

Joint Conference of the Employment Committee (EMCO) and the Heads of Public Employment Services (HoPES) of Member States (10-11 October 2011)

On 10-11 October 2011 in Warsaw a Joint Conference of the Employment Committee (EMCO) and the Heads of Public Employment Services (HoPES) of Member States entitled "Challenges and opportunities for employment vis-a-vis demographic changes" was held under the Polish Presidency in the EU Council.

The conference was attended by 150 invited guests from home and abroad.

The conference was opened by: **Czesława Ostrowska**, the Undersecretary of State in the Ministry of Labour and Social Policy, who presided over the meeting, Mik Woolley, President of the Employment Committee (EMCO) and Wallis Goelen of the European Commission, representing the network of Heads of Public Employment Services (HoPES).

The first plenary session ("Demographic tendencies and forecasts in Europe") outlined a framework for discussion on the impact of the changing age structure of the employed on the current and future employment policies.

Professor Zbigniew Strzelecki of the Warsaw School of Economics, begun the session with discussing the importance of demographic development, as currently one of the toughest challenges on the global and local scale, especially for Europe as a whole and most of the Member States. He stressed more and more widespread awareness of the end of an era of abundance of the human factor in economic processes and the emergence of the era of its deficit, which has started generating some serious problems for the sphere of distribution of the GDP. He presented demographic projections for Europe and the EU developed by major forecasting centres, such as the UN, Eurostat.

Christian F. Lettmayr, representing the European Centre for the Development of Vocational Training - CEDEFOP, presented the priorities for the nearest future in the field of learning, determined by the shift towards the knowledge-based economy leading to the increase in the number of jobs requiring high qualifications. He confronted the emerging demands with a high proportion of unskilled workers among the older generation and the ways to improve this situation. He identified the priority actions to improve the competence of older workers include: overcoming negative attitudes and stereotypes about older workers, adjusting forms of learning to fit their needs, teaching oriented not only at professional work, but also at improvement of the quality of life, staffing policy that is more coherent and focused on older workers, particularly in small and medium-sized enterprises.

Gregorio de Castro, the representative of the European Commission, raised the issue of the impact of the crisis on changes in labour markets and their effects on older workers. The attention of the audience was directed e.g. to the costs for the whole society that are related to dropping out from the labour market by the elderly and the actions necessary for their re-employment. These are the increased costs of professional activation resulting from frequent "falling" of these people into long-term unemployment and the health care costs for saving their failing health. In his opinion, public employment services need to develop new working methods and tools that will help solve the problem of the significantly increased wave of elderly customers. Structural reforms to enhance employment are of importance not only as such, but their regular assessment is also needed.

Mark Keese of the OECD responded to the question how the Europe 2020 strategy and employment policies respond to the challenges arising from the demographic changes. He stated that Europe 2020 is designed to promote sustainable growth that covers all citizens. However, it is still necessary to encourage work at a later stage of life, recognising the diverse needs of older workers and creating appropriate working conditions. The inclusion of quality of life at every stage, from the efficient transition of youth from education to work, through improving working conditions for all age groups, better opportunities for training and recognition of qualifications, to employment policies favourable to women, reconciling family and professional life – are of equal importance.

The moderator of the **first workshop** "Workplace - barriers and HR policies at firm level", Jacek Męcina - University lecturer and a member of the Tripartite Commission for Social and Economic Affairs, stressed that the level of enterprises is the first and most important level, which determines the effectiveness of policies for active aging.

Workshop participants had the opportunity to hear three presentations in the following order: Roberta Andersona (Eurofound), Gerwiga Kruspel (BASF) and Magda Zupancic (Slovenia). The presentations allowed to learn about: (1) initiatives regarding employment of aging workforce from the perspective of the enterprise, (2) good practices in labour resources management in the enterprise – on the example of the chemical company BASF, and (3) international project DENS as a way to exchange experiences and good practices in the activation of older people and implementing flexibility at the enterprise level.

After the speeches, the speakers were asked questions from the audience. Lively and interesting discussion that accompanied the workshop, could attest to accuracy of the chosen topic. First of all, there was a debate on whether companies, but also the employees themselves and the public, are aware of the challenges and responsibility for the demographic changes and of their consequences, and on how well small and medium-sized enterprises are able to implement age management policy.

The presentations and the discussion allow to formulate the following main conclusions from the workshop:

- more and more enterprises are aware of the challenges associated with changes in the age structure of employees;
- many companies (especially large) implement age management policies, but effective exchange of good practices and experiences still remains a challenge;
- responsibility to prepare for the changes in the labour market resulting from demography belongs to the company and employees;
- investing in skills pays off - it fosters extension of professional activity; upgrading of skills and competencies has to start as soon as possible (age range 40-45 years);
- in order not to lose resources and competitiveness, companies should provide intergenerational exchange of knowledge and experience. Older workers should devote part of their time to tutoring people who have only taken the job;
- it is crucial to ensure conditions for reconciling work and family roles. More and more people, especially women, must combine work with responsibilities related to caring for their family members. Ensuring institutional forms of care for children and the elderly and the disabled, is a challenge for public policies.

