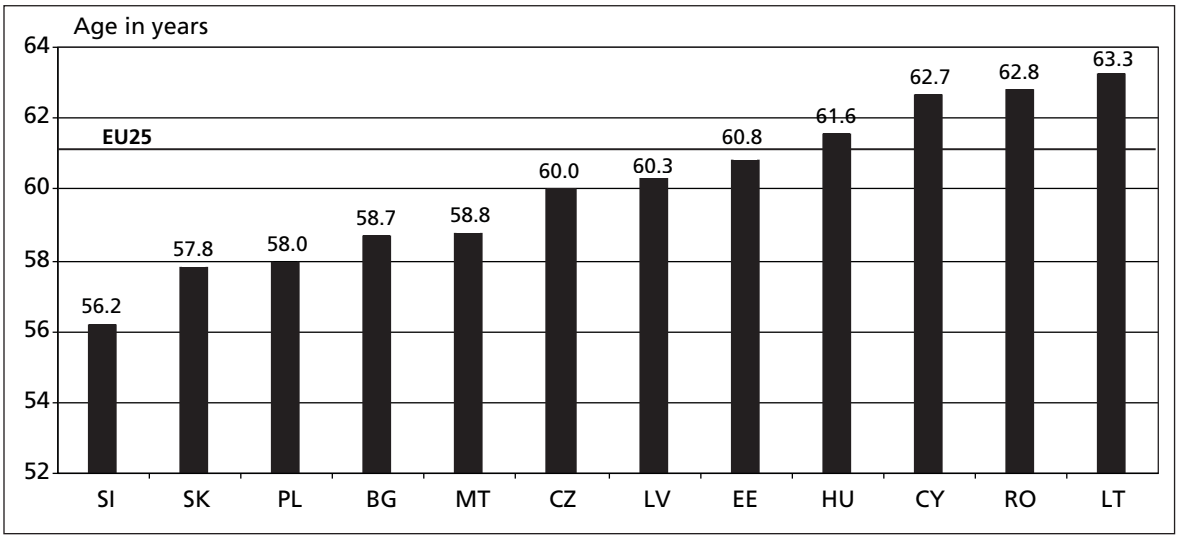
In the Czech Republic, the working week also shortens with age. In 2002, only 28% of men aged between 60 and 64 years worked fewer than 40 hours a week; however, for men aged 65 years and

over, this figure increased to 57%. Women preferred to work part time as they got older to a greater extent than did men: for example, 45% of women aged 60 to 64 years worked less than 20 hours a week, while only 12% of men in the same age group worked part time. Nearly 75% of men aged between 60 and 64 years still worked over 40 hours a week, while only 38% of women in the same age group did so (OECD, 2004).

Average exit age

In 2003, the average exit age[6] of the workforce in the NMS and ACC2 ranged from 56 to 63 years, compared to the EU25 average of 61 years (Figure 8). The average exit age was lower in Slovenia, Slovakia, Poland, Bulgaria and Malta, ranging from 56 to 59 years. In contrast, in Lithuania, Romania and Cyprus, a higher average exit age of about 63 years of age was observed.

Figure 8 Average exit age from the workforce, by country



Source: Eurostat, 2003

Disabilities

In the EU25, 12.3% of the workforce indicated that they had long-standing health problems or disabilities in 2002. Reflecting the comparatively higher proportion of disabled people in the population, the share of disabled people in employment was greater in Estonia, the Czech Republic and Slovenia, ranging from 14.2% to 18.3%. In contrast, in Lithuania, Slovakia, Romania and Hungary, no more than 3% of employees indicated that they had a disability. In Poland, 16.3% of disabled persons aged 15 years or over belonged to the economically active population in 2004 (Central Statistical Office of Poland, 2004). In general, the proportion of disabled people in employment is considerably lower than the overall disability rate of the population. In Hungary, in particular, the overall disability rate (11.4%) was considerably higher than the proportion of disabled people in employment (2.3%).

[6] This indicator refers to the average age at which economically active persons withdraw completely from the labour market. The data from Eurostat are based on a probability model that considers the relative changes of activity rates from one year to another at a specific age. The activity rate represents the labour force (employed and unemployed population) as a percentage of the total population for a given age. The indicator is based on the EU Labour Force Survey, which covers the entire population living in private households. The definitions used follow the guidelines of the International Labour Office (Source: Eurostat).

In 2002, people with disabilities in the NMS and Romania mainly worked in the agriculture and manufacturing sectors, as well as in education and public and private services. Disabled people or those with longstanding health problems often work in low-skilled occupations – for example, as sales and service assistants, cleaners, launderers, and building caretakers; they are also employed as agricultural and fishery workers (particularly in Slovenia, Cyprus, Lithuania and Romania) or as plant/machine operators and assemblers (e.g. in Estonia and the Czech Republic).

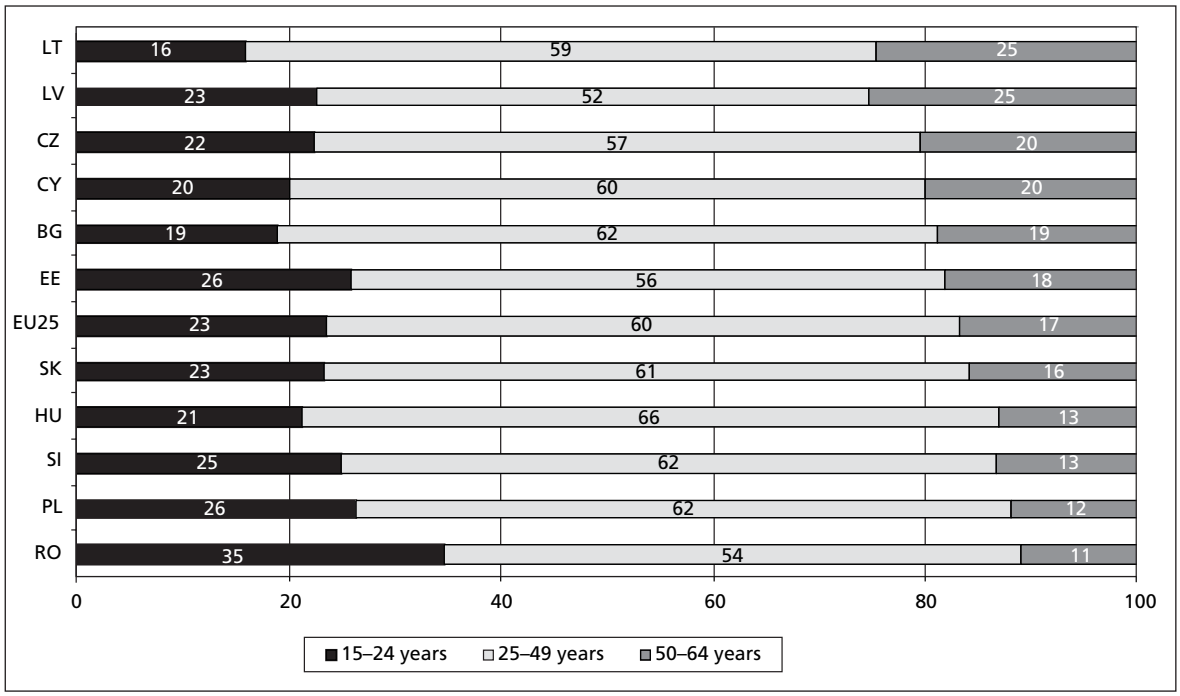
Older people and unemployment

Age structure

An analysis of the age structure of unemployment shows that, in the NMS and ACC2, Lithuania and Latvia have the highest proportion of older people in the unemployed population: approximately 25% of unemployed individuals are aged between 50 and 64 years (Figure 9). The key reasons for the higher unemployment levels among older workers are (along with the general problem of job shortages) outdated knowledge and skills, as well as a low self-assessment.

In Bulgaria, Cyprus and the Czech Republic, the proportions of older unemployed people (50–64 years) and younger (15–24 years) were approximately the same, at around 20% (Figure 9). In Estonia, Slovakia, Hungary, Slovenia, Poland and Romania, the age profile of unemployed people was younger. In the latter four countries, the proportion of the unemployed in the 50–64 years age group was lower than the EU average.

Figure 9 Proportion of unemployed people, by age and country (%)



Source: Eurostat, 2004

On average in the EU, more women than men in the 25–49 years age group were unemployed in 2004; the reverse was true for the 50–64 years age group. This pattern was also observed in

Slovenia, Poland, Slovakia, Cyprus, Romania and Bulgaria. While a similar pattern was observed in the Czech Republic and Hungary, approximately equal proportions of men and women in the 50–64 years age group were unemployed. Conversely, in Latvia, the proportion of women in the 25–49 years age group was lower than that of men, while the proportion of women in the 50–64 years age group was higher. In Lithuania, only in the 15–24 years age group was the proportion of women lower.

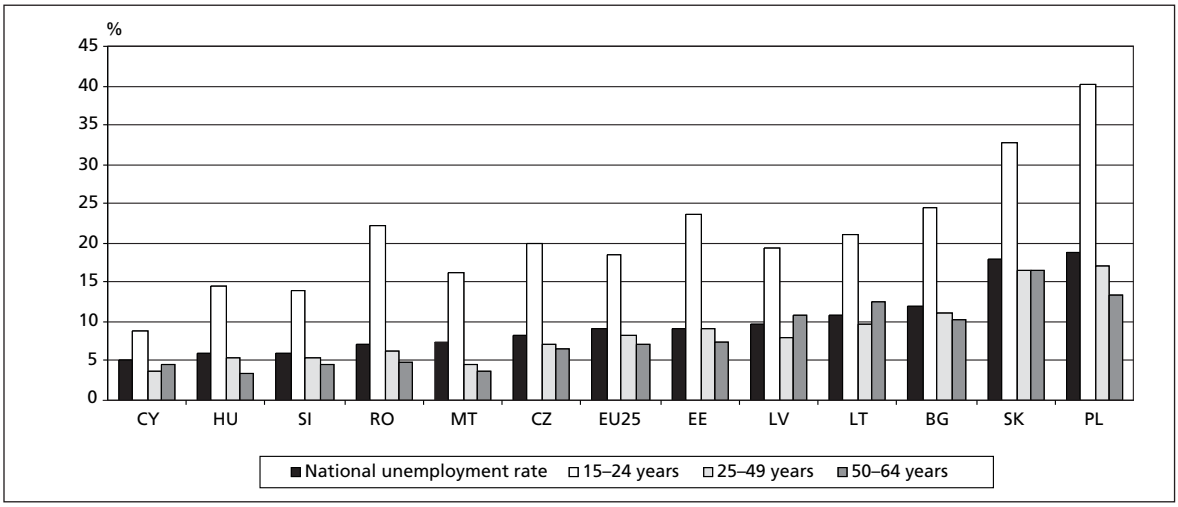
In the NMS and ACC2, the proportion of 50 to 64 year olds who are unemployed has been increasing recently; meanwhile, the proportion of those aged 15 to 24 years has fallen. In Lithuania, Latvia and the Czech Republic, the proportion of unemployed people in the 25–49 years age group has also decreased slightly. Only in Cyprus did the proportion of unemployed people in the 50 to 64 years age group fall between 2001 and 2004.

Unemployment rate

The unemployment rate (the number of unemployed people as a percentage of the economically active population) for Cyprus, Hungary and Slovenia was lower (5%–6%) than the EU average (9%) in 2004 (Figure 10). While the lower unemployment rates in Cyprus and Slovenia were accompanied by higher employment rates, in Hungary the employment rate was also low relative to the European average (see Figure 6). Hungary's low unemployment rate is not the result of better labour market integration of the population; rather, it is the result of strict regulations that make it difficult to qualify for unemployment benefits. Unemployment rates higher than the EU average were particularly evident in Poland (18.8%), Slovakia (18%), Bulgaria (11.9%) and Lithuania (10.8%). In these countries (with the exception of Lithuania), the higher unemployment rate was accompanied by an employment rate that was lower (between 44% and 48.9%) than the EU25 average (51.3%).

For people in the 50–64 years age group in Hungary, Malta, Cyprus, Slovenia and Romania, the unemployment rate was less than the EU average. In fact, the unemployment rate for all age groups in these countries was below the EU average, with the exception of Romania, where the unemployment rate for the 15–24 years age group was higher (22.3%) than that of the EU (18.5%).

Figure 10 Unemployment rate by age and country (%)



Source: Eurostat, 2004

In line with the EU average, the unemployment rate of women was (slightly) higher than that of men in the majority of countries. Only in Estonia and the ACC2 was the unemployment rate of women (slightly) lower; in Hungary, the unemployment rates of women and men were quite similar. In Latvia and Slovakia, the unemployment rate of women in the 50–64 years age group was slightly higher than that of men in the same age group. This contrasted with the situation in Slovenia, Malta and Poland, where the unemployment rate for men in the 50–64 years age group was higher than for women.

An analysis over time (between 2001 and 2004) showed a slight rise in the unemployment rate, in line with the European average. This was the case for Romania and Poland, where the unemployment rate appeared to be rising for all age groups, and for Slovakia, where the unemployment rate for the 50–64 years age group in particular was seen to increase. In contrast, a fall in unemployment rates was observed in Hungary, Bulgaria, Latvia (with the exception of the 50–64 years age group) and Lithuania. In Cyprus, Slovenia, Malta, Estonia and the Czech Republic, the overall unemployment rate was almost stable over time; however, in the 50–64 years age group in Slovenia and the Czech Republic it showed a slight fluctuation between 2001 and 2004. In Estonia, the unemployment rate of the 50–64 years age group declined somewhat between 2001 and 2004.

Education

In the NMS and ACC2, there is a correlation between falling unemployment rates and increasing education levels; this pattern can be found across all age groups. Nevertheless, in countries with an above-average unemployment rate, the unemployment rate of highly-skilled people also tends to exceed the European average. This was particularly the case in Poland, Slovakia, Bulgaria and Estonia.

Duration of unemployment

In all of the countries analysed, the duration of unemployment increased with age. In line with the EU average, some 28% of long-term unemployed in the 15–24 years age group were unemployed for 12 months or more. As many as 48% of long-term unemployed in the 50–64 years age group were unemployed for 12 months or more.

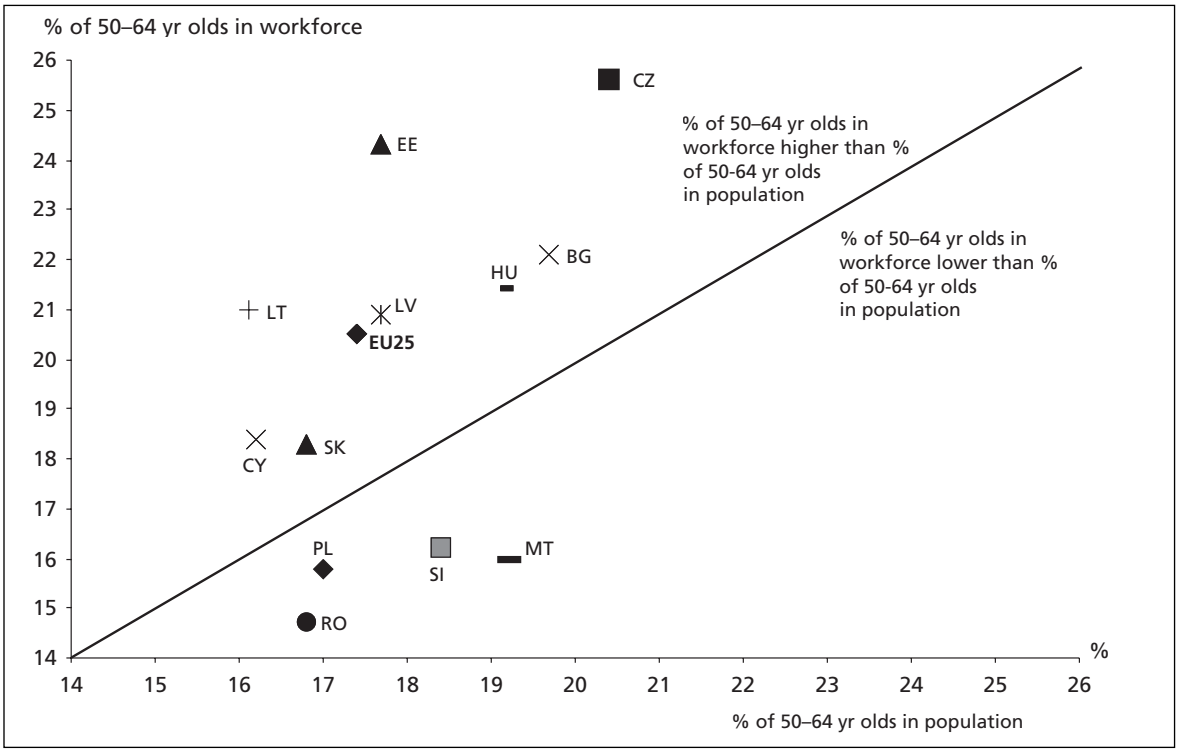
Disabilities

In line with the 2002 EU average, some 16% of unemployed people in the countries surveyed had a disability. In particular, in the Czech Republic, Slovenia and Estonia – countries that also have relatively higher proportions of disabled people in the overall population and in employment – the proportion of unemployed people with disabilities was also higher, ranging from 28.4% to 24.9%. Moreover, in Cyprus, where 12.2% of the population indicated that had they suffered from some long-standing health problem or disability, the disability rate among the unemployed population was also relatively high at 19.6%. Low proportions of unemployed disabled persons were found in Lithuania, Slovakia, Hungary and Romania, ranging from 3.1% to 6.2%; this is despite the fact that in Hungary, over 10% of the population suffered from health problems or disabilities. Generally, the proportion of employed disabled people is much lower than the proportion of unemployed disabled people. In particular, in Cyprus, the Czech Republic, Slovenia, Lithuania, Hungary and Slovakia, the disability rate of the unemployed population was almost twice that of the employed population.

