

## 8 Employability and Employment of Older Workers in Europe – Strategies and Approaches in the Context of Demographic Change

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### *Zusammenfassung*

In allen europäischen Ländern altert infolge des demografischen Wandels die Bevölkerung. Dadurch ergeben sich tiefgreifende Veränderungen für die industriellen Beziehungen und für die Gesellschaft. Um den demografischen Wandel zu gestalten, der insbesondere in den Bereichen Arbeitsmarkt, Bildung, Gesundheit und Alterseinkommen zu Veränderungen führt, bietet sich das Employability-Konzept als Handlungsansatz an. Seit die Europäische Kommission 1997 in den beschäftigungspolitischen Leitlinien die „Beschäftigungsfähigkeit“ als einen der „Pfeiler“ der Europäischen Beschäftigungsstrategie benannte, hat der Begriff, in dessen Zentrum die individuelle Wertschöpfungsfähigkeit steht, als Konzept und Handlungsansatz zunehmend an Bedeutung gewonnen. Der folgende Beitrag gibt die Ergebnisse des länderübergreifenden Erfahrungs- und Bewertungsdialogs einer transnationalen Arbeitsgruppe des Projektnetzwerkes ‚Good Old Europe‘ zu Employability und mit einem Fokus auf die Beschäftigung von älteren Arbeitnehmern wieder. Hierbei wird Employability als Begriff, Konzept und Handlungsansatz, die Ziele und Handlungsansätze zur Beschäftigungsfähigkeit und Beschäftigung von älteren Arbeitnehmern der Beschäftigungs- und Wirtschaftsstrategien der Europäischen Union sowie die Möglichkeiten zur Implementation von Employability und zur Erhöhung und Sicherung der Beschäftigung von älteren Arbeitnehmern dargestellt und bewertet.

37 Representing the GOE experts of the Working Group 1 “Employability and employment of elderly people” whose members are from Spain, France, Great Britain, Italy, Croatia and Germany. The working group consisted of the following people: Ricard Bellera Kirchoff [CCOO Barcelona], Jean-Pierre Caparros [ACO Toulouse], Dimitrios Galagas [DGB Landesbezirk Baden-Württemberg, Stuttgart], Stewart Gold und Dr. Harald Kohler [Eberhard Karls University Tübingen, Institute for Political Science], Luis Lageder [CISL Lombardia/Sesto San Giovanni] und Andrija Petrovic [Grad Zagreb].

### *Summary*

The populations in all European countries are getting older due to demographic change. This leads to profound changes in industrial relations and society. The concept of employability provides an action approach towards shaping the demographic change which causes transformations in the areas of the labour market, education, health and old-age security. In the employment guidelines of 1997, the European Commission named “employability” as one of the “pillars” of the European Employment Strategy. Since then, the term which focuses on the individual’s ability to create value has steadily gained in importance as a concept and action approach. Employability is not only a concept but also an action approach. The following article outlines the results of a transnational exchange that evaluated the employability and the employment of older workers. A working group within the project network ‘Good Old Europe’ exchanged experiences and evaluated issues together. The evaluation encompasses the goals of furthering employability and the efforts towards facilitating the employment of older workers included in the employment and economic strategies of the European Union. The article also considers the possibilities for their implementation and contribution towards higher levels of labour market participation of older workers.

### *8.1 Introduction*

In all European countries populations are aging due to demographic change. This causes profound changes in industrial relations and society in the areas of the labour market, education, health and old age income. Specifically, the problem of fewer younger people entering the labour force than older people leaving for retirement has consequences for the labour market. As a result, the proportion of older workers in the workforce will increase and visibly shape working life in all European countries. In order to sustain productivity and to counteract the emerging shortage of skilled workers, an increased mobilization of the working population as well as strategies and plans for action are necessary to insure the employability of the European workforce. This article argues that “employability” is well-suited for this task both as a concept and approach of action. The following contains the results of the cross-border exchange of experiences and evaluations conducted within the ‘Good Old Europe’<sup>38</sup> project network’s transnational Working Group 1

