

## Studienbeiträge zum European Industrial Relations Observatory (EIRO)



### **The role of governments and social partners in keeping older workers in the labour market**

The case of Germany

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## **Abstract**

Over the last few years, the government has amended legislation and launched several initiatives to promote the extension of working life. At the same time, unions and employers' associations have concluded collective agreements in several sectors that are intended to encourage and induce companies to actively tackle the problems associated with an ageing workforce. There is increasing awareness that company-specific and life-course-oriented approaches can most effectively prevent older employees from exiting from the labour force.

## **1. Main issues encouraging or preventing the extension of working life**

In general, the employment rate of older persons has increased remarkably over the last few years (BMAS, 2012). This holds for both total employment and employment that is liable to social security contributions. Nonetheless, there remain several institutional and contextual obstacles which can hamper employment growth or restrict the extension of working time or working age, such as:

- The earned income of persons who simultaneously work and receive pension payments before reaching the statutory retirement age must not exceed specific thresholds or their pension payments are considerably reduced (BMAS, 2011). For example, persons who obtain early full pension payments are allowed to earn a maximum of 400 euro per month. If their additional income exceeds the earnings threshold, pension payments are correspondingly reduced. However, from 1 July 2013 onwards, the maximum earnings thresholds for beneficiaries of early full pensions are, according to a governmental proposal, to be individually determined and oriented on the highest annual earning level within the 15-year period prior to retirement. Nonetheless, earnings thresholds will continue to exist.
- Surveys suggest that employment protection legislation (EPL) may be detrimental to older workers' prospects of finding a new job (see, for example, Altenberichts-kommission, 2010 / IW Consult, 2011 / Stettes, 2009). EPL stipulates that age must be regarded as one of the key criteria when a company selects employees to be made redundant. In addition, some collective agreements provide additional employment protection for older workers. This applies, for example, to certain bargaining districts in the metalworking sector (Stettes, 2009).
- Empirical evidence suggests that the application of seniority wages may discourage firms from recruiting older employees (Heywood et al., 2009 / Zwick, 2009a). The proportion of companies adopting seniority wages and the steepness of the seniority profiles are estimated to be relatively high in Germany (Stettes, 2009 / Zwick, 2009b).
- Empirical evidence suggests that a growing reservation wage may be a particular disincentive for older workers to resume work after a period of non-employment (Stettes, 2011b / IW Consult, 2011). The reservation wage is the minimum wage

that a job seeker demands for accepting a job offer. High reservation wages may result from high salaries obtained in jobs prior to unemployment in combination with high unemployment benefits.

- Low-skilled employees who work in physically demanding jobs are considered to be particularly at risk of not remaining in employment until the statutory retirement age (see, for instance, Altenberichtskommission, 2010 / Tischler/Kistler, 2010). In view of this, the accumulation of risk factors such as low skills, physical labour, non-standard working hours (e.g. shift-work, nightwork) during individual working careers should be given special attention when policies aimed at maintaining long-term employability are being designed.

### Existing policies and contextual elements contributing to the extension of working life

Several policies and contextual developments have contributed to the extension of working life. These include:

- The statutory retirement age is to be raised in stages to 67 by the year 2029 (Vogel, 2012b). The incentive for early retirement is being reduced as those choosing this option have to accept larger deductions from the full pension payments than in the past.
- Provisions in the unemployment insurance system that induce older unemployed persons to withdraw from the labour market before reaching the statutory retirement age have been removed. Since 2008 unemployed persons aged 58 and above have no longer been entitled to receive unemployment benefits without being at the disposal of the placement service of the Federal Employment Agency (BA). Since 2010, partial retirement has no longer been subsidised by the BA (Vogel, 2009).
- Previously prevalent negative attitudes towards the employability of older workers due to unfavourable stereotypes have been transformed such that older employees are now deemed an important resource (Altenberichtskommission; Vogel, 2011). This results mainly from expectations of an age-related decrease in the German workforce in the coming years and a shortage of skilled labour already perceptible in certain sectors today. In addition, recent gerontological and other empirical research suggests that the performance of older workers does not automatically lag behind that of their younger colleagues (BMAS, 2012).

