The European Commission Mutual Learning Programme
for Public Employment Services

DG Employment, Social Affairs and Inclusion

COMPARATIVE PAPER

Peer Review: ‘PES and older workers’

Matthias Knuth

(June 2012)
This publication is commissioned by the European Community Programme for Employment and Social Solidarity (2007-2013).

This programme is implemented by the European Commission. It was established to financially support the implementation of the objectives of the European Union in the employment, social affairs and equal opportunities area, and thereby contribute to the achievement of the EU2020 goals in these fields.

The seven-year Programme targets all stakeholders who can help shape the development of appropriate and effective employment and social legislation and policies, across the EU-27, EFTA-EEA and EU candidate and pre-candidate countries.

For more information see:

http://ec.europa.eu/progress

*The information contained in this publication does not necessarily reflect the position or opinion of the European Commission*
1 INTRODUCTION.................................................................................................................................1

2 THE CHANGING POSITION OF OLDER WORKERS IN EUROPEAN LABOUR MARKETS.........................................................................................................................2

2.1 EU 27 aggregate ....................................................................................................................................3

2.2 Peer Review countries ..........................................................................................................................4

3 COMPARATIVE OVERVIEW OF COUNTRY PAPERS ...........................................................................7

3.1 Main challenges in relation to the labour market ..............................................................................8

3.2 Preventive PES services and measures for older workers .................................................................14

3.3 PES services and measures for unemployed older workers .............................................................24

3.4 Monitoring and evaluation ..................................................................................................................34

4 OVERALL CONCLUSIONS AND REFLECTIONS ON THE EFFECTIVE DELIVERY OF SERVICES AND MEASURES FOR OLDER WORKERS ..............................................38

4.1 Special services and measures for a special group of jobseekers? ....................................................38

4.2 Nationwide initiatives for better management of demographic change ........................................38

4.3 Changing the institutionalisation of the life-course ...........................................................................41

4.4 Operational implications for Public Employment Services .............................................................42

Author: Matthias Knuth, Institute for Work, Skills and Training (IAQ), University of Duisburg-Essen (Germany)
1 INTRODUCTION

The PES to PES Dialogue programme (www.ec.europa.eu/social/pes-to-pes) focuses on mutual learning between PES to support them in continuously increasing service delivery capacity and effectiveness. A Peer Review event in May 2012 focused on ‘PES and older workers’. Demographic ageing of European Societies not only makes older workers more numerous, but it also leads to a paradigm shift in employment policies from ‘early exit’ to ‘extending working careers’. Since the ‘job for life’ has largely disappeared (if it was not a myth, even in the past), extending working careers cannot be effectuated exclusively by longer retention of ageing workers. Even excluding age-discriminating dismissal practices, corporate restructuring, business cycle slumps and disruptions in people’s personal lives will always make some older workers lose or leave their jobs. Having been preferential candidates for early retirement in the past era, they are now supposed to find new employment even in later life. This poses a new challenge to PES. They are now much more than previously required to provide effective employment assistance (counselling, placement, and active labour market policy measures) to jobseekers close to pensionable age. Furthermore the question arises how the retention of ageing incumbent workers can be supported and incentivised and whether the PES, traditionally responsible for the unemployed and for jobseekers, can and should have a role in counselling and guiding employers and older employees towards age-sensitive human resource management. Learning from other organisations is a key method to gain insights into quick wins as well as the more fundamental changes required in the future.

In this paper, strategies and experiences of PES participating in the Peer Review are compared and synthesised. This comparison is guided by the following questions:

1. What awareness-raising measures are effective in combating negative perceptions and stereotypes and encouraging employers to recruit and retain older workers?

2. What role can preventative PES services and measures play in retaining older workers in the labour market?

3. What PES services and measures are effective in activating and placing unemployed older workers, particularly those with low or out-dated skills and qualifications?

Another question to be analysed is the extent to which specific services and measures are needed for older workers, i.e. individualised versus a target group approach.

The analysis is based on a limited inventory (gathered from 10 brief PES expert papers prepared for the Peer Review plus a longer Host Country Paper) of the strategies of the PES organisations and is intended to provide a general overview of approaches and lessons to be learnt. The picture is not complete for all PES for each issue. Therefore, the paper aims to identify trends and to give some concrete examples, rather than presenting a full and detailed analysis of developments.

In Chapter 2, changes in employment rates of older workers in the participating countries and in the EU as a whole are put in perspective, thus describing the playing field
in which the national PES operate. By using a standardised approach, this section replaces statistical information provided in varied forms in the individual country papers.

In Chapter 3, comparisons between the participating countries are presented by first looking at the main challenges for older workers in relation to the labour market as reported in the PES expert papers (3.1), then discussing preventive PES services and measures for retaining older workers in employment (3.2). The paper continues by presenting the services and measures PES provide to unemployed older workers, and it finally looks at the monitoring and evaluation tools in operation (3.4). The paper concludes with general reflections on role of the PES as societies attempt to cope with demographic change and the effective delivery of services and measures for older workers (Chapter 4).

2 THE CHANGING POSITION OF OLDER WORKERS IN EUROPEAN LABOUR MARKETS

In order to assess progress made towards the erstwhile European goal of a 50 per cent employment rate for workers aged 55 to 64, it seems reasonable to look at the younger age group simultaneously: if overall employment rates decline, i.e. as a result of the financial crisis, it is regrettable but not surprising, if employment rates of older workers should decline as well. Likewise, if employment rates grow overall, it is not such a great achievement that older workers should somehow participate in this development. The relevant question here is whether their relative position has improved (narrowing of the age gap in employment) or whether their share in overall employment gains is disproportionately low (widening of the age gap).

Therefore, the following diagrams all follow the same logic: the horizontal axis represents the employment rates of the age group 25 to 54 (‘middle age’), while the vertical axis represents the age group 55 to 64 (‘older’). Each point marked on the chart represents a combination of a middle age / older age employment rate for a given year.

The very youngest age group (15 to 24) was excluded because variations in their employment rates depends very much on national patterns of education, on the proportion of age cohorts entering tertiary education, and whether vocational training takes place in vocational schools or in the framework of an employment relationship (apprenticeship systems). Therefore, employment rates of the youngest age group cannot be easily compared and should not bias the overall picture. The exclusion of the youngest age group from the statistical analysis does not imply disregard for the severe problems young people face in many countries, even more so in the current crisis situation, but a preference for dealing with it separately.

---

1 This term was chosen in order to avoid the potentially age-discriminating notion of ‘prime age’. Admittedly, ‘middle’ age does not sound exactly appropriate for workers 25-54, but no better label was found for this broad age category.
2.1 EU 27 aggregate

Analysing EU-27 employment rates during the last decade, broken down by age group and gender, reveals interesting patterns. For men, the 10 combinations of employment rates for older and middle-age workers exhibit a question-mark shape: middle-age workers have first slightly lost during the first two years, but then gained by almost two percentage points until 2008. However, in the wake of the financial crisis, they have lost again, ending up, in 2010, in the lowest employment rate position of the whole period. Older male workers, by contrast, have continuously gained until 2008.

In 2001, the European Council adopted a 50 per cent target for the employment rates of the age group 55 to 64. This goal was not carried over as a headline target in the Europe 2020 strategy. Nevertheless, since the changes reviewed here occurred while this target was in place, it is still appropriate to use it as a benchmark. In the aggregate of EU 27 countries: men crossed this benchmark between 2003 and 2004, and they have seen their employment rate decline only very slightly since then.

Figure 1: EU 27 employment rates 2001 to 2010, by age group and gender

Looking at the same development for women, the first phenomenon that comes to attention is that employment gains in both age groups are continuous from 2001 to 2008. They are much greater than for men, the setback in the wake of the crisis is much smaller, and it does not affect older women at all.

Taken together, women, older workers in general and, in particular, older women (or women who have grown into the older age group during the period under consideration) are the winners of the decade; middle-aged male workers are the losers of the crisis. As a result, the gender employment gap has narrowed both for middle-
aged and for older workers. The age employment gap has narrowed for both sexes but, as a result of the setback for middle-aged men, more for men than for women. Nevertheless, whereas European older men, on the aggregate level, have transcended the erstwhile 50-per cent benchmark, women are still more than 10 percentage points off this mark.

The aggregate pattern for the EU 27 provides a frame of reference for categorising the countries taking part in the Peer Review.

2.2 Peer Review countries

The charts describing developments in the countries participating in the Peer Review follow the same basic outline as Figure 1, except that data points are now differentiated by country. However, in order to reduce visual complexity, these charts show only the paired values for 2001, 2008 (partial turning of the path as a result of the financial crisis), and 2010. Separate charts are provided for the sexes. In the interest of maximum graphical visibility, the scales of the axes had to be defined differently for men and women; this must be taken into consideration when inferring conclusions from the visual comparison of the charts. For the same reason, Malta has been left out of the chart for women since its values lie outside the scale presented here.²

Figure 2: Female employment rates 2001, 2008 and 2010, by age group and country

![Chart showing female employment rates 2001, 2008 and 2010 by age group and country](image)

Source: Eurostat, LFS

During the period covered, and following the EU 27 pattern, employment rates of women have improved in all participating countries, and this is true for older as well

² See Table 1 for Maltese data.
as middle-aged women. In some countries (Estonia, Lithuania), the crisis has caused severe setbacks, in others (Hungary, UK, Netherlands, France) only slight setbacks, and in some countries (Germany, Austria, Belgium, Poland) the crisis has not affected women at all. Only in Estonia and Lithuania, the crisis has reduced the employment rate of older women. Even with such setbacks, the employment rates of older women have increased in all participating countries. The progress made by older women is greatest in Germany, followed by Austria, Hungary, the Netherlands, Lithuania, and Belgium. As a result, and assessed over the whole decade, the female employment age gap has narrowed in most participating countries. The exceptions are Malta and Poland; in Poland, this mirrors the massive gains ‘middle-aged’ women have made.