38 The European project network of experts representing market and societal actors, unions and researchers was funded by the European Commission DG V Employment and Social Affairs on the basis of the budget heading Industrial Relations and Social Dialogue for one year from 2009-2010.

on “Employability and employment of older people”. The varying opinions, classifications and characterizations with regards to employability and the focus on employment of older workers are described and brought into a scientific context. The first part of this article presents employability as a term, concept and action approach. The term ‘employability’ – at least in its conceptual circulation – can be traced back to the European Employment Strategy. The next part of the paper will describe the goals and action approaches for employability and the employment of older workers in the context of the employment and economic strategy of the European Union with a short evaluation from the authors of this article. Based on a short delineation of the employment situation of older workers in selected European countries, the next section of this article will outline possibilities for implementing employability and the increased employment of older workers. Our conclusion summarizes the examination of employability and employment of older workers from a European perspective.

## 8.2 *Employability as a term, concept and action approach*

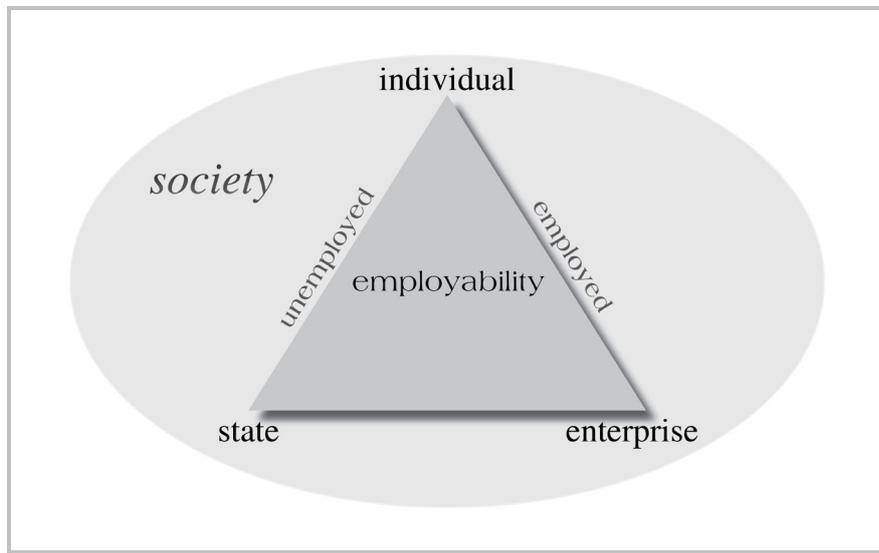
At the Luxemburg Employment Summit in 1997, the European Commission drafted guidelines on employment for the first time and inscribed “employability” as one of the four “pillars” of the European Employment Strategy. Since then, the term has gained in influence as a concept and action approach – even in international organizations like the OECD or ILO (Sproß 2008: 1). In the literature the term employability is linked to very different concepts and aspects of the capabilities and marketability of employees –especially of people in the work process (cf. Apel/Ferig 2009: 7). The general vagueness and lack of substantiation of the term is striking and facilitates a corresponding deficit in its content and strategic conceptualization (Blancke/Roth/Schmid 2000: 5). According to Hillage and Pollard (1998), employability is the capability to move independently in the labour markets. Covering the ability to find steady employment, the term employability is strongly related to the knowledge, the skills and attitudes of individuals, as well as the way in which they use those assets and display them towards their employers. Employability thus encompasses the following three dimensions:

- The capability of finding employment, i.e. entering working life on the basis of key qualifications, career planning competences and the knowledge of the functionality of the working environment;
- The capability of keeping employment, i.e. switching between task fields, coping with new demands and acquiring new skills;
- The capability of finding new employment if the need arises, i.e. to show the will and competence to independently organize changes in employment and to move freely on the labour market on this basis (Blancke/Roth/Schmid 2001: 79).