## 2. Policies promoting prolongation of working life

### Developing skills (Training, lifelong learning)

#### *'Continuous training of older and unskilled workers' Programme – WeGebAU*

As unskilled and older employees less frequently participate in continuous training, the programme 'Continuous training of older and unskilled workers' (WeGebAU) was established by the Federal Government in accordance with Social Security Code III (SGB III) in 2006. The programme aims to increase the participation of older workers, among others, in continuous training and thus to improve their employability. For the purposes of WeGebAU, older workers are defined as those aged 45 and above. In addition, the programme exclusively covers workers in establishments with less than 250 employees. The BA, or rather its local and regional agencies, can issue training vouchers that partly reimburse employees for their expenditures for external courses at accredited institutes. Since 1 February 2012 the value of the vouchers issued to older workers has been capped at 75% of the training costs. The remaining expenditures must be borne by the employee and/or the employer.

Eligibility for the voucher also requires that the content of the external training is broader than that of typical job-specific training measures.

In 2010, an evaluation of WeGebAU in its initial stages revealed that, firstly, both awareness of the programme and its take-up rate remained more or less constant between 2006 and 2008 (Lott/Spitznagel, 2010). Secondly, small establishments with less than 50 employees were less well informed about the programme and made less frequent use of WeGebAU than larger establishments.

The total number of older workers benefitting from WeGebAU vouchers increased from 705 in 2006 to 11,108 in 2008. The evaluation finally suggested that freeloader effects could not be excluded. Therefore, for the prolongation of the programme into 2012 the voucher's value was capped and a condition was imposed that the employee and/or the employer had to make a financial contribution. The Institute for Employment Research (IAB) is currently conducting an evaluation of the effects of WeGebAU on such outcomes as the employment stability and wages of people that entered the program in 2007 or 2008.

### Health and safety and health promotion

#### *Joint campaign on 'Promoting health management in the federal administration'*

On 10 December 2009, the Federal Ministry of the Interior (BMI), the Confederation of German Trade Unions (DGB), and the German Civil Service Association (dbb) jointly launched a campaign to promote the implementation of a systematic approach to health management in the various divisions of the federal administration (BMI / DGB / dbb, 2009). According to the joint declaration, health management issues are to be integrated into initial and continuous training as well as into management development programmes. In addition, employees are to be made systematically aware of health issues,

encouraged to take responsibility for the state of their own individual health and supported in their efforts to achieve this. The campaign is incorporated into an overarching governmental programme for modernising the entire federal administration and its procedures (BMI, 2011b). The initial impetus for the establishment of the joint campaign came from demographic issues, such as the proportion of older employees in the federal administration and absences from work.

Both the campaign and the governmental programme emphasise the need to improve employees' state of health at every stage of their working life. The actors hope that systematic health management can reduce absence from work due to sickness and invalidity. They adopt a preventive rather than a compensatory approach. In this respect, the campaign focuses more on the life course as a whole. Yet particular attention is also given to the specific working conditions that prevail with respect to older workers as well as to the unique competences that older workers can potentially exploit.

The latest annual progress report, published in October 2011, revealed that only one third of all units in the federal administration had systematically applied health management measures by June 2010 (BMI, 2011c). More than half of the units had failed to develop a basic action plan or to deploy sufficient financial and personnel resources. In addition, just 50 per cent of the units had aligned the health management measures with their approaches to safety at work and rehabilitation.

### Work organisation related measures: flexible working time, career development and horizontal mobility

As partial retirement schemes have not been subsidised by the BA since 1 January 2010, the collective agreements in several sectors have been amended to allow a smooth transition from work to retirement:

#### *Collective agreement on partial retirement in the metal and electrical industry*

In September 2008, the employer association for the metal and electrical industry in Baden-Württemberg (Südwestmetall) and the German Metalworkers' Union (IG Metall) agreed on a new collective agreement on partial retirement (Vogel, 2008). The accord came into effect on 1 January 2010.

The agreement foresees two partial retirement schemes (Gesamtmetall, 2008).

1. Employees aged 61 years and above who have worked at their company for at least 12 years can benefit from partial retirement. The age threshold will be gradually raised in line with the statutory retirement age (see section 1.2). These employees can partially retire for a period lasting up to a maximum of four years and ending in any case at the earliest possible date on which they gain unrestricted access to their statutory pension. They are paid only according to their reduced hours of work with no compensation made by the employer for their loss of earnings. The new agreement makes this provision available to a maximum of 2.5% of all employees in an establishment.

