Opinion of the European Economic and Social Committee on the ‘Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions on increasing the employment of older workers and delaying the exit from the labour market’

(COM(2004) 146 final)

(2005/C 157/22)

Procedure

On 3 March 2004, the Commission decided to consult the European Economic and Social Committee, under Article 262 of the Treaty establishing the European Community, on the abovementioned communication.

The Section for Employment, Social Affairs and Citizenship, which was responsible for preparing the Committee’s work on the subject, adopted its opinion on 24 November 2004. The rapporteur was Mr Dantin.

At its 413th plenary session held on 15 and 16 December 2004 (meeting of 15 December), the European Economic and Social Committee adopted the following opinion by 125 votes in favour, 1 against and 5 abstentions.

Preamble

I. In October 2000, the EESC commented in an own-initiative opinion that: ‘The Committee feels that the issue of older workers is of such importance that it warrants an own-initiative opinion addressing the different aspects of the problem. With this opinion the Committee has also sought to stress the need for a positive approach to older workers, insofar as they are currently treated not only reflects a discriminatory conception of society lacking in solidarity, but in many cases results in the loss of highly qualified staff and a consequent fall in the overall level of competitiveness. Furthermore, the Committee is of the view that if scientific progress now allows more time to enjoy life, by the same token, our society should seek to organise itself so that we get more out of life for longer’ (1).

II. The contents of this own-initiative opinion, which was adopted virtually unanimously at the plenary session, sets out the Committee’s thinking on this subject, reflecting the state of its ideas and standpoints.

III. The Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions on increasing the employment of older workers and delaying the exit from the labour market, which is the subject of this opinion, will therefore be examined in the light of the expectations, analyses, recommendations, and conclusions of the above-mentioned own-initiative opinion. It will integrate those elements which could be considered as new.

1. Introduction

1.1 The Lisbon European Council set the European Union an ambitious objective for the employment rate, which was to be raised ‘as close as possible to 70 % by 2010’ and to 60 % for women. This target is justified for both social and economic reasons, as employment provides the best protection against social exclusion. For individual companies and the economy as a whole it is vital to increase employment rates of older workers, so that labour shortages can be averted or mitigated by making full use of the available workforce. In view of the forecast decline in the working age population, achieving this objective will stimulate economic growth, boost taxation revenues and support social security systems.

1.2 For the majority of Member States, gradual achievement of this target inevitably presents the particular challenge of raising the employment rate of older workers.

1.2.1 It is precisely for this reason that promotion of active ageing is reflected in the two complementary targets that the European Union has set itself. Indeed, the Stockholm European Council of 2001 concluded that half of the EU population in the 55-64 age group should be in employment by 2010. As for the Barcelona European Council of 2002, it concluded that ‘a progressive increase of about 5 years in the effective average age at which people stop working in the European Union should be sought by 2010’.

1.3 In its synthesis report to the 2004 European Spring Council (2) the Commission has identified active ageing as one of the three priority areas for which swift action is needed to deliver the Lisbon strategy.

(1) Own-initiative opinion on Older workers, point 1.5, OJ C 14 of 16.1.2001, rapporteur: Mr Dantin.

1.4 The purpose of the Communication under review is to inform the debate about progress towards the Stockholm and Barcelona targets and to highlight the role of governments and social partners in promoting active ageing. The Communication also responds to the request of the Barcelona European Council to analyse progress in this field annually before every Spring Council.

1.5 The present opinion is the contribution of the European Economic and Social Committee to the debate on the employment rate of older workers, a debate which the Communication under review has contributed to, and which should be brought to an interim conclusion next December.

2. The Communication

2.1 The Communication states that with the ageing and the expected shrinking of the working age population, older workers must be recognised for what they are: a core component of labour supply and a key factor for the sustainable development of the European Union.

2.2 According to the Communication, it follows that there is an essential need for policies to maintain labour supply and secure employability even in periods of overall sluggish employment growth.

2.3 To achieve this, it suggests that a preventative approach based on mobilising the full potential of people of all ages in a life-cycle perspective should be the main thrust of policy measures.

2.3.1 It therefore proposes that Member States should formulate and implement comprehensive strategies for active ageing, which may include:

— financial incentives to discourage early retirement, and to make employment financially more attractive;

— access to training strategies and to lifelong learning;

— effective active labour market policies;

— good working conditions conducive to job retention, particularly in terms of health and safety, and flexible employment solutions.