As the following graphical description shows, employability can be considered on different levels of analysis (cf. Blancke/Roth/Schmid 2000: 2):

- the individual
- the company
- the actors in industrial relations and
- the welfare state

Figure 8-1: Levels of Employability



Source: Own figure

The individual ability to create added value is at the centre of employability (cf. Blancke/Roth/Schmid 2000: 35). Therefore, the individual Employment profile includes among other things professional competence, self-reliance, the ability and the will to learn, the capacity for team work and problem solving as well as openness towards innovation. Learning or qualification is especially important in the context of employability because the individual has to adapt his or her employment biography to new demands in the work force. Individuals are required to expand and update their qualifications constantly, to react flexibly to new requirements, to adapt their own career to the changing circumstances on the labour market and to offer their capacity.

On another level of analysis, the company and their personnel policy employability, the working ability of employees is tailored towards a specific operational challenge. Employability at the company level describes the extent to

which an employee is capable of mastering the assigned occupational tasks. In general, the working ability of a person is determined by their individual resources (physical, mental and social skills, health, competence, values) as well as their work (work content and environment, social working environment, physical and psychological work requirements, work organization and leadership). A central resource of every company is the working ability of its workers. An example for its concrete management in operational practice is the Work Ability Index (WAI). It provides a simple and inexpensive concept and tool to identify starting points and measures for improving/developing the working ability of employees (cf. Schmid 2009: 10). Companies are called upon to support the mobility of individuals; that is to contribute to the development of their human capital, to provide employees with room for development and to offer them the possibility to use their skills. In order to do that, the company has to be able to determine its own goals and needs and to supply work and qualification proposals on this basis (Blancke/Roth/Schmid 2000: 47).

Since the employability concept seeks permanent working relationships, individual employees need alternatives and flexibility in the shift between different forms of employment and unemployment (cf. Blancke/Roth/Schmid 2000: 16). This means an employment-friendly form of high social security (Schmid 2009: 4). Therefore, the state has to set up social context rules for a flexible and mobile workforce, e.g. by expanding vocational training and development programs or creating and implementing new concepts for flexible working hours or the smooth transition into retirement. In this way, the state plays an important role not only by supporting a corresponding business policy and creating a general financial framework but it also plays a role in designing the education infrastructure, e.g. in guaranteeing access to it, in certifying competences, or by creating adequate consultation offers and insuring the risks of transitions (cf. Kraus 2008: 14).

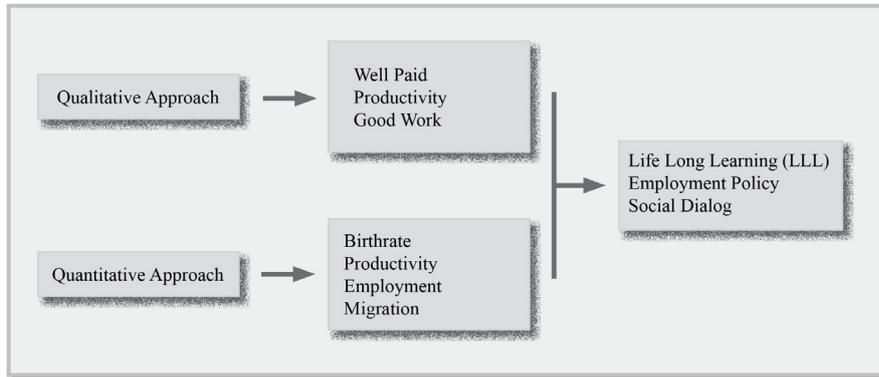
As a comprehensive integrative approach for action and support, the employability concept concentrates on the aspects of productivity and marketability of workers and therefore relates first and foremost to employees. But it is also possible to utilize the concept with regards to non-working and unemployed people (cf. Apel/Fertig 2009). The dual perspective of the employability concept on employees as well as non-working people causes at the same time a dual approach towards action and support. The active and preventive action and support approach of employability focuses on employees with its promotion of training and development in the sense of "Life-Long Learning", mobility and occupational participation as well as health and productivity. In contrast, its reactive and curative action and support approach promotes the inclusion of non-working and unemployed people into the labour market via an active employment policy, e.g. by closing gaps in qualification, conveying new action competences or facilitating public employment.