Statistical overview

A comparison between the percentage of older people (50-64 years) in the workforce, and the percentage of that group not working, shows generally positive results for the majority of countries under consideration (Figure 11). In particular, in Estonia, the Czech Republic and Lithuania, older people are rather well integrated into the labour market; in other words, the proportion of older people who are in the workforce is higher than the proportion of older people who are not working. However, in Poland, Romania, Slovenia and Malta, there is a relatively low level of 'active ageing', although Romania has one of the highest average retirement ages. This may present a particular problem in the short term for Malta and Slovenia – countries that already have an 'older' population – as well as posing increasing challenges in the medium term for the other two countries.

Figure 11 Comparison between proportion of older population and proportion of older workforce, by country

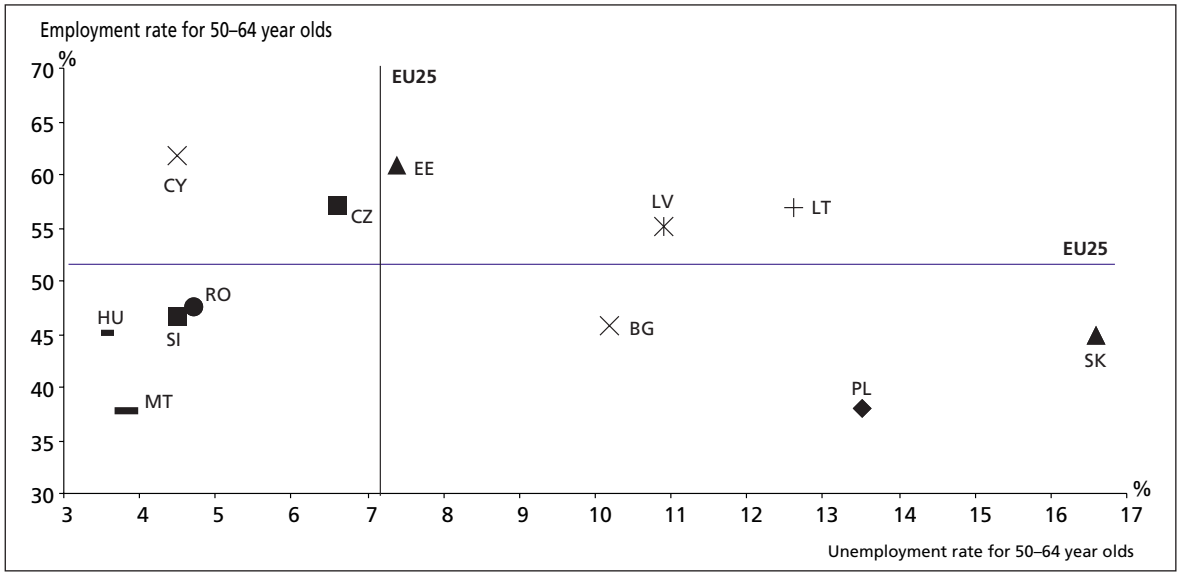


Source: Eurostat, 2004

By comparing the employment and unemployment rates of the 50–64 years age group (Figure 12), an interesting picture emerges in relation to Hungary, Slovenia, Romania and Malta: each of these countries appears to have low levels – lower than the European average – of both indicators. In Slovenia and Malta, this could be attributed to the low average exit age; as a result, older people are neither active nor unemployed but instead retire at an earlier age. In relation to Hungary, it has been pointed out that due to reforms in the unemployment benefit system, access to such benefits has become more difficult, which may partly explain the current situation. Nevertheless, as with Romania, the question arises of how the older population can be financially sustained. In the Baltic countries and Slovakia, unemployment rates are high, although the Baltic countries appear to have employment rates that are higher than the EU average. Bulgaria, Slovakia and Poland have an

above-average unemployment rate and a below-average employment rate among the older population, indicating a poor integration of 50 to 64 year-olds in the labour market.

Figure 12 Employment and unemployment rates of 50–64 year olds, by country (%)



Source: Eurostat, 2004

A comparison between growth in gross domestic product (GDP) from 2003 to 2004, and the employment rate of people aged 50 to 64 years in the NMS and ACC2 (Figure 13) shows a weak positive correlation between economic development and older people's participation in the labour market. For instance, Malta showed a low growth rate and a comparatively low employment rate among its older population in 2004. Meanwhile, Estonia had a higher growth rate than the EU average, along with a higher employment rate among its older workforce. It might be assumed, therefore, that favourable economic development, in combination with a comparatively older population, 'drives' ageing people into employment. However, in some of the countries with relatively older populations (Hungary, Bulgaria and Slovenia) that are currently experiencing a favourable economic climate, the low participation of older people in the labour market could negatively affect the country's future economic development.

Progress in relation to Barcelona and Stockholm targets

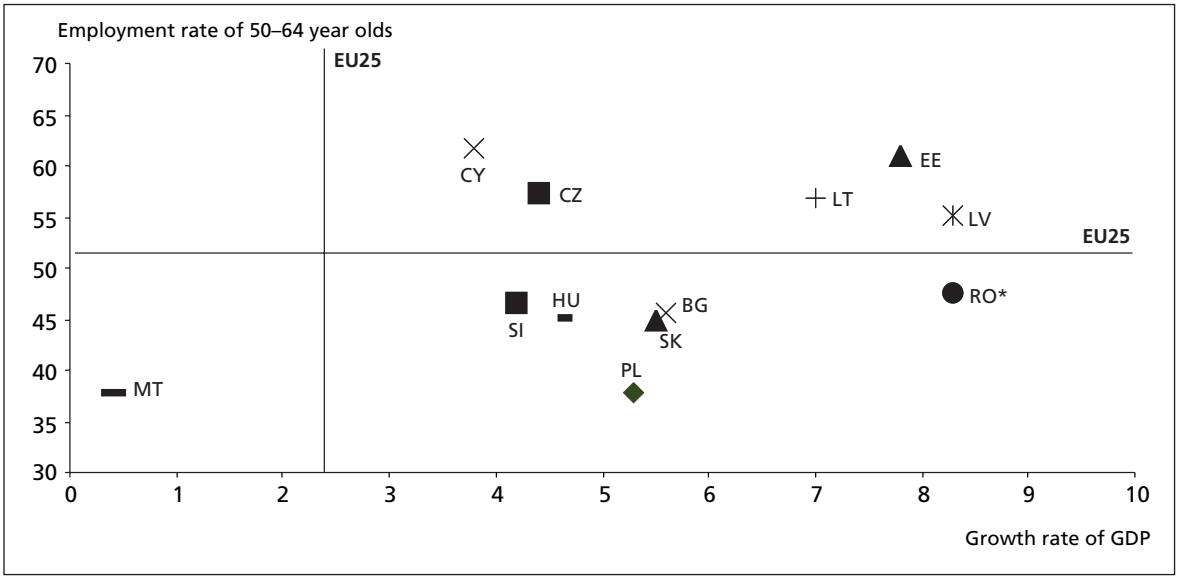
In the framework of the Stockholm (2001) and Barcelona (2002) European Councils, the European Commission set out a target of increasing the employment rate of those aged 55 to 64 years to 50% by 2010 (see, for example, http://europa.eu.int/growthandjobs/reports/index_en.htm), and of delaying the exit age of employees by five years, also by 2010 (European Commission, 2004a). The latter target involves raising the average age at which people stop working from 59.9 years in 2001 to 65.4 years in 2010.

In 2004, the average employment rate of older people[7] in Europe was 41%; this figure has continued to rise (European Commission, 2005b). Nevertheless, the 2004 rate was still nine

[7] In contrast to the analyses above, the employment rate of the 55–64 years age group is considered to be in accordance with the strategic objectives of the Stockholm Council.

percentage points below the Stockholm target rate of 50%. A comparison between the countries being analysed shows that only Estonia and Cyprus have already reached this target, with employment rates of the older workforce rising to 52.4% and 50.1%, respectively (Figure 14). Both Lithuania and Latvia are quite close to achieving this target rate, unlike Slovenia, Slovakia, Poland (which has the lowest employment rate among 55–64 year olds in the EU25), Bulgaria, Malta and Hungary. It is anticipated that in a country such as Slovakia, the target figure of 50% will be missed by about 10 percentage points by 2010 (MoLSAF, 2005b).

Figure 13 GDP growth 2003–2004 and employment rate of workforce aged 50–64 years, by country (%)

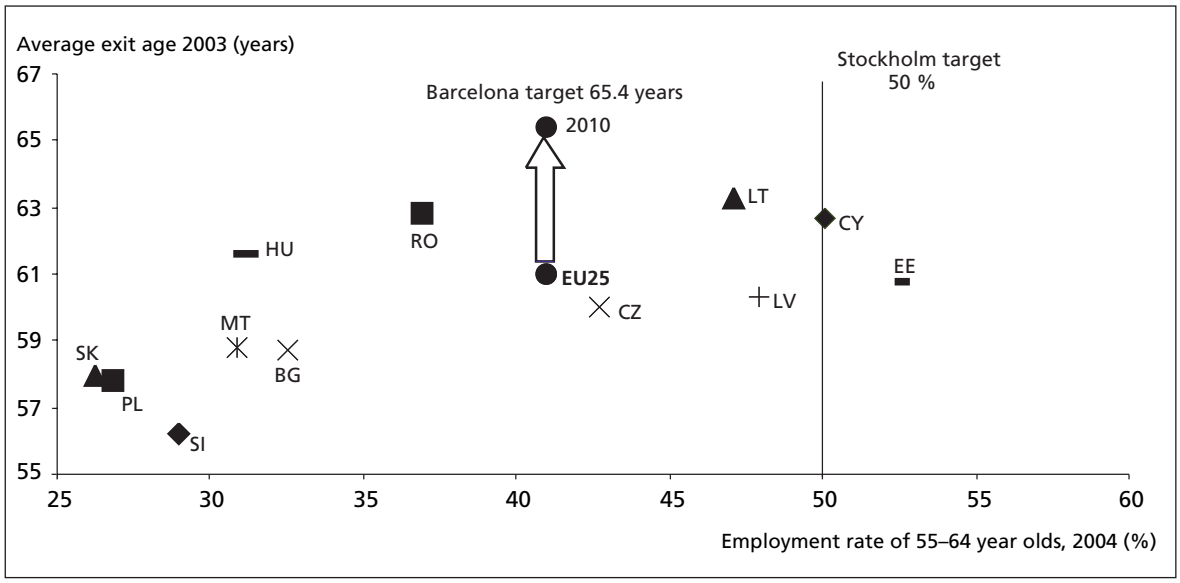


* Figure for Romania is a forecast.

Source: Eurostat, 2004

There is also a substantial way to go before the Barcelona target is reached. In the EU25, the average exit age rose from 59.9 years in 2001 to 61 years in 2003. In Lithuania, Hungary and Romania, in particular, a relatively high increase in the average exit age can be observed. In Poland, Malta and the Czech Republic, the average exit age also increased between 2001 and 2003. Only in Latvia did the average age decline, falling from 62.4 years to 60.3 years.

Figure 14 Current situation of countries in relation to Barcelona and Stockholm targets



Source: Eurostat

Roles and perspectives of public actors in fostering active ageing

2

Public authorities play an important role in the active integration of older people into the labour market. They can have considerable influence over the framework conditions in which employees and employers are placed, through defining public labour market strategies and priority issues or fields of action, regulating the labour market, directly financing or subsidising public initiatives, and providing encouragement to employers (Walker, 1997).

In spite of the need to deal with the issue of active ageing due to the 'greying' of the population and the demand for better integration of older people into the labour market, extending the working life does not seem to constitute a priority issue in policy in the NMS and ACC2. Such a lack of attention is widely justified by the need to tackle 'more important' challenges affecting the labour market, such as economic transition that has resulted in a generally higher level of unemployment (which, nonetheless, particularly affects the older and/or unskilled workforce), or the gradual harmonisation of framework structures with EU legislation and targets. From the viewpoint of the workers themselves, the integration of older people into the labour market is also not as sought after as might be assumed. Generally, the receipt of pensions is seen as an 'earned right', and people are not too eager to remain in the labour market for longer than necessary. For example, data for the Czech Republic show that society clearly prefers state policy measures concerning the development of health services or family care, as opposed to initiatives aimed at enabling older people to work for longer (Rabušic et al, 2004).

Nevertheless, public actors in the countries under consideration do appear to be aware that integrating older people into the labour market constitutes an important factor for ensuring economic growth in the future. As a result, different public authorities have established policies or strategies aimed at encouraging older workers to remain in employment. Measures aimed at promoting the employment of older people are, for example, outlined in the *Joint Assessment of Employment Priorities (JAP)*. These are devised by the countries together with the European Commission (DG Employment and Social Affairs) in accordance with the provisions of the Accession Partnerships, in the National Employment Action Plans (NEAPs or NAPEs) or in the National Action Plans for Reduction of Poverty and Social Exclusion. (The latter, for example, consider unemployed people of pre-retirement age as being one of the seven social exclusion risk groups in Latvia, or aim at an increase in the labour supply and ensuring active ageing in Romania).

It might be assumed, however, that at least some of these strategies have arisen from the EU accession requirements – for example, countries are required to deal with vulnerable groups in the National Action Plans (NAPs). Therefore, some of these strategies may constitute measures designed to conform to EU recommendations (based, for example, on the EES), rather than measures that are being applied in practice.

The initiatives promoted generally address disadvantaged groups in the labour market and, thus, only implicitly target the older generations;[8] there are, however, some examples of measures on the political agenda aimed specifically at older persons.

[8] The Romanian government, for example, has adopted legislation promoting social cohesion by stimulating community solidarity in relation to the most vulnerable groups of people. The main goals with regard to older people, however, refer mainly to developing the social assistance system rather than to their integration into the labour market. A similar scenario is found in Cyprus.

- In 2002, the Bulgarian NEAP included a section on the 'Development of active ageing policy', aimed at the development of a strategy for the vocational training of older people.
- One of the 10 guidelines of the Latvian NAP for 2004 aimed to increase labour supply and, in particular, promote active ageing (European Commission, 2004d). This process includes reducing the motivation for early retirement, making work more attractive, increasing active participation in the labour market and encouraging enterprises to employ older workers.
- One of the main goals of the National Programme for Older Workers' Protection, submitted to the Slovakian government by the Ministry of Labour, Social Affairs and Family (MoLSAF), is a strategy aimed at retaining jobs and at the higher employment of older workers.

In the early 1990s, the issue of the older workforce became a topic of public discussion in the early 1990s in many of the countries. In most cases, these discussions were triggered by the economic developments (privatisation and restructuring), which were pushing older people out of the labour market. Nevertheless, the actual implementation of specific measures fostering active ageing and extending working lives has only recently begun (mainly triggered by EU recommendations such as the EES); previously, relatively low priority was given to the problem of the older workforce due to general rising unemployment.

- In Latvia, although the ageing demographic situation was considered a major problem when the pension reform was introduced in 1995, no clearly defined policies or specific measures on how this problem must be dealt with have since been established.
- In Slovenia, public discussion about employment initiatives for an older workforce arose at the end of the 1990s, as part of the framework of the Active Employment Policy. (This was aimed at *inter alia* the employment of 'hard to employ' groups.) However, only in 2005 were the active employment policy schemes designed to address the problems of people aged 55 years and over.
- In Slovakia, it appears that the majority of systematic changes that have implications for older people were adopted only a year ago or are currently being put in place (MoLSAF, 2005a).
- In Estonia, the first survey on the 'Work ability and employability of the ageing labour force' was conducted in the first half of 2004. Due to the short time horizon of the respective measures, hardly any changes have yet been realised concerning the integration of older people into the labour market.