Table 1: Employment rates 55 to 64, males and females, 2001 to 2010

<table>
<thead>
<tr>
<th>Country</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU 27</td>
<td>F</td>
<td>28.2</td>
<td>29.1</td>
<td>30.7</td>
<td>31.6</td>
<td>33.6</td>
<td>34.8</td>
<td>35.9</td>
<td>36.8</td>
<td>37.8</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>47.7</td>
<td>48.4</td>
<td>49.9</td>
<td>50.4</td>
<td>51.6</td>
<td>52.6</td>
<td>53.9</td>
<td>55.0</td>
<td>54.8</td>
</tr>
<tr>
<td>BE</td>
<td>F</td>
<td>15.5</td>
<td>17.5</td>
<td>18.7</td>
<td>21.1</td>
<td>22.1</td>
<td>23.2</td>
<td>26.0</td>
<td>26.3</td>
<td>27.7</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>35.1</td>
<td>36.0</td>
<td>37.7</td>
<td>39.1</td>
<td>41.7</td>
<td>40.9</td>
<td>42.9</td>
<td>42.8</td>
<td>42.9</td>
</tr>
<tr>
<td>DE</td>
<td>F</td>
<td>29.4</td>
<td>30.6</td>
<td>31.6</td>
<td>33.0</td>
<td>37.6</td>
<td>40.3</td>
<td>43.4</td>
<td>46.0</td>
<td>48.6</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>46.5</td>
<td>47.3</td>
<td>48.2</td>
<td>50.7</td>
<td>53.6</td>
<td>56.1</td>
<td>59.4</td>
<td>61.7</td>
<td>63.8</td>
</tr>
<tr>
<td>EE</td>
<td>F</td>
<td>42.1</td>
<td>46.5</td>
<td>47.3</td>
<td>49.4</td>
<td>53.7</td>
<td>59.2</td>
<td>60.5</td>
<td>60.3</td>
<td>61.2</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>56.7</td>
<td>58.4</td>
<td>58.9</td>
<td>56.4</td>
<td>59.3</td>
<td>57.5</td>
<td>59.4</td>
<td>61.7</td>
<td>63.8</td>
</tr>
<tr>
<td>FR</td>
<td>F</td>
<td>27.8</td>
<td>30.8</td>
<td>33.3</td>
<td>34.2</td>
<td>35.7</td>
<td>35.8</td>
<td>36.0</td>
<td>35.9</td>
<td>36.6</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>36.2</td>
<td>38.7</td>
<td>40.9</td>
<td>41.6</td>
<td>41.5</td>
<td>40.5</td>
<td>40.6</td>
<td>41.5</td>
<td>42.1</td>
</tr>
<tr>
<td>LT</td>
<td>F</td>
<td>31.1</td>
<td>34.1</td>
<td>36.7</td>
<td>39.3</td>
<td>41.7</td>
<td>45.1</td>
<td>47.9</td>
<td>47.8</td>
<td>48.3</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>49.2</td>
<td>51.5</td>
<td>55.3</td>
<td>57.6</td>
<td>59.1</td>
<td>55.7</td>
<td>60.8</td>
<td>60.2</td>
<td>56.0</td>
</tr>
<tr>
<td>HU</td>
<td>F</td>
<td>14.9</td>
<td>17.6</td>
<td>21.8</td>
<td>25.0</td>
<td>26.7</td>
<td>27.1</td>
<td>26.2</td>
<td>25.7</td>
<td>27.0</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>34.1</td>
<td>35.5</td>
<td>37.8</td>
<td>38.4</td>
<td>40.6</td>
<td>41.4</td>
<td>41.7</td>
<td>38.5</td>
<td>39.9</td>
</tr>
<tr>
<td>MT</td>
<td>F</td>
<td>10.2</td>
<td>10.9</td>
<td>13.0</td>
<td>11.5</td>
<td>12.4</td>
<td>10.8</td>
<td>11.6</td>
<td>12.4</td>
<td>11.0</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>50.4</td>
<td>50.8</td>
<td>53.8</td>
<td>53.4</td>
<td>50.8</td>
<td>49.4</td>
<td>45.9</td>
<td>46.5</td>
<td>45.0</td>
</tr>
<tr>
<td>NL</td>
<td>F</td>
<td>28.0</td>
<td>29.9</td>
<td>31.8</td>
<td>33.4</td>
<td>35.2</td>
<td>37.2</td>
<td>40.1</td>
<td>42.2</td>
<td>44.7</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>51.1</td>
<td>54.6</td>
<td>56.7</td>
<td>56.9</td>
<td>56.9</td>
<td>58.0</td>
<td>61.5</td>
<td>63.7</td>
<td>65.4</td>
</tr>
<tr>
<td>AT</td>
<td>F</td>
<td>18.4</td>
<td>19.3</td>
<td>20.8</td>
<td>19.3</td>
<td>22.9</td>
<td>26.3</td>
<td>28.0</td>
<td>30.8</td>
<td>31.7</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>40.1</td>
<td>39.6</td>
<td>40.4</td>
<td>38.9</td>
<td>41.3</td>
<td>45.3</td>
<td>49.8</td>
<td>51.8</td>
<td>51.0</td>
</tr>
<tr>
<td>PL</td>
<td>F</td>
<td>20.4</td>
<td>18.9</td>
<td>19.8</td>
<td>19.4</td>
<td>19.7</td>
<td>10.0</td>
<td>19.4</td>
<td>20.7</td>
<td>21.9</td>
</tr>
</tbody>
</table>
Between 2001 and 2010, and again following the EU 27 pattern, employment rates of older men have improved in almost all participating countries except in Estonia and Malta. The erstwhile 50-per cent benchmark has been transcended by Germany, the Netherlands, Lithuania, and Austria; the UK and Estonia have been above the threshold during the entire period; Malta has lost its erstwhile position slightly above the threshold; Poland, Hungary, Belgium and France have all made progress towards the threshold but stayed below. In terms of distance covered, improvements in Germany, the Netherlands, and Poland are the most impressive – in this order.

Figure 3 Male employment rates 2001, 2008 and 2010, by age group and country

As already seen for the EU 27, the development for middle-aged male workers is less favourable. Except in Poland, they have lost in all participating countries. In most cases, this is due to losses following the financial crisis. The exceptions are Austria and Malta, where middle-age male workers have already lost out in terms of employment rates between 2001 and 2008. As a result of these counter-movements, the age gap in male employment rates has been reduced in all participating countries.
Overall, the statistical picture for employed older workers is more favourable than the impression gained from participating PES’ descriptions of the ‘main challenges in relation to the labour market’ (see next chapter). A possible explanation for this discrepancy is that PES are mostly dealing with older workers as unemployed – often long-term unemployed – jobseekers and not with employed older workers. Much of the gains we see in the statistical descriptions may have been achieved through age cohorts with higher labour market participation advancing into the critical age group of 55 to 64 (women), and by staying longer in the job. Furthermore, as will be seen in the next chapter, avenues to early retirement have been closed or narrowed, in many countries, through changes in benefit and pension systems so that employers can rely less than previously on public ‘co-financing’ of early retirement schemes as an instrument for downsizing. The generally positive employment climate before the financial crisis of 2008 has certainly contributed to the observed paradigm shift in employment patterns of the elderly. The remarkable finding is here that the crisis has not led to a pattern reversal. For the PES, however, this means that they are not to a large extent dealing with ‘fresh’ older unemployed but largely with those whose attachment to the labour market has been weak for a long time.

3 COMPARATIVE OVERVIEW OF COUNTRY PAPERS

In this chapter, information given in the participating PES expert papers is clustered according to the sub-headings

- main challenges in relation to the labour market;
- preventive services and measures for older workers;
- services and measures for unemployed older workers;
- monitoring and evaluation (including views expressed in the peer papers on what works best).

Throughout this chapter, ‘Belgium’ always stands for the Brussels region and for the experience of ACTIRIS, which actually is the one participating of the three existing regional PES in Belgium. Nevertheless, much of the institutional information and some of the programmes mentioned refer to the national Belgian level.
### 3.1 Main challenges in relation to the labour market