The concept of employability thereby offers a plan for shaping demographic change. Simultaneously it can be seen as an action approach that can help create and secure jobs for older workers. With regards to the employability of employees we conclude that three contexts ultimately determine the employability of a worker:

1. The structural context which comprises the situation on the jobs market and the economic and social circumstances in a region. For example, a worker with the same competences has a bigger chance of finding employment in one than in the other regional labor market.
2. The worker's chances of finding employment depend on the amount of unemployment but also on industrial relations;
3. The context of individual competency which includes education, experiences and knowledge of the employee, as well as
4. The psycho-social or subjective context which encompasses the behaviour and the autonomy of the employee (cf. CCOO 2010: 3).

The implementation of employability goals needs a qualitative as well as quantitative approach. While the qualitative approach entails well paid, productive, valuable work, the quantitative approach contains fertility rates, productivity, employment and migration. The following figure demonstrates how the employability concept can be made more concrete and be implemented with instruments of Life Long Learning (LLL), active employment policy and social dialogue.

Figure 8-2: implementation measures for employability



Source: Own figure

### 8.3 *Goals and action approaches to promote employability and the employment of older workers in the employment and economic strategy of the European Union*

Since the European Union first drafted its employment policy guidelines at the Luxembourg Summit in 1997 and introduced the term employability as one of the four pillars of these guidelines, the term has been an element of the European employment and economic strategy. As an element of the European Employment and Economic Strategy, employability is aimed at improving the employability of workers, especially by improving qualification and lifelong learning. The European action approach made employability more concrete in the context of “flexicurity”<sup>39</sup> (European Commission 2007). The central element of this action approach, flexicurity, was based on the employment policy guidelines which supported the flexibility of human resources. Central to flexicurity is the capability of employees to gain and adapt their qualifications in the course of their life. The chances of employees to stay in the work force or find new employment, as well as the ability of companies to adapt to economic change are central aspects. Flexibility is improved through initial vocational training and continuing investments in qualification measures. To achieve this, new kinds of employment security for employees have to be developed. Adequate social safety systems enable people in varying phases of their lives to transition successfully from one workplace to another, between unemployment and employment, etc.

#### 8.3.1 *Goals and action approaches to promote employability and employment of older workers in the employment policy guidelines (1997-2000)*

With the Treaty of Amsterdam which came into effect on May 1st, 1999, the new Title VIII “Employment” was added to the Treaty establishing the European Community. It brought the coordination of the member states’ employment policies into the scope of the European Community and codified the promotion of high levels of employment as a goal of the European Community (cf. Treaty establishing the European Community as amended by the Treaty of Amsterdam). Key elements of the coordinating employment policy of the European Union and the resulting European employment strategy were the annually compiled employment policy guidelines based on an annual report. The member states were required to consider these guidelines in the development of their employment policies. The first concretization in the form of employment policy guidelines

39 Neologism composed of flexibility and security.

took place at a special session of the European Council in November 1997 in Luxembourg. They introduced the four key areas for action (pillars):

- 1) improving employability,
- 2) developing the spirit of enterprise,
- 3) improving the adaptability of companies and their employees and
- 4) promoting equal opportunities.

In this way the term employability gained entrance into the European employment strategy. It was linked to labour market and employment policy goals, like the effective and quick integration in the labour market, the transition from passive to active measures, e.g. through incentives for job seeking and the entrance into work or participation in measures fostering employability. In addition, the EU intended to launch a policy benefitting “active ageing”. This was aimed at the preservation of employability, lifelong learning and the introduction of flexible working models among other things (cf. Council of the European Union 2000).

### 8.3.2 Goals and action approaches to promote employability and employment of older workers in the Lisbon strategy (2000)

The Lisbon strategy for growth and jobs is an economic and employment policy program that was passed at a special session of European Heads of State and Government in March of 2000 in Lisbon. Its goal was to turn the EU into the most competitive and dynamic knowledge-based economic zone within ten years (until the year 2010) and to achieve full employment in Europe by 2010. The reason for its creation was the realization that the EU had to increase its productivity and competitiveness and strengthen social cohesion in the face of worldwide competition, technological change and an ageing population. The three pillars of the strategy were based on the economy (i.e. improving the transition to a competitive, dynamic and knowledge-based economy), social affairs (i.e. modernizing the European social model through investments into human resources and fighting social exclusion) and the environment. To implement the goals defined in 2000, quantitative standards were set and the coordination method (OMC) was established because the affected policy areas were nearly completely in the jurisdiction of the member states. In the context of the Lisbon strategy, the Broad Economic Policy Guidelines and Employment Policy Guidelines No. 17-24<sup>40</sup> were