The second Workshop "Public Employment Services and senior workers - matching and support for employability" was moderated by professor Małgorzata Szyłko-Skoczny from the Institute of Social Policy, the University of Warsaw.

Anne Leone Campanella, representative of France, head of the Department of Services for Job Seekers and Active Persons in Public Employment Services, gave a lecture on "Managing and promoting change in the labour market for older workers." Despite the universal policy implemented among French entrepreneurs in previous years, which consisted in not encouraging employment of older people, France has greater achievements in the activation and remaining in employment of older people (50% of the elderly population of France is professionally active). In 2003-2010, France made a number of reforms conducive to this goal, coordinated and agreed with the social partners. French public employment services now offer special services for the elderly, and innovative issues include: personal advice from the first day after registration; seniors clubs assisting active seeking of work; recognition of an undocumented work experience; widespread use of competence balance-sheet (every 3 months); simulation training for new competences to adapt training that change professional profile. In France, ¼ of salary for the elderly is subsidized by the State. Public employment services work with companies to sensitize employers to the needs of older workers.

Wolfgang Mueller, representing the German Federal Employment Agency, in his speech "Public Employment Service Activities for older workers on the example of Germany", stressed that local public employment services are trying to use a preventative approach. It involves promoting the training for the unemployed, job seekers and workers already at the age of 45+. Great importance is attached to the cooperation of federal public employment services with employers, as many of them still do not approve of the training and recruitment of older people. Public employment services offer special training programmes for the elderly (with particular emphasis on long-term unemployed), but also to employers (e.g. programmes instructing how to train the elderly). In Germany, public employment services use training vouchers, because only a few employers can

cover the entire cost of training. The speaker in the summary stated that there is a need to create a separate service for employers. What is needed is a comprehensive examination of the potential of the European Union Member States in dealing with unemployment and economic inactivity among older people, to use the most efficient policies and instruments.

Eamonn Davern, head of the international relations in Jobcentre Plus (JP), United Kingdom (UK), took up the theme of "Enhancing the effectiveness, including cost efficiency, of active labour market policies". In the UK activation consists essentially in non-differentiation of target groups, including the group of older people. Each customer is approached in an individualised manner, according to his/her needs. Decentralised practices are developed for cooperation with other actors in the labour market. Awareness of civil rights and obligations, equal rights and opportunities, high standards of health and safety at work, deeply rooted in British political culture, are of great importance. The success of JP is based on the British system of benefit and tax and social security, based on minimum standards, which – by providing general revenue at 40% of median income – is primary responsible for social security of citizens, i.e. it does not delegate it to the area of labour market policy. Employment services in the UK use practices such as: matching supply and demand offers and the transfer benefits via electronic means, direct cooperation with the JP government, public-private partnership. These solutions significantly reduce the costs of public employment services - UK has the lowest spending on labour market programmes (measured in % of the GDP) among OECD countries (after the Czech Republic and Korea), while achieving 60% of the employment rate. Despite hitherto successes, there are plans to reform employment services in the UK in 2014-2015, also the social security system will be reformed.

The main conclusion drawn from the workshop is that despite the common challenges concerning the need to maintain older people in employment, Member States use different approaches and policies and they achieve progress. There are, however, points in common in this diversity, for which there is a consensus to include them in labour market policies:

- design and implementation of public policies on employment services for older people, including the monitoring of the situation of older people in the labour market, in consultation with social partners, including local authorities;
- preventing older people from falling into long-term unemployment;
- offering special public employment services for older people (PES staff specialisation),
- broader cooperation with businesses, especially at the local level;
- recognition of informally and non-formally acquired qualifications;
- sharing costs of trainings between the beneficiaries, public employment services and employers;
- use of a preventive and perspective approach: activities aimed at professional activation of the elderly taken at earlier stages of life;
- promoting active attitude for "employability" of all potential customers, who should feel responsible and committed to improving their activity.

The third Workshop. "Public policies to support employment of older workers", was devoted to identifying and discussing possible forms of promoting employment of older workers through effective public policies. Workshop was moderated by professor Barbara Szatur-Jaworska from the Institute of Social Policy, University of Warsaw. Participants included the representatives of both scientific and advisory bodies and the representatives of civil society organisations of the European Union.

The speeches of professor Danuta Koradecka from the Central Institute for Labour Protection, professor Robert Lindley of the University of Warwick, Wolfgang Grief from the European Economic and Social Committee, Anne-Sophie Parent of AGE Platform Europe were used as the starting points of discussion.

All the speakers confirmed that a significant increase in the proportion of the elderly in the population of all European Union Member States is forecasted for the next decade and reduction of labour resources will result in the need to meet many challenges. Activation and allowing full and productive employment of older people are considered as one of the most important and most urgent needs of the common employment policy.

Effective and adequate support of older workers in the labour market is not possible without a diagnosis of possibilities and the usage of knowledge and skills of this age group by employers and civil society organisations. The knowledge of the capabilities and uses of public and organisational policies for the activation of the elderly is extremely valuable in this context. In order to obtain information on the possibilities and forms of support to increase the effectiveness of employment of older workers, the need for international research in terms of both policies (public and organisational) was stressed, as well as practical aspects of their implementation and effects of implementation in the Member States of the European Union.