2. Special entitlement to partial retirement is granted to employees who are at least 57 years old, have been working for the company for at least 12 years, and who have worked during this period ...
  - ... either three or more shifts including nights, or only nights, regularly for at least nine years or under particularly severe environmental influences;
  - ... rotating shifts for at least 12 years within the last 15 years.

Employees using their special entitlement are allowed a maximum of six years in partial retirement, and this period can end before they gain access to their statutory pension scheme. In this case, employers will compensate them for their lost earnings at the rate of €250 a month for a maximum of 24 months. The new agreement also makes this provision available to a maximum of 2.5% of all employees in an establishment.

The total number of persons that can make use of the two partial retirement schemes is limited to 4.0% of all employees in an establishment.

#### *Collective agreement on partial retirement in the federal administration*

In February 2010, BMI, the United Services Union (ver.di) and dbb also concluded a new agreement on partial retirement (BMI / ver.di / dbb, 2010). It is based mainly on the legal provisions for partial retirement (Altersteilzeitgesetz). Entitlement is granted to employees aged 61 years and above who have worked for the federal administration for at least 1,080 calendar days within the preceding 5 years. The number of employees who can take advantage of partial retirement is limited to 2.5% of all staff.

In addition, the collective agreement provides for an innovative working time regime that extends working life beyond the statutory retirement age. The beneficiary simultaneously works part-time and receives a partial pension payment. Working time is reduced to 50% and the partial pension payment equals 50 % of a full pension payment. The arrangement may not take effect more than 2 years before reaching the statutory retirement age or end more than 2 years after reaching it. The duration of the periods prior and subsequent to reaching the retirement age must be equal.

The agreement covers only staff working for the federal administration under general employment contracts. The provisions of the agreement on partial retirement have now been incorporated into legislation so that they can also be applied to 'civil servants' (*Beamte*), who have a unique legal status and special obligations (BMI, 2011a).

#### *Amendment of Social Security Code IV*

In 2009, the Social Security Code IV (SGB IV) was amended in order to foster the implementation of long-term working time accounts (Bundesregierung, 2012). The new provisions stipulate that long-term working time accounts, which allow the accumulation of overtime hours e.g. over the complete working life, must be completely protected against insolvency and can be transferred in their entirety to a new employer in the case of a change of job. They thus have to be maintained in terms of money equivalents.

The implementation of long-term working time accounts requires a voluntary agreement between the employee and his or her employer. Though the exploitation of accumulated long-term working accounts is not restricted to older employees, they are generally considered an effective instrument for extending working life while maintaining a life-course perspective. They can be used for extended training sabbaticals, early retirement or special leaves when relatives are in need of care. In this respect, the change in the law may contribute to such accountholders' employability and discourage premature withdrawal from employment.

According to an assessment of the amendment to SGB IV, roughly 40,000 establishments already operate long-term working-time accounts. This represents about 2% of all establishments in the German economy.

## Returning to work for unemployed older people

### *Selected legal provisions*

Several legal provisions aim to increase the prospects of older unemployed persons resuming work. These include:

- According to Social Security Code III (*SGB III*), wage subsidies (Eingliederungszuschüsse) can be granted to companies when they recruit older persons (aged 50 and above) who have been previously unemployed and are deemed not easily placeable by the employment agencies. Wage subsidies approved by 31 December 2014 can be paid for a maximum of 36 months.
- In Germany, the terms of fixed-term contracts must not exceed two years unless linked directly to work which is by nature of limited duration. According to the Law on Part-time and Fixed-term Work (*Teilzeit- und Befristungsgesetz*), however, the period of fixed-term contracts can be extended to a maximum of five years (*Teilzeitbefristungsgesetz*, TzbfG) without any such justification provided that two conditions are met. Firstly, the employee must be 52 years old or older. Secondly, he or she must have been unemployed for at least the last four months, have received specific forms of short-time working allowances or have worked in a job creation scheme. The current provisions took effect on 19 April 2007 after the original regulations from 2001 had to be revised due to their infringing the anti-discrimination law.