40 The employment policy guidelines were to: (17) Implement employment policies aiming at achieving full employment, improving quality and productivity at work, and strengthening social and territorial cohesion, (18) Promote a lifecycle approach to work, (19) Ensure inclusive labour markets, enhance work attractiveness, and make work pay for job-seekers,

adopted in 2005 (cf. Council Decision of 12 July 2005) and revised in 2008 (Council Decision of 15 July 2008). They incorporated the priorities of the European Union on the issue of employment policy. The European Union set quantitative employment goals until 2010 for an overall employment rate of 70 %, a female employment rate of at least 60 % as well as an employment rate of older people (55 to 64 years of age) of 50 %. Conceptually, these employment policy guidelines moved growth and the creation of more and better jobs into the centre-piece of the European employment policy. Because of (among other things) the quickly changing economic circumstances, the EU wanted to improve the chance for lifelong learning in order that employees adapt to new forms of work and to accept changes in their working life. This also should include risk coverage or even compensation of transitory wage losses (cf. Council Decision of 15 July 2008: 52).

Furthermore, the EU supported workforce participation and intended to prevent social exclusion by providing jobseekers easier access to employment, preventing risks of unemployment, and ensuring that those who become unemployed remain closely attached to the labour market and increasing their employability (cf. Council Decision of 12 July 2005: 25).

### 8.3.3 Goals and action approaches to promote employability and employment of older workers in the strategy Europe 2020

The current strategy 'Europe 2020' (European Commission 2010a) has to be seen against the background of the financial and economic crisis in Europe. In adopting this strategy, the EU intends to overcome the financial and economic crisis and to turn the EU into an intelligent, sustainable and integrative economy that is shaped by high levels of employment and productivity as well as strong social cohesion. In the context of this strategy, the member states are called upon to conduct reform programs in order to improve macroeconomical stability and to secure public finances, improving competitiveness and decreasing macroeconomical imbalances.

including disadvantaged people, and the inactive, (20) Improve matching of labour market needs, (21) Promote flexibility combined with employment security and reduce labour market segmentation, having due regard to the role of the social partners, (22) Ensure employment-friendly labour cost developments and wage-setting mechanisms, (23) Expand and improve investment in human capital, and (24) Adapt education and training systems in response to new competence requirements. (cf. European Commission 2010 b/c: 3).

The strategy 'Europe 2020' has been institutionally integrated into a number of new integrated employment and economic policy guidelines<sup>41</sup>. At the core of the strategy 'Europe 2020' are three strategies for growth:

1. *Smart growth*  
shall be promoted through knowledge and innovation as vectors of future growth, e.g. via general and vocational education and Life Long Learning<sup>42</sup>.
2. *Sustainable growth*  
shall be promoted through a resource efficient, greener and more competitive economy.
3. *Inclusive growth*  
shall foster an economy with high employment and economic, social and territorial cohesion in which people are enabled to anticipate and cope with changes. The basis for that are high levels of employment, investments in competences, fighting poverty, modernization of labour markets, general and vocational education and social security systems.

One of the core goals of the three European growth strategies in the framework of Europe 2020 is the elevation of the employment rate of 20 to 64 year olds from currently 69 % to at least 75 %. This goal is pursued among other reasons against the background of the accelerating demographic ageing in Europe. It has been estimated here that starting in 2013/2014 as the strong cohorts reach retirement age, the working population in Europe will start shrinking. At the same time, the development towards a smaller working population and the higher rate of pensioners will additionally strain European social systems. Consequently, Europe should strive to fully exploit its labour force potential in order to master the challenges tied to an ageing population and the growing worldwide competition.