This delay in the implementation of measures addressing active ageing may be linked to a number of obstacles, which have relatively more weight in the NMS and ACC2 than in the EU15. Such obstacles include:

- the lower life expectancy and poorer health status of the population, as well as the lower work capacity and employability of older workers;
- long-standing traditions regarding early retirement (accepted due to the high unemployment rates among younger people);
- a less developed system of social partnership and social dialogue;
- a lesser focus on the specific needs of older employees through active labour market policies;

- a more significant challenge in raising funds for financing the respective initiatives.

This latter point is confirmed by the findings of Perek-Bialas et al (2003), who argue that as soon as the Polish economy slows down, the active ageing issue loses its already tenuous position in the policy agenda. Similarly, the economic costs of transition, low growth rates and relatively high unemployment have suspended the implementation of a comprehensive active ageing programme in the Czech Republic.

Nevertheless, it is expected that better access to Structural Funds, following accession to the EU, will contribute to the practical realisation of these policies. This is partly reflected in the findings for Latvia, which indicate that most of the actions taken in the first half of 2005 were possible due to the significant increase in funding through the EU Structural Funds – particularly the European Social Fund (ESF). More generally, in all the Baltic countries, public employment services are no longer limited by financial restrictions for funding initiatives of any kind, due to access to the ESF funds. In Romania, one of the first distinct actions taken to foster active ageing was through the initiative PHARE 2000 – Economic and Social Cohesion Programme – Human Resources Development. Through this programme, projects were financed in which unemployed people over 45 years old were trained and reintegrated into the labour market. In Estonia, ESF projects aimed at reintegrating older unemployed people into the labour market are to be initiated in 2006.

In some of the NMS and ACC2, a specific focus is placed on particular fields of action. In most of the countries, particular attention is paid to fostering the adaptability and the qualification levels of people of pre-retirement age, through training or retraining. As an example, the Polish National Action Plan for Employment recommends the adjustment of the training/education system to labour market needs, particularly through a greater focus on lifelong learning and on information technology (IT) skills. The EES underlines the importance of enhancing lifelong learning for adults and improving the qualifications of unemployed people by developing their employability skills. In this context, Latvia and Poland highlight the special orientation required by employers, while Bulgaria and Slovenia at least partly focus on the needs of women. In Romania, Law 76/2002 (supplemented by Law 107/2004) provides for the financing of vocational training services for unemployed people and the cofinancing of projects aimed at modernising vocational training services. According to this law, unemployed people are entitled to benefit from vocational training free of charge; this includes transport, accommodation and meal costs, if necessary. Furthermore, training programmes organised by companies for their own employees are to be cofinanced from the unemployment insurance budget (50% of the training costs for no more than 20% of the total employees). In contrast, in the Czech Republic, it appears that the opportunities for lifelong learning for older people are presently blocked due to cuts in public spending and the lack of proper motivation among other possible training providers, such as companies (Rabušic, 2004).

In relation to pension reforms, Latvia and Slovakia display the most substantial reforms of the pension system. In Estonia, similar efforts to reform the pension system are underway, through the preparation of a national pension strategy aimed at ensuring the adequacy of retirement pensions, promoting the employment of older people and limiting the options for early retirement by reforming the early retirement system. Both in Estonia and in Poland, a comprehensive approach is being taken that involves such measures as health protection and financial incentives targeting employees or employers (with a particular focus on women in Estonia). Another measure being

undertaken is support for re-entry into the labour market: the Estonian Labour Market Strategy recommends that older unemployed older people must be offered more individual counselling, with a case management officer and personalised action plans.

In general, in many of the NMS, a relatively high number of public actors are involved in addressing the issue of active ageing. However, in most cases, these actors do not focus on fostering the integration of older people into the labour market. Rather, they are more generally involved in the field of employment, health, work security, or in the social field: therefore, much of their work involves reducing and eliminating any kind of discrimination in the labour market. In some cases, such as in the Czech Republic, 'networks' are even established. Nevertheless, there appears to be very little coordination between the actors and, as a result, almost no harmonisation exists between the different measures implemented. For example, no specialised body has been appointed that focuses solely on the monitoring of the respective efforts; this, therefore, results in a fragmentation of the active ageing policies.

Role of government ministries in driving active ageing

In most of the NMS and ACC, the ministry responsible for employment policy is the leading public authority involved in addressing the issue of the ageing workforce.[9] This ministry is responsible for developing and coordinating respective strategies – to be found, for example, in the NAPs – and for designing and/or implementing specific measures. In many of the countries concerned, the ministry responsible not only encompasses the fields of labour, professional qualifications or safety at work, but is also involved in issues concerning social security and social assistance or industrial relations. Generally, the ministry devises the legislative framework and strategic documents such as the NEAP, in many cases with the cooperation of the other public actors; it is also involved in implementing state policy by using specialised units, such as employment agencies, and in regulating such policies. By way of example, twice a year the Latvian Ministry of Economics monitors and assesses the overall progress of the measures set out in the NEAP and presents the results to the Cabinet of Ministers.

In addition, these ministries are involved in supervising compliance with the legislation in the field of employment relationships, health and safety at work, employment and professional training, and wage salary payments, social security and social assistance, as well as supervising the implementation of and compliance with international agreements in the field of labour market, social policy and social security. In Bulgaria, for example, the Ministry of Labour and Social Policy (MLSP) also fulfils the function of coordinating and organising scientific studies in the field of labour market and social policy.

In some of the countries, other ministries are also involved in this field of action.

[9] Examples include the Ministry of Labour and Social Policy (MLSP) in Bulgaria, the Ministry of Labour and Social Affairs (MLSA) in the Czech Republic, the Ministry of Social Affairs in Estonia, the Ministry of Economics (*Ekonomikas Ministrija*) in Latvia, the Ministry of Social Affairs and Labour in Lithuania, the Ministry of Labour in Poland, the Ministry of Labour, Social Affairs and Family (MoLSAF) in Slovakia, the Ministry of Labour, Family and Social Affairs in Slovenia (*Ministrstvo za delo, družino in socialne zadeve*) and the Ministry of Labour, Social Solidarity and Family (MoLSSF) in Romania.

- In the Czech Republic, as many as 14 ministries are concerned with ageing, including the Ministry of Health, the Ministry for Local Development, the Ministry of Finance, and the Ministry of Education, Youth and Sports (Rabušic, 2004).
- In Cyprus, Hungary, Slovenia and Romania, the Ministry of Health deals with the provision of healthcare for older people – for example, through the preparation of health insurance legislation, workplace health and safety, and public health measures.
- The Latvian Ministry of Welfare (*Labklājības Ministrija*) has a coordinating role in implementing the measures set out in the framework of the National Action Plan for Reduction of Poverty and Social Exclusion, targeted at unemployed people of pre-retirement age (which is implemented by the State Employment Agency).
- In countries such as Bulgaria, Lithuania, Poland and Slovenia, the Ministry of Education is involved in the policy discussions on the older workforce, regarding its role in the NAPE and the regulation of the adult education/lifelong learning system (this might be seen as an important precondition for the re-qualification of older persons).

Role of social partners and social dialogue

The social partners[10] also have an important role to play in fostering active ageing and in extending the working life. While the policies, strategies and measures of governments cultivate a supportive environment, contributions from the social partners are considered important in order for changes in age management to materialise and spread. They can also exert considerable influence over enterprises, encouraging them to adopt a more forward-looking approach to enable better and longer working lives.

The social partners may be involved in reviewing the weight of seniority elements in pay, with a view to bringing pay more into line with productivity and performance requirements. They may also contribute to improvements in the work organisation (for example, through flexible retirement schemes combining phased retirement with part-time work) and in working conditions through collective agreements. Furthermore, they can have a role to play in the removal of incentives for early retirement and in encouraging higher pension entitlements for people staying in work for longer (European Commission, 2004b).

Nonetheless, in the NMS and ACC2, the system of social partnership, social dialogue[11] and collective bargaining is not very well developed in comparison with the EU15. Although the social partners are generally engaged in employment policy with a view to developing the interests of their members, they rarely specifically address the problem of older workers, as the following examples show.

[10] Social partners are understood as those organisations that fall within the category of 'management and labour', i.e. organisations representing workers and employers, which are entitled to initiate social dialogue leading to contractual relations including agreements between the parties.

[11] Social dialogue is the term used to describe the consultation procedure, involving the social partners, regarding collective industrial relations.

- In Estonia, collective bargaining deals with the ageing workforce in terms of compensation for experience ('jubilee compensation', experience benefits, experience vacation) or the compensation of employees taking early retirement; however, it does not seem to play an important role in influencing older workers' working conditions.
- In Slovenia, the social partners do not currently have any particular guidelines, strategies or statements regarding the employment of older workers, beyond the national strategy that implicitly includes the older workforce.
- In Latvia, the issue of the ageing workforce is continually neglected in social dialogue, although there is some cooperation between public institutions and the social partners (such as the Latvian Employers' Union, the Foreign Investors Council in Latvia, Tripartite Council etc.).
- In Slovakia, it has been observed that despite the relatively active trade unions, their success is very limited. No common and comprehensive actions have yet been taken by the government in cooperation with the social partners, either in connection with 'early retirement' options or in relation to extending the 'productive age' when reforming the pension scheme.
- A similar situation appears to exist in Bulgaria, where problems related to older employees are dealt with by social dialogue at industry level, but rarely lead to agreement on any concrete solutions. This is attributed to a lack of experience among the social partners, underdevelopment of the collecting bargaining system and distortions in the labour market (where labour supply considerably exceeds demand).

Discussions between the social partners and government usually take place within the tripartite system, and involve various councils established to provide feedback on labour market issues to the government. Examples of such councils in the NMS and ACC2 include the following.

- In Poland, the Polish Tripartite Commission for Socioeconomic Affairs has been established at national level (it includes the Tripartite Trade Teams, which deal with issues regarding specific industries), along with the *Voivodship* (regional) Social Dialogue Commissions.
- In Romania, the Romanian Economic and Social Council has been established, to discuss, among other things, relevant aspects at regional level in the form of Social Dialogue Commissions, and also to address ageing workforce issues if applicable.
- In the Czech Republic, the Czech Board for National Economy and Social Cooperation has been established.
- In Bulgaria, a National Council for Tripartite Cooperation has been established by the government, its aim being to cooperate and consult with employee and employer organisations in the fields of labour and social security relations, as well as on issues relating to living standards. The council has permanent committees that deal with issues such as income and living standards, social security relations, labour legislation, and social consequences of restructuring and privatisation. It also provides feedback on bills, drafts of secondary legislation and decisions of the government. (A similar role is played by the National Employment Promotion Council – NEPC – which consists of an equal number of government, trade union and employer representatives). However, although the trade unions actively put issues regarding the ageing workforce on the council's agenda, not all of their recommendations are taken into consideration.

- In Slovakia, the Economic and Social Council was established in 2004 to discuss fundamental issues concerning economic, social, labour or budgetary matters.
- In Slovenia, the Slovenian Economic Social Council consists of 15 members – five each from the trade unions, employer organisations and the government. The council provides opinion on draft legislation and other documents relating to economic and social policy; however, neither the government nor parliament is bound to their opinion.

In addition, representatives of employee and employer organisations may become members of organisations involved in discussions concerning the older workforce. In Romania, for example, they are represented in the National Agency for Employment (*Agentia Nationala pentru Ocuparea Fortei de Munca*, ANOFM) and in its district agencies (*Agentiile Judetene pentru Ocuparea Fortei de Munca*, AJOFM), which offer public services related to employment and professional training. They are also represented in the National Council for Adult Professional Training, which is in charge of the promotion of professional training strategies and policies for adults. The tripartite structure of these institutions (consisting of government, employer and trade union representatives) was chosen to ensure social dialogue regarding all employment-related issues.

Along with the social partners, non-governmental organisations (NGOs) in some of the NMS and ACC2 are gaining importance in terms of representing the interests of older workers. One example includes the Romanian 40 PLUS Association (described in more detail in the next section).

Role of employment agencies

In relation to the implementation of relevant measures or initiatives, employment agencies or other public (but also private) support service providers play a significant role in almost all of the countries under consideration. Employment agencies, for example, provide counselling services to employees and/or employers, or assist in the recruitment of older workers.

One example is the Bulgarian Employment Agency, an executive agency of the Ministry of Labour and Social Policy, involved in the implementation of government policy concerning employment promotion. The agency's functions include: the registration of available vacancies and of unemployed people who are actively seeking employment; the provision of employment mediation services; working with municipalities and employers in developing mutually beneficial action plans; participation in the development and implementation of programmes and measures relating to employment and training, which target designated groups of unemployed people who find it difficult to integrate into the labour market. The agency also implements projects and programmes in the fields of employment, professional qualification and training and social integration, programmes funded by the European Commission and/or other international contributors (including Bulgarian contributions).

The cofinancing of such measures is considered an important step towards improved labour market integration and is, therefore, also apparent in other NMS countries. For example, the Slovenian Employment Service has implemented initiatives, partly funded by the ESF, aimed at increasing employability, ensuring social inclusion, enabling the creation of new jobs and increasing the adaptability of enterprises. This agency participates in projects of the EQUAL initiative – an ESF-funded initiative that provides funding for projects aimed at combating discrimination and

inequalities in the labour market. In Romania, one of the official functions of the National Agency for Employment concerns the implementation of programmes funded by the ESF.

Similar tasks are carried out by the Latvian State Employment Agency, where unemployed people of pre-retirement age (55 to 64 years) constitute one of seven priority groups for which active labour market measures are organised. In Malta, the public employment service, the Employment and Training Corporation, provides assistance to clients over 40 years of age, particularly in relation to (re-)qualification for the labour market. In Poland, employment agencies offer job search services, personal advice (e.g. qualification and employment potential analysis) and vocational counselling (e.g. providing information and assistance in choosing a profession). A specific division among the agencies offers assistance in finding temporary jobs.

In Cyprus, the Public Employment Services aim to provide, by the end of 2006, individual guidance and support to some 7,000 unemployed people and those belonging to vulnerable target groups, such as women, older people, disabled people and those with poor educational qualifications. This example again confirms just how recent the implementation of age-related support measures has been in the NMS and ACC2.

In addition to the abovementioned services, employment agencies also provide payments to unemployed people, in accordance with the different legislative frameworks (e.g. Act 5/2004 pertaining to the Slovak Offices for Labour, Social Affairs and Family (OLSAF)). The agencies also provide support payments to employers who create new jobs for disadvantaged unemployed people, such as people aged 50 years and over in Slovakia who have been registered as unemployed for over four months, or people of pre-retirement age (55 to 64 years) in Latvia.

Another example is the Romanian 40 PLUS Association – a non-profit and non-political NGO, founded in August 2005 and dedicated to the economic, social, cultural and educational development of human resources. The association targets mature workers (managers, executives and other professionals aged over 40 years) and the organisations that recruit these workers; it offers assistance in the career transition process and provides professional job search training and coaching. It also supports performance enhancement through initiatives focused on *inter alia* lifelong learning, informal and formal education, e-learning, information and communication technology (ICT) and workforce adaptability.

Role of other agencies

Along with the public actors mentioned so far in some of the NMS and ACC2, other bodies are also in some way engaged in policy discussion, strategy development or the practical implementation of measures directly or indirectly influencing the labour market situation of older people.

Some of these organisations support the development of policies and strategies in a manner similar to the social partnership system. In Poland, the Supreme Employment Board, the *Voivodship* (regional) employment boards, and the *Poviat* (county) employment boards give advice in relation to initiatives focused on full and productive employment and human resource development. These employment boards also provide feedback in relation to the NAP and the regional action plans aimed at fostering employment, as well as feedback for the respective progress reports or in relation to the rationality of labour fund expenditure.

The Bulgarian Economic and Social Council provides opinions on different issues concerning social and economic life, such as legal acts or policy measures; it may do this either on its own initiative or following the request of the country's president, the chairman of the parliament or the government. In 2005, the Council published a report which, however, focuses more on the issue of emigration and the younger workforce than on the ageing population (Economic and Social Council, 2005). A conclusion is made in the report, nonetheless, that there are no authorised governmental institutions appointed to analyse, evaluate and develop policies aimed at solving demographic problems. In Malta, meanwhile, the Pensions Working Group was established in 2004 to revise the recommendations included in the published White Paper on pension reform.

In contrast, in Slovenia, the government set up a reform committee to take charge of implementing key reforms necessary for realising Slovenia's development strategy. The committee prepared several proposals, which the government adopted and which are now subject to public discussion. In order to foster the employment of older persons and to promote active ageing, the reform committee recommends improving the flexibility of labour markets, the launch of an activation system of social security, a more precise definition of the target recipients of social benefits, services to encourage people to seek and accept work, and the modernisation of the pension system. Furthermore, a project group for the 'development of the labour market, employment, social affairs and the pension system' was established at government level to ensure the full, coordinated cooperation of all government actors, and also to raise awareness in relation to the mechanisms, means and policies available in this field.