### *'Prospect 50plus – regional employment pacts for older workers'*

The programme 'Prospect 50plus – regional employment pacts for older workers' (*Perspektive 50plus*) aims to improve the employment prospects of older long-term unemployed persons by activating local and regional actors (Stettes, 2006 / Stettes, 2011a). It was launched by the Federal Ministry for Labour and Social Affairs (BMAS) in October 2005. The programme is currently in its third stage, which will expire in 2015.



Establishing regional employment pacts is intended to ensure that specific local circumstances can be taken into consideration when public policies to combat long-term unemployment amongst older persons are designed at the regional level. Thus private actors, such as employers or employers' associations, unions, municipalities, churches and other non-profit organisations can be involved in the various employment pacts. To date 78 regional employment pacts have been concluded. They include employment promotion measures such as off-the-job training, profiling and short-term traineeships. The regional employment pacts can apply for public funding administered by the BMAS. As, in most cases, the local employment agencies are involved in the local employment pacts, participants of the programmes are selected by the agencies in combination with other the involved actors.

An evaluation of the programme shows that about 387,000 unemployed persons participated in the second stage (between 2008 and 2010), one quarter of whom eventually found a regular job that was liable to social security contributions. In 2011, 70,000 out of 200,000 participants found regular employment. The evaluation also reveals that the significance of wage subsidies for successfully integrating the older long-term unemployed into work has recently decreased.

## Comprehensive programmes

### *'New Quality of Work Initiative' (INQA)*

The 'New Quality of Work Initiative' (INQA) is a joint initiative by the federal government, the state governments, trade unions, employers' and business associations, social security organisations, foundations and individual companies (Stettes, 2007). It has been running since 2002 and is financially supported by the BMAS.

While its initial goal was mainly to align employees' expectations of healthy and satisfying working conditions with the need for enterprises to be competitive in an internationally integrated economy, INQA currently promotes a corporate culture that particularly focuses on the skills and competences of the individual employee. In this respect, a life-course perspective has recently begun to prevail. As the "new INQA" pursue a life-cycle orientated approach every field also deal with issues affecting older workers. That means, projects may focus exclusively on older workers but they are not required to do so. Information is disseminated via various channels, such as website, conferences, networking, press releases/conferences etc.

Thus INQA's contextual structure was slightly modified in May 2012 (INQA, 2012). Four fields of action were defined:

1. Human resource management and leadership
2. Equal opportunities and diversity
3. Health
4. Knowledge and skills

INQA continues to promote projects and models of good practice – but has recently begun to assign them to these four fields of action. In addition, it still provides a platform for exchanging ideas and experiences. Finally, it disseminates the latest information on, and facilitates access to, commercial consulting and public funding programmes.

To date, INQA has been reached approximately 3,000 companies with a total of more than three million employees. In addition, more than 10 networks have been established. These link up either specific sectors, such as construction or small and medium-sized companies, specific topics, such as demography or work ability, or specific fields of operation, such as office, assembly or care.

#### *Collective agreement on shaping demographic change in the steel industry*

In 2006, the IG Metall and the employers association for the German steel industry (Arbeitgeberverband Stahl) signed a collective agreement on shaping demographic change (Dribbusch, 2006). It aims to align working conditions with the challenges arising from an ageing workforce, improve the health status of employees, enable workers to retire early, and to lower the average age in the sector.

In its first stage – nine months after the agreement came into effect on 1 November 2006 – every employer had to carry out a review of the age profile of its workforce in connection with an assessment of qualification levels, the need for further training, and working conditions. The results of this review were afterwards discussed with the works council. The collective agreement lists ten fields of action as examples of where measures can be taken:

- occupational health and safety
- further training
- reducing peak workloads
- changing workloads / job rotation
- establishing mixed-age teams
- adjusting working time schedules
- health- and age-related work assignment
- motivating employees to behave healthily
- using long-term working time accounts for earlier retirement
- lowering the average age of the workforce by increasing the number of apprentices employed

Works councils and employers can also agree to create a company fund to which both employer and employees contribute. The fund may be used as a company pension fund, for long-term working time accounts, for additional initiatives for early retirement, or for other similar measures.