2.3.2 The Communication also points out that much stronger participation and commitment of the social partners are needed in designing and implementing comprehensive active ageing strategies. It emphasises the importance of the role played by the social partners through collective agreements.

2.4 To return to the background of the present opinion, it may be noted that, although the Communication offers a precise and detailed description of situations and their outcomes, it does not concern itself with analysis of the causes, and nor does it enter into the decisions of the Barcelona Council in any great depth.

3. The facts

3.1 By 2030 there will be 110 million people aged over 65 in the EU25, up from 71 million in 2000, and the working age population will stand at 280 million compared to 303 million today. As a result, the ratio of the total working population to persons aged over 65 will fall from 4.27 to 2.55.

3.2 Parallel to these developments, the distribution of work over the course of a lifetime has undergone major upheavals over the last twenty years.

3.2.1 Young people are entering the labour market later because of longer periods spent in full-time education, training, and difficulties in finding suitable work (3).

3.2.2 The employment rate of the total population aged over 55 has fallen considerably in Europe during the last three decades, but also, to a lesser extent, across the Atlantic: in 1999, it was 37 % in the 55-64 age group in the European Union and 55 % in the United States (4). In 2002, in Europe, there was a marked difference between the figures for men (50.1 %) and for women (30.25 %), giving a total of 40.1 %.

3.2.3 The employment rate has declined continuously since the 1970s up till recently, and on a large scale, particularly between 1980 and 1985 (5). For example, between 1971 and 1999 the figure fell by 47.4 % in France, 45.8 % in the Netherlands, 39 % in Spain, 38.7 % in Germany, 30 % in Ireland, and 29 % in Portugal and the United Kingdom. In 2002 the employment rate for the 55-64 age group was 40.1 % in the EU 15 and 38.7 % in the EU 25, (for an overview of the trends for each Member State in the 1997-2002 period, refer to the appendices) (6). It would probably be fair to speak of an individualisation of career paths. However, this does not always reflect greater choice for the individual as early departure from the labour market in some Member States is in general more often imposed than chosen. The new flexibility at the end of a career is instead a reflection of labour market pressures, the human resource strategies of companies and public authorities in response to them, (7) and, in many cases, the way pension schemes are designed.

(3) EESC opinion on Youth Unemployment, OJ C 18 of 22.1.1996, Rapporteur: Mr Rupp.
(6) See Appendix 1.
3.3 Working life has therefore tended to become shorter at both ends of the age spectrum, and at present it is dominated by age groups situated in the middle of this spectrum.

3.4 The 50-64 age group is of particular importance for employment policy. At the level of the EU15, the proportion of the total population in this age group will increase from 25 % in 1995 to 34.40 % in 2025. This increase will occur much more quickly in the Scandinavian countries (8).

3.5 This development is particularly worrying in the context of the acute demographic ageing which the European Union will experience (9). The fact that the number of persons aged over 60 is likely to overtake that of under-20s by the end of the first decade of the new century is a prospect whose symbolic significance should not distract us from its worrying implications. Indeed, this is only one stage in a process which over the next 50 years could lead to a doubling of the ratio between the number of retirees and the working age population (from 4:10 to 8:10) (10).

3.6 However, the Communication under review points out that some progress has been made recently towards achieving the Stockholm and Barcelona targets. In 2002 employment of older workers increased by 5.4 %, corresponding to a rise of 1.3 points in the employment rate to 40.1 %, while the average exit age from the labour market increased from 60.4 years in 2001 to 60.8 in 2002.

3.6.1 However, the Communication points out that it would be premature to interpret the increase in the exit age as a strong indication of a positive trend, as there are only two years of data.

3.6.2 Although there have been difficulties connected with recent implementation of certain reforms, it would be useful to go into more detail than the Communication does as to the reasons behind this recovery, in order to establish possible approaches.

3.6.3 In this context, it would also be helpful to see how much of this recovery is, on the one hand, due to the introduction of measures whose primary, if not sole objective was to increase the employment rate of older workers, and, on the other, the direct or indirect result of changes made to social protection systems, intended primarily to ensure their economic viability, under threat from demographic trends and forecasts.

3.7 The fact remains that in the 55-64 age group, the average proportion of employees exiting the labour market at the legal retirement age during 1995-2002 was a mere 35 %, whereas 22 % took early retirement, 17 % were invalided out, 13 % left as a result of individual or collective redundancies, and a further 13 % for other reasons (11).