<table>
<thead>
<tr>
<th>Country</th>
<th>General challenges</th>
<th>Institutional legacies</th>
<th>Current changes of general institutional environment</th>
<th>Age-specific unemployment benefit rules</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>Scepticism among PES staff about older workers’ employment prospects; low self-esteem among older jobseekers</td>
<td>‘Early exit culture’, public employers as negative examples, seniority wages</td>
<td>Recipients of disability pensions will be re-oriented towards work by the PES</td>
<td>Longer benefit duration; re-employment at lower wage does not lower future UE benefits</td>
</tr>
<tr>
<td>Belgium (ACT IRIS, Brussels region)</td>
<td>Specific demographic challenge in the Brussels region: young people more numerous in unemployment than older ones; therefore, awareness for older unemployed is only just developing</td>
<td>Institutionalised notion of ‘older’ workers is still 45; older workers often under-qualified or with qualifications not recognised in Belgium (immigrants)</td>
<td></td>
<td>Registration as job-seeker ends at 50</td>
</tr>
<tr>
<td>Estonia</td>
<td>Negative age stereotypes relevant for employers and individuals; health-related obstacles emerging</td>
<td>Tradition of lifetime jobs ⇒ low geographical or occupational mobility; high educational profiles even in generation 50+; however, 41 % of older unemployed are not proficient Estonian speakers; perception of being ‘old’ starts quite early; statutory retirement age 63 (going to rise gradually); various forms of early retirement still in place; full pension can be combined with unrestricted employment</td>
<td></td>
<td>Only ‘bridging’ arrangement if pension is no more than 180 days away</td>
</tr>
<tr>
<td>France</td>
<td>Very wide age gap in employment rates; employers’ reluctance to hire people 50+; re-orientation in later careers important; overcoming older workers’ scepticism</td>
<td>Seniority wage differentials of 20-30 %; lowered full pension retirement age since 1982; contribution ‘Delalande’ = penalty on dismissing older workers ⇒ preventing their hiring; exemption from job search for older workers</td>
<td>Gradual increase of contribution periods and age needed for full pension entitlement; phasing out contribution ‘Delalande’ and exemption from job search by 2012; allowing combination of work and pension</td>
<td>Up to 36 months for older workers (generally 24)</td>
</tr>
<tr>
<td>Country</td>
<td>General challenges</td>
<td>Institutional legacies</td>
<td>Current changes of general institutional environment</td>
<td>Age-specific unemployment benefit rules</td>
</tr>
<tr>
<td>---------</td>
<td>-------------------</td>
<td>-----------------------</td>
<td>---------------------------------------------------</td>
<td>----------------------------------------</td>
</tr>
<tr>
<td>Germany</td>
<td>Lower chances of taking up employment for 50+, employers’ reluctance to hire 50+; longer unemployment duration of 50+; low participation of older workers in CVET; PES outreach to SMEs difficult and more resource-intensive; overcoming age stereotypes</td>
<td>Seniority wage differentials in 1/3 of industrial enterprises; tradition of ‘labour shedding’ and early retirement; ‘early exit culture’: early pensions used to be available from 60 for the long-term unemployed + long benefit duration for older workers ⇒ ‘voluntary’ long-term unemployment as a pathway to early pension</td>
<td>Most pathways to early retirement now closed; actuarial deductions for taking remaining early retirement options; gradual raising of statutory retirement age from 65 to 67, 2012-2029; exemptions from job search benefit claimants 58+ abolished from 2008; plans for improving combination of partial pension with part-time work</td>
<td>Extended duration between 15 (50+) and 24 months (58+); standard duration 12 months</td>
</tr>
<tr>
<td>Hungary</td>
<td>Wide age gap in employment rates</td>
<td>Currently ‘older’ workers socialised under socialist system with low mobility; ‘older’ considered to start at 40-45; very little LLL participation; elements of ‘flexicurity’ largely lacking; low statutory retirement age (62); strong legal employment protection starting at a specific age</td>
<td>Restrictions of early retirement and disability pensions pushing customers to PES who would previously have been ‘out of the labour market’.</td>
<td>Pre-retirement allowance</td>
</tr>
<tr>
<td>Lithuania</td>
<td>Demographic change particularly rapid; however: ‘more attention was given to other groups of persons additionally supported in the labour market (e.g. youth)’; improving the image of the elderly; ‘society must be better acquainted with the benefits of elderly people’s inclusion in the labour market’</td>
<td>Statutory retirement age currently at 62.5 for men and 60 for women – to be raised gradually reaching 65 for both sexes in 2026</td>
<td></td>
<td>Not explicitly age-specific, but contribution records of more than 25 years entitle to longer benefit durations</td>
</tr>
<tr>
<td>Malta</td>
<td>Older unemployed workers generally experience a recognisable pattern of emotions when they lose their job from shock to denial, anger, resignation, apathy, a feeling of being good for nothing, etc.; aversion of older workers to training; re-orientation with regard to occupation or industry difficult; discouragement of older jobseekers</td>
<td>Higher rate of illiteracy amongst older workers: low educational level; lack of formal qualifications even in the presence of vast knowledge and experience</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>General challenges</td>
<td>Institutional legacies</td>
<td>Current changes of general institutional environment</td>
<td>Age-specific unemployment benefit rules</td>
<td></td>
</tr>
<tr>
<td>--------------------</td>
<td>------------------------</td>
<td>------------------------------------------------------</td>
<td>----------------------------------------</td>
<td></td>
</tr>
<tr>
<td>The Netherlands</td>
<td>Negative employer attitudes towards the productivity of older employees in Europe – only 8% of employers recruiting older workers; only 2% of all vacancies filled by 55+; vacancies only available for temporary contracts (99% for older workers)</td>
<td>Supplementary pension schemes geared towards facilitating early retirement</td>
<td>Step by step raising of the statutory pension age from now 65 to 66 (2020) and 67 (2025); possibility to accumulate additional pension benefits by working longer; use of supplementary pension schemes going to be re-routed towards supporting transitions and mobility over the life-course (‘Vitality package’)</td>
<td>No</td>
</tr>
<tr>
<td>Poland</td>
<td>Negative age stereotypes; low motivation of older workers to train or work; low mobility, low and outdated skills</td>
<td>Statutory employment protection four years before retirement</td>
<td>12 instead of 6 months UB entitlement for 50+</td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>Employers’ attitudes; job seekers not having been in the market for a long time</td>
<td>Consolidation of anti-discrimination legislation in 2010; abolishment of Default Retirement Age since October 2011; premiums on deferring take-up of retirement pensions; introducing ‘return-to-work’ orientation in sickness and disability benefits</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Situation of older workers in the labour market

Descriptions given by the participating PES regarding the situation of older workers in the labour market basically converge and can be summarised as follows:

- older workers are less likely to become unemployed, but also less likely to be hired;
- they remain unemployed longer, and if they exit unemployment, it is more often into sickness, retirement or inactivity than into employment;
- age stereotypes have negative effects both on employers’ willingness to hire older workers and on older workers’ self-confidence and motivation (though notions of the calendrical age at which a person is ‘old’ differ between countries);
- geographical and occupational mobility decreases with age;
- for historical reasons – in some countries, the educational expansion occurred after today’s older workers finished their education – as well as resulting from sorting processes in the labour market: unemployed older workers in many countries tend to be under-qualified;
- though skills composition among older unemployed individuals differs between countries, even higher qualifications can be outdated: higher formal qualifications help older workers less than younger workers;
- lifelong learning is a frequently stated necessity but not a reality in the participating countries.

Employers’ attitudes towards older workers

Some PES (Germany, Netherlands) refer to employer surveys indicating positive attitudes towards the productivity and reliability of older workers; at the same time, Dutch employers are considered to show extremely negative attitudes with regard to hiring older workers. It seems that professed positive attitudes towards older workers in general do not necessarily make hiring older workers more likely.

It can be presumed that managements’ positive assessments refer to older workers they already employ and that – due to demographic ageing also within firms – they may feel that they already employ enough of this age group. This pertains to larger and ‘older’ enterprises – opportunities to place older jobseekers are therefore primarily seen in SMEs by some PES (Germany).

Where age stereotypes are prevalent and employers and jobseekers are equally sceptical about older workers’ chances to find employment, it is not surprising to find the same kind of scepticism among the PES staff. This is explicitly mentioned in the Austrian report, but implicit scepticism can be read ‘between the lines’ in other reports as well.
Relevant institutional factors

Many reports mention institutional factors affecting older workers’ employment opportunities:

- Legal employment protection tied to a specific age creates perverse incentives for employers to dismiss workers before they reach this age, and it deters other employers from hiring them. Such regulations seem to be a legacy in former planned economies (Hungary, Poland).

- Several reports mention seniority wage differentials as obstacles of older workers’ re-employment. Where wages are tied to age, even for new hires, employers will refrain from hiring older applicants. Where, however, entering new employment would entail wage concessions in comparison to previous earnings, this may increase older jobseekers’ reluctance to take up a new job. This problem is addressed in several ways in some of the participating countries (see 2.4).

- Willingness to enter a new employment contract will decrease on both sides as statutory retirement age draws near. In several countries (France, Belgium, Estonia, Lithuania, Hungary), statutory pensionable age is still below 65, and expectations of restarting employment end equally early. Notions of being ‘old’ are likely to shift upwards as the statutory retirement age is raised, and gender employment gaps among the elderly will decrease as hitherto gender-differentiated age boundaries become harmonised.

As an example for progressing even further, the UK has recently abolished the Default Retirement Age which means that the automatic termination of a labour contract on reaching a certain age is now an illegal age-discriminatory practice. This must, of course, be assessed against the background of generally weak legal employment protection in the UK: employers will not be stuck with older employees indefinitely, but removing standardised age boundaries will help those who still can and want to work.³

- Several countries report endeavours to decouple the pensionable age from the retirement age by introducing incentives to work longer. Working beyond pensionable age may either increase the pension thus deferred (Netherlands, UK, Germany), or it can top up a pension already drawn (France, Lithuania, Germany), or combinations of a partial pension with part-time work can effectuate a gradual transition into retirement (Germany – in theory, but hardly used; currently proposed to be made more easily available and more attractive).

- Besides the minimum age of qualifying for a ‘standard’ old-age pension, ‘early’ pensions, functionally equivalent schemes and sidetracks into a disability

status have played important roles in most countries in cushioning structural change and managing transition. Phasing out these provisions – except for cases of proven and irreversible incapacity to work – may have more effect on average retirement behaviour than on raising the statutory pensionable age by two or three years.

- Given the unfavourable situation of older jobseekers in the labour market, many countries have extended maximum unemployment benefit durations according to age or contribution record, in some cases even combined with dispensation from job searching (which may reduce administrative unemployment counts if these are tied to search requirements). The implications of such dispensations for re-employment are obvious; *longer benefit durations are seen as ambivalent in most reports.*

It appears, then, that institutional and conceptual changes in the wider societal context have more impact on the employment of older workers than anything within the immediate reach of the PES. However, in the short and medium term, such institutional changes may put additional demands on the PES by defining individuals as jobseekers to be served who would previously have been ‘out of the labour market’.

This highlights the fact that ‘unemployment’ – even more so in the national administrative definitions – is an institutionally ascribed property\(^4\) which is particularly unsuitable for cross-country comparisons where the older age group is concerned. Even standardised unemployment rates based on the national labour force surveys will be sensitive to institutional definitions since people’s answers regarding their job search (an indispensable ingredient of the standard definition of unemployment) may depend on what institutions require them to do. Redefining workless people as jobseekers may actually increase unemployment counts, thus making it appear as a problem, that which is introduced as the beginning of a solution.