A recently published evaluation shows that the collective agreement has had little effect on either the use of long-term working time accounts or the establishment of pension funds (Georg et al., 2012). However, activities in the other fields of action appear to have increased. In general, both members of the works councils and human resource managers hailed the collaboration triggered by the agreement. While they jointly

deemed the agreement helpful for putting the ageing workforce onto the agenda, works councillors and human resource managers differed notably in their assessment of the impact of the crisis on the activity level. The latter reported less frequently that measures had been suspended or withdrawn.

#### *Collective agreement on working life and demography in the chemical industry*

In 2008, the Mining, Chemicals and Energy Industrial Union (IGBCE) and the German Federation of Chemicals Employers' Associations (BAVC) concluded an agreement on working life and demography (*Tarifvertrag Lebensarbeitszeit und Demografie*) which aims to smooth the transition from work to retirement and to retain older workers in the workforce (Stettes, 2008). Its provisions came into effect in every bargaining district on 1 May 2008.

The agreement allows the employer and works council to conclude a works agreement which may stipulate the use of long-term working time accounts and progressive retirement, as well as partial retirement plans. Moreover, invalidity and regular pension plans based on the corresponding collective agreement may also be implemented by a works agreement. To provide for sufficient financial resources for these measures, since 1 January 2010 employers have been obliged to pay an annual €300 per employee into a company-specific 'demography fund' (*Demographie-Fonds*). If no settlement is reached at company level, a 'catch-all' clause comes into effect. According to this clause, the fund must be used for the implementation of regular pension plans in companies employing up to 200 workers and for the implementation of long-term working time accounts in companies with a workforce of more than 200 employees.

According to an evaluation conducted by BAVC, 76% of the companies surveyed invested their funds into pension plans based on the corresponding collective agreement (affecting 52% of employees) (Vogel, 2012a). Another 25% of companies opted for long-term working time accounts (affecting 57% of employees). A further 8% went for invalidity pension plans (affecting 5% of employees). Finally, 7% invested in partial retirement schemes (affecting 8% of employees). The survey showed that smaller companies opted for pension plans based on the corresponding collective agreement, while medium-sized and large companies favoured long-term working time accounts.

The national collective agreement on working life and demography triggered further activities in selected regions afterwards. For example, in 2011 the employer organisation for the chemical industry in north east Germany (AGV Nordostchemie) and IGBCE agreed that, from 2013, regional chemical companies would invest 2.5% of the collectively agreed annual wage bill in a fund to combat age-related staffing problems and the imminent shortage of skilled labour (Vogel, 2012a). The fund can be used to put in place human resource measures for the needs of employees at different stages of their working lives.

### **3. Views of Social Partners**

In general, the DGB still opposes the gradual increase of the mandatory retirement age as a measure to extend working life (DGB, 2012). Though the unions acknowledge that the employment rate of older persons has risen over the last few years, they point out that the extent of employment growth is not sufficient to justify the reform (Sommer, 2012). They emphasise that, in the first place, working conditions have to be improved so that employees can actually remain longer in work. Here improving health status from a life-course perspective and fostering training for older workers are deemed the most relevant issues. The smooth transition from work to retirement ranks high on the unions' agenda, too.

The Confederation of German Employers' Associations (BDA) considers the extension of working life inevitable. In view of this, BDA rejects any attempts to reverse the gradual raising of the mandatory retirement age. In addition, the confederation calls for the abolishment of any statutory or social security provisions that facilitate or subsidise early retirement. Instead, companies are encouraged to pursue a life-course-oriented human resource management approach, which may of course include measures to smoothen the transition from work to retirement in specific cases. In addition, the employers highly recommend abandoning seniority-based privileges that are formally incorporated into collective or works agreements and/or informally govern individual wage-setting, career development, etc. at the establishment level.

### **4. Commentary**

As the working age population is expected to shrink in the coming years, awareness has grown that working life has to be extended. While the opinions of the various public actors, e.g. the government and the social partners, still differ regarding the recent raising of the statutory retirement age, a consensus has evolved that active ageing is a relevant issue and human resource policies are crucial to successfully enabling employees to work longer. As a result, improvement of the quality of work— at its best from a life-course perspective - has taken centre stage. However, not only the government, the social partners and companies but also individual employees are expected to take this long-term perspective, since they are also responsible for remaining employable during their working life. This means that occupational choice, health-related behaviour, career decisions, etc. must all be viewed by the employee in terms of whether or not they allow him or her to stay in the labour force longer.