3.7.1 Although these figures have improved over the last few years, they are still revealing. One might think that in the 1980s the high number of employees taking early retirement, and of those leaving due to illness or disability — which are sometimes considered as substitutes for early retirement — was connected with the intensive corporate restructuring of the period. However, in view of the persistence of the phenomenon, with only 35 % of employees exiting the labour market at the legal age of retirement, it now seems that this is an inadequate explanation.

4. Finding solutions: the proposals made in the Communication

4.1 The first step towards readjusting the balance between active and inactive workers, increasing the average age of exiting the labour market, and maintaining an optimally sized workforce with regard to the demographic forecasts for the European Union, involves raising the employment rate in the over-55 age group. Of course, the employment rate also needs to strike a good balance between employment and retirement, leisure time and work, which is one of the values of the European social model.

4.2 Such a step must be planned on a medium-term basis by introducing a policy of maintaining life-long employability and retaining employees — women as well as men — over the age of 40. Indeed, it is difficult to imagine a spontaneously harmonious scenario, in which the reversal of labour market trends would be sufficient to convince companies to retain their older workers.

4.2.1 In addition to the practical measures which need to be taken, it is essential for perceptions to change and for everything possible to be done to bring about a change in attitudes and to raise awareness among both companies and employees. Working beyond the age of 55 must be viewed as rewarding by employees, while companies and public services must be aware of the benefits which older workers can bring (experience, know-how, passing on knowledge, etc.). It is essential that collective awareness of the issue be raised in order to ensure that the specific measures adopted are fully effective.

(1) Eurostat, 1997 population forecasts (base scenario).
(2) Demographic situation and prospects of the European Union, rapporteur: Mr Burnel.
4.2.2 In its own-initiative opinion of October 2000 on this subject the Committee therefore urged the Commission to promote, in cooperation with the Member States, an extensive information and enlightenment campaign to help generate a positive attitude to the role played by older workers in companies and the public services.

4.2.2.1 The EESC is pleased to note that its proposals have been taken up by the Report of the High Level Group on the future of social policy in an enlarged European Union, which appeared towards the end of the first half of 2004.

4.2.3 Also, there should be greater recognition of their role in the social economy, in the family as well as in civil society, democratic institutions, NGOs, and voluntary work in general, which provides a direct demonstration of their dynamism, initiative and effectiveness.

4.3 In its Communication, the Commission presents its key conditions for fostering the employment of older workers.

4.3.1 Early retirement and financial incentives

Having noted that over 20% of employees, or some 3 million older workers, leave their last job in order to take up early retirement, the Communication proposes a review of ‘financial incentives’ to ensure that the option of staying in the labour market is financially rewarding.

4.3.1.1 The Committee believes that this proposal, which should be seen in conjunction with the Communication on Modernising social protection: making work pay (\(^{(13)}\)), is to be welcomed in view of the type and quality of the measures which it suggests. However, although this approach offers some constructive suggestions, it is unlikely to outweigh the decisive importance of such factors in the objective employment situation of workers as employability, management of human resources throughout their working lives and particularly during the second half, and, more generally, their situation arising from the policies of a company. Regarding the private lives of employees, the individual’s own plans can also have an effect on early retirement.

4.3.1.2 In the context of continual and rapid changes to the production system and manufacturing processes, and in a continually evolving economy and market, companies must adapt and restructure if they are to succeed in a global environment at the same time as striking a balance between social and economic concerns, as this is the only way of ensuring company dynamism and growth. It follows that companies need room for manoeuvre, a breathing space.

4.3.1.3 This room for manoeuvre resides in the quantity and quality of jobs, in particular those of older workers. This is particularly the case with regard to ‘social plans’ introduced after restructuring operations.

4.3.1.4 Irrespective of such ‘social plans’, the introduction of early retirement enables companies to replace older workers, who they view as relatively unproductive and as having obsolete skills, with younger and fewer workers. They view this as helping to improve their competitiveness as well as lightening their pay roll and rebalancing their age structure. Even if such situations are difficult to avoid, this approach sometimes reflects shortcomings in human resource management and an absence of forward-looking management of jobs and qualifications. However, all such schemes have been made possible by government measures and/or the social security systems of individual Member States.

4.3.1.5 But this should not obscure the real wishes of employees. Among those who took up early retirement, only 4 out of 10 would have preferred to continue working (\(^{(14)}\)). Indeed, apart from those employees who are genuinely incapacitated, the widespread desire to share in a new and attractive distribution of the benefits of growth must not be underestimated, as well as the weariness that comes from doing an unrewarding job in which there is little or no variety, and few opportunities to switch jobs, sometimes for more than forty years, causing people to aspire to a different lifestyle. It is often with the feeling of having already ‘contributed a lot’, and in the absence of prospects of finding a new and more suitable job, that voluntary retirement is taken up.