In comparison, employment is a more straightforward concept, and moves into employment can be taken as an indicator for the inclusiveness of labour markets. Therefore, employment rates, full-time equivalent employment rates, employment take-up rates and unemployment-to-employment transition rates – all of this relative to the comparable indicators for the medium age group – would be far more indicative for progress made with regard to the group under consideration, than for unemployment figures. This is the reason why Chapter 2 has focused on employment, not unemployment.

### 3.2 Preventive PES services and measures for older workers

<table>
<thead>
<tr>
<th></th>
<th>Awareness raising measures</th>
<th>Services for employers; strategies for encouraging employers to employ older workers</th>
<th>Measures for older workers in employment</th>
<th>Measures for older workers in situations of restructuring</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Austria</strong></td>
<td>Public: media campaign with measured positive impact; internal: argumentation guideline for staff’s discussion with employers and with older jobseekers</td>
<td>‘Flexibility counselling’ (little sought by employers); counselling on ‘productive workforce ageing’ (outsourced, but paid by PES for employers)</td>
<td>Subsidised on-the-job training (not only for older workers);</td>
<td></td>
</tr>
<tr>
<td><strong>Belgium (ACTIRIS, Brussels region)</strong></td>
<td>PES advises employers about drawing up a diversity plan, within which older workers may play a role.</td>
<td></td>
<td>Should not prioritise one age group over the other</td>
<td>Employer-funded outplacement for the 45+ (who are legally obliged to participate); setting up ACTIRIS-led employee groups; support in job transitions through specialised taskforce ‘T Brussels HR services’</td>
</tr>
<tr>
<td><strong>Estonia</strong></td>
<td>Proving the PES’s ability to provide them with the workforce needed and to prepare candidates according to employers’ needs</td>
<td></td>
<td></td>
<td>Rapid response team; expanded immediate services in cases of redundancy from 2012</td>
</tr>
<tr>
<td><strong>France</strong></td>
<td>‘HR clubs’ with large companies; age concern in HR management growing</td>
<td>Placement services, but no specific counselling for employers. Agreement with business fields and large companies that formalise commitments for the recruitment of older workers (amongst other targeted groups)</td>
<td></td>
<td>Well-developed framework for managing restructuring, but no measures specific to older workers</td>
</tr>
<tr>
<td>Country</td>
<td>Awareness raising measures</td>
<td>Services for employers; strategies for encouraging employers to employ older workers</td>
<td>Measures for older workers in employment</td>
<td>Measures for older workers in situations of restructuring</td>
</tr>
<tr>
<td>--------------</td>
<td>-------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------</td>
</tr>
<tr>
<td>Germany</td>
<td>Liaising with employers in job fairs; dealing with demographics in newsletters for employers</td>
<td>Counsellors specialised in servicing employers; 3 pilot models for counselling SMEs on further training and qualifications – standard model to be developed in 2012 and to be rolled out subsequently</td>
<td>Further training subsidy for low-skilled and 45+ employees in SMEs (with low take-up of only 5100 in 2011)</td>
<td>Transfer measures (standard provision, no specificity for older workers)</td>
</tr>
<tr>
<td>Hungary</td>
<td>PES staff attending HR club meetings; monthly newsletter covering age issues; liaising with senior citizens' umbrella organisation</td>
<td>Increased employer services as part of PES modernisation project; 50+ as sub-group to be advertised</td>
<td>‘Still the weakest point’</td>
<td>Rapid response at employers’ request; no special provisions for older workers</td>
</tr>
<tr>
<td>Lithuania</td>
<td>Cooperation agreement with the Association of the elderly</td>
<td>n/a</td>
<td>PES only works with the unemployed</td>
<td>‘Mobile labour exchange’ set up on the premises; nothing specific for older workers</td>
</tr>
<tr>
<td>Malta</td>
<td>Gender, race and age neutral adverts; TEES programme (see box); no HR counselling directly related to older workers</td>
<td>PES currently works mainly with jobseekers and their direct needs</td>
<td>Encouraging life-long learning amongst those in employment by encouraging employees to undergo training offered free of charge by the PES, by providing training grants for those in SMEs and through training subsidies for employers.</td>
<td>Re-skilling offered to workers threatened by job loss (apparently not specific to older workers)</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>About to develop as a result of the ‘Vitality Package’ proposed by the govt. (see below – this is not a specific action of the PES)</td>
<td>Only to develop in the future in the framework of the Talent 55 plus project</td>
<td>No role of the PES with regard to workers in employment;</td>
<td>Information by PES and private outplacement schemes (not specific for older workers)</td>
</tr>
<tr>
<td></td>
<td>Awareness raising measures</td>
<td>Services for employers; strategies for encouraging employers to employ older workers</td>
<td>Measures for older workers in employment</td>
<td>Measures for older workers in situations of restructuring</td>
</tr>
<tr>
<td>----------------</td>
<td>-------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------</td>
<td>----------------------------------------</td>
<td>----------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Poland</strong></td>
<td>National programme ‘Solidarity across generations’ will provide special training to PES staff; PR concerning anti-discrimination laws</td>
<td>General HR services (selection of candidates, career development), not age-specific</td>
<td>Amendment to the act on promotion of employment and labour market institutions offering support for the training of employees 45+: in practice crowded out by expenditure for the unemployed</td>
<td>Outplacement services regardless of age and tied to employers’ obligations</td>
</tr>
<tr>
<td><strong>UK</strong></td>
<td>Age positive initiative in partnership with business leaders: promoting the advantages of employing older workers; report on macro-economic effects of extending working lives</td>
<td>Employer-oriented sales teams</td>
<td>No personal services to people still employed (with the exception of imminent mass redundancies at large employers)</td>
<td></td>
</tr>
</tbody>
</table>
Employers as customers of the PES

Following institutional traditions of unemployment insurance and placement services, most PES see their principal responsibility as serving the unemployed and job-seekers that are still employed but looking for alternative opportunities. Contemporary proposals for expanding traditional unemployment insurance into a life-course oriented ‘employment and employability insurance’ have not yet had much repercussion on the ground. As one peer report put it: ‘The role of the PES is extremely minor in relation to the working population’ (NL), i.e. the population in employment.

In order to make their placement services more effective, many PES (ACTIRIS, Estonia, Poland, UK, Germany) have developed specialised services directly and actively dealing with employers in order to solicit more vacancy notifications, to improve the accuracy of vacancy descriptions and to provide employers with preselected candidates most likely to match their requirements. In this way, PES expect to increase their share in the job market and, in particular, ‘to create a connection between employers’ needs and older unemployed skills’ (ACTIRIS). For special advice given to employers in the context of restructuring please see the next page. In Hungary, developing such services is part of an ongoing PES modernisation project. In this way, PES endeavour to establish the PES as a competent service partner and to increase the use of the PES by employers as a channel for their HR recruitment. Older jobseekers may be marketed as part of the whole package offered; however, there are no such services specialised in a particular age group.

Employers’ obligations relevant to managing ageing workforces

Beyond legal employment protection and seniority wages (already dealt with in the preceding paragraph), few country reports mention any legal obligations of employers with regard to the maintenance and enhancement of their workers’ employability or with regard to anticipatory age management:

- In France, there is an individual right to training, supported by training funds to which employers are obliged to contribute. Furthermore, there is a slowly developing practice supported by the social partners to conduct career assess-

---


6 Though not connected with unemployment insurance or the PES, the Netherlands have recently started to convert their life-course savings schemes that used to be dedicated to financing early retirement into a scheme for supporting life-course transitions such as care tasks, education, starting a business, or supplementing reduced wages because of demotion or reduction of working-time.

ment interviews with workers who have reached the second half of their careers.

- In Germany, employers and employees are held mutually responsible for adapting skills to changing demands (‘employability’); however, there are no strings attached to this general clause.

**Counselling services for employers**

Against this background, only a few peer reports mention counselling services for employers not in their role as potential purchasers, but as users or even ‘stewards’ of labour (taking a sustainable approach to their health and employability):

- Through subcontractors, Austria offers ‘flexibility counselling’ to employers in the processes of restructuring (but it is rarely used) and counselling on productive workforce ageing;
- ACTIRIS sends diversity consultants to firms in order to help them further develop their diversity plan (which seems to be a legal obligation in Belgium);
- Responding to skills shortages particularly in SMEs, Germany has tested three pilot models for counselling SMEs on further training and qualifications – in 2012, a standard model will be developed and subsequently rolled out throughout the country. This counselling includes demographically sensitive HR policies, but is not – for good reason – focused solely on older workers.

**Restructuring: Services for employers and workers**

When it comes to the restructuring of enterprises and their operations and consequently to collective redundancies, many PES offer rapid response services in the form of giving information on site or setting up a temporary office on the company premises. Some countries (France, Belgium, Netherlands, Poland, Estonia, Germany and Austria, though not mentioned in the Austrian Peer Report) offer special support for re-orientation and re-employment after redundancy, though it is not age-specific. In addition to public support, Belgian employers are obliged to finance outplacement services for the 45+ made redundant, which is the only age-specific provision found in regards to restructuring.

**Reducing the skills-related and health-related risks of employing older workers**

Some countries directly address the issues commonly seen as risk factors in hiring older workers:

- In order to overcome employers’ apprehensions regarding older workers’ health risks, since 2011 Poland has shortened the duration of statutory sick pay from 33 to 14 days (presumably regardless of age), and the Netherlands
offer compensation to employers for the sickness absenteeism of older workers.\textsuperscript{8}

- Estonia reimburses 25% of training costs for the retraining of incumbent workers unable to continue in their current job due to health problems. This provision is not age-specific but addressing a risk that increases with age.