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# Final Questionnaire

## Background

The ageing workforce is a demographic process that can cause problems related to the sustainability of the welfare regimes and more specifically to the maintenance of the pension systems. On the labour market side, the aforementioned process can have damaging implications for the reproduction of skills and for the availability of the necessary workforce with different impacts in the various economic activities. Therefore, a shrinking working age population risks acting as a drag on economic growth through labour and skills shortages. Moreover, the projections of the 2012 Ageing report suggests that there will be a considerable increase in employment rates for older persons across the EU-27 during the next half a century.

In this context the EU has recognised the importance of the ageing challenge for many years and has developed policy in several areas. Active ageing features as part of the flagship policy 'Europe 2020'.

Active ageing recognises that if people are to work for a longer period of time, then they will need to be in good physical and mental health, with access to more flexible working arrangements, healthy workplaces, lifelong learning and retirement schemes. In this regard, the attention might go beyond the older group of workers including middle age workers, for example. In order to address the abovementioned challenges, policy measures at national level are needed to promote working conditions that can help keeping workers in the labour market for longer in their lifetime. The content and aims of these policies may vary from country to country because of the particular situation of the different EU countries as regards life-expectancy, ageing, economic and sectoral structure and budgetary aspects.

The role of social partners is essential in this context, as they are key actors in shaping and improving working conditions in the various sectors. Some sectors are characterised by more strenuous jobs, adding to the challenge of keeping older workers in employment longer. Moreover, it is important to examine if and how recent changes (increasing statutory retirement age, economic crisis, technological change, and sectoral and production changes) have impacted on the nature of the policies for improving the quality of work of older workers.

In this framework, earlier case study research by Eurofound identified examples of companies with practices intended to develop a sustainable workforce through adequate working conditions that facilitate keeping older workers in employment and at the same time making possible the presence of the necessary skills in companies. However, given the recent socioeconomic changes and lack of updated comparative information, further research is needed in order to map strategies and measures at national level, as well as to assess certain initiatives from governments, social partners and social dialogue with the aim to improve quality of work in order to keep longer workers in the labour market.



## National active ageing policies

The participation of older workers in the labour market is strongly conditioned by the national policy environment, in particular by the pension system framework, employment legislation, wage policies, occupational and wider health care provisions, active labour market policies as well as the availability of education and training.

In the recent years most Member States have put policy emphasis on reforming their pension systems and restricting access to early retirement and other early exit routes, which had become popular during the 1970s and 80s as ways to address youth unemployment and challenges of restructuring. As a result of these reforms, leaving the labour market early has become much more costly for individuals.

In addition, many countries are considering – or have already implemented – an increase in the statutory retirement age, partly to take account of the rise in healthy life expectancy and the changing nature of jobs (less physically demanding), but also – and particularly in the current economic climate – to ensure the long-term viability of their public pension systems in the context of increasing pressure on public budgets.

It is also important to note that pre-retirement pensions, which are contra-intuitive to the above outlined EU policy objectives, are still commonly used in a number of EU countries (including also as a result of the crisis), although they have been rendered significantly less attractive to older workers themselves as well as companies. Similarly, the possibilities of part-time career breaks or partial retirement, intended to stimulate workers' return to a labour market or their retention on a reduced hours basis have in many countries been used as a first step towards early retirement.

Consequently, while the Member States' policies emphasis has been on foreclosing avenues towards early retirement and raising of the retirement age, The number of governmental initiatives which have been taken to improve quality of work and to assist older workers in retaining a foothold on the labour market seems to be much smaller. Nevertheless, the measures which have been undertaken include among others:

- Supporting ongoing skills development and validation of existing competences. These measures spring from the recognition that lifelong learning and ongoing skills development are key to supporting sustainable employability not just for older workers, but for the workforce at large (throughout working lives). To make lifelong learning a reality at this scale the current trends demonstrating an under-representation of lower skilled and older workers in continuous learning need to be overcome. Initiatives in this area have been taken both by social partners and national governments. In France, for example, a cross-sectoral social partner agreement from 2006 (later transferred into law), encourages the development of “second half of career interviews”, skills assessments and a better implementation of the individual right to training for workers over 45, while a law from 2005 obliges all companies with more than 300 employees to agree a three-year anticipatory plan on development of competences.