Organisations may also be involved in raising awareness with regard to older people's situation in society, both in general and in the labour market in particular. For instance, the core objective of the Estonian Committee of Policy of the Elderly is to promote the internationally accepted principle of 'society for all', which is based on the idea that society is comprised of people of different age groups, who should all be allowed to participate in social life, irrespective of age. The committee outlines the objectives, strategies and tasks related to the position and living conditions of the elderly.

Another principal objective of such organisations is in relation to qualification, training and skills development, as the following examples show.

- The Bulgarian National Employment Promotion Council consists of an equal number of government, trade union and employer representatives, and fulfils tasks similar to the tripartite social partner systems described above. Recently, it has also adopted a 'Concept for Lifelong Learning'. In 2006, a 'Strategy for Lifelong Learning' is due to be approved, thus enabling further development of the active ageing concept. The initiative aims to give older people the opportunity to maintain the quality of their labour capabilities. The Ministry of Education has adopted a 'Strategy for Continuous Vocational Training (CVT)' for the period 2005–2010. One of the priorities of the strategy includes the development and implementation of programmes aimed at encouraging CVT among disadvantaged groups in the labour market.
- The Latvian Professional Career Counselling State Agency, which is under the auspices of the Ministry of Welfare, is responsible for implementing national policies aimed at preventing and reducing unemployment; it also provides free-of-charge career counselling and vocational guidance services.

- In Romania, the National Council for Adult Professional Training is in charge of the promotion of professional training strategies and policies for adults.

In addition, training providers offer services aimed at specific target groups, in line with the requirements articulated by the employment agencies. Such officially registered training institutions obtain financial support for organising respective programmes. One example of such an institution is the Slovenian Institute for Adult Education (http://siae.acs.si/), which focuses on fostering a culture of lifelong learning and education through research, development, counselling and education activities, thereby (at least indirectly) promoting active ageing. It also plays a key role in the development of in-service training for managers, trainers and organisers of adult education and training. Its activities in this area consist of basic training, specialised training for obtaining international certification, and training related to innovative methods and forms of adult education development by the Institute. However, the lack of skilled trainers represents an obstacle in the Institute's efforts to meet the needs of adult education.

In Romania, the National Institute for Medical Evaluation and Recovery of Work Capacity conducts research concerning the evaluation and improvement of work capacity. These issues are being tackled by a growing field of activity in relation to the prevention of occupational diseases, including health education courses or studies concerning the prevention of workplace accidents. The Slovenian Institute for Rehabilitation (http://www.ir-rs.si) is active in this field, and not only provides programmes aimed at employment rehabilitation, but is also involved in standardising employment rehabilitation services and training programmes. Also in Slovenia, the Institute of Public Health (http://www.ivz.si) develops and implements preventive programmes and projects concerning lifestyle and other health-related issues. It also conducts various surveys assessing the types of behaviours that affect people's health. In addition, the Institute collects, organises and analyses different health-related statistical data, including data on communicable diseases, as well as preparing content for legislation in the field of health activities.

Other organisations provide funding for some of the abovementioned programmes. For instance, the Bulgarian Social and Investment Fund (SIF) was established by the 2001 Law for Social Investment Fund, in order to secure financial support for different programmes and projects. In July 2002, the SIF provided support for the Social Investments and Stimulation of the Employment project of the World Bank and the Ministry of Labour. The basic aim of the project is to strengthen the existing social security system to help address the problems of unemployment and poverty. The SIF provides grants for two types of micro-projects: initiatives aimed at the development of municipal infrastructure and those focused on active services in the labour market. One particular project, of relevance to the older workforce, has provided qualification and skills development courses for about 40,000 people to date.

3 Public initiatives promoting active ageing

As in the EU15, the relevant public actors in the NMS and ACC2 are seeking to reduce the cost of early retirement and to extend working life (Walker, 1997). Such an approach is almost inevitable, given the rising numbers of older people and the falling numbers of younger people in the population. It has resulted in a gap both in the provision of labour and in the financing of the social security system. Moreover, both goals are among the targets agreed on in the Barcelona and Stockholm European Councils.

The public initiatives implemented in the NMS and ACC2 cover a wide range of different fields of action. Some of the measures concern the improvement of framework conditions regarding the employment of older workers – for instance, reforms of the pension or social security system, modernising the healthcare system, the implementation of anti-discrimination labour legislation or programmes aimed at changing the attitudes of labour market actors. More specific active employment schemes focus on individual employees – fostering their employability through (re-) qualification, enabling flexible working arrangements or creating incentives to remain longer in the labour market. Other initiatives focus on employers – for instance, by subsidising labour costs for older employees. It should be noted, nevertheless, that many of the measures implemented focus on facilitating disadvantaged groups and, as such, only indirectly address older workers. Furthermore, the existing programmes are more focused on the (re-)integration of older unemployed people, rather than on their retention in employment.

Reforming pension and social security systems

The most important field of action for fostering active ageing and extending working lives in the NMS and ACC2 is that of pension and social security system reform. Such reforms have arisen from the recognition that the existing systems cannot be effectively financed in light of the demographic shifts already being experienced (and predicted for the future).

It takes some time, however, for such reforms to lead to any effective outcome; Latvia is a case in point, being one of the first NMS to have introduced such changes. In 1995, Latvia devised a new pension reform structure, which was based on a three-tier system. (Similar systems have since been introduced in other NMS and ACC2 countries, to provide greater diversity in financial resources for pension incomes by involving both the public and the private sector.)

- The first tier relates to the PAYGO (pay-as-you-go) system, which is being introduced in the central and eastern European countries for the first time. This system more actively links benefits to contributions and provides a minimum pension to protect the 'lifetime poor'.
- The second tier consists of a mandatory, funded system of privately managed savings accounts, which are created by assigning a portion of contributions to the public system to these accounts. This enables the partial funding of the mandatory system, thus reducing the debt for future generations.
- The third tier relates to voluntary, privately managed pensions, organised primarily, although not exclusively, through the employer.

This flexible pension system aimed to respond more effectively to demographic changes and to secure long-term stability. According to the Ministry of Welfare, the increase in the employment

rate of older people (55 years and over) can be attributed mainly to the reform of the pension system, even though public acceptance of the pension system reform has been limited. In Estonia, the relatively high employment rate among older people is also attributed to the changes in the pension system. The possibility of being able to receive a full pension while continuing to work, a system introduced in 1996, has motivated more people to remain in employment.

In Slovenia, however, although the pension reforms of 2002 have resulted in an increase in the average retirement age, it is expected that the long-term effects in the form of a higher employment rate for older workers will be felt only gradually. Furthermore, some critics of the more radical pension reforms have expressed doubt that the private insurance sector will be able to perform as well as expected. For example, during the first stages of implementation of the Polish pension reforms, difficulties have been experienced due to administrative shortfalls (Perek-Bialas et al, 2001).

In line with the objectives agreed upon in the Barcelona Council (2002), the NMS and ACC2 have established strategies aimed at gradually raising the official retirement age, in order to keep people in employment for longer.

- **Bulgaria** The new pension scheme adopted in 1999 by the Social Security Code envisages a higher retirement age which rises gradually, depending on the number of years covered by social security insurance; for example, the maximum age for retirement is 65 years in the event of 12 years of service.
- **Cyprus** New legislation passed in June 2005 will raise the retirement age of civil servants on a phased basis from 60 to 61 years in the first year, to 62 years in the second year and to 63 years in the third year. Semi-state organisations and banks seem to be following this trend.
- **Czech Republic** The Pension Insurance Act introduced in 2001 raises the official retirement age on a phased basis by two months each year for men and four months each year for women. By 2007, the age limit for pension entitlements will be 63 years for men and childless women and 57 to 62 years for women with children, depending on the number of children they have.
- **Estonia** The present statutory retirement age of women (59 years) is to be raised to 63 years by 2016 – the current retirement age for men.
- **Hungary** Legislation increasing the retirement age of women and men on a phased basis was introduced in 1996. For women, the statutory retirement age is being raised every second year by one year, to reach a limit of 62 years by 2009. For men, the official retirement age was increased from 61 years in 1998 to 62 years in 2000.
- **Latvia** A gradual increase in the statutory retirement age, up to 62 years by 2008, has been provided for in the framework amending the labour law, a reform that is being debated in the media at present.
- **Lithuania** The retirement age for women is being raised by six months every year, to reach a limit of 60 years by 2006.
- **Malta** In 2004, a White Paper on pension reform was published, proposing a raising of the retirement age from 61 years to 65 years for both sexes, with an option of 61 years for manual workers. This will apply only to those aged 45 years or younger on 1 January 2007; for older

workers, the present retirement age will apply. The government has not yet stated its opinion regarding the proposal.

- **Poland** For some time, measures have been proposed aimed at equalising the retirement age of women and men (the current statutory retirement age is 60 years for women and 65 years for men). Due to negative reactions from the trade unions and other parties, however, this initiative has been abandoned.
- **Romania** In 2002, a new law concerning the pension system and other social insurance rights provided for a gradual raising of the statutory retirement age: for women, the retirement age is to rise from 57 years in 2001 to 60 years in 2015; for men, it is to increase from 62 years to 65 years over the same period.
- **Slovakia** The retirement age is gradually being raised to 62 years for both sexes, over the period 2004–2006 for men (for whom the current average retirement age is 60 years) and 2004–2014 for women (for whom the current average retirement age is 55 years). This was decided upon as part of the framework for the new pension system in 2004.
- **Slovenia** The pension reforms introduced in 1999 resulted in a gradual raising of the retirement age by 27 months for men and 21 months for women over the period 1999–2004. As a result, women are allowed to retire between the ages of 58 and 63 years, and men between the ages of 58 and 65 years, depending on the length of their insurance/eligibility period.

In addition, regulations concerning early retirement have been drafted with the aim of discouraging early exit from the labour market. For example, in the Czech Republic, the possibility of receiving a temporarily reduced premature old age pension has been withdrawn, following the reforms to the basic pension insurance system in 2003. In Estonia, the government's retirement reform plan has largely resulted in the loss of superannuated retirement and retirement with benefits. Only people with the required number of years of employment will be entitled to receive a superannuated retirement pension. Workers who have completed at least 70% of the required years of service will be paid compensation. At the same time, the importance of ensuring that people who lose the right to early retirement will have opportunities to continue working is recognised. As mentioned, in the Latvian pension system, pension levels are relative to the level of social security payments and to the age at which a person retires. Therefore, early retirement results in a distribution of pension capital over a longer period of time, thus decreasing monthly payments and increasing the incentive to remain longer in employment.

The same approach is taken in Slovakia. When calculating early retirement pensions, the pension amount is reduced by 0.5% for every 30 days of early retirement; eligibility for an early retirement pension is not granted in cases where the pension does not reach the prescribed minimum level, that is, 120% of the subsistence minimum. This has considerably diminished the attractiveness of early retirement. At the same time, the old-age pension amount is increased by 0.5% for every 30 days of later retirement and by 0.25% for those who continue to work while also receiving a pension; this has particularly benefited people of retirement age who are eligible for an old age pension but who decide to continue working instead. In Malta, the proposed pension reforms create considerable disincentives for those wishing to retire earlier, amounting to about 6% for each year of early retirement.

Creating disincentives for, or removing the option of, early retirement does have the benefit of increasing the presence of older people in the labour market. However, such initiatives may be severely problematic for the individuals concerned. Generally, such reforms force lower-skilled workers – who are generally less employable – to stay in employment, while more highly skilled workers tend to have other options, such as private pensions, and can thus voluntarily retreat from the labour market.

Anti-discriminatory labour legislation

Another important type of public measure in relation to active ageing concerns the establishment and enforcement of anti-discriminatory labour legislation, which promotes equal treatment of older persons in the labour market. Again, the regulations tend to concern all vulnerable groups – for example, labour codes prohibiting direct and indirect discrimination on grounds of sex, race, language, age, health status and religion. Such legislation refers to both job seekers and employees.

Anti-discriminatory labour legislation may also, therefore, be applied in relation to the termination of existing work contracts. In Bulgaria, collective labour contracts (CLCs) prohibit the dismissal of employees (one year before they reach the official retirement age) of agriculture sector workers who are the sole family breadwinners. Furthermore, in the event of the dismissal of people who are three years below the retirement age (in the forestry, cellulose and paper industry), written notice is required at least three months in advance. In Latvia and Slovenia, the labour laws state *inter alia* that employees of pre-retirement age (55 years and over) may not be made redundant for business reasons if they perform their duties in an efficient and honest way. The Lithuanian Labour Code includes the same stipulation in relation to workers who will be eligible for an old age pension within three years; it also limits the possibility of terminating the contracts of those who will be eligible for a full old-age pension within five years, unless the retention of the employee would substantially violate the interests of the employer.

In Romania, the National Plan for Fighting against Discrimination 2002–2006 was devised, recommending strategies for different sectors, such as a strategy for the prevention and combating of age-related discrimination among young and ageing people. Furthermore, in 2002, the National Council for Fighting against Discrimination (NCFD) was established by the government to: implement legal regulations in the area of non-discrimination; improve the existing legal framework; and increase awareness of discrimination issues. Finally, in 2004, the Juridical Resource Centre published an anti-discrimination manual for Romanian NGOs, outlining the various EU directives and Romanian regulations aimed at combating discrimination (including age discrimination), as well as the practices and methods that NGOs could take to counteract it.

Although the labour codes of the NMS and ACC2 have been amended to allow for positive discrimination in favour of older workers, there are cases where the level of protection offered to older workers has in fact been lowered. For instance, the former Slovenian Labour Relations Act not only protected older workers against dismissal for the five years prior to retirement, but also stipulated that the employer had to compensate the dismissed employee for the lost years required to qualify for a pension, as well as pay compensation for dismissal or unemployment benefits, until the employee was eligible for retirement. It should also be noted that positive discrimination in favour of older employees does not always improve their labour market position: providing older

workers with specific advantages in labour legislation may make employers unwilling to recruit them, or result in dismissal before an employee reaches the relevant age threshold.

Awareness-raising and job matching

Raising awareness about the importance of delaying the exit age from the labour market, and providing information about how this might be realised, is another necessary prerequisite for fostering active ageing. The respective initiatives in this area may focus on different target groups.

Employers may need to be informed about the advantages of having older employees in their workforce. For example, the Estonian Employers' Confederation has arranged seminars and conferences on the ageing workforce. Furthermore, the quarterly *Estonian newsletter on occupational health and safety* publishes articles on the problems encountered by the older workforce in Estonia. Similarly, the Latvian State Employment Agency has initiated a campaign to inform private companies about opportunities for employing people from socially at-risk groups, including workers of pre-retirement age.

In order to safeguard the commitment of the workforce, measures should also be targeted at the employees themselves. For instance, the Polish employment strategy recommends the creation of publicly available vocational information and vocational counselling services, applying a customised approach to clients in the form of individual action plans. Similar provisions are also provided for in the Act on Employment Services in Slovakia. In Slovenia, the government is planning to further enhance the employability of long-term unemployed people over 55 years of age through the introduction of active employment policy programmes, involving, for example, assistance with career planning and seeking employment. In 2002, the Latvian parliament adopted new legislation providing for the protection of unemployed people and job-seekers. Since then, all residents of Latvia who want to receive career advice have a right to professional guidance services, free of charge. The number of applicants in this scheme has increased considerably and includes people of pre-retirement age.

It is also important that labour market actors – public or private employment services or training/support service providers – become more aware of the particular needs of the older workforce and older job seekers. In Poland, for example, the objective of the Sectoral Operational Programme Human Resources Development includes strengthening the potential of employment services for clients, as well as social assistance and other labour market institutions, with a particular focus on unemployed people and people from high-risk groups. This is achieved, for instance, by providing training to employees of social service providers (including NGOs and volunteers) that work with people from high-risk groups. In Cyprus, as part of the planned modernisation of the public employment services, which prioritises the improvement of social cohesion and the promotion of employment, the strengthening of staff capacity both in quantitative and qualitative terms constitutes a key aim.

In some of the NMS and ACC2, a more comprehensive approach has been taken, including in some cases 'active job matching'. The Polish employment strategy, for example, foresees the development of non-public institutions – temporary placement agencies, personal counselling institutions, and non-governmental job placement services – providing labour market services. The

strategy also envisages job placement services focusing on the identification of labour market needs, in addition to obtaining and managing vacancies. The Slovenian initiative 'Encouraging personal supplementary work' includes a focus on people aged 50 years and over who have been unemployed for more than six months; it pays particular attention to women.[12] Activities involve informing and motivating unemployed people and giving advice to interested parties about conditions and procedures entailed in becoming involved in personal supplementary work. Trainers offer professional support to unemployed people and introduce them to employment possibilities. Unemployed persons may take part in the programme for a maximum of two years. In Bulgaria, unemployed people over 50 years of age are one of the specific target groups of the programme, 'Active services at labour market', an initiative aimed at the reintegration of unemployed people into the labour market. Active labour market services financed by the programme include different forms of support for finding jobs or for improving qualifications.