**SME targeting by PES**

With regard to an employer-oriented approach, the German Host Country Paper repeatedly highlights \textit{SMEs as their target group}. To some degree, this increasing SME orientation of the German PES may have been initiated by ESF rules and European State Aid Regulations. However, this orientation is also based on the realisation that – at least in Germany – it is mostly SMEs that create additional employment and that it is primarily the ‘younger’ (and thus, still smaller sized) enterprises whose workforce age structures still provide leeway for hiring older workers. By contrast, mature and larger enterprises tend to have compressed and meanwhile elevated age structures as a result of previous combinations of hiring freezes and early retirement; therefore, they are not likely to hire older workers in addition to the many they already employ.

<table>
<thead>
<tr>
<th>Qualification Counselling for Small and Medium-sized Enterprises (Germany)</th>
</tr>
</thead>
<tbody>
<tr>
<td>‘Against the backdrop of the increasing demand for skilled workers in small and medium-sized enterprises, the Federal Employment Agency tested three different models in pilot projects aimed at exploring whether and how qualification counselling can increase on-the-job training activities in small and medium-sized enterprises.</td>
</tr>
<tr>
<td>As part of the counselling process, small and medium-sized enterprises were made aware of the necessity of strategic foresight in their personnel development and motivated them to make better use of their employees' potential for systematic on-the-job training... As tools to raise the awareness, mainly age structure analyses and analyses of the existing qualification and up-skilling needs were used.’</td>
</tr>
</tbody>
</table>

A comparison shows that there is still a lot of scope for in-kind services to employers – in addition to or even partially replacing financial subsidies. Such services should not be age-specific, but should provide guidance and advice towards the sustainable and demographically sensitive management of human resources as a whole. Intensified contacts between the PES and employers resulting from such counselling services may increase employers’ propensity to also consider PES placement offers regarding older jobseekers.

\textsuperscript{8} No further information is provided in the Dutch paper on the exact conditions or on the institutional background of statutory sick pay normally to be borne by the employer.
Basically, three models (or degrees of intensity) can be found:

1. Placement services organised in a dual way, with a specialised service for employers in parallel to the services for jobseekers (Germany, UK; Hungary is in the process of developing such services);

2. Active outreach to employers with regular on-site visits and canvassing of employers for vacancies (Belgium, France, Hungary);

3. HR counselling for employers with a broader scope beyond recruitment, possibly specialised (Germany, Poland) or outsourced (Austria).

Obviously, special training needs for PES staff increase from model 1 to 3. Model 3, in particular, may require knowledge and skills needed nowhere else in the PES (except, perhaps, its own HR management), which can be a rationale for outsourcing such services.

**Awareness-raising strategies and measures**

Many countries report measures and strategies aiming at raising public and employers’ awareness of demographic ageing, foreseeable skills shortages, the strengths and virtues of older employees, and the necessity of managing human resources in foresighted and demographically sensitive ways. Such strategies have been developed at different levels and with varying scope:

- **Government action plans** are reported from the UK (‘Age Positive Initiative’), from Poland (‘Solidarity across generations – measure to increase the economic activity of people over 50’), the Netherlands (‘Vitality Package’). In Germany, several activities have been tied together under the label of the ‘50+ Initiative’ since 2005. In the UK, a scientific report has been launched highlighting the macroeconomically positive effects of extending working lives.

- **Campaigns or regular PR activities of the PES** include media campaigns and the use of newsletters for employers.

- Some countries report **networking of the PES with the business community**, such as attending HR club meetings (Hungary, France) and job fairs (Germany).

- Wherever **civil society organisations** exist that distinctly represent senior citizens, it seems important to win them as allies for ‘working longer’ strategies. Such liaison was reported from Hungary and Lithuania.

- Given the ubiquity of negative age stereotypes, scepticism may also be found among PES staff regarding the feasibility of increasing older workers’ participation. Therefore, internal awareness raising is of importance when PES are to embark on an age-inclusive strategy. The Austrian PES has provided its staff with an argumentation guideline for discussions with employers and older jobseekers.
**TEES programme (Malta)**
An ESF co-financed programme which focused specifically on promoting and facilitating the integration of older workers in the labour market. Although the programme did result in increasing recruitment of older workers, it also had a negative effect on the recruitment of younger workers resulting from the fact that employers started attributing the reverse traits to younger workers.

**Preventive services and measures for older workers**
In terms of *preventive services and measures*, one encounters the same limitations as already seen with regard to counselling for employers; most PES see a strong priority in their responsibilities with regard to the already unemployed or about to become unemployed.

Only a few peer reports mention any support to employed older workers with regard to maintaining their employability:

- Austria mentions wage subsidies tied to the further training of workers which are generally available but more generous where older workers are concerned.
- Germany runs a training subsidy programme for workers 45+ in SMEs (but also mentions the low take-up – despite comprehensive publication of the programme).
- Estonia should be mentioned again here for its subsidies for re-training incumbent workers who cannot continue in their current jobs for health-related reasons (programme not age-specific).
Many PES highlight the importance of partnerships for implementing their strategies towards older workers. Such partnerships include:

- Employer organisations (UK, Poland, Netherlands) and institutions for entrepreneurship support (Estonia);
- Municipalities and social assistance centres (Poland, Estonia, Netherlands – Germany in the framework of the joint jobcentres for the recipients means-tested unemployment benefits);
- Temporary work agencies (Netherlands, Austria); in Austria the strong cooperative relationship between the PES and the temporary work agencies makes it easier to remove prejudices against the employment of older unemployed people;
Vocational education institutes (Estonia).

Generally speaking, preventive measures that would ensure proper age management and employability support in a country’s employment system at large tend to be considered by PES as either outside their responsibility or difficult to implement. Difficulties may include organisation and professionalisation within the PES as well as proper access to companies which, in general, may not be interested. However, immediate skills shortages (Germany) or special legal obligations of employers with regard to older workers (Belgium, in cases of redundancy) may help to open up companies’ doors for PES counsellors.

What seems to be changing, however, is the order of priorities in serving job-seekers: where older jobseekers used to come last, they now come first in some countries. This can be seen in the next section.
### 3.3 PES services and measures for unemployed older workers

<table>
<thead>
<tr>
<th></th>
<th>Services for unemployed older workers</th>
<th>Measures for unemployed older workers</th>
<th>Individualised or target group approach?</th>
<th>Hiring, integration and retention subsidies or support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>No age specific services. Early intervention strategy for all jobseekers: enforcement of job search obligation from the first day, short contact intervals</td>
<td>Health-promoting measures</td>
<td>Monitoring by target groups, but individualised services, based on specific categories of labour market issues; no specialised counsellors</td>
<td>Wage subsidies</td>
</tr>
<tr>
<td>Belgium (ACTIRIS, Brussels region)</td>
<td>Compensation for taking up lower-paid jobs; workshops for active job searching. March 2012 call for projects oriented on the support of individuals aged 45+ and more long term unemployed people (2 years and more). Support will be personalised, intense and long term (up to one year).</td>
<td>No age-specific measures</td>
<td>Older workers are not a primary target group; they do have priority in some measures e.g., start-up assistance; no specialised counsellors</td>
<td>Reduction of wage cost for older workers (subsidy? contribution rebate?); hiring subsidies for 45+</td>
</tr>
<tr>
<td>Estonia</td>
<td>No age-specific measures</td>
<td>Individualised approach; two-tier customer segmentation; individual action plan; case managers designated to individual jobseekers; PES staff being trained in work-focused counselling; no counsellors specialised in specific groups</td>
<td>Wage subsidies widely used, but not specific for older jobseekers; training compensation (25 % of training costs) for the retraining of incumbent workers unable to continue in their current job due to health problems</td>
<td></td>
</tr>
<tr>
<td>Services for unemployed older workers</td>
<td>Measures for unemployed older workers</td>
<td>Individualised or target group approach?</td>
<td>Hiring, integration and retention subsidies or support</td>
<td></td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>---------------------------------------</td>
<td>----------------------------------------</td>
<td>---------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td><strong>France</strong></td>
<td>Coverage of pay differentials (compared to previous unemployment benefits)</td>
<td>Customised, individualised approach; no specialised counsellors; few measures aimed specifically at the older age group</td>
<td>‘Professionalisation contract’ for hiring 45+: workplace experience and training alternating; 120 hrs. ‘assessment in the workplace’ (not restricted to older workers); longer duration generally available for hiring subsidies (5 instead of 2 years)</td>
<td></td>
</tr>
<tr>
<td><strong>Germany</strong></td>
<td>A specific form of hiring subsidies and compensation for a pay differential after taking up lower-paid jobs recently abandoned</td>
<td>Target group approach would disregard heterogeneity and lead to stigmatisation; no specialised counselling for older workers; initial profiling of all new customers</td>
<td>Hiring subsidies widely used and proven as effective (with 50+ over-represented)</td>
<td></td>
</tr>
<tr>
<td><strong>Hungary</strong></td>
<td>Public works, ‘Social Renewal Operation Programmes’, Integrated Programme ‘50+’</td>
<td>Individualised, no counsellors or placement officers specialising in the older age group, no specific measures except wage subsidies are more generous</td>
<td>Social security contributions reduced for workers holding various types of ‘start cards’</td>
<td></td>
</tr>
<tr>
<td><strong>Lithuania</strong></td>
<td>Additional support available for various groups with difficulties in the labour market, 50+ being one of them. According to take-up figures public works are dominant in the 50+ age group, followed by subsidised placements.</td>
<td>Individual approach – no strategies for specific target groups; specialists for persons of retirement age will be introduced, but no specialists for 50+</td>
<td>Hiring subsidies generally available, no specific provision for older workers; according to monitoring data, this is also very effective for older workers</td>
<td></td>
</tr>
<tr>
<td>Country</td>
<td>Services for unemployed older workers</td>
<td>Measures for unemployed older workers</td>
<td>Individualised or target group approach?</td>
<td>Hiring, integration and retention subsidies or support</td>
</tr>
<tr>
<td>---------</td>
<td>-------------------------------------</td>
<td>----------------------------------------</td>
<td>------------------------------------------</td>
<td>------------------------------------------------</td>
</tr>
<tr>
<td>Malta</td>
<td>Personal action plan</td>
<td>Group sessions (motivation seminars); supported employment; work trial scheme (12 weeks), social economy employment</td>
<td>Split of services among youth and adults; no specialisation of counsellors for older jobseekers</td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>Face-to-face contacts with a job coach within 3 months after registration for the 55+ (to be introduced from 2012)</td>
<td>Organising 55+ networking activities (see below)</td>
<td>55+ networking meetings with specifically trained job coaches (ESF financed)</td>
<td>Specific wage subsidy for older workers, EUR 6 500 per year - max. duration 3 years; social insurance discount; payroll tax relief; compensation for sickness absenteeism (still a low take-up of all these measures by employers)</td>
</tr>
<tr>
<td>Poland</td>
<td>Individual Action Plan and job offer or ALMP measure within 180 days after registration for 50+ (among other groups)</td>
<td>Group of unemployed over 50+ is defined by the Act on the promotion of employment and labour market institutions as being in a difficult situation in the labour market, which gives them a wider access to the PES services. ‘Intervention works’ can last longer for 50+ (24 instead of 6 months)</td>
<td>No specific counsellors, individual action plan for older jobseekers, activation within 6 months (like some other groups)</td>
<td>Reduction of or even exemption from social security contributions, depending on age; shortened duration of statutory sick pay</td>
</tr>
<tr>
<td>Services for unemployed older workers</td>
<td>Measures for unemployed older workers</td>
<td>Individualised or target group approach?</td>
<td>Hiring, integration and retention subsidies or support</td>
<td></td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>--------------------------------------</td>
<td>----------------------------------------</td>
<td>-----------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>New Deal 50+, 2000-2009: effective to some degree, but not cost-effective in an overall fiscal perspective; Flexible New Deal from 2009, at first without an age-specific component, later with the possiblity for additional support for clients 50+ (not used much); Work Programme from 2011 without age specificity</td>
<td>Stereotyped target group approach clearly rejected; no counsellors specialised for older workers; individual profiling discarded on grounds of accuracy and costs; focus on self-help, frequent contacts for monitoring activity, and ‘self-sorting’: those remaining unemployed after longer periods are referred to private providers who are free to choose the individual approach they see best fits ('black box’)</td>
<td>‘If used at all they should be short term and extremely carefully targeted so as to prevent labour market distortion’</td>
<td></td>
</tr>
</tbody>
</table>
**Service specificities regarding unemployed older workers**