- Awareness raising measures. These include, for example, financial support for initiatives aimed at making the business case for active age management and retaining older workers in the workplace. These measures also include fighting stereotypes about older workers' adaptability and willingness to learn, health issues and the level of absenteeism.
- Member States can also provide support in the development of age management strategies at organisational level (such measures exist in Germany and the Netherlands, among others).
- Active labour market policies, including:
  1. Advice, counselling, guidance, job matching and vocational training measures to update existing skills and upskill older workers active in sectors facing declining demand;
  2. Subsidies for employers offering employment opportunities for older workers. Such subsidies are often time limited and can be tied to commitments to offer longer term employment or training.
- Comprehensive approaches, including measures to support work ability and employability. A number of countries provide financial support for "work ability" measures, which take a holistic approach to ensuring an individual's employability and work ability throughout working life, incorporating training, occupational health and other measures. The most commonly applied approach is the so called "Work ability index" initially developed in Finland.
- Work organisation related measures, like removing barriers and promoting flexible working. Flexible working time organisation can benefit older workers. Such policies may include regulation developed to promote among older workers flexible work schedules, part-time working, teleworking and easier transition from old (outdated) positions to new tasks, simultaneously improving the employment protection of workers on atypical employment arrangements.

## Social partners and active ageing

In recent years awareness of the importance of active age management policies has increased significantly among employers and trade unions in the EU, although the extent to which this has been actively addressed varies.

Just as different countries and regions, also different industry sectors and employers will face divergent age profiles among their staff and therefore varying pressures to take decisive action, although the overall trend towards a declining and ageing workforce is widely recognised as a challenge.

On the whole, social partners' practices with regard to active ageing can include a number of key elements:

- Changing attitudes to older workers within organisations (being age positive);
- Workforce mapping and workforce planning combined with age positive recruitment;
- Training, development and promotion policies as well as succession management;
- Health and safety/ergonomics and job design (the two categories above are sometimes referred to as measures to maintain “work ability”);
- Flexible working practices (temporal, geographical as well as functional, including workplace and work process redesign and redeployment; and
- Cross cutting policies including inter-generational learning.

It has to be noted that social partner agreements may cover many of the above areas in a holistic approach to modernise industrial relations. For example some social partners organisations in the Netherlands have recently agreed on a social manifesto aiming to create sustainable employment through focus on developing knowledge, improving working conditions, increasing diversity and availability of individual’s choices for all their represented workers including older employees, youth, various education levels, working time arrangements and types of contracts.

Similarly, the social partners in Spain have recently signed a comprehensive active ageing strategy covering the period 2012-2014, which includes elements such as promotion of healthy and secure working conditions through evaluation of risks for older people and corresponding training and information, enhancing companies’ flexibility with regard to working hours to suit older workers needs, re-adapting PES services in improving employability of older workers, fostering experience transfer and fighting age discrimination.

## Objectives of the assignment

The main objective of this questionnaire is to describe the **strategies/ policies/measures** developed by the **national governments**, as well as **social dialogue agreements** or **individual initiatives** of **social partners** (on national or industry level only) that contribute to improve the quality of work and employment conditions of older workers and to create the working conditions that promote longer working life, and therefore to keep older workers in the labour market.

### 1.1 What are the main barriers in your country for the extension of working life?

Information provided should be based on studies, researches, reports, journals, etc. Moreover, it can be complemented with interview/s with relevant stakeholder/s.

“**Extension of working life**” refers to effective working life, which is different from the statutory “working life” (indicated by the retirement age).

Barriers could include (but are not limited to), for example:

- Pension systems which continue to encourage, or fail to provide appropriate incentives to delay retirement (including the ongoing use of early retirement systems);
- Taxation systems which make it difficult to combine the receipt of a wage with that of a (partial) pension;
- Unemployment benefit systems which do not require older workers to be actively seeking work or which restrict their access to active labour market policy measures;
- particularly large sectors (of national importance) that have predominantly outdated skills or predominantly employ older workers who are shortly expected to leave the labour market;
- poor quality of working/employment conditions or prospects of personal development in sectors of national importance that force older workers out of employment (sooner);
- any discrimination or stereotypes regarding older workers that hinder their employment or their re-employment;
- provision in employment protection legislation which discourage the recruitment (or retention) of older workers;
- any other contextual factors constituting barriers to longer and better quality working lives.