Following a similar approach, one of the Hungarian labour centres organised an event called 'Job Bourse', to help people with disabilities and those aged 45 years and over with diminished work capacity to find new employment opportunities. The event took place simultaneously at eight of the labour centre's offices across the country and included job offers following personal meetings between potential employers and employees, and information and advice on training programmes, grants and subsidies, legal issues, the pension system and careers. To date, some 333 employers have posted about 1,200 job offers, 87% of which have directly targeted people aged 45 years and over; almost 90% of the unemployed people who found a job on the day of the event were over 45 years of age.

Healthcare

Generally, the incidence of health problems is thought to increase as people get older. Reflecting this thinking, some of the NMS and ACC2 have shown a rising number of medical consultations among the older populations over time. In Cyprus, for example, the number of medical consultations increased noticeably among those aged 45 years and over between 1995 and 2003, although the average time spent in hospital decreased; in this instance, older women sought medical advice more often than older men (Government of Cyprus, 2004). Therefore, activities aimed at modernising the healthcare system in relation to both preventive and curative measures can be seen as an important precondition for extending working life. In response to such findings, the Ministry of Health in Cyprus has prepared an action plan for the healthcare of older persons.

In Estonia, the 'Occupational Health Action Plan until 2007' states as one of its objectives the guaranteeing of active ageing. It recommends plans for preventive strategies aimed at maintaining people's work capacity and development throughout their working lives, by applying initiatives related to the occupational health of the ageing workforce.

In Romania, the issue of occupational healthcare is also a focus. For example, the Romanian Statute of the Occupational Health Physician stipulates that the occupational health physician, among others, has to monitor the employees' health, their work environment and work practices that could affect their health; occupational physicians also advise on health problems and

[12] See Active Employment Policy Measures Programme 2005.

occupational safety, as well as on the planning and design of ergonomics and job design. They evaluate employees' work capacity and recommend suitable work skills that match the employee's health status, as well as giving advice to management regarding suitable working conditions for vulnerable groups, such as older people.

Improving older workers' skill levels

As shown in previous studies (for example, OECD, 1998), policy measures solely aimed at framework conditions – such as raising the statutory retirement age, or introducing financial penalties for those taking early retirement – appear to have a relatively modest impact on the extension of working lives. Therefore, more proactive strategies for enhancing the employability of older people are needed.

One important measure in this respect involves upgrading or maintaining the qualification levels of employees. The level of skills and competencies determine not only the extent to which those entering or returning to the labour market can meet the requirements of the jobs available; more crucially, they also influence the extent to which those already working can retain their jobs in a changing technological and economic environment – particularly characteristic of the NMS and ACC2 – and can advance their careers (European Commission, 2002).

In this context, two Bulgarian projects – 'Back to work' and 'Overcoming poverty' aimed at specific target groups including unemployed women aged over 50 years or unemployed men over 55 years of age – provide training ranging from literacy courses to professional qualifications tailored to the participants' needs. For 2005, it was estimated that about 700 people took part in the programmes. Both programmes were introduced by the Ministry of Labour and Social Policy and implemented by the Employment Agency. Another programme, aimed at increasing the adaptability of women, focuses on unemployed women over 50 years of age. The programme has provided motivation and training courses to some 200 women. In line with the objectives of a further programme, focusing on the promotion of vocational training for older people and employment, about 200 persons are set to receive training involving the development of computer skills and entrepreneurship. The provision of ICT skills is also a focus of the Hungarian EQUAL initiative and of the Czech Human Resources Development Operation Programme.

In Latvia, training programmes catering for unemployed people of pre-retirement age are supposed to take current labour market demands into account, as identified through employer research results. Special attention is paid to: organising training groups; analysing the skills and abilities of unemployed people before involving them in professional training; improving the standards of qualification courses so that they are more appropriate; and promoting people's return to the labour market as soon as possible. Such efforts are considered important since the majority of long-term unemployed people of pre-retirement age are unemployed because they lack the up-to-date skills required by the labour market, as well as having a low self-assessment. In response, counselling services for unemployed people of pre-retirement age are provided to help them overcome psychological barriers that may be preventing them from returning to work. Such measures are set out in the programmes, 'Support for active labour market measures', 'Retraining and continual education for the unemployed' and 'Training for the groups at risk of social exclusion', all of which focus on professional education and the improvement of qualifications.

Arising from these programmes, services were provided to some 67 unemployed people of pre-retirement age (55 women and 12 men) in 2004 and to 226 unemployed people (171 women and 55 men) in the first half of 2005. Another important aspect of the abovementioned training and retraining courses is providing work experience opportunities to all course participants, thus enabling them to master their skills and to test the suitability of the job; often, the work experience evolves into a regular job.

In Slovenia, 'Programme 10,000+' also aims at the provision of training and professional qualifications for unemployed people, along with training in the workplace. The programme began in 2003 and is cofinanced by the ESF and EQUAL. Formal education in Slovenia encompasses publicly recognised education programmes, which are registered at the Ministry of Education and Sport and the Ministry of Higher Education, Science and Technology. By successfully completing Programme 10,000+, participants gain a publicly recognised, formal education qualification. Unemployed women over 40 years of age without vocational or professional education comprise one specific target group of the programme. Overall, unemployed people aged over 40 years represent 5.8% of the participants. It is estimated that 15% of the programme participants will be employed in 2006. A similar objective is being pursued through the initiative, 'Help in planning careers and job seeking', the aim of which is to motivate unemployed people to acquire essential knowledge and skills including communication and social skills for active and effective job seeking. The initiative involves workshops provided by external contractors or educational institutions selected through public tenders, or by advisers of the Employment Service of Slovenia. They include a workshop specifically targeted at improving the employment opportunities of older people; three months in length, the workshop is tailored to the specific needs and characteristics of older unemployed people. In 2001, a special workshop for trainers was organised in Velenje, in north-eastern Slovenia, to help them enhance the impact of workshops aimed at improving the employment of older people.

Along with specific training courses, in Slovenia, emphasis is placed on raising awareness regarding the importance and need for lifelong learning. In 1996, the Slovenian Lifelong Learning Week was introduced to contribute to the development and awareness of the concept and practise of lifelong learning. It underlined the fact that primary and secondary education alone does not equip people with sufficient knowledge and skills to last them a lifetime and to guarantee their personal development. The initiative was introduced and is coordinated by the Slovenian Institute for Adult Education, and is sponsored by the Ministry for Labour, Family and Social Affairs and the Ministry of Education and Sports. As well as raising awareness, the event is used as an occasion to celebrate outstanding educational achievements of adults.

In Lithuania, the approach taken also goes beyond the mere provision of training opportunities. The Strategy to Safeguard Lifelong Learning Possibilities, adopted by the Ministry of Education and Science and the Ministry of Social Affairs and Labour in 2004, emphasises two important aspects for the ageing society: the need for vocational education and continuous vocational training, and the importance of making learning more accessible. Accordingly, specific tasks have been recommended: to create mechanisms for assessment and accreditation of competencies gained through informal education and self-learning; to further develop secondary vocational education; to promote the importance of general competencies in continuous vocational education; to create learning curricula for special groups; to ensure that all adults without secondary education get a 'second chance' to participate in education; and to increase distance learning possibilities.

Working arrangements and quality at work

Along with safeguarding the work capacity of older people, another important goal is increasing their willingness to remain in the labour market and adapting working conditions to their specific needs. This might be addressed, for example, through the introduction of flexible working arrangements or the improvement of working conditions of older people. In Estonia, for example, the Ministry of Social Affairs mentions in its policy statement that suitable conditions should be created to enable a more flexible transition from active employment to retirement – for example, through more part-time employment opportunities. Similarly, in the Czech Republic, the Human Resources Development Operation Programme recommends that a greater number of older people should be able to avail of part-time working contracts.

In Slovakia, changes to the Labour Code have contributed to the creation of a more flexible labour market, particularly in the areas of: working time (an increase in the number of working hours up to 48 hours including overtime); part-time contracts (more flexible and less time-consuming notice procedures regarding part-time contracts); fixed-term contracts (fewer limitations on the use of fixed-term contracts); notice procedures of employers (less complicated procedures than before); and overtime (more hours' overtime allowed). Another positive change concerns the broader framework allowed for collective bargaining at the company level concerning working conditions.

Financial incentives

Another factor motivating older people to remain in the labour market for longer relates to financial incentives. Such incentives include, for example, tax relief for employees of a certain age, or additional pension payments to those who delay the exit age. For instance, the National Action Plan in Estonia creates financial incentives for those willing to prolong their working lives: people of pensionable age who decide to defer their pensions and to continue working will have their old age pension increased in accordance with the number of additional months worked (0.9% increase for each month, or 10.8% increase per year). As the pension is the main source of income for people aged 65 years and over, this measure also allows for an increase in people's standard of living when they eventually retire. In spite of this generous increase, the opportunity to defer the old-age pension has attracted only marginal interest to date.

The amended social security system in Slovakia enables people to receive a pension without necessarily terminating their work. In this context, those of pensionable age are allowed to earn an income from work, without limiting their pension levels. A similar provision is provided for under the new Slovenian labour relations act, which enables older workers to combine retirement with part-time work. In the Czech Republic, the public budget reform together with the reforms of the basic pension insurance system (2003) resulted in the cancellation of restrictions on the receipt of old-age pensions during gainful employment.

In addition, measures targeting employers have also been introduced to increase their willingness to employ older people, who often demand wages higher than those of their younger counterparts. In Bulgaria, the programme 'Assistance for retirement' was launched in 2002 to provide employment opportunities for people of retirement age who have not accumulated the required length of service. The state covers employers' costs for the older employees' salaries (equal to the minimum statutory salary and approximately €80 per month), as well as social security and health

insurance contributions for the period of employment (three to 60 months). The employer pays the remainder of the salary and the respective ratio of other labour costs. In 2003, some 780 persons secured employment under this programme; in 2004, this number increased to 2,944 participants, while between January and September 2005, more than 3,000 people gained employment under the 'Assistance for retirement' programme. In 2003, a similar programme was launched, allowing employers hiring unemployed people aged 50 years and over for at least 12 months to deduct their salaries, as well as social security and health insurance contributions (which are subsidised by the state), from taxable profits.

In Romania, the unemployment insurance contributions of employers are reduced for a 12-month period, in proportion to the number of unemployed people over 45 years of age that they hire. At the same time, employers are subsidised by an amount equal to the minimum gross wage, for the employees that they keep on the payroll for at least two years. Employers who cancel the contracts of these employees under their own initiative, before the two-year threshold is reached, are obliged to fully refund the subsidies received.

In Latvia, some 2,193 unemployed people of pre-retirement age (1,126 women and 1,067 men) were offered subsidised jobs in 2004. In the first half of 2005, a total of 1,064 people (560 women and 504 men) participated in the programmes, 'Subsidised workplaces for unemployed disabled people' and 'Social enterprises in the labour market for ensuring work for less competitive unemployed people'. It is estimated about 14.5% of all subsidised jobs are held by people of pre-retirement age. Furthermore, some 326 unemployed people of pre-retirement age (168 women and 158 men) were offered 10-month subsidised contracts in their area of expertise. In the first half of 2005, some 39 unemployed people in this age group (22 women and 17 men) availed of such an opportunity. Among all the measures in this area aimed at specific target groups, around 16.5% are expected to be taken up by unemployed people of pre-retirement age.

In Slovenia, costs are partially supplemented as part of an Employment Service incentive – funded by the Ministry of Labour, Family and Social Affairs – to help maintain jobs and to encourage new employment opportunities, particularly among older people. The subsidy amounts to €2,093 (around SIT 500,000) per job lasting at least one year. In 2005, 6,300 new participants took part in the employment incentives programme, 52% of whom were women. The Employment Service estimates that 83% of participants in this initiative will secure employment in this year.[13]

In Lithuania, under the Law on Social Companies, the state provides support to companies employing more than 40% of staff who come from particular target groups, including people who will be of pensionable age within five years. Companies are partially compensated for wages and social security payments and also receive support for the adaptation of workplaces to the individual's needs and for their training.

A more comprehensive approach to active ageing

Some of the initiatives aimed at fostering active ageing and at extending working lives in the NMS and ACC2 follow a more comprehensive approach than others.

[13] See active employment policy measures programme and catalogue of active employment policy measures programme for 2005.

In Estonia, a programme for reducing the unemployment of older people, increasing their employability and preventing their social exclusion – introduced in 2003 as part of the national employment programme – aims at improving combined labour market measures for older people, focusing more on their individual needs. The measures stipulated in the programme include the preparation of personalised action plans, individual counselling, adaptation training, vocational counselling, professional training, and identifying suitable jobs in cooperation with employers.

In Poland, the '50 Plus' programme consists of activation measures for combating unemployment, sustaining employment, and supporting people's reintegration into the labour market. The activation measures directed towards unemployed people aged over 50 years stipulates that labour market institutions should propose employment offers, other types of work bringing income, on-the-job training, intervention work or public work to people in this age group within the first six months of their initial unemployment registration date. This approach is based on the assumption that unemployed people are more willing to take up a job during the initial phase of unemployment. The activation measures also include special forms of intervention, lasting longer than they would for other groups of unemployed people, whereby remuneration and social security insurance costs are reimbursed every second month. In addition, the employer may be cofunded (by no more than three times the average salary) if they make suitable adaptations to the workplace. Public works aimed at the social and professional reintegration of unemployed people over 50 years of age may be extended to 12 months. The programme also promotes temporary employment and job rotation, as well as entrepreneurship, among the older generations. In addition, the target group is provided with standard labour market services (work mediation, vocational counselling, service and professional information, assistance in active employment searching), along with the possibility of benefiting from training financed by the Labour Fund or entitlement to a training allowance. Currently, there are 20 pilot projects underway, involving between 50 and 250 people. The projects aim to focus on:

- making use of individual activity plans, tripartite agreements and atypical employment contracts;
- the creation of a self-assisting support group and the use of active mediation in the workplace;
- increasing the qualifications of participants to meet their future needs in the workplace (for example, using job-rotation projects);
- the propagation and implementation of various forms of professional activation and self-employment;
- the creation of partnership activities in relation to employment at local and regional levels.

One of these pilot projects was implemented by the Institute for the Development of Human Resources of the School of Business (*Wyższa Szkoła Biznesu*), a private higher education institution, in cooperation with district labour offices and a professional consulting agency. The project was directed primarily at people aged 50 years and over who have been unemployed for two years or longer. Each participant received a 'professional check-up' conducted by a consultant and aimed at establishing the participant's professional profile; this profile was in turn used to prepare an individual career plan, which took into account professional opportunities, re-qualification possibilities, further training needs and capabilities and the current labour market situation. The applicant's motivation level was also assessed on the basis of a motivation scale

devised specifically for the project. The fields of qualification comprised social services (care of children, elderly, handicapped persons), computer science (ranging from basic knowledge to specialised training in specific programmes) and professional training (including 'workplace training'). Throughout the project, a database containing data concerning the project participants, their professional profiles, offers of employment and contact information regarding potential employers was established and continually updated. People were allowed to access the data contained in the database, as it enabled different groups to exchange information concerning work offers and employer demands. The project lasted until December 2005, and it is currently estimated that approximately 10% of project participants found permanent employment as a result of the project; following the project's completion the number of participants finding permanent employment is expected to exceed 35%.

Another pilot project of the 50 Plus programme – introduced by the District Labour Office in Pabianice in central Poland – includes a lump-sum subsidy for employers who offer permanent jobs to unemployed people over 50 years of age, along with the partial reimbursement of expenses incurred for wages and social security benefits for the first six months if the older person is employed for at least two years. In addition to professional counselling and training, the participants are also entitled to a lump-sum subsidy if they decide to start their own business, as well as reimbursement of the respective mandatory social security payments for the first six months of operation, if the company runs for at least 12 months. By the autumn of 2005, some 20 unemployed participants received training in carrying out a business activity, while 27 participants received start-up subsidies; moreover, 34 new jobs have been created by 24 different employers.