4.3.1.6 Under the present conditions it can be said that a convergence of interests often exists between the employee and his company, in other words an objective alliance which is generally carried over into the collective agreements reached by the social partners at different negotiating levels, including that of companies.

\(^{(12)}\) Older workers (rapporteur: Mr Dantin); OJ C 14 of 16.1.2001.
\(^{(13)}\) Cf. SOC/162 – rapporteur Ms St-Hill.
4.3.2 Reform of early retirement

The Communication also refers in general terms to the need for reform of early retirement arrangements. The EESC is in favour of this general approach, provided that it means encouraging older workers to stay at work and not making them unemployed, as the objective is to increase the employment rate. As the Commission rightly emphasises, ‘incentives for older workers to remain in the labour force must be reflected in real prospects for employment’, whereas up till now, early retirement has generally speaking been merely a means at the disposal of the labour market for alleviating the social costs engendered by long-term unemployment and exclusion. In other words, early retirement has been used as an instrument of ‘employment policy’ or more precisely as an instrument to combat unemployment. In many Member States it is clear that these instruments have often become, and are considered by companies, as a human resource management tool and by employees as a social benefit and entitlement.

4.3.2.1 The Committee is of the view that two sets of examples of early retirement are, however, worth consideration, and merit attention and above all caution:

— early retirement in cases of large restructuring operations, since it is true that, in terms of social cohesion, a ‘young’ pensioner is preferable to a long-term unemployed person with no prospect of finding a job again; it should be borne in mind that we can still expect industrial changes, particularly in view of enlargement;

— total or partial early retirement offset by the recruitment of a corresponding number of job-seekers, since it is also true that it is better to have one person retired than to keep another unemployed with no prospects of integration into working life.

4.3.2.2 Furthermore, early retirement may be part of a strategy for dealing with older workers who have endured particularly difficult working conditions. Indeed, even though life expectancy is generally increasing, individuals are affected differently. There are considerable disparities between different social groups, in particular between ‘white-collar’ and ‘blue-collar’ employees. For example, in 1999 the average life expectancy of a white-collar employee at the age of 35 was 44.5 years compared to 38 years for a blue-collar worker (15). Any discussion on the duration of working life needs to take these data into consideration. Reducing these inequalities is a major concern.

4.3.3 Good health and safety conditions at work

The Communication rightly emphasises the fact that the second reason which causes employees to exit the labour market is long-term illness or disability, which affects 15 % of the relevant population.

4.3.3.1 However, these figures need to be seen in the light of a tendency in certain Member States to re-classify some unemployed workers as disabled or to use disability as a substitute for early retirement (16).

4.3.3.2 Be that as it may, it is obvious that improved working conditions which are conducive to preservation of health and physical well-being throughout working lives are a factor which contributes to retention of employees. Also, achieving the objective of high-quality jobs throughout the working lives of employees by means of an emphasis on ergonomics, on defining tasks, on research into the nature of working conditions associated with particular positions and on efforts to improve them, is of crucial significance for retaining older workers in employment towards the end of their careers.

4.3.3.3 However, generally speaking, disability should not be seen as something which necessarily entails leaving the labour market. Indeed, employees who become disabled in the course of their working lives represent a human asset with considerable potential value. After the necessary process of readjustment and with the help of additional training, they can become extremely able at work of a different type than the job which their disability prevents them from doing. With this in mind, and in order to promote efficiency, it might be useful to consider the cumulative impact of disability pension income and salary income.

4.3.4 Flexible forms of work organisation

4.3.4.1 Flexible forms of work organisation prior to the legal retirement age are another component of working conditions that can foster job retention for older workers. National surveys often show that a significant number of older workers would prefer a gradual process of retirement, mainly due to health reasons related to ageing, but also to provide a smooth transition from working life to life without work. Early retirement should become a process rather than a fixed date, in the course of which the employees concerned can choose to reduce their working hours gradually over time.


(16) Ibid 1, paragraph 3.3.3.
4.3.4.2 A widespread and almost exclusive focus on the issue of retirement age means that working conditions for older employees are not taken into account. Positive measures relating to the end of working life such as gradual early retirement have, for the most part, been undermined by the continuance of total early retirement, and as a result have failed to develop as intended. This situation needs to be changed. Rather than retirement being an event which one would like to bring forward as early as possible, it should become an individually chosen and gradual process whereby employees, protected by a set of collective guarantees, gradually reduce their working time.