41 The integrated guidelines are: (1) Ensuring the quality and the sustainability of public finances, (2) Addressing macroeconomic imbalances, (3) Reducing imbalances in the euro area (4) Optimising support for R&D and innovation, strengthening the knowledge triangle and unleashing the potential of the digital economy, (5) Improving resource efficiency and reducing greenhouse gases emissions, (6) Improving the business and consumer environment and modernising the industrial base, (7) Increasing labour market participation and reducing structural unemployment, (8) Developing a skilled workforce responding to labour market needs, promoting job quality and lifelong learning, (9) Improving the performance of education and training systems at all levels and increasing participation in tertiary education (10) Promoting social inclusion and combating poverty (European Commission 2010 b/c: 4).

42 The integrated strategy for growth will have the financial support of the structural funds, especially the European Social Funds. The European Social Funds are called upon to support a future-oriented, comprehensive migration policy that can react flexibly to priorities and needs of the labour markets. This poses the strategic framework for cooperation in general and vocational education and the mobilisation of all participants (cf. European Commission 2010a: 17).

The goal of increasing the employment rate to 75 % is intended to be reached by including more youth, women, older workers and low-qualified people and by better integrating migrant workers into the working population. „Implementing flexicurity principles and enabling people to acquire new skills to adapt to new conditions and potential career shifts will be key” (European Commission 2010a: 16). Correspondingly, member states are called upon to include the flexicurity guidelines into their labour market policies and utilize them (European Commission 2010c: 8). The flexicurity guidelines include among other things a combination of active labour market policy, effective lifelong learning and a policy promoting workforce mobility as well as adequate coverage of transitions in the labour market. Therefore, implementing Life Long Learning through flexible transitions between different branches and levels of general or vocational education and strengthening the attractiveness of vocational training and development is of particular importance.

#### 8.3.4 Interim conclusion on the EU goals and action approaches promoting employability and employment of older workers

The element of employability incorporates an action approach into the individual employment and economic strategies of the European Union that is designed to secure and extend the employment of workers in Europe. Based on the employment policy guidelines and the key goal of flexibility of human resources, employability was substantiated in the context of the European action approach “flexicurity”. The focus of this European approach of flexicurity is on the capability of the employee to gain and adapt their qualifications in the course of their lives and thus on their employability. Even so, from an employee’s point of view, flexicurity’s key goal of flexibility of human resources has to be critically scrutinised. Considering the increased flexibility of working conditions and the corresponding drawback regarding the social standards in working conditions in Europe – not least in the course of the economic and financial crisis – the flexibility of labour conditions can be improved. However, social protection has not been improved. The flexicurity approach demands a balance between the demands for flexibility by employers on the one hand and the interests of employees regarding social protection on the other. This can only be realized, however, with “good work” and adequate, sufficient pay which is high enough to give employees the opportunity to afford appropriate social insurance contributions for their social protection.

#### 8.4 *Implementing employability and possibilities for action to increase employment among older workers*

##### 8.4.1 Employment situation of older workers in selected European countries<sup>43</sup>

The employment situation of older workers in Europe is best described by the employment rates in the age group of 55 to 64 years. As the following compilation of employment rates in selected European countries shows with the exception of Germany with a employment rate of 53.8 % (2008) and the United Kingdom with 58.2 % (2008) none of the selected countries reached the target value of a 50 % employment rate for people between 55 and 64 years of age specified in the EU's Lisbon strategy for 2008 (2010).

Figure 8-3: Employment rate of older workers (55-64 years) in selected European countries (total and by gender) 2000-2010