1.2 In general, what are the main existing policies and other contextual elements contributing to the extension of working life?

Examples here could include – but are not limited – to:

- a) Working conditions related aspects
- b) Social and labour market aspects

- Flexible pension systems which significantly reward extending working lives;
- Taxation systems which encourage working longer (for example in combination with a partial pension)
- Well developed care systems (for child or elder care) which limit demand on older workers to take up such roles;
- Active labour market policy measures which effectively encourage the recruitment of older workers (including subsidies).
- Any other contextual factors constituting contributing to longer and better quality working lives.

2. Policies promoting prolongation of working life through the improvement of quality of work

2.1 Developing skills (Training, lifelong learning)

Please describe each policy using the structure provided above (Content of each regulation / policy / strategy / measure / agreement) and take into account also “Scope of section 2” and “Types of programmes / initiatives”, which are under section 2 of this questionnaire.

Examples:

- Measures / policies / agreements to improve in-work training provision.

- Measures / policies / agreements to validate existing competencies and skills.
- Other relevant measures (i.e. promotion of intergenerational skills exchange)
- Others related to this area (i.e. a general initiative in this area)

## 2.2 Health and safety and health promotion

Please describe each policy using the structure provided above (Content of each regulation / policy / strategy / measure / agreement) and take into account also “Scope of section 2” and “Types of programmes / initiatives”, which are under section 2 of this questionnaire.

Examples:

- Measures / policies / agreements to improve health and safety in the workplace (which go beyond basic legislative requirements)
- Measures / policies / agreements to assist in the adaptation of workplaces for (older) workers with limited physical or psychological work capacity, including rehabilitation after incapacity/sickness and integration in the workplace for older workers.
- Measures / policies / agreements aimed at overall health promotion in the workplace
- Other relevant measures (i.e. a general initiative in this area)

## 2.3 Work organisation related measures: flexible working time, career development and horizontal mobility

Please describe each policy using the structure provided above (Content of each regulation / policy / strategy / measure / agreement) and take into account also “Scope of section 2” and “Types of programmes / initiatives”, which are under section 2 of this questionnaire.

Examples:

- Measures / policies / agreements to support temporal working time flexibility (flexible work schedules, part-time / reduced hours working in the run up retirement, time banks, etc.).
- Measures / policies / agreements to support geographical flexibility (home working or teleworking policies).
- Measures / policies / agreements to support functional flexibility (to achieve greater flexibility in who does what and how – for example to enable workers no longer able to do their former job to adapt to carry out new tasks). This could also mean mobility between companies.
- Measures / policies / agreements to support career development beyond 50+
- Other relevant measures related to work organisation (i.e. a general initiative in this area)

## 2.4 Initiatives related to socio-cultural change

Please describe each policy using the structure provided above (Content of each regulation / policy / strategy / measure / agreement) and take into account also “Scope of section 2” and “Types of programmes / initiatives”, which are under section 2 of this questionnaire.

**Examples:**

- Measures / policies / agreements to change “early exit culture”
- Measures / policies / agreements to promote the value of older workers in terms of performance, competencies and experience
- Other policies related to promoting changes of attitudes in the society and or in an specific sector about the value of older workers
- Other (i.e. a general initiative in this area)

**2.5 Returning to work for unemployed older people**

Please describe each policy using the structure provided above (Content of each regulation / policy / strategy / measure / agreement) and take into account also “Scope of section 2” and “Types of programmes / initiatives”, which are under section 2 of this questionnaire.

**Examples:**

- Policies to improve access to the labour market, especially when 50+ workers are unemployed.
- Others (i.e. a general initiative in this area)

**2.6 Comprehensive programmes**

Please describe each policy using the structure provided above (Content of each regulation / policy / strategy / measure / agreement). Take into account also “Scope of section 2”. For the definition of comprehensive programmes please refer to “Types of programmes / initiatives” under section 2.

**Examples:**

- Initiatives covering various aspects for the improvement of quality of work in order to contribute to longer working lives.
- Programmes combining working conditions, labour market and welfare aspects.

**3. Views of Social Partners on the role of working conditions for keeping older workers in the labour market****4. Commentary**