4.3.5 Continuing access to training

It should be remembered that, as the International Adult Literacy Survey has pointed out, the productivity potential of older workers is not impaired by age but by skills obsolescence — something that can be corrected through training (17).

In view of the preceding comments, it should be noted that a policy for age groups over 40-50 does not go far enough. As the Belgian 'Conseil supérieur de l'emploi' (Higher Employment Council) has rightly pointed out, a policy which seeks to address the issue of older workers comes too late if it is only applied to this category of workers. Instead what is needed is a human resource policy which takes age into account as soon as employees enter the labour market (18).

4.3.5.1 While the idea of lifelong learning has found widespread acceptance in principle and is a core element of European employment policy, it is very worrying to note the figures for participation by the workforce in education and training: the average for the 25-29 age group is a mere 14 %, decreasing with age to about 5 % for the 55-64 age group (19). There has been very little growth, or indeed none, in this area over the last few years.

4.3.5.2 In a production system in which jobs require an increasingly high level of technical skills and know-how, this situation is of continued concern, not only with regard to the employment rate of older workers but also more generally to European competitiveness. It is desirable, if not imperative, to find a means of addressing this situation:

— companies need to make training part of their strategy, as a mid-term and long-term investment, and should not expect short-term or immediate returns;

— employees often experience difficulties in training, either due to lack of enthusiasm, as is often the case of employees with few skills or no skills, or because they do not feel capable on account of their lack of educational achievement, or because they do not feel any need as retirement is imminent.

4.3.5.3 Of course, in this situation the social partners can play a decisive role at all levels of negotiation. In view of this, the Framework of actions for the development of lifelong competences and qualifications adopted by the European social partners is a major endeavour to promote lifelong learning for all age groups. At the same time, public authorities, which should ensure that an environment conducive to lifelong learning is in place, also play a very important role.

4.3.5.4 However, vocational training, and lifelong learning should not be considered in isolation, but should be incorporated into the management of employees' careers. It is important to ensure motivation through training at all ages to enhance skills and boost career paths. From this perspective, skill audits and validation of professional achievements are tools which should be developed through individual career plans linked to corporate objectives.

4.3.5.5 Much depends on how the European Union responds to this challenge, including, to some extent, the success of the Lisbon strategy. A general increase in participation by employees in vocational training is needed, which would also enhance the general level of skills and knowledge of older workers.

4.3.6 Effective active labour market policies

4.3.6.1 The EESC shares the view expressed in the Communication that 'to ensure that people can remain longer in employment, it is essential to anticipate change and manage economic restructuring successfully'. This comment ties in with one of the causes of the situations discussed in this opinion, i.e. 'above all an absence of forward-looking management of jobs and qualifications' (point 4.3.1.4).

4.3.6.2 The EESC also agrees that 'personalised approaches to meet individual needs, including through guidance services, specific training and outplacement systems are particularly crucial in this respect'. To this end it would be helpful to consider, as envisaged in the Communication and practised in certain Member States, bringing the unemployment benefit systems into play by providing training and qualifications to assist unemployed older workers in finding work, while maintaining entitlement to unemployment benefits and providing guidance to encourage transition to other work or self-employment.
4.3.6.3 Implementation of effective active labour market policies affects both supply and demand on labour markets. The Committee is therefore pleased to note that the recommendations made by the Communication keep this principle in mind, as a balanced approach is one of the preconditions for achieving tangible results.

4.3.7 Improved quality in work

4.3.7.1 The Communication rightly emphasises the crucial importance of the quality of work in retaining older workers or encouraging them to return to the labour market. Over the same period, the number of older workers in jobs of mediocre quality leaving the labour market is up to four times higher than that of older workers in higher quality jobs, and twice as high as that of young workers in jobs of mediocre quality. This section of the Communication would be more accurate and thought-provoking if it had attempted to define the concept of 'quality in work', and to outline the basis of a possible solution. At the very least, a review of previous documents on this subject, such as COM(2003) 728 of 26.11.2003 or the report on Employment in Europe 2002, would have been helpful.

4.4 Other proposals and observations

— Generally speaking, as in the case of other policy guidelines of the Lisbon strategy, the strategy for Extending the age of exit from the labour market could be more effectively implemented if accompanied by steady growth, which would benefit employment.