Country	Employment rate	2000	2002	2004	2006	2008	2010
Germany	total	37.60	38.90	41.80	48.40	53.80	57.7
	female	29.00	30.60	33.00	40.60	46.10	50.5
	male	46.40	47.30	50.70	56.40	61.80	65.0
Italy	total	27.70	28.90	30.50	32.50	34.40	36.6
	female	15.30	17.30	19.60	21.90	24.00	26.2
	male	40.90	41.30	42.20	43.70	45.50	47.6
France	total	29.90	34.70	37.60	38.10	38.30	39.7
	female	26.30	30.80	34.00	35.90	36.10	37.4
	male	33.60	38.70	41.40	40.50	40.60	42.1
Spain	total	37.00	39.60	41.30	44.10	45.60	43.6
	female	20.20	21.90	24.60	28.70	31.10	33.2
	male	54.90	55.90	56.40	59.20	59.10	54.7
United Kingdom	total	50.70	53.40	56.20	57.30	58.00	57.1
	female	41.70	44.50	47.00	49.00	49.00	49.5
	male	60.10	62.60	65.70	66.00	67.30	65.0
Slovakia	total	21.30	22.80	26.80	33.10	39.20	40.5
	female	9.80	9.50	12.60	18.90	24.20	28.7
	male	35.40	39.10	43.80	49.80	56.70	54.0
Croatia	total	-	24.80	30.10	34.30	36.60	37.6
	female	-	16.90	21.00	25.70	25.60	27.4
	male	-	34.20	40.90	44.40	49.00	49.3

Source: Eurostat 2012

43 The selection of countries corresponds to the transnational make-up of the expert working group 1 "Employability and employment of elderly people" of the GOE network of experts.

Especially low employment rates of older workers can be found in Italy with 34.4 %, France with 36.3 %, Slovakia with 39.2 % and Croatia with 36.6 %. The employment rates of 55 to 64 year old women are in all selected countries lower in comparison to men of the same age group. However, in comparison to Germany and Spain, they are extremely low in Italy with 24 %, in Slovakia with 24.2 % and Croatia with 25.6 %. Considering the low employment rates of older workers, there is an urgent need for action to improve the employment situation of older workers. After all, age is still a big obstacle to employment in European labour markets.

#### 8.4.2 Implementing employability and possibilities for action to promote employment of older workers

Low labour force participation rates and high unemployment rates of older workers in many European countries prove that by far not all employable people who want to work find employment after a certain age. Older workers across Europe are not sufficiently included in the labour market. One reason for this is the prevalent focus on youth in the business culture in some European countries. Companies still rather employ younger workers who show a greater adaptability, are cheaper and have a longer career at the firm ahead of them. Consequently, companies are very hesitant towards including unemployed older workers in their recruiting efforts. In addition to that, there are still many prejudices at work in firms. These misconceptions especially include ideas about the productivity of older employees<sup>44</sup>. The employability concept offers action approaches against this background in order to elevate and secure the employment of older workers. To give older employees the possibility to actively participate in the labour market up until the statutory retirement age, member states can pursue active and preventive action approaches as well as reactive and curative measures. The active and preventive action approaches start with the older workers and try to prevent a loss of employment and try to boost their employability on the labour market. In contrast, reactive and curative approaches aim at re-integrating older unemployed people into the labour market. To promote and secure the employability and employment of older workers in businesses, the EU considers the following possibilities for action (cf. also CCOO de Catalunya 2010: 4 foll. and Galagas/DGB-district Baden-Wuerttemberg 2010: 2 foll.) for which companies and advocacy groups should realize together:

44 For more details regarding the capabilities of older workers from a psychological standpoint, see the contribution by Kurt H. Stapf in this volume.

- 1.) Creating age-appropriate (ergonomic) work places and working conditions which enable a healthy longer stay of employees in the work life;
- 2.) Creating or improving company-related health prevention programs to avoid or reduce physical and psychological stress;
- 3.) Promoting the mobility of older workers in companies so that they keep and improve their adaptability, knowledge and experience;
- 4.) Promoting mixed teams and working groups consisting of younger and older employees to guarantee and increase the transfer of knowledge between generations;
- 5.) Introducing job rotation models in companies so that personnel can be utilized with more flexibility in different work places than to date, or so that fulltime employment can be split into part time employment between an older and a younger employee, like in Italy (even though that possibility is rarely used);
- 6.) Introducing flexible working conditions that are adapted to the life course, like specific working time models, working time reduction, age-appropriate working hours and working rhythms, saving up working time, etc.;
- 7.) Taking a stronger consideration of older workers with regard to the introduction, usage and expansion of production and information technologies;
- 8.) Promoting continuous development of older workers' qualifications through lifelong learning<sup>45</sup> and need-based training programs that are provided regardless of age and qualify broadly, as well as
  - a.) Developing a comprehensive vocational training program as a vocational education and qualification offensive on the basis of a needs analysis in cooperation with the workforce, workplace representatives and corporate management;
  - b.) Establishing an annual training budget for every employee regulated by law, controlled by workplace representatives and financed through taxes. Examples of best practises can serve as a starting point, e.g. the French vocational training model or the German collective agreement on training for the metal and chemical industries. Thereby, businesses have bigger responsibilities in the area of further education, and adverse reactions – like Croatian employers' aversion to investing into the education and training of their workforce – can be overcome. (cf. European Commission 2009: 128);