Supporting the employment of older people also requires adjusting working environment to the needs of this age group. In this regard, the need was stressed to identify the factors determining the level of work capacity of older people and the need for proactive measures to eliminate the factors or characteristics of work, which may prematurely reduce the ability to work.

Also, efforts to adapt infrastructure, both external and internal was recognised as an important element of effective public policy in this regard. New technologies and improvements in transport and environment can have a direct impact on health and quality of life. Availability of means of transport and the environment built in a user-friendly technology can help older people in carrying out daily activities, as well as enable them to monitor the health status, social networking, facilitate their participation in work or social activities and provide a higher level of security.

The need to combat discrimination on grounds of age, which may manifest itself in the form of, *inter alia*, legal or political barriers, stereotypes, prejudice and persecution, has been recognised as a priority. Ageism may relate to both individuals and groups. A combination of factors such as low income, poor health, reduced physical or mental capacity, unemployment, isolation, limited access to services can play an important role in increasing the risk of poverty and social exclusion of people as they age. Public policies should therefore take into account the need to combat all forms of discrimination; a perfect example is the establishment of 2012 as the European Year for Active Ageing and Intergenerational Solidarity.

An interesting accent at the closing of the workshop was the statement of one of the participants (PLO representative from Gdańsk), who offered sincere appreciation for raising, in his opinion, very significant issues and involvement in the debate over one of the most important current topics for the whole of Europe.

At the second plenary session, the representatives of Trio States, presented the discussion and the main conclusions of each workshop. The report on the first workshop was provided by Nelson Neocleus, representative of the future Presidency of Cyprus. The report from the second workshop was submitted by John Hendeliowitz representing the incoming Danish Presidency. Maciej Duszczyk, as a representative of the Polish Presidency, reported on the third workshop.

In the third plenary session, speeches of invited guests were devoted to one topic: "Effective policies against aging labour forces – to avoid barriers, grasp chances". Views, conclusions and recommendations resulting from discussions during the conference and the experiences and opinions presented by the organisations were given by: Czesława Ostrowska, representative of the Polish Presidency, Mik Woolley, President of the Employment Committee - EMCO, Józef Niemiec representing the European Trade Union Confederation - ETUC, Loes van Embden Andres, representative of the Confederation of European Business - BUSINESSEUROPE and Santiago Loranca Garcia of the European Commission.

Presentations during the session included a number of interesting arguments and conclusions. The selection cited below is an illustration thereof:

Determinants of low economic activity of people over 55 years of age are very diverse. The initiative at the European and national level, should help the elderly to maintain their economic activity or return to it.

1. The approach to employment policy, which also includes the elderly, became obsolete, and new definitions, instruments are needed (e.g. forms of work). There is a need for closer cooperation of the competent institutions that create employment policies and public employment services, particularly at the local level. It is desirable to use a more proactive and innovative approach to maintain employment and activation of older people. The contribution of older people working for the economy may be

larger than spending on their activation.

2. The economic crisis has greatly exacerbated the challenges of an aging society. Although the Europe 2020 strategy is very important, it is more important to end the crisis, especially to face its second wave. The crisis is also an opportunity to search for new, more ambitious solutions.
3. When creating a policy for employment of older people one cannot focus only on the final stage of career, but should focus on the whole professional career cycle (life-cycle approach), which must be accompanied by solidarity between the generations. This does not relieve the older workers from responsibility to maintain employability, by raising their level of education, improving qualifications and skills. An example of a company benefiting from sound management of age is a chemical company BASF, which implements the provisions of a collective agreement for the elderly.
4. Due to the shrinking labour resources, to ensure economic growth one should not only make a maximum increase in employment, but also increase work productivity. The greatest employment potential is among women 50 +.
5. This time, the job market has coped with the crisis better than during previous crises, reflecting the sustainability of the European social model. The guidelines on employment policy and the need to implement recommendations by Member States with the participation of all parties involved remain relevant.
6. The forecasts for the economy are unpredictable and, therefore, actions to increase employment of older people, mainly by raising the statutory retirement age and further reforms of social insurance, including old age pension systems, are - from the perspective of employers - a necessity, not a choice, because otherwise, companies operating in the EU will have to move their productions to other parts of the world.
7. Labour productivity in the European Union lags behind other parts of the world, and therefore it is necessary to immediately make companies more flexible, through the use of a variety of employment contracts, make permanent contracts more employment-friendly (at the moment they are the barrier to employers).
8. Increasing investments in education and professional training and lifelong learning needs to ensure that the group of senior staff is efficient, otherwise their employment will not bring the desired economic results.
9. Also important are wage-setting systems. an example of "good practice" is the Netherlands, where since 2007 a collective agreement is implemented, concerning the elderly, which produced good results in improving the employment of seniors. The elements of this agreement cover, in addition to wage conditions, e.g. additional days off for seniors and special contracts of employment.

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