— The open method of coordination is used for various areas connected with retirement. However, as far as 'active ageing' is concerned, the Communication refers to a 'peer review programme' organised within the context of the European Employment Strategy. It is difficult to understand why two different processes are needed. For practical reasons and for the sake of efficiency it might be worth concentrating on the idea of the 'age of exit from the labour market', i.e. retirement in general, and thus to favour the open method of coordination.

— As far as the policy guidelines of the Stockholm European Council are concerned, and in view of the considerations set out in the preceding chapters, the EESC supports the courses of action outlined in the Communication. As far as the proposals of the Employment Taskforce are concerned, we refer to the relevant Committee opinion (20).

4.4.1 Recruitment

Recruitment is of strategic significance for the employment rate of older workers, but has been neglected in general discussions on the subject. This aspect, which has to do with the psychological dimension of the issue, discrimination and consequently compliance with the European Union's Charter of Fundamental Rights, is not one of the main topics of the Communication.

4.4.1.1 Nevertheless, it is vital to oppose all forms of discrimination which occur in the recruitment process, including age discrimination against employees as discussed by the Communication under review. Recruitment methods should not be allowed to make age a selection criterion. Rather, they should focus more closely on identifying and making the most of the skills acquired by individuals in the course of their career. There is definitely a need to take the aspirations and choices of employees into account, and particularly their desire for variable working conditions (working hours, duration, breakdown of tasks, etc.).

4.4.1.2 In this context it is interesting to note that in certain Member States there are many civil service exams for which the age limit is often in the region of 40, which means that jobseekers from the private sector aged over 40 cannot apply. This kind of discrimination is unacceptable, as it bars an unemployed worker, even one who is qualified or highly qualified, with qualities matching those required for a position, from taking up employment, and deprives the civil service of the experience of a former employee of the competitive sector. The Member States bear full responsibility for this situation. As far as the European Union is concerned, we would like to point out that the Commission only agreed to remove age limits in its own recruitment procedures in April 2002, after intervention by the European Ombudsman. More recently, in July 2004, the Ombudsman requested the Commission to remove the age limit for recruitment of trainees, after a complaint had been lodged. He considered this to be a case of unjustified discrimination, while the complainant argued that it was in breach of the European Union's Charter of Fundamental Rights.

4.4.1.3 It should also be pointed out that the large increase in people leaving the labour market early has contributed to the devaluing of older workers on the labour market and hence their recruitment. The lowering of age thresholds with a view to facilitating early departure from the labour market has had a major impact on these workers as it has changed, in the mind of employers, the age at which workers may be considered to be 'too old'.

(20) COM(2003) 728, 'Improving quality in work: a review of recent progress'.
(22) Ibid 11.
4.4.1.4 Furthermore, from a psychological perspective, steeped in corporate behaviour, the older or ageing worker implicitly feels that he is no longer viewed in a privileged way as someone approaching the age at which he has the legitimate right to retire and relax. Instead he has become someone defined as ‘incapable’ of working or as ‘unemployable’. When nearly half of those drawing their pension have left work before retirement age on the grounds of ‘disability’, as in certain European Union countries, the subsequent time spent in inactivity tends to be viewed not as time during which one is entitled to take things easy, but as the inability to work. This perception of age and its labelling effects inevitably has an impact on behaviour in that it promotes a feeling of marginalisation — both in the mind of the employee and in reality — with regard to their position in the company, on the labour market and ultimately in society itself.

4.4.1.5 In keeping with the spirit of the European Union’s Charter of Fundamental Rights, Directive 2000/78/EC established a general framework for equal treatment in employment and occupation, which under certain circumstances prohibits discrimination, including discrimination on the basis of age. This directive should have been transposed by December 2003 at the latest. It would be worth reviewing implementation of the directive and assessing its effectiveness in the near future.

4.4.2 Flexibility

We have discussed the idea of a flexible retirement age as well as the introduction of flexible organisation of working time prior to early retirement (cf. 4.3.2). The same arguments apply to retirement at the legal retirement age. After all, four out of ten employees would have preferred to continue working (23), for professional reasons, for family reasons, or because of personal interests (24). It is therefore important to offer more flexible options for retirement in order to meet such aspirations.

4.4.2.1 Workers should be permitted to withdraw gradually from employment, instead of being forced to abruptly sever all connections with their job at the legal retirement age as usually happens at present. There should be provisions allowing employees to work three-quarters, one-third, or half time towards the end of their working lives. It would be helpful to examine the potential impact of setting salaries at a higher rate than the percentage of hours worked, as an incentive for such arrangements.