45 Life Long Learning describes the entirety of all forms of learning (formal learning in an educational institution with certified degrees or qualifications, non-formal/non-certified learning and informal vocational, political and general learning) in all learning venues over the whole life cycle of an individual which facilitate an improvement of their knowledge, their skills and competences (cf. Gatzke, Nicolas 2007: 3 foll.).

- c.) Opposing companies' low or partially declining vocational training in some European member states like e.g. Germany, as well as opposing companies' high selectivity regarding certain groups of employees – older and low-qualified workers (cf. Kistler 2010: 25 foll.). This can be achieved, e.g. by pointing out older workers' willingness to participate in lifelong learning, their value as brokers of experience and education and recognizing their work experience.

The central starting point for implementing the outlined possibilities for action is the sensitising and raising awareness regarding the added value and importance of older workers in society and the work place. In the context of such a sensitising and awareness-raising campaign, the EU point out that:

- older workers are as productive as younger workers, if in a different way;
- there is the added value of intergenerational equipped personnel resources of companies as well as
- the increasing average age as a consequence of demographic change necessitates the improvement of personnel, employment and qualification policies.

To have a broad impact, the outlined possibilities of action for promoting and securing employability and the employment of older workers in enterprises should be implemented as a structural intervention. This intervention should be in the form of a trilateral dialogue which includes the political decision makers and both social partners. In addition to this trilateral social dialogue, the implementation of employability requires an active labour market policy benefitting older workers. In order to enable older workers to find a new job after leaving their company, new employment opportunities may have to be created by labour market policy. This is needed at least for as long as businesses do not fundamentally change their recruiting patterns with regards to age. The social sector seems well-suited for generating such employment opportunities. In Spain, for example, employment opportunities for older workers who would hardly be hired otherwise were created in the context of social assistance for elderly and disabled people by absorbing the care expenses for elderly and disabled persons with a certain level of dependence. Added to that, companies can be enlisted, where appropriate, to share in the social costs of layoffs. Their share should depend on the employability in the labour market of the employee to be dismissed. As the case may be, this could prevent companies from laying off less employable workers, because the costs would be too high.

## 8.5 *Summary and conclusion*

If the willingness of businesses increases to employ older workers in age-oriented workplaces with ‘good work’ and ‘good pay’, demographic change can be anticipated and actively shaped. Because in the future, older workers together with immigrants and women will be the most important personnel reserves for businesses in Europe.

As a concept and action approach, “employability” offers an individualistic focus on the employee as well as the occasion for companies to develop a qualitative, age-oriented work design. After all, employability is strongly linked to new competences and new employment opportunities. Employability is realized and substantiated as an active and preventive action approach through lifelong learning (LLL), active labour market policy and especially through the social dialogue. The adaptability of employees in the face of different working conditions plays an important role in the implementation of employability as a framing concept. This is accomplished by workers upgrading their competences and strengthening their skills and by businesses improving the quality of work. Equally important is the societal backing of transitions in employment embodied by adequate social security. As long as this social security is not realized, an adjustment or flexibility of employees to changing working conditions cannot be implemented. After all, social security and working flexibility are varyingly pronounced in the EU member states and these safety nets have mostly developed in opposite directions over the last years. In Germany, for example, a massive increase in precarious employment has developed with low wages in the form of temporary employment. A similar development can be observed in Spain where not only unemployment rose significantly in the course of the financial and economic crisis but precarious and illegal employment also increased dramatically.

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