In Slovenia, the 'employment rehabilitation programme' is an initiative for unemployed disabled people, aimed at preparing them for particular jobs so that they can become employed or change their career. The target group consists of unemployed people aged over 50 years who are registered at the Employment Service of Slovenia and who have a health problem that is defined under the preliminary category for determining the status of disabled persons. Employment rehabilitation includes: advice and motivation for disabled people to encourage them to play a more active role; helping them to accept their own disability and to take part in life and work (psychosocial rehabilitation); assistance in selecting appropriate vocational goals, developing social skills and abilities and seeking appropriate work; an analysis of a specific job and work environment, along with a plan for adapting the job and work environment (necessary technical aids, training for the disabled people in their specific jobs or selected profession); monitoring the disabled person in their job after they take up employment; and an ongoing evaluation of the rehabilitation process, including an analysis of the participant's abilities and knowledge, and of working practices, in addition to monitoring the individual during training and education.[14]

[14] See active employment policy measures programme and catalogue of active employment policy measures programme for 2005.

Description of cases at company level 4

Compared with the findings for the EU15 (Walker, 1997), and in line with the earlier assessment of the issue from the public perspective, it seems that employers' awareness of the importance of retaining older people in employment and their attitudes towards an ageing workforce are not as developed in the NMS and ACC2 as they are in the EU15. This can at least be partly attributed to the fact that labour supply exceeds demand in many of the NMS – at least as far as specific countries and/or economic sectors are concerned. As an illustrative example, among the 70 companies that were recognised as being the most socially responsible businesses in Bulgaria, not a single case of good practice in age management could be found. Moreover, data for Slovakia show that almost two-thirds of the companies cite age as a reason for turning applicants down for jobs (Research Institute of Labour and Social Affairs, 2002).

In general, employers in the NMS and ACC2 prefer to hire younger workers, as they are cheaper and more likely to adapt to new working conditions than their older counterparts. Moreover, employers also believe that older workers will not be able to keep up with new technologies and often do not have adequate computer skills. In particular, older people with a low level of education who are long-term unemployed have the least chance of gaining employment. The majority of employers have not yet realised the importance of the ageing workforce issue. In many cases, they are only willing to employ older workers when forced to by external factors – for example in cases where they are unable to find younger employees. Therefore, older people are often recruited for positions that are unpopular among young people due, for example, to low wages and/or unfavourable working conditions; this raises questions about the quality of jobs offered to older people.

Despite these findings, there are some signs that awareness is growing of the need for a more equitable approach involving all categories of employees in private enterprises in the NMS and ACC2. This awareness first emerged among the larger international foreign-owned enterprises, which began to adopt the approach of corporate social responsibility (CSR); it is slowly being incorporated into the mindset of small and medium-sized enterprises (SMEs). Although such measures are usually favourable for older employees, they are generally not aimed specifically at this age group, but rather occur as a type of side effect.

It is mainly the larger employers in the NMS and ACC2 – in many cases, formerly state-owned as well as public organisations – who are adopting a new approach with respect to age and employment, including the integration of older people into the labour market. The management of these enterprises generally demonstrate positive attitudes towards their older employees. Such companies appreciate the stability and low turnover of their older workforce, their knowledge of the working system and accumulated skills, along with their reliability, sense of responsibility and loyalty to the company (Bednárik, 2005).

Despite the general excess supply of labour in the labour market, a large proportion of the private enterprise initiatives aimed at older employees have been developed in reaction to labour shortages. In other words, older people are employed because of a shortage of human resources.

The measures implemented at individual company or organisation level in the NMS and ACCs are outlined in more detail, according to specific categories, in this chapter.

Rewarding older workers for their experience

Activities aimed at changing attitudes towards older employees, particularly by rewarding their efforts, often constitute one aspect of the measures adopted by companies in the NMS and ACC2. Such activities include special wage bonuses in recognition of the loyalty of long-term employees, along with financial rewards for older staff members for their support to younger workers through 'knowledge transfer' activities.

In Latvia, for example, the company Riga Shipyard (*Rīgas kuģu būvētava*) rewards its older workers for their service and contribution. All longstanding employees who have retired and all those of retirement age are invited to an annual company event at which they are presented with monetary rewards in acknowledgment of their contribution to the company's success. The company values its employees, particularly those who have spent more than 50 years working there. Other such examples can be found at the **Tallinn University of Technology** in Estonia, which presents a golden medal to all employees who have been working at the university for 25 years. In Malta, at the Bank of Valletta, longstanding employees receive acknowledgement for their loyalty to the company during a presentation ceremony; employees also receive a commemorative plaque from the bank's chairperson.

In Estonia, the **Tallinn Bus Company** tries to ensure that older employees feel valued by the company for their work. For example, the company's older employees are involved in teaching and supervising their younger colleagues, which helps to raise the level of respect towards older employees and to make the company more competitive. A similar initiative can be found in Latvia at the **Riga Electric Machine Building Works** (*Rīgas Elektromašīnbūves Rūpnīca* (RER)). In this company, senior employees are involved in training new recruits; this includes guiding their actions over a three-month period as part of a mentoring programme. The initiative increases awareness of – and respect for – older employees, provides on-the-job training and brings financial benefits to the mentors, leading to additional remuneration ranging from 20% to 25% of the mentor's monthly salary.

In Poland, the manufacturing company Zemat (which has no works council but which does have effective social dialogue) uses the experience and qualifications of its longstanding employees in training younger staff members. Generally, the company pays considerable attention to ensuring low levels of staff turnover. As a result, the majority of the staff members have been working for Zemat for many years. Currently, the company employs about 60 full-time workers, 60% of whom are 50 years or older. These employees work as teachers, mentors and tutors within the company, developing the skills and qualifications of young employees. Since the introduction of new and advanced technologies, the company is also starting to employ young graduates of technical schools. These graduates are led by a 50-year old employee who acts as mentor and tutor. Zemat hopes that its younger workforce will remain with the company for a long time, developing their skills within the company and developing new knowledge in their field of expertise.

Active recruitment and employment of older workers

Some enterprises in the countries under consideration focus on the active recruitment of older people, or on trying to keep them in active employment for as long as possible. This is particularly the case for companies that have problems finding employees (either because the jobs offered are

not attractive or because they require particular skills not readily available among the workforce). For example, the Latvian company Riga Shipyard has started employing people of retirement and pre-retirement age (60–65 years) because younger workers are less willing to join the company (which faced insolvency some years ago). Furthermore, the company ensures flexibility by allowing these ageing workers to decide themselves when they want to leave the company. It also organises courses, such as Latvian language courses, for those ageing workers who do not have appropriate qualifications.

The company Estonian Post (which uses collective bargaining that encompasses no specific initiatives for older employees) concentrates mainly on the recruitment of people aged 45 years and older, in order to meet the requirements regarding the number of postal delivery workers and postal processors to be employed (as prescribed by the country's Ministry of Economic Affairs and Communications). It also focuses on the older workforce because younger people are rarely interested in working in this field. In rural areas, in particular, many older people are employed as postal workers. Many of these workers had previously retired, but decided to work again as long as their health allows them to do so. The recruitment of postal workers and postal processors is carried out throughout the entire country. As more older people tend to live in rural areas than in urban areas, there is a higher probability that they will be recruited in these areas. Estonian Post also cooperates with the Tallinn Employment Service, which puts them in touch with job applicants – generally people aged over 45 years.

In Romania, the **Furs Company** (which has no works council) prefers to employ people who are experienced in the manufacturing of fur goods. As a result, the company is particularly interested in recruiting workers aged over 40 years: this is a strategic objective of top management. Nonetheless, younger employees who are eager to learn are also hired and can take part in on-the-job training. However, due to the lack of vocational training in this area, there are few possibilities for employing younger qualified workers in this field. Another strategic decision of the management is to retain in employment people aged over 40 years. As a result, the company has maintained over time a core team of professionals between the ages of 40 and 45 years and older, who are highly experienced in operating different types of equipment. This is considered a key success factor of the company and guarantees a solid base for its future development.

In Latvia, a sewing company offers positions that are particularly tailored to people of pre-retirement age. The company's main target group is women aged over 50 years, who have previous experience in sewing-related jobs.

In Bulgaria, the Paper Factory Stamboliiski has introduced practices favouring older workers aged over 55 years under its own initiative and without any encouragement from the trade unions. Over half of the company's workers and employees are aged 40 years and over. The main reason for the active employment of older workers is to allow for the smooth transfer of professional knowledge and skills to younger colleagues. This is particularly important due to the specificity of the production process, which involves high-end technologies. Older managers and qualified workers are included in long-term apprenticeship programmes. This is done some time before these employees' retirement, as their successors have to be trained in the specifics of the job. The person of pre-retirement age is employed for a trial period in another position (for up to six months) in order to transfer skills and knowledge to his/her successor. The paper factory also offers different

benefits for their older employees. For example, in the last six to 12 months before their retirement, the employees' salaries are increased so that they can receive higher pensions and compensation.

In Łódź in Poland, the **Academy of Management** – a private academic institution – frequently seeks retired professors who have already obtained pension rights and who have limited possibilities of employment in public universities. The academy employs the older professors because of a lack of well-qualified professors and also to meet authorisation needs for the conferring of master's and PhD degrees. Moreover, the increasing demand for knowledge among graduates can only be met by experienced academic teachers. Since the older professors receive only a small pension (that hardly meets their basic needs), many welcome the opportunity of a new position. Therefore, the employment of older professors represents a 'win-win' outcome for both the academy and the professors themselves.

In a job-cutting initiative involving collective redundancies, the Romanian **Research-Development National Institute for Environmental Protection (ICIM)** favoured older employees – namely, a group of 50 employees aged 45 years and over, some of whom were three years (or less) away from retirement age. The organisation aims to rebalance the age structure and retain older workers because of their experience, professional attitude and the contribution they make to the Institute. Therefore, older employees are allowed to keep their jobs at least until retirement age, if not for somewhat longer (under exceptional circumstances). The benefits of this measure are the increased competitiveness of the Institute due to the higher number of contracts held by older, more experienced researchers, and older researchers' provision of on-the-job training to their younger colleagues. At the same time, the older researchers benefit from higher wages in line with their increased responsibilities. The weak point of this approach is that young workers often find it difficult to access jobs at the Institute. Following the collective redundancies, the research activities of the Institute did suffer due to the financial deficit arising from the compensation paid out to the workers who were made redundant; however, in the long term, the initiative has led to the economic recovery of the organisation. The trade union has considerable influence within the Institute. As the employee representatives themselves are over 45 years of age, they are in a better position to identify and protect the employees' priorities and rights because of their experience. In line with the organisation's collective work agreement, negotiations have to take place between the board of directors and the employees through their representatives, with the final decision being taken by the Institute 's management.

Public institutions may also apply active strategies for the recruitment of older people. In Latvia, for example, several municipalities have created subsidised positions in social care centres and are particularly open to recruiting long-term unemployed people of pre-retirement age, along with disabled workers. Following their example, some Latvian companies have also started to create subsidised working places for such workers.

Training and skills development

As with the public actors, training and education constitutes one of the most important activities of private enterprises for improving the integration of older workers into the labour market and for extending their working lives. The training and skills development activities of the enterprises within the NMS and ACC2 range from life-course approaches to special training for the older workforce.

In Slovakia, for example, the multinational IT supplier **Dell** follows a life-course approach as part of its personnel policy. The company offers free training to employees to increase their working abilities, in line with company needs and in support of lifelong learning; special courses are published on the company's intranet and employees can take part if the training fits into their personal development plan. Another example is that of Estonian Post, where a special manager for education and training has been appointed since 2003. Older workers are treated on an equal basis in relation to training activities and human resource management, and the company tries to value employees of all ages. This helps to allay the fears of older workers that they may be replaced by younger employees.

In Romania, the **Elias Emergency University Clinic Hospital** introduced a training and development project in 2004 for medical personnel aged between 35 and 45 years. The measure, which was in force until 2006, targeted this particular group of employees because of their greater capacity for acquiring the latest medical techniques and methods. Through this measure, the hospital aimed to reach European standards regarding the quality of medical services and their diversification. Training activities were adapted according to the changes and innovations in the field, and personnel were expected to attend courses, seminars or symposiums both in Romania and abroad. The initiative had beneficial effects for both the employer and the employees: positive outcomes included greater efficiency, improvement of personnel skills and professional development among the different medical specialisations. One negative aspect could be the fact that investing in employees' training does not necessarily prevent the employee from leaving the organisation at a later stage and using these skills to benefit another organisation. The initiative followed previous measures implemented at the hospital, such as support for intergenerational relationships (through the setting up of teams involving younger and older workers), and the provision of training courses in different specialisations involving older employees.

Sometimes the training activities of companies place a particular emphasis on IT skills, as older people are often less familiar with the new technologies and may therefore experience more difficulties in working with such technologies. One such example concerns the company **Carlsberg Bulgaria**, which is active in the food and beverage sector. The company introduced an initiative to train five staff members – aged 55 years or over – in its accounting department over a two-month period, so that they could use the SAP accounting system. The measure was implemented due to restructuring activities in the organisation, which involved job cuts in the accounting department; however, because there was a need for SAP skills in the company's logistics department, these employees were trained in the application and transferred to that department. The strengthening of the logistics department by these experienced staff, in turn, led to increased efficiency; as a result, the company considered the experiment to be a success.

Another example concerns the company Novitech in Slovakia. In 2004, the company was presented with the 'Via Bona Slovakia' award for organising IT courses for older workers, enabling them to extend their knowledge in this area. The company **Slovak Telekom** also provides training to all employees in new technologies and industry structures.

In some cases, training measures are not implemented by companies as a stand-alone tool for personnel development, but are applied to give employees who are no longer able to fulfil their original tasks the possibility of redeployment within the company. As this loss of ability is often

related to health problems due to old age, such strategies may also be considered for fostering active ageing and are among those described in the next section.

Redeployment of workers to new positions

Redeployment or workforce rotation is a common practice in some enterprises. If an employee does not fit into a certain workplace anymore, they can be redeployed to another position within the same company. Such a practice is part of the philosophy of the Romanian **Furs Company**. Redeployment offers new possibilities, in particular, for older people who have work capacity problems due to age and health. For example, in the **Tallinn Bus Company** in Estonia, older bus drivers whose reactions have slowed and who are suffering from stress are redeployed to drive on different routes – for example, traffic is lighter on suburban routes and consequently stress and workload is less. An advantage of this approach is that the knowledge and experience of the older drivers is retained within the organisation; were they to be let go, that experience would be lost. As a result, the bus company saves valuable time and money. Older bus drivers who cannot drive anymore are redeployed to work as security guards in the parking lot. Due to this approach, older employees feel that the company values their work, which in turn increases their motivation. The Tallinn Bus Company has not experienced any negative effects arising from this redeployment practice and considers it a valuable exercise.

In Lithuania, a private company dealing with complex energy and production processes is also engaged in redeployment activities. The company was confronted with a changing business environment, which required the expertise of specialists. Therefore, it decided to use the skills of its experienced managers at hand and make them responsible for the change management process.

Redeployment can be also integrated as part of a broader approach dealing with older employees. For example, in a Romanian manufacturing company, which mainly focuses on the production of mechanical hardware articles, professional redeployment is integrated with different activities aimed at the older workforce (aged 45 years and over), such as recruitment, training and development, promotion, career management, activities for health and well-being, intergenerational relations and wage policy. Redeployment was introduced to maintain and raise the workforce's performance and the company's product and service quality. This measure involves a life course approach: the company is also trying to show younger workers that over the next 10 to 20 years, the pension age will rise and they will have to face the possibility of professional redeployment throughout their working lives. Moreover, through the provision of training courses, the company is also contributing to the professional redeployment of its labour force. The company's top management initiated this measure after a rigorous analysis of its human resources (HR) department. Some strengths of this measure are that it encourages job mobility among older workers and increases their exposure to new challenges and work variety. In addition, the Romanian company has adapted its career management activities and offers remuneration packages for workers of different ages.

All employees, regardless of age, are viewed by the company as assets who can continue to yield a high rate of return over a long period, if they are adequately managed, educated and suited to the job. The Romanian company demonstrates how labour force redeployment within the company can lead to an increase in profitability and competitiveness. The outcomes of these activities are a

higher degree of stability within the company and a better focus on improving the quality of the workforce. Therefore, redeployment activities can improve both the competitiveness of an enterprise and the situation of its older employees.

Another example of redeployment activities embedded in a broader HR policy involving non-age specific initiatives can be found in Slovenia in **LIP Bled** – a national, privately-owned wood processing company. In this company, the reallocation of workers exclusively targets older employees aged over 50 years, who voluntarily want to change their current job for a less demanding position while still maintaining their wage level. The initiative is directed specifically at employees who have medical problems and who are therefore no longer able to perform their current tasks in line with working standards or requested productivity levels. In order for the redeployment to go ahead, the older worker's diminished work capacity must be confirmed by medical evidence. In such instances, the employee is offered a new position suited to their age and remaining capacity for work. After their redeployment, the employee receives the same or an even higher salary than before. In LIP Bled, this measure is used by approximately 50% of the workforce aged 50 years and over; more women than men benefit from the initiative.