4.4.2.2 This time spent at work could be used, for example, to share their experience with younger employees, in particular through mentoring, support, or assistance with apprenticeship (25) and various work experience schemes. This would be a win-win situation for all concerned, providing employees with a rewarding task, companies with the opportunity to retain and pass on know-how through individuals with the relevant experience, and benefiting society as a whole through an increase in the employment rate.

4.4.3 Women and equal opportunities

The Communication draws attention to the significant gap between the employment rates of older women and men, 30.5 % and 50.1 % respectively. However, the gap between the average ages of exiting the labour market is only a small one (cf. table in Appendix 3) (26).

4.4.3.1 The gap between the employment rates of men and women in this age group is related to a cohort effect, mirroring the general make-up of the labour market. It is interesting that this gap does not have any impact on the average age of exiting the labour market.

4.4.3.2 Increasing the employment rate of women is an essential condition for achieving the Stockholm targets. The employment rate for this age group basically reflects employment rates for younger age groups, which means that the employment rate for women in general, and not their age of exit from the labour market, is the key issue.

4.4.3.3 Apart from the economic effects which arise from this situation, it also raises the issue of equality repeatedly highlighted by the Committee, whether in relation to education, training, equal pay, or the responsibilities assigned to employees with the same qualifications.

4.4.3.4 Increasing employment rates for women necessarily involves improving their access to the labour market. To this end, provisions should be implemented to put men and women on an equal footing in finding a life/work balance, by developing a network of social services capable of meeting private needs for care of minors (e.g. by providing crèche facilities for infants; cf. table in Appendix 3), dependants (e.g. the sick and the elderly), etc.

(23) Ibid 11
(24) Age and Attitudes-Main Results from a Eurobarometer Survey-Commission of the EC, 1993.
(25) Ibid 1, paragraph 3.3.5.
4.4.4 Collective bargaining

According to the Communication, ‘despite the recent developments, social partners should broaden and intensify their efforts both at national and EU level to establish a new culture on ageing and management of change. Far too often, employers continue to give priority to early retirement schemes.’

4.4.4.1 The EESC welcomes the line taken by the Communication in recognising the key role of social dialogue in contributing to substantial progress. The Committee agrees with and supports the Commission’s approach and its aims, though it would take them a stage further. If social dialogue and especially collective bargaining are to be intensified at national and EU levels, they need to be sufficiently wide-ranging to encompass customised solutions, as there are fewer and fewer all-purpose, universally valid solutions. In view of this, various professions on a European and national level, and consequently also companies, should participate in collective bargaining, in order to ensure that the specific features of professions such as working conditions, organisation of work, how demanding the work is, the level of qualifications required, etc. are taken into account. Only then can general provisions be fully effective.

5. Strategy for raising the age of exit from the labour market

5.1 One of the points made by paragraph 32 of the presidency conclusions of the Barcelona European Council in regard to current employment policies is that:

— ‘a progressive increase of about 5 years in the effective average age at which people stop working in the European Union should be sought by 2010’.

5.2 Taken as a whole, the analyses and the proposals discussed in the preceding paragraphs, which relate in particular to the decisions of the Stockholm European Council to raise the employment rate in the 55-64 age group to 50%, can contribute to implementation of the Barcelona guidelines. After all, each individual worker in the 55-64 age group who postpones his or her exit from the labour market contributes to an increase in the effective average age at which people stop working in the European Union.

5.3 Implementation of the decisions made by the Stockholm European Council is essential for achieving progress as envisaged by the Barcelona guidelines. Thus, it is not possible either to analyse or to evaluate ‘the progressive increase of the effective average age at which people stop working’ separately from the ‘increase in the employment rate in the 55-64 age group’.

5.4 Indeed, given the difficulties which have been encountered in raising the employment rate in this age group, it would not be reasonable to approach the Barcelona target in isolation, as this might lead to a proposal that it be achieved by raising the legal retirement age.

5.5 It would hardly be logical to suggest such an option when at present many employees who would like to complete the term of their working lives are still unable to do so.

6. Conclusions and recommendations

6.1 The Committee reiterates the general approach of its own-initiative opinion of October 2000 on Older workers, which stresses the need for a positive approach to older workers, insofar as the way they are currently treated not only reflects a discriminatory conception of society lacking in solidarity, but in many cases results in the loss of highly qualified staff and a consequent fall in the overall level of competitiveness.