- In France, older jobseekers will have their initial interviews at the PES office during their first month of registration (as compared to the fourth month in general).

- In Poland, groups presupposed to have difficulties in the labour market (the 50+ among these) must be served with an Individual Action Plan within 180 days after registration.

- Similarly, the Netherlands are about to introduce face-to-face contacts with a job coach within three months after registration for the 55+ (this should be seen against the background of the highly developed self-service and online-contact culture in the Dutch jobcentres).

- Austria stresses enforcement of the job search obligation from the very first day of unemployment registration and short contact intervals, particularly for older jobseekers, as part of their early intervention strategy.

Taken together, the age specificity of services concerns their timing, their intensity, or reserving some services to particular groups – whereas the same services are made available or are compulsory for all jobseekers in other countries. In other words, with regard to the **content** of services, there is nothing age-specific contained in them.

**Subsidies for employers**

Subsidies for employers aimed at compensating the assumed lower productivity of certain groups disadvantaged in the labour market are almost universally used and regarded as effective in most Peer Reports, with the notable exception of the British PES whose statement is very cautious on this matter. Such support may take the form of hiring subsidies (part of the wage cost covered for a certain period after hiring) or of rebates on social security contributions (which, if tied to age rather than to hiring, can also serve the function of a retention subsidy). In some countries, such subsidies are tied to a specific age, or a general provision may be extended starting from a specific age (France, Belgium, Netherlands); in other countries, the respective measures are universally available depending on the degree of disadvantage (skills, health problems). This does not exclude more generous provision for and over-representation of older workers, but avoids the risk of a stigmatising age labelling. Germany has recently abolished its special category of hiring subsidies for older workers – they actually abolished it for the second time, after lawmakers had reintroduced it in the meantime.

**Measures for unemployed older workers**

Likewise, the measures specifically foreseen for unemployed older workers are actually very few in number when excluding the age-specific variations of wage cost sub-
sidies to employers, which were already dealt with in paragraph 3.2. Some countries explicitly state that they have no age-specific measures. There are even signs of age-specific approaches being on the retreat:

- The UK used to have the ‘New Deal 50+’, but the current Work Programme that replaced the New Deals from 2011 no longer has an age-specific stream.

- As already mentioned in paragraph 2.2, Germany has recently abolished age-specific wage subsidies as a distinct instrument because it was found that there was no need for it. The general framework for wage subsidies is flexible enough to adequately support older jobseekers. Evaluation has established such subsidies as among the most effective instruments – not only, but also for older workers.

- Wage supplements for older workers who left unemployment for jobs paying considerably less than the previous job were abandoned in Germany, whereas Belgium (Brussels region) still has such a provision, and in France a supplement is available to cover the difference between the salary of the new job and unemployment benefit.

Stock-taking of what remains in terms of age-specific services and measures yields the following examples:

- Health-promoting measures are mentioned in the Austrian Peer Report, and they also play a role in the German ‘Perspective 50plus’ programme (though not mentioned in the report).

- Some countries (Poland, Hungary, Lithuania) refer to various ‘public works’ programmes (fully subsidised jobs in the public interest) that are not specifically for older workers, but provide extended conditions for them and are widely used by them.

- ACTIRIS (Brussels region) has just issued a call for projects that could be similar to what used to be the UK’s ‘New Deal 50+’; clients will be referred to providers for various kinds of personalised and intensive services for up to one year.

- In the framework of the ‘Talent 55+’ project launched in 2010, the Dutch PES has adopted an approach that could be described as a ‘senior job club’:

29
In networking 55-plus, the participants form groups that come together to network, exchange information and gain experience in networking conversations. During these contacts, the participants offer each other tips and advice about the employment market, with special attention on presentation skills, compilation of CVs, practising job interviews and ‘elevator rides’\(^9\), looking for suitable job vacancies and starting their own companies.

These meetings are convened and facilitated by specialised work coaches, of which the Dutch PES currently has 22, but the numbers are going to be increased to 88.

Similar approaches are known to exist within the German ‘Perspective 50+’ programme, known among other names as, ‘employment factories’, and in France, where the PES organises weekly job clubs for older workers.

**Generally applicable measures with particular potential for older workers**

As of 2012, Lithuania has changed its system of vocational training for unemployed jobseekers. Training is now provided in the framework of a tripartite training and employment contract between an employer, an unemployed jobseeker and the PES, whereby the employer commits himself to employ a preselected person for at least 12 months, the worker commits himself to stay in the job for at least six months, and the PES pays 80% of the training costs for training dedicated to the specific needs of the worker with regard to the job for which he or she is hired. The employer has to bear 20% of the training cost.

Whereas this scheme is not age-specific, it does have characteristics that seem to make it particularly suitable for older workers. The older worker is not training ‘for into the blue’, but for a concrete job; the employer receives an indirect but sizeable subsidy and with solid strings attached; and the PES spends its funds with a guaranteed employment outcome for at least six months.

**Jobcentre Plus (UK)** offers bulk recruitment assistance to employers having to fill a number of vacancies simultaneously, on the condition that the employer must accept to see in person all the candidates Jobcentre Plus selects for them. Rather than selecting only the ‘very best’, Jobcentre Plus will send what they consider to be a fair mixture, including older candidates or candidates with less than optimal working records. By arranging for an employer to see the person before seeing their CV, older applicants are lifted over the first selection barrier.

---

\(^9\) Actually, the Dutch paper says ‘elevator pitch’ here, which was explained at the Peer Review meeting as learning to present oneself in the time an elevator needs for one ride.
This is a good example of a practice that works in favour of older jobseekers, but only on the condition of not applying an age-specific approach. It simply would not work if all the candidates were to be selected on the grounds of their age.

**Strategic, operational and organisational approach to older workers**

The question directed at the peer PES about their ‘main strategic approach in dealing with the issue of demographic change and unemployment among older workers’ – in conjunction with questions about ‘specific counsellors for older workers’ and ‘ALMP measures specifically targeted at unemployed older workers’ – gave rise to many and sometimes quite explicit comments:

- With the exception of specialised facilitators for the ‘networking 55+’ groups in the Netherlands, **PES counsellors specialised in serving the older age group of jobseekers are not in place in any of the PES**. Lithuania is planning to introduce specialised counsellors for persons of retirement age who, by definition, can be jobseekers, but cannot be unemployed or claiming benefits.

- Poland reports to be currently training some 1 200 frontline PES workers and 145 coaches as part of the project ‘Professionalisierung of labour market services including the specific needs of clients aged 45 years or more’, which is part of the government initiative ‘Solidarity Across Generations’. It appears that as a result of this, Poland will have specialised counsellors in the future.

- Apparently due to an atypical demographic situation in the Brussels region, ACTIRIS reports that older workers are not a primary target group for them in the first place. In Poland, older jobseekers as a group (like some other groups) are subject to special rules in that they are required to complete a Personal Action Plan and that some job offers or ALMP measures must be extended to them upon six months after registration. In other countries, such approaches are administered across the board and are not specific to older workers.