The main reason for the introduction of this measure at Lip Bled was to maintain and increase employees' work efficiency. Although the company has to finance the differences in earnings, these costs are compensated for by the fact that the redeployed employees yield higher productivity in their new positions. Furthermore, losses incurred because employees were unable to achieve the required results in their previous positions could be reduced. From the company's perspective, the measure has had mainly positive effects on employees and the company. Employees' productivity in their new workplace has increased, work performance has improved, employees achieve targeted goals and standards and the level of sick leave has fallen. The company also benefits from the greater satisfaction and commitment of employees and a better organisational climate.

Another form of redeployment of older employees can be observed in a private company in Lithuania. In this particular company, ageing workers are redeployed to less responsible positions if it is felt that they cannot adapt efficiently to changes in the marketplace.

Flexible working practices

Offering employees the possibility of flexible working hours is a regular feature of companies' HR policies in the NMS and ACC2. Flexible working practices are usually introduced on a case-by-case basis, according to each employee's specific characteristics (age, health, experience) and according to the area of activity. In Estonia, flexible work practices have been introduced at the Centre of Pathology in the **North-Estonian Regional Hospital**. In this centre, the work of doctors (with an average age of 64 years) is divided in such a way that everyone can do what they know or prefer, while at the same time allowing employees to avail of more flexible working times. The main aim of this measure is keep older doctors in the workplace for longer; this is because of the shortage of highly-qualified younger personnel, many of whom choose to work and study abroad. At the same time, the older doctors welcome the opportunity to work at the centre: they receive a monthly income in addition to their retirement pension and feel valued by the organisation.

In Slovakia, flexible working hours have also been introduced at **Dell** and **Slovak Telekom** (which also provides teleworking opportunities). In Romania, the **Furs Company** offers a flexible

work programme that includes part-time contracts. Flexible work contracts are also available at the Bulgarian Paper Factory Stamboliiski. This company offers temporary contracts to retired employees so that they can transfer their knowledge and professional experience to younger workers. The practice is considered to be highly effective and makes the older, retired employees feel more valued and committed. The smooth transfer of professional knowledge and skills between the older and younger workforce, with the help of flexible work contracts, is a major feature of the company's human resource management (HRM) policy.

In some instances, flexible work practices are not necessarily beneficial to older workers. In Latvia, for example, at the **Evrika private school**, older teachers are offered virtually the same time schedule every year because it is often inconvenient for them to change their working habits. Such 'inflexibility' of schedules, therefore, is considered beneficial for the older teachers.

Health and well-being

Some companies in the NMS and ACC2 offer several benefits to their employees related to their health and well-being. Such measures include free preventive medical check-ups and measures that specifically focus on improving ergonomics or the safety of working conditions.

For example, in the Latvian company **Riga Electric Machine Building Works**, additional medical benefits are made available to senior employees. Medical care services and access to the company-owned hospital are provided free of charge. Every year, employees receive a full medical check-up and vaccinations if needed. As older employees often suffer more from health problems, this opportunity is of considerable benefit to them. In the Czech Republic, the company KPMG places an emphasis on employees' welfare. Employees are offered special benefits in the form of life and accident insurance, supplementary payments in the case of illness, along with sport and social opportunities or membership in local health facilities. In Slovakia, both **Slovak Telekom** and **Dell** provide several benefits to all employees aimed at improving their health and well-being.

Some enterprises also offer employees the opportunity to avail of healthcare or well-being facilities. In **RTV Slovenija**, a non-profit broadcasting company in Slovenia, a select group of employees is allowed to spend five days a year in a Slovenian spa centre offering preventive medical treatments (the group includes those with chronic diseases or disabilities, older workers, managers and workers who show high performance or strong commitment to the company). The medical and hotel costs are jointly covered by the organisation (60% of costs) and the employee (40% of costs) and the days spent in the spa are taken out of the worker's regular holidays. The chosen spa is entitled to advertise on RTV Slovenija's stations, offsetting the total costs covered by the company. Management at RTV Slovenija considers the measure a motivating factor for workers, leading to more efficient work and a greater sense of loyalty to the organisation. Altogether, 70 employees from RTV Slovenija take part in the programme each year. Some 80% of the participants are over 50 years of age, while the remaining 20% consist of either managers or employees who are under constant stress. The participants reported an improved state of health and a higher degree of work motivation following their stay at the health spa.

Health and well-being measures are sometimes introduced to help reduce the level of sickness leave in a company. Some initiatives concentrate not only on the medical aspect, but also on

changing employees' attitudes. For example, a Slovenian trading company, involved in trading technical, industrial, household and construction goods, offered workshops aimed at improving employees' health by changing their attitudes to work. The target group consisted of employees who had frequently taken sickness leave since 2002. In general, this group largely comprised men aged over 50 years who had only a basic education and who, in some instances, had a disability. The workshop was introduced as a part of the company group's wider business strategy, which aimed to cut operating costs by reducing the number of days lost to sick leave. Prior to this, the company had experienced a so-called 'merger syndrome', following a merger in 2002. Characteristics of this syndrome included employees feeling overburdened and always thinking of the worst possible outcome, stressful responses, crisis management, feelings of a lack of personal autonomy and a shortage of information. The anxiety and insecurity provoked by the merger had in turn adversely affected employees' morale, work efficiency and health. This resulted in a noticeable increase in the level of sick leave, particularly among male employees aged over 50 years with a basic education. Subsequently, the workshop was introduced, involving some 25 employees from the company. The initiative consisted of eight hours of lectures, eight hours of teamwork with employees' active participation and individual interviews. The initial resistance to the workshop soon disappeared and participants became more aware, reflecting on themselves, their problems at work and possible solutions to these problems. All participants cited the problem of bad personal relations resulting from the fear of losing their jobs, having to meeting the demands of the market, the employer and management, as well as having insufficient knowledge of interpersonal relations. The employees' recurrent response to the changes underway was that they were too old, that it was too late for them to change and that sickness leave was considered 'a way out' of their problems. Following the workshop, the participants changed their way of thinking and took responsibility for their health. Moreover, interpersonal relations in the workplace improved, although the level of sickness leave has not yet fallen. Despite this, the company considers the training workshop to have been a success.

Activities aimed at the improvement of health and well-being, including ergonomics and optimum job design, have also been undertaken in companies in Romania. In the furniture manufacturing company Modul Design, maintaining the health and well-being of employees is an ongoing concern of the company. Particular attention is paid to ergonomics and job design, as well as ensuring an optimal working environment. For example, the company has set up a medical centre to continually monitor the health status of staff, particularly of its older employees. The centre conducts both random and periodic health checks and offers medical assistance to employees, if necessary. The Romanian **Furs Company** also aims at creating optimum working conditions in the workshop and in other common spaces, such as the cafeteria. In addition, management monitors the existing health and working conditions on an ongoing basis.

In Slovenia, **Revoz, Novo mesto**, a vehicle manufacturing company owned by Renault, aims to increase the employability of workers through the introduction of ergonomics and an occupational safety policy. Ensuring safe working conditions is one of the company's priorities. Improving ergonomics indirectly helps the company address the ageing workforce problem: the measure improves the employment situation of workers whose productivity has been impaired. The goals of the measure include: the improvement of ergonomics in the workplace and their incorporation into the design of the new vehicles' production process, thereby preventing or limiting occupational diseases; solving ageing problems and the problems of those with lower employability levels; and

increasing production efficiency. Revoz aims to tailor each workplace to the employee's physical and mental abilities, as well as organising workplaces so that they are suitable for people aged over 45 years. The first step in improving ergonomics involves an analysis of the existing workplace in relation to safety (noise, strokes, cuts, falling objects, etc.) and ergonomics (position of body during work tasks, level of effort needed, adjustment and complexity). Special working teams introduce ergonomic improvements. Employees also take part in the implementation process, by giving suggestions on how to improve the safety and ergonomics of their workplace. As a result of this measure, ergonomics in all units have been considerably improved and the proportion of dangerous or poorly designed workplaces reduced. Another positive effect is that the employability of workers aged over 45 years, particularly women, has improved. Also, because of the redesign of workplaces in line with the requirements of people aged over 45 years, the company's recruitment possibilities may be increased. Furthermore, employees' length of service has been prolonged and the company morale has improved.

Exit policy

Some companies in the countries under consideration offer alternative exit policies to their older employees. Companies may financially remunerate older workers who decide to leave, or have to leave the company, or may help them find new job opportunities. They may instead support older employees by keeping them in employment for as long as possible, for example through the introduction of a special professional status.

At **Slovak Telekom**, special measures are offered to support the exit of older employees, which is necessary following the company's privatisation. For employees who have more than seven years left before retirement, the company grants a sum of SK 30,000 (about €800) for their retraining during the six months prior to their departure from the company; this sum is roughly twice the average monthly income. These employees also receive support from the HR managers to help them find a new job outside of Slovak Telekom. The company cooperates with labour offices in the different regions, to identify potential job opportunities for those leaving the company. Employees due to leave the company are also supported through the provision of entrepreneurial training, which aims to equip employees with professional and management skills that will enable them to set up their own company.

The **Bulgarian Telecommunications Company (BTC)** also offered programmes related to reducing staff numbers following the company's privatisation and restructuring. One particular initiative involved an entrepreneurship programme available to employees who decided to voluntarily terminate their contracts with the company. This programme was particularly relevant for older employees of pre-retirement age, as the target group for the programme was employees who had worked with the company for at least 10 years. As part of the programme, the employees received training and support in relation to the preparation of business plans. In total, 14 projects were financed through the entrepreneurship programme, of which 11 involved applicants aged 50 years or older. Along with the entrepreneurial training, the employees leaving the company were entitled to compensation of up to 16 times their gross salary (delivered in the form of social support, so that it was not taxable) depending on their length of service at BTC. The programme for the voluntary termination of employment relations is an integral part of the collective labour contract. In 2004, some 7,831 employees left the company under the framework of this programme.

In Estonia, the exit policy of the **Tallinn University of Technology**, which is characterised by informal social dialogue, mainly focuses on employees in the university's oldest age group, professors with an average age of about 56 years and associate professors with an average age of about 59 years. According to the TUT constitution, retired professors are entitled to apply for the status of 'Professor Emeritus', while associate professors who have been in their position for at least 15 years are entitled to request the status of 'Associate Professor Emeritus' after they retire. If the university's council approves the request, these employees will receive financial support from the university for the rest of their lives. The main objective of this exit policy is to enable the university to retain the valuable knowledge and experience of these older employees. The university allows the older employees to work as long as they remain profitable and competitive. In general, the recent initiative of the university in relation to the new status of Associate Professor Emeritus makes it much easier for the professors to exit active employment, but still maintain a connection with and render services to the university while also retaining a certain level of income.

Some enterprises facilitate the exit of older people by employing them during periods when there is an unexpected increase in the workload. In Poland, for example, Zemat welcomes the broad experience and the high skills level of its recently retired former employees. By offering these employees flexible employment terms, the company maintains good relations and contacts with the employees. This approach not only provides the retired people with a potential new income, but also gives them a greater sense of personal satisfaction and the opportunity to work again with former co-workers. At the same time, the company has access to a highly qualified pool of workers in times of intensive workloads, and is able to mobilise these workers on an ad hoc basis. These employees can adjust easily and quickly to the new requirements, are able to work efficiently from the outset, and have knowledge and expertise that cannot necessarily be provided by external workers.

Another example of an effective exit policy in Poland concerns the **Ship Design and Research Centre** in Gdansk (*CTO*), a state-owned company established in 1971. In 2002, the company received the status of a research and development (R&D) unit on the basis of a decision of the State Committee of Scientific Research. It employs 210 people, 89 of whom work as R&D personnel. As the research field of the ship production industry is characterised by dynamic developments due to significant changes in global markets for ship production, CTO maintains regular contacts with a significant number of its former, experienced employees in various specialisations, by commissioning work from them. Such work mainly includes the design of ship propellers, optimisation of the hull shape, design works relating to anticorrosion protection, and works concerning the building and testing of ship models – all of which require highly qualified and experienced staff. On average, CTO employs about 10 retired employees each year, not only to conduct the aforementioned tasks, but also to support CTO in analysing demands for different types of ships and preparing feasibility studies. Furthermore, the experienced personnel act as mentors to the young builders and scientists and receive additional payment for this duty. Support from EU projects has enabled the company to apply the expertise of these former employees. In 2005, 15 projects were financed under the Fifth Framework Programme, while seven projects were financed by the Sixth Framework Programme. These projects allow for the employment of experts on a per job basis, both due to the rules for financing the research, as well as the short duration (usually several months) of the tasks.

Comprehensive approaches to active ageing

Some of the companies in the NMS and ACC2 apply a more comprehensive approach in order to improve the situation and the integration of older workers and to extend their working lives. Such measures involve a broad range of activities including greater acknowledgement of the older workers, training, special recruitment activities, healthcare and flexible working arrangements. Some of these activities are directed specifically at older employees, while others are available to all employees.

The Slovakian company **PTK Echo**, active in several service areas (education and language services, publishing, accommodation, restaurants and catering), offers measures with a life course dimension and strictly applies gender and age equality in its different policy measures. For example, the company provides training measures to all its employees, free of charge and irrespective of age. Older employees (those close to retirement age) are also invited to take part in educational programmes relating to starting a business, accountancy, IT or any other specific course at their request. The aim is to enable these employees to establish their own small business, such as an accounting enterprise, after retirement. Other personnel policy measures involve the offer of flexible working hours and part-time assignments, which are in principle available to all employees. Moreover, the company's wage policy does not follow an age criterion, but rather other criteria such as the employee's position in the company or their performance. In addition, the company provides medical check-ups for all of its employees and the opportunity to stay for one week in its own health facility in the High Tatras. The relatively wide range of benefits for employees has resulted in a very low level of employee turnover in the company; at the same time, the training and educational activities have resulted in improved services, as well as strengthening the company's position in the Slovakian market due to a better corporate image. As regards the employees, the benefits of educational measures, in several cases, have led to their career advancement.

Another example concerns **Riga Electric Machine Building Works** in Latvia. Due to the serious shortage of skilled workers, the company's current HR strategy aims at extending employees' working lives and even attracting back to the labour market those who have already retired, by providing various incentives for these former employees. This strategy combines active recruitment methods, comprehensive bonuses and benefits for older employees, along with social services throughout the whole working process. In addition, the company offers different medical care services and access to its own hospital, free of charge. Workers employed by the company for 20 and 30 years receive a veteran and honoured veteran status, respectively, and enjoy a significant once-off bonus payment, together with corresponding certificates and ID cards. Another important aspect of the company's ageing policy is its mentoring initiative, where senior employees are involved in the training of newcomers.

In Bulgaria, the company **Danone Serdika** has established a special committee for improving working and living conditions within the company. The collective labour agreement of the company envisages special measures for persons of pre-retirement age. A common practice is the redeployment of employees within the company, depending on the length of professional experience, age and wishes of the individual. Those who have worked in the company for more than 20 years may receive a bonus of 20 monthly salaries after retirement. Some employees are invited to continue working with the company after retirement. Furthermore, all employees are

entitled to free health services and voluntary life insurance. In addition, the company plans to start a new initiative in 2006 called 'Voluntary Pension Social Security Contribution', which is targeted at older workers. Accordingly, the employer will pay for a voluntary pension fund for each employee if he/she contributes the same amount to the fund. Due to the special attention that is paid to the health and well-being of the staff, the company has a lower rate of sickness leave than the national average.

In Slovakia, Knott, a producer of trailers, lift tracks, brakes and joint parts, values the experience of its skilled workforce. For example, older employees receive special 'wage fidelity bonuses' on their birthdays, which correlate to their length of service. The company also pays for a medical check-up for each employee once a year and contributes to the complementary pillar of old age pension an amount that matches the employee's own contribution. Furthermore, Knott organises and provides training events for employees, irrespective of their age, thus adopting a lifelong learning approach.

A variety of activities favouring mainly older employees can be found at the **Evrika private school** in Latvia. This school applies a wage policy that is aimed at attracting the best qualified teachers, and uses a special evaluation system during the recruitment process which favours older employees. In addition, all employees are granted small financial bonuses on their birthdays and an amount, which equals their age, on special anniversary birthdays. Another aspect of the current personnel policy of the private school concerns further education: all teachers at Evrika are encouraged to take part in training that includes retraining or the acquisition of modern literacy skills, such as computer literacy and English language skills. As already mentioned, the school also tries to maintain the natural 'life rhythm' of older teachers by offering them virtually the same timetables every year.