6.1.1 With this in mind, the Committee is pleased to note that the 2004 Spring European Council has identified active ageing as one of the three priority areas in which swift action is needed to deliver the Lisbon strategy. The Committee is therefore pleased to note that the Commission has chosen, by means of the Communication under review, to contribute to the debate on the progress made towards the Barcelona and Stockholm targets, and to examine the role of governments and the social partners in promoting active ageing.

6.2 The EESC generally agrees with the main thrust of the Communication’s proposals for action. These represent possible solutions and are to be welcomed subject to the observations made in this opinion and the type and quality of the measures chosen as regards early retirement and financial incentives, reform of arrangements for early retirement, flexible working-time arrangements, health and safety at work, as well as upgrading the quality of employment.

6.2.1 However, the Committee believes that, in addition to the main areas of action chosen and the specific measures undertaken, it is essential for perceptions to change and for everything possible to be done to bring about a change in attitudes and to raise awareness among both companies and employees. Working beyond the age of 55 must be viewed as rewarding by employees, while companies and public services must be aware of the benefits which older workers can bring. It is essential that collective awareness of the issue be raised in order to ensure that the specific measures adopted are fully effective.
6.2.2 The Committee therefore reiterates the call made in its own-initiative opinion of October 2000 for the Commission to promote, in cooperation with the Member States, an extensive information and enlightenment campaign, targeted at the main actors and society in general, to help generate a positive attitude to the role played by older workers in companies, the public services, and society as a whole.

6.2.2.1 The EESC is pleased to note that its proposals have been taken on board by the Report of the High Level Group on the future of social policy in an enlarged European Union, which appeared towards the end of the first half of 2004.

6.3 The European Economic and Social Committee also considers that:

6.3.1 Any measures taken to achieve progress towards the Stockholm and Barcelona objectives should be aimed solely at retaining older employees or encouraging them to return to work. Given that the objective is to increase employment rates and to extend the age of exiting the labour market, the current situation, particularly in regard to early retirement, should not be changed in such a way as to lead to unemployment. As the Communication rightly points out, 'obviously, incentives for older workers to remain in the labour force must be reflected in real prospects for employment'.

6.3.2 If employment rates, whether of the 55-64 age group or of the workforce as a whole, are to rise, the EESC feels that there is a need for increased employment among groups of potential employees who are under-represented. Thus sweeping measures should be adopted to tap into all labour reserves in the European Union, whether of younger workers — who are in the discouraging situation of being unemployed, a circumstance which bodes ill for future overall employment rates — or of women and the disabled.

6.3.3 Vocational training and lifelong learning should not be considered in isolation, but should be incorporated into the management of employees' careers. It is important to ensure motivation through training at all ages to enhance skills and boost career paths. Otherwise, it will not be possible to ensure that older employees are sufficiently skilled to be employable.

6.3.4 Recruitment needs to be made a priority issue. All forms of discrimination based on age should be opposed. In view of this, it would be worth reviewing the implementation of Directive 2000/78/EC, which established a general framework for equal treatment in employment, and, under certain circumstances, prohibited all forms of discrimination, including discrimination on the basis of age. This applies to all age groups, whether old or young.

6.3.5 In the case of both retirement and early retirement, there should be the option of gradually leaving employment. The end of working life should not be an abrupt severance, an event which employees often try to bring forward as early as possible, but an individually chosen and gradual process whereby employees, protected by a set of collective guarantees, gradually reduce their working time. As an area for research and action, this idea could be given priority in the 2005 Employment Guidelines.

6.3.6 Social dialogue and especially collective bargaining should be intensified at national and EU levels. They need to be sufficiently wide-ranging to encompass customised solutions, as there are fewer and fewer all-purpose, universally valid solutions. In view of this, various professions on a European and national level, and consequently also companies, should participate in collective bargaining, in order to ensure that the specific features of professions such as working conditions, organisation of work, how demanding the work is, the level of qualifications required, etc. are taken into account.

6.3.6.1 It would be helpful to make active aging one of the priorities of the new Social Policy Agenda after 2006.

6.3.7 The Committee believes that implementation of the decisions made at Stockholm is of central importance for achieving the targets set by the Barcelona Council. At the same time, it is convinced that 'the increase of the effective average age at which people stop working' cannot be analysed or evaluated separately from the 'increase in the employment rate in the 55-64 age group'.


The President
of the European Economic and Social Committee
Anne-Marie SIGMUND