- The other peer countries unanimously state that their services as well as their allocation of ALMP measures follow a **customised, individualised approach** and not a standardised procedure according to ‘target groups’. The German report argues that a target group approach based on older age would disregard jobseekers’ heterogeneity and contribute to the kind of stigmatisation that the PES is struggling to overcome. The Estonian report comments that ‘Past experience has shown that strategies which focus on the individual needs for action are more effective in generating positive labour market outcomes (compared to developing strategies for specific target groups).’
In order to implement such an individualised approach, most PES use a method of profiling (which was the subject of another round of PES to PES Peer Reviews)\(^\text{10}\) or of broadly assessed customer segmentation.

The British report explicitly states an alternative philosophy: Profiling is rejected as lacking accuracy and cost-efficiency; instead, frequent contacts for monitoring self-help activities are expected to result in a sorting process in which customers facing serious barriers will surface. These individuals are then referred to private providers for individual treatment which the provider, paid by results, is free to choose (‘black box’ approach of ALMP commissioning).

In regards to the question about what they would most like to learn from others, about half of the responding PES gave high priority to services and measures specific to older workers. They hope to learn from examples they themselves cannot provide, but which the others equally fail to put forward.

The bottom line then appears to be that there is not much specific to the services and measures in use for re-employing unemployed older workers; what works with them will also work with other age categories. Some problems – e.g. health, skills obsolescence, discouragement – may be more common, in the older age group, but they are not confined to them. None of the reports offers anything like a golden key to the re-employment of the elderly. The greater obstacles older workers face in the labour market as well as political priorities may justify more generous conditions when applying certain measures to older workers, or they may justify the application of measures in larger quantities. However, this does not really make for an age-specific approach.

**Is age concern supplanting gender awareness?**

With the exception of the statistical and institutional descriptions, the gender dimension is not mentioned anywhere in the peer reports. It could be argued, however, that older workers were raised and socialised at a time when cultural norms and perceptions of gender roles were still different from today in many countries. In some countries, educational opportunities were still lower for women belonging to the 1950 and 1960 birth cohorts. As shown in Chapter 2, gender employment gaps are larger in the older age group than in the middle age group.

This is even more relevant for large parts of the immigrant populations in several of the countries participating in this review. Many female immigrants came as spouses and housewives, and they often had low educational levels, but now they are confronted with labour market and social protection regimes that are increasingly dominated by the European ‘adult worker model’. It appears strange that gender and mi-

gration are hardly present in this Peer Review (in the Belgian report, diversity issues seem to supersede age issues).
### 3.4 Monitoring and evaluation

<table>
<thead>
<tr>
<th>Monitoring and evaluation</th>
<th>Evaluation results / approaches and measures highlighted as successful</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Austria</strong></td>
<td></td>
</tr>
<tr>
<td>General: Social insurance data connected with PES operative process data make it possible to follow (un) employment and active measure trajectories; extensive external evaluations of the effectiveness of instruments</td>
<td>50+ specific: Hiring subsidies are effective; intensified frontline working with older jobseekers improves employment outcomes as well as staff attitudes towards older jobseekers; start-up auditing and counselling (evaluation results)</td>
</tr>
<tr>
<td><strong>Belgium (ACTIRIS, Brussels region)</strong></td>
<td></td>
</tr>
<tr>
<td>General: Currently only descriptive outcomes; control group based measurement of net effects is still to be developed; qualitative assessments through focus group meetings with the frontline professionals; internal consultation and gathering of ideas in the framework of drawing up the two-year strategic plan</td>
<td>50+ specific: Identification of a realistic professional project; reversing stereotypes, turning weaknesses into strengths</td>
</tr>
<tr>
<td><strong>Estonia</strong></td>
<td></td>
</tr>
<tr>
<td>General: Continuous monitoring on a number of indicators; no specific performance indicators with regard to older workers; evaluations of the impact of certain instruments by independent research organisations</td>
<td>Positive evaluation findings for labour market training (in general, but stronger effects for older workers (among other groups))</td>
</tr>
<tr>
<td><strong>France</strong></td>
<td></td>
</tr>
<tr>
<td>No assessment or report on concerted action 2006-2010; assessment of services and actions combat of LTU will only come in 2012 when there is a specific indicator related to the reduction of LTU for jobseekers over 50.</td>
<td></td>
</tr>
<tr>
<td><strong>Germany</strong></td>
<td></td>
</tr>
<tr>
<td>General: Descriptive gross outcome monitoring of instruments and measures (published); internal treatment effects monitoring; legally based research on effects by an associated but independent institute; evaluations commissioned to other institutes by the Ministry for Work; e.g., evaluation of ‘Perspective 50+’ programme still ongoing; web-based benchmarking of jobcentres; web-based labour market monitor: interactive networking platform</td>
<td>General, but also for 50+-: Hiring subsidies; ‘training on the job’ (internship while drawing benefits, 6 weeks maximum); Specific to 50+: job search coaching (evaluation results)</td>
</tr>
<tr>
<td><strong>Hungary</strong></td>
<td></td>
</tr>
<tr>
<td>MBO with defined 50+ targets; only gross outcomes available; poor monitoring of outsourced service providers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Monitoring and evaluation</td>
</tr>
<tr>
<td>----------------</td>
<td>------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Lithuania</td>
<td>General: Outcome monitoring and customer surveys (jobseekers and employers)</td>
</tr>
<tr>
<td>Malta</td>
<td>General – main indicators are:&lt;br&gt;The transfer to employment following training; retention in employment with the same or other employment following a subsidy scheme; transfer to employment with the same or other employers following a scheme (exposure scheme – non-subsidy). The evaluation is carried out ad hoc and therefore it is not easily accessible.</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>On-the-spot monitoring of 55+ networks through questionnaires</td>
</tr>
<tr>
<td>Poland</td>
<td>General: Gross outcomes and costs per outcome available</td>
</tr>
<tr>
<td>UK</td>
<td>General: Recurrent and extensive external evaluations</td>
</tr>
</tbody>
</table>
Monitoring and evaluation specific to the older target group

Only a few of the participating countries refer to monitoring systems or evaluation procedures specific to the older age group. The Hungarian PES has integrated ‘55plus targets’ in its MBO system; the French Pôle employ monitors the proportion of jobseekers aged 50 and over still on their lists 12 months after their registration (47 % in 2011, targeted to decrease to 41 % in 2014). The Dutch PES operates an on-the-spot monitoring system of the Dutch ‘55+ network’ meetings (questionnaires completed by participants). The lack of specific monitoring systems or targets in the other countries does not exclude, of course, that standard monitoring systems, where they exist, allow breaking down the results by age categories; neither does it exclude that complex action programmes addressing the older age group or demographic change in general are subjected to evaluation.

General monitoring and evaluation

In various depths, the Peer Reports about their monitoring and evaluation systems in general indicate that:

- Several reports explicitly state that the only data available are on gross outcomes and that control-group based approaches of measuring net outcomes are still to be implemented (Poland, Hungary, Brussels region).

- Some countries rely on repeated evaluations of programmes and instruments by external research institutes (UK, Estonia, Austria, and Germany); for other countries this is less clear. France announced that an assessment of services and actions to combat long-term unemployment is to be released in 2012.

- Austria and Germany highlight the importance of integrated databases from social insurance registers, unemployment registers and PES process data; such ‘data warehouses’ make it possible to follow individuals’ employment, unemployment, benefit and ALMP trajectories before as well as after the certain intervention to be evaluated. Thus they provide, in principle, information on people’s personal characteristics (as far as this is relevant to the labour market), on treatments and on long-term employment outcomes, and they allow the sampling of treatment and control groups and the assessment of both for representative surveys.

Assessment of approaches and measures for older workers in the light of evaluation, monitoring or practical experience

Some country reports mention evaluation results referring either to certain instruments with some importance for assisting older workers (but not specific to them) or to programmes specific for older workers; others highlight activities perceived as successful from practical experience, not based on evaluation:
• **Training measures** in combination with work practice or closely oriented towards potential employers’ needs were found effective in Estonia, Poland, and Germany.

• The already mentioned **networking groups** for 55+ individuals in the Netherlands improved job search outcomes fourfold. This corresponds to positive experiences with job **search coaching** in the context of the German ‘Perspective 50+’ programme. In a similar vein, Poland highlights **group counselling**.

• Based on robust evaluation, both Austria and Germany have found **hiring subsidies** successful – in general as well as for older workers.

• In the Austrian Peer Report it is observed that **intensified front-line working** with older employees not only improves jobseekers’ employment outcomes, but can also serve as a learning programme for frontline staff to overcome their scepticism with regard to the hitherto not really well-known older group of customers. A similar internal awareness effect can also be attributed to the German ‘Perspective 50+’ programme.

• The UK report underscores a philosophy that is applied to all age groups, but is particularly relevant for older jobseekers: continuous and strict job search nudging combined with positive, encouraging messages; avoiding negative stereotypes of ‘problems’ or ‘barriers’, focusing on the positive and dealing with people as individuals irrespective of their age.

In general it can be said that proper monitoring systems and independent evaluation of net outcomes of ALMPs are still in need of development in many countries. Since the knowledge of appropriate methods and techniques is universally available nowadays, the problem seems to be one of allocating resources and of administrations and governments not being prepared to have potential failures exposed.

Another problem is, of course, data availability. On the one hand, this concerns the proper management of administrative and process data in order to make it available for monitoring and evaluation. On the other hand, where pilot projects, model initiatives or compound programmes beyond PES routine operations are concerned, the information needed for evaluation is often not at all or only insufficiently captured in the standard administrative IT routines. **The ‘evaluation friendly’ design of political programmes is still an exception**; evaluation usually comes only as an afterthought when administrative routines have already been designed that preclude or hinder the identification of participating individuals, the determination of the exact treatment they received, or defining of adequate control groups.