In the Latvian company **Emerol**, which is engaged in real estate and construction, nearly half of the 54 employees are of retirement or pre-retirement age. The company's corporate culture reflects a positive attitude to older workers. One measure focuses on improving the Latvian language skills of the workers, since the majority of them are Russian. According to the country's labour law, employees who work in enterprises in Latvia should possess some knowledge of the Latvian language. Therefore, the management wanted to show its older employees the real advantages of learning Latvian, which first, would enable them to become more integrated into Latvian life and, second, would help them to become more competitive in their job. This was achieved mainly through a staff rotation policy: Russian-speaking employees were placed in departments with Latvian-speaking employees, as learning Latvian on the job by communicating with colleagues proved a more effective method than language courses. Nonetheless, the employees who were also willing to attend courses were offered this option free of charge. Currently, all employees, including those of retirement and pre-retirement age, have an adequate knowledge of the language and can communicate relatively freely in Latvian.

In addition, the company offers flexible working hours for certain positions such as those of designers or architects. However, to the management's surprise, employees of retirement and pre-retirement age were unwilling to accept such practices because they were accustomed to their regular working hours. Nevertheless, this option is still offered to older employees, and it is solely up to them to decide whether or not they choose to avail of this option. Furthermore, Emerol offers

different measures to enhance the health and well-being of workers. For example, every employee is offered medical insurance free of charge, which includes cover for medication up to the value of LVL 200 (about €285) every year. Emerol pursues a life-course approach to employment. One idea behind developing policies for older employees is also to motivate younger workers to stay in the company for longer.

In Poland, the company **Filter Service**, which has the status of a protected labour factory and which does not have a works council, applies a HR policy that does not discriminate against older people. The company currently employs 200 workers, 41% of whom are aged 46 years or older. All employees are invited to participate in periodic training, which gives them the opportunity to adapt their skills according to the technological changes that are being introduced into the production system of filtration materials. The company also tries to develop a friendly working atmosphere among its employees. For example, they support the employment of whole families in order to stabilise the staff and to foster the development of spontaneous 'support groups', which are particularly important for older employees with disabilities. The company also values highly the knowledge and experience of its retired employees and is therefore keen to develop conditions that will attract them back to work. Usually, after a period of rest, most of the retired people (women aged 60 years or over and men aged 65 years or over) decide to return to the company and work on a part-time basis. One reason for this is that the company offers these employees good healthcare benefits and, if necessary, rehabilitation. Their return is also supported by the company's willingness to adjust workplaces according to their ergonomic requirements. Filter Service continues to maintain contact with its retired employees, especially those of medium- and upper-level positions; it involves many of these employees in everyday work, as well as maximising their knowledge and experience by using them as mentors. These initiatives bring new energy into the retired employees' lives, and support their sometimes difficult transition into retirement, as well as strengthening their loyalty towards the company.

Conclusions and recommendations 5

The statistical data available show that the NMS and ACC2 – like the EU15 – have experienced a demographic shift in recent years, which has resulted in an ageing population. Furthermore, it is expected that this trend is set to continue for at least the next two decades.

Overall, however, the integration of older people into the labour market in the NMS and ACC2 appears to be relatively poor. As a result, only a few of the countries under consideration – Lithuania being in the best position – will be able to meet the strategic targets set out in the Stockholm and Barcelona European Councils regarding the active involvement of people aged 55 years and over in the economy by 2010. This is because of a widespread reluctance among employers in these countries to offer jobs to older people. Such reluctance is usually based on assumptions that older workers do not have the correct skills for the job, experience more health problems and sickness than their younger co-workers, are less adaptable and flexible (which affects their productivity), and make greater demands regarding wages and working conditions.

Generally, economic development in the NMS and ACC2 seems to be more favourable than in the EU15, as the new Member States catch up with the other countries. To ensure future development, however, enough people with sufficient skills are needed to guarantee production of goods and services. Neglecting the potential of the older workforce will pose a problem for these countries in the long term: many already have an ageing population and will be soon confronted by labour shortages, particularly as younger people emigrate to other European countries in search of higher wages. This is of particular concern to Bulgaria, Hungary, Malta, Poland, Romania and Slovenia.

Limitations of public policy

In spite of the obvious need to deal with the issue of active ageing due to the 'greying' of the population, the extension of working life does not represent a major priority issue for the public actors in the NMS and ACC2. Nonetheless, in most of the countries, a wide variety of public actors have devised a significant number of programmes, policies and strategies relating to older people, since the 1990s. However, a number of obstacles have prevented the effective implementation of employment initiatives aimed at the ageing workforce.

- In many cases, strategic measures are generally targeted at vulnerable groups in the labour market: only indirectly, therefore, do they address the problems of the older workforce. (Indeed, often only the most vulnerable older workers are addressed, as opposed to the entire group of older workers.) Initiatives directed at the specific needs of this target group are rare; those that do exist are not always suitable. Furthermore, the existing programmes tend to focus on the (re-)integration of older (unemployed) people into the labour market, rather than on keeping older workers in employment for longer.
- Generally, there is little or no coordination among the individual public actors in relation to policies and/or strategies dealing with the ageing workforce issue; similarly, there is no continuous monitoring of the respective efforts. A fragmented approach then results from this, rather than the coordinated action required (e.g. prevention of redundancies, higher levels of transparency, etc). Even in those countries that have established dedicated bodies responsible for coordinating the individual actions, almost no positive outcome of their efforts can yet be seen.
- Although the issues of the ageing population and the ageing workforce have been on the public agenda for the last 10 to 15 years in the NMS and ACC2, the implementation of actions to

address these issues has only recently begun (although in Estonia, no public actions at all have been taken thus far); in many cases, these efforts have been triggered by the need to reach the European Employment Strategy targets rather than by national considerations. Therefore, these countries are lagging behind the EU15 by some 10 years. This can largely be attributed to the longstanding tradition in these countries of promoting entry into pension schemes because of high unemployment levels and the desire to generate more jobs for younger workers; moreover, many of these countries lack the financial means to actively implement the measures.

Areas for improvement

Against this background, the primary starting point for improving the situation regarding the integration of older people into the labour market relates to the public/policy level. First of all, coherent and sustainable framework conditions have to be created in order to raise awareness among employers about the need to apply existing models or develop new practices of age management, to extend working lives and postpone people's exit from the labour market.[15] In this context, the following fields of action may be identified.

- Generally, it may be assumed that 'preventive' measures (i.e. those aimed at enhancing the employability of the workforce over time, such as occupational healthcare measures, skills programmes, initiatives preventing people from resorting to disability schemes) show better results in the long term than specific measures targeting, for example, the reintegration of older unemployed people into the labour market.
- Policies and measures should focus more specifically on the needs of the target group as regards both employers and employees. Nonetheless, as relatively little is known about the needs of older people (particularly, for example, in Bulgaria), more research is needed to analyse the situation and requirements of older people in the labour market for their efficient integration into employment. Such research might also include more in-depth cross-country comparisons. The present project, for example, shows that Poland and Slovenia are already relatively well equipped with age-specific instruments, whereas Estonia and Romania, in particular, have few if any such instruments. Research studies in general and cross-country analyses in particular (providing benchmarking possibilities and information on good practices) could be used as a basis for a more target-oriented design of specific measures and their effective implementation.
- A necessary precondition for devising and implementing such measures is the commitment of the public actors. While government or administrative institutions (such as ministries and employment agencies) may attribute a high level of importance to the ageing workforce issue, the lack of action on the part of the social partners threatens to hinder any real change. Trade unions as well as employer representatives are generally the primary contact points for employers and employees when they face a problem: therefore, they have an important role to play in raising awareness in various fields. As the present study shows, both employees' and employers' attitudes need to be redirected towards a more positive assessment of active ageing.
- A more efficient communication and coordination process among public actors regarding employment initiatives for an ageing workforce needs to be implemented. Doing similar work in

[15] It was also found for the EU15 that the public policy context has an important influence on the development of good practice at individual company/organisation level in combating age barriers (Walker, 1997).

different agencies is inefficient and should be avoided, as should the implementation of measures that may counteract each other. The development of a specific national policy pinpointing clear responsibilities, resources and accountabilities for the implementation of policy regarding an ageing workforce is recommended. A coordination of approaches is needed, taking into account all relevant actors, pension and financial arrangements, health and rehabilitation elements and training providers. This could be achieved, for example, through the establishment of a dedicated body with the means to coordinate these approaches. This would be particularly important in countries where there is already a considerable number of different actors engaged in public discussions; however, it would also be useful in countries that are less advanced, in order to ensure more coordinated actions from the outset. Furthermore, a platform for open discussion should be introduced, ensuring that the opinions of all parties are taken into consideration. Situations where the social partners actively engage in public discussions but where their proposals are never taken up must be avoided.

- It has been shown in this study that reforming the pension and social service system contributes to an extension of working life. At the same time, focusing solely on raising the statutory retirement age is not sufficient in itself for increasing the level of integration of older people into the labour market. Activities in other fields also have to be undertaken – most importantly, raising awareness. Financial incentives seem to be an effective way of convincing employees to remain in the labour market after reaching retirement age; however, they are not sufficient in themselves for encouraging employers to create new positions for older workers. This does not mean that they should be abandoned: rather, they should be accompanied by other initiatives that will make older employees a more attractive prospect for the companies. In order to meet the requirements of the companies, training and skills development could be identified as one priority area to ensure that older people are equipped with the skills needed for the modern labour market.
- In relation to measures aimed at employees (particularly in the area of education and training) a life-course approach is recommended. Younger people should be made aware that a pension is not necessarily an 'earned right' and that they will probably have to remain in the labour market for longer than previous generations. The workforce needs to be more willing and able to remain in employment for longer. Awareness of the importance of lifelong learning should be raised among both the population and employers. Promotional initiatives such as the Slovenian lifelong learning week seem to be very valuable. Equally important is maintaining the health status of the population by providing preventive medical support.
- Another important challenge is to raise the finances to fund the implementation of such support measures. The findings of this study show that access to European Structural Funds will be of benefit. However, efficient use of funds should be ensured through the continuous monitoring of each outcome for every instrument, as well as the monitoring of their cost efficiency in terms of price–performance ratio.

Measures at company level

As shown in this study, active age management strategies at workplace level do not constitute a central priority issue for companies and public organisations. Generally, younger employees are preferred and older workers are only employed if there is no other alternative, due to labour or qualification shortages. Without a clearly identified business need, top management is unlikely to be interested in actively engaging in age management.

As a result, and in contrast to studies of active ageing initiatives in the EU15, no clearly definable model of good practice in terms of fostering and sustaining programmes for active ageing and extending working lives can be identified for the NMS and ACC2. In the face of challenges concerning economic transition and restructuring, companies are often struggling to survive and do not place particular emphasis on age management. Nonetheless, the findings do show a more positive situation and a greater level of understanding of the issue among larger, more established companies, particularly those that are part of a multinational corporation. Therefore, as was observed in the EU15 (Walker, 1997), company culture in the NMS and ACC2 appears to have a considerable influence on the degree of implementation and the success of age management measures. Equally, the substantial commitment of both the management (in terms of willingness to design, implement and support such initiatives) and the staff (regarding their participation in such programmes), as well as open communication, is an important precondition for a successful outcome.

Companies and individual organisations in the NMS tend to implement general programmes aimed at the most vulnerable groups in society. As a result, some of the measures are not particularly successful from an active ageing perspective: older employees are sometimes unwilling to participate in such programmes; moreover, these measures often fail to take into account the specific needs of older people (time horizons that are too short for training or qualification, or the use of unsuitable methods). Avoiding such mistakes in the future and identifying more age-specific measures should result in a better outcome for both employers and employees in the years ahead.

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Annex 1
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Annex 2
Profile of case studies

Country	Company	Size*	Sector classification	Legal form	Type of initiative	Target group	Scope of the main current practice/policy
Bulgaria	Carlsberg Bulgaria PLC	Large	Food, beverage and tobacco	Private	Training, development	Professional/managerial, other non-manual, skilled manual, women, men	Older workers
	Paper Factory Stamboliiski PLC	Large	Pulp and paper	Private	Recruitment, flexible working practices	Professional/managerial, other non-manual, skilled manual, unskilled manual, women, men	Older workers
	Danone Serdika PLC	Medium	Food, beverage and tobacco	Private	Comprehensive approach	Professional/managerial, other non-manual, skilled manual, unskilled manual, women, men	All age groups
	Bulgarian Telecommunications Company (BTC)	Large	Post and telecom-munications	Private	Exit policy	Professional/managerial, other non-manual, skilled manual, unskilled manual, women, men	All age groups
Estonia	Tallinn University of Technology	Large	Education	Public	Changing attitudes, exit policy	Professional/managerial	Older workers
	Estonian Post	Large	Post and telecom-munications	Public	Recruitment, training, development	Unskilled manual	Older workers
	Tallinn Bus Company	Large	Motor	Public	Changing attitudes, redeployment	Other non-manual	Older workers
	Foundation of North-Estonian Regional Hospital (Centre of Pathology)	Large	Health and social work	Social economy/ voluntary/ other	Flexible working practices	Professional/managerial	Older workers
Latvia	Riga Electric Machine Building Works (*Rigas Elektromašinbuves Rupnica* (RER))	Large	Metal and machinery	Private	Comprehensive approach	Skilled manual	Older workers
	Riga Shipyard (*Rigas kugu buvetava*)	Large	Motor	Private	Recruitment, changing attitudes	Unskilled manual	Older workers
	Evrika	Small	Education	Private	Comprehensive approach	Professional/managerial	Older workers
	Emerol	Small	Construction and woodworking	Private	Comprehensive approach	Skilled manual	Older workers

* 'Small' companies are those with fewer than 100 employees: 'medium' companies are those with 100–499 employees, and 'large' companies are those with 500 or more employees.

Annex 2 (*continued*)

Country	Company	Size*	Sector classification	Legal form	Type of initiative	Target group	Scope of the main current practice/policy
Poland	Filter Service	Medium	Textiles	Private	Comprehensive approach	Professional/managerial, skilled manual, women, men	All age groups
	Zemat	Small	Metal and machinery	Private	Changing attitudes, exit policy	Professional/managerial, skilled manual, men	Older workers
	Academy of Management	Medium	Education	Private	Recruitment	Professional/managerial, women, men	Older workers
	Ship Design and Research Centre	Medium	Public sector	Public	Exit policy	Professional/managerial, women, men	Older workers
Romania	Furs company	Small	Textiles and leather	Private	Recruitment, flexible working practices, ergonomics/job design, redeployment	Skilled manual	Older workers
	Production company of mechanical hardware articles	Large	Metal and machinery	Private	Redeployment, recruitment, training, development, health and well-being	Skilled manual	Older workers
	Elias-Emergency University Clinic Hospital	Large	Health and social work	Public	Training, development	Other non-manual	Older workers
	The Research and Development National Institute for Environmental Protection	Medium	Consultancy business services	Public	Recruitment	Professional/managerial	Older workers
Slovakia	Dell Inc.	Large	Information technology	Private	Training, development, health and well-being, flexible working practices	Professional/managerial, other non-manual, women, men	All age groups
	Knott Ltd	Medium	Metal and machinery	Private	Comprehensive approach	Skilled manual, unskilled manual	All age groups
	PTK Echo SRO	Medium	Education, hotels, restaurants and catering, publishing and media	Private	Comprehensive approach	Professional/managerial, other non-manual, skilled manual, unskilled manual, women, men, persons with health problems	All age groups

Annex 2 (*continued*)

Country	Company	Size*	Sector classification	Legal form	Type of initiative	Target group	Scope of the main current practice/policy
	Slovak Telekom	Large	Post and telecom-munications	Private	Exit policy, training, development, health and well-being, flexible working practices	Professional/managerial, other non-manual, skilled manual, unskilled manual, women, men, persons with health problems	Older workers
Slovenia	LIP Bled d.d.	Large	Construction and woodworking	Private	Redeployment	Professional/managerial, other non-manual, skilled manual, unskilled manual, women, men, persons with health problems	Older workers
	Trading company in the fields of technical and industrial goods and dealing with products for household and construction	Medium	Commerce	Private	Health and well-being	Unskilled manual, men, persons with health problems	Older workers
	RTV Slovenija	Large	Publishing and media	Public	Health and well-being	Professional/managerial, other non-manual, persons with health problems	All age groups
	Revoz Novo Mesto d.d.	Large	Motor	Private	Ergonomics/job design	Skilled manual, unskilled manual, women, men	All age groups

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Over the last decade, Foundation research has examined effective ways of promoting the participation of older workers in the labour market, to enhance their contribution and productivity, and prevent their early exit and unemployment. This report extends the research to the new Member States and the acceding countries. It documents a range of almost 30 case examples from the new Member States, and from Bulgaria and Romania, which have implemented successful age management initiatives. The organisations concerned provide evidence of good practice in such areas as recruitment, training, skills development, time management, health promotion and workplace design. As well as documenting company initiatives, the report explores the role of public actors and initiatives in fostering active ageing.

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