No mention is explicitly made in any of the peer reports about **implementation research**. Quantitative assessments of a measure’s or programme’s net results quite often show no significant or even a significantly negative effect; however, opportunities for policy learning from such results are limited without knowledge of just why such a programme should have failed despite so many good intentions – and how
perhaps it could be improved. Providing this kind of knowledge should be the role of implementation research applying both quantitative and qualitative methods. Only through implementation research can we know how programmes work at the street level and how local PES manage to liaise with private providers, employers and other local actors to produce results – or why they fail to deliver on promises.

4 OVERALL CONCLUSIONS AND REFLECTIONS ON THE EFFECTIVE DELIVERY OF SERVICES AND MEASURES FOR OLDER WORKERS

4.1 Do special services and measures exist for a special group of jobseekers?

In the German ‘Perspective 50+’ programme it was found that ‘there is no need to develop new targeted ALMP measures for the participants, but the existing measures were combined following a common integration strategy, including not only ALMP but also measures for which the other regional partners were responsible (e.g. health promotion).’\(^\text{11}\) Basically, everything that can be done to assist jobseekers in finding jobs and supporting them while they are searching, is already known. Though not everything may be part of every country’s ALMP practice. There is nothing special that will ‘do the trick’ for older workers in particular, and it appears from the country reports that nothing has to be invented especially for them. Calendrical age is an ascriptive property, and it does not properly define a ‘cluster’ of positions in the labour market. In their employment-relevant characteristics, people differ more according to skills levels, occupation, gender, migrant backgrounds and regional idiosyncrasies, than according to age. Some employment-relevant problems may become more frequent with older age, but they are also present in younger age groups. This explains why the Peer Review identified only a few services, measures, organisational practices or routines specific to older workers. Where they exist, it is a matter of priorities; the same could be applied to other age groups if resources permit. Most participating PES seem to feel that creating a ‘separate gateway’ to services for older workers would not contribute to their further modernisation.

4.2 Nationwide initiatives for better management of demographic change

Nevertheless, in the majority of the participating countries, we do find some sort of national initiative, either launched by the Government or the PES themselves, addressing demographic change in the workplace and attempting to intensify and effec-
tuate PES services for older workers. France (see box overleaf), Hungary\textsuperscript{12}, and Malta\textsuperscript{13} have completed such programmes; Germany\textsuperscript{14}, the Netherlands\textsuperscript{15}, the UK\textsuperscript{16} and Poland\textsuperscript{17} are currently running them. The Lithuanian PES has recently entered a co-operation agreement with the National Association of the Elderly.

\begin{itemize}
\item 12 Central Programme for Promoting the Employability of Older Workers, 2005-2008: Partnerships with employers, training providers and civil society organisations; awareness-raising and improving job placement: 3 000 additional placements.
\item 13 TEES Programme (full name and dates of beginning and ending not available): mainly awareness-raising PR campaign.
\item 14 See footnote\textsuperscript{11}.
\item 15 'Vitality Package' since July 2011: Work bonus for 61+ employees to incentivise them to continue working; bonuses for employers hiring a 55+ worker.
\item 17 'Solidarity Across Generations': increasing incentives for employers to employ people over 50; fostering the improvement of qualifications, skills and effectiveness of work of older people (years of beginning and ending not available).
\end{itemize}
France: Concerted Action for the Employment of Older Workers, 2006-2010

‘In 2005, social partners launched an interprofessional national negotiation on the employment of older workers to promote their retention and return to work. This negotiation ended with an agreement on October 13, 2005 and was followed by the development of a national plan for concerted action for the employment of older workers during the period 2006-2010. ... five key objectives have been defined to support employability and secure career paths of older workers, and fight against the factors that exclude them from employment. The first objective was to change the socio-cultural representations, notably by increasing companies’ awareness of the management of ages, to the work access or retention of older workers. The second objective was to foster the work retention of older workers, including by generalising interviews of the second half of career and skills assessment and by developing new tools of vocational training for older workers (individual right to training ‘DIF’, Validation of Acquired Experience ‘VAE’ and professionalisation periods). This objective also included the development of the projected management agreements of jobs and skills, especially in small and medium companies. Finally, the plan emphasised the importance of limiting the use of early total terminations of activity, by bringing an end to agreements lowering the age of retirement without consultation. The third objective was to promote the return to employment for older workers, by rejecting age discrimination in recruitment and by progressively abolishing the contribution Delalande that taxed the redundancy of older workers and thus could impede their hiring. The fourth objective concerned the adjustment of the end of career, by developing the practice of a system of guardianship within the company, by promoting phased retirement, by strengthening the incentive characteristic of the premium and by expanding the possibilities of combining work with retirement for low wages. Finally, the national plan for concerted action made it a fifth objective to ensure a tripartite monitoring during these actions.,,

To date, there is no complete assessment or report of this action plan.’

The reason why such programmes and campaigns are needed is not because older workers are so unique or so difficult to help, but because they have been neglected for so long, at least as jobseekers. They were neglected in times of massive structural change, transition from planned economies and mass unemployment when their leaving the labour market was seen as desirable and their activation and re-employment not a goal. A good share of the problems encountered among the older unemployed of today are not problems of age as such, but of a specific institutional legacy of industrial societies in which these people were trained, plus the ‘scars’ they received in the course of their employment careers as victims of restructuring and privatisation. The problems they are confronted with in the labour markets are only partially related to the biological, psychological and cognitive changes inevitably as-
sociated with ageing. To a larger extent, these problems are related to the fact that no one helped these people who are now older jobseekers to keep up with the changes of the economy and society around them.

As another important factor, and despite ubiquitous rhetoric about the challenges of demographic change, attitudes, values and beliefs of labour market actors (including older jobseekers themselves as well as PES staff), corporate HR practices and labour-market relevant institutions (social protection, labour law) are still in the process of managing the paradigm shift from an ‘early exit’ culture to an ‘active ageing’ culture. Obviously, the countries represented in this Peer Review are currently in quite diverse stages of this paradigm shift, also reflecting different timings of economic restructuring – but the paradigm shift has begun everywhere, and nowhere is it complete.

It is therefore rational if governments or other central actors launch campaigns which at face value may be addressing older jobseekers with new offers and services, but which at the same time are addressing employers, PES staff, labour market intermediaries and society at large. These national programmes are learning programmes also for the PES themselves, not only and perhaps not primarily for older jobseekers. Increasing the employment of the older generation does not appear then, primarily, as a question of methods and techniques, but as a question of strategy, consensus-building and co-ordination. Some of the initiatives are about winning the support of the social partners or of advocacy organisations of the elderly just as much as they are directly addressing older jobseekers.

Since some of these initiatives are quite recent, evidence on their impact and effectiveness is still limited. Besides, effects of a societal nature in the wider sense are hard to measure and even more difficult to attribute exactly to the initiative in question, since there are so many activities and changes simultaneously.

4.3 Changing the institutionalisation of the life-course

What does make a difference in delivering employment assistance to older workers is not biological age, but the social structuring of life-courses and, namely, the institution of retirement. With an alternative status in sight, simply waiting to reach pensionable age can be a reasonable option for workless older people. The age of 50+ (or 55+, or, in the near future, of 60+ – but, in some participating countries, still 45+) is an age of status transition, and, contrary to the status transition at the beginning of people’s careers, this status transition eventually and inevitably leads away from employment rather than into it; this is the paradox that has to be solved in employment services for older people. Employment counselling for older jobseekers then is about managing the status transition into retirement through returning to work once again. In the placement process of a person near pensionable age, the worker and the potential employer are aware that this could well be the person’s last job in life, and both sides are weighing the odds whether this is good or bad for motivation, performance, wages costs, wellbeing at work and work-life balance. The current challenge lies in exploring the opportunities of taking up new employment even near retirement.
and in overcoming the reservations against it. In countries where statutory pension age is already regulated to rise, a further challenge lies in adapting employers', employees' and jobseekers' notions of what is 'old' and 'near retirement' to the changing institutional circumstances. Opportunities and arguments in support of hiring older workers (employers) and deciding to try employment once again (workers) can be found in the circumstance that, near pension age, many other tasks in life are mostly and largely completed such as: founding a family, raising and supporting children, establishing one's occupational status, building a house, earning the core of a pension claim, etc. This provides flexibility for working shorter or atypical hours, for assuming functions aside from established status hierarchies, career paths and command lines in a firm, and, finally, for terminating the employment contract without social hardship once pensionable age is reached.

However, as already mentioned, the very notion of pensionable age is currently changing. Not only do we see the raising of the statutory retirement age, but also combinations of pensions with earned income. This can either take the form of ‘post-retirement employment’ or of gradual pension take-up. As the demographic composition of populations is shifting, replacement levels of statutory pensions are coming under pressure, and the increasing volatility of financial markets reduces the dependability of asset-based private pension schemes. This will make the combination of retirement income and earned income a necessity for growing parts of populations and other parts will find it attractive even in the absence of poverty. European tax, benefit and employment systems still need to be reshaped to better incentivise such combinations. Beyond sheer necessity for making ends meet, the main incentive for near-retirement and post-retirement employment will be the possibility to still improve one’s income prospects for a later phase in life without earned income. Most countries’ social protection systems are not yet tailored for managing such gradual transitions from ‘full work’ to ‘full retirement’ in appropriate and financially attractive ways.

Whereas the larger part of these changes is beyond the responsibility and reach of Public Employment Services, these will have to change their outlook on the population in the way that there will no longer be a clear distinction between the ‘unemployed’ whom they are supposed to serve and ‘pensioners’ who are outside their responsibility. Increasingly, the term ‘pensioner’ will no longer designate a distinct status with regard to employment and social protection, but simply one component of people’s income. Lithuania’s ‘Senior Bank’ is an example of how PES can respond to this situation and extend their services to pensioners.

4.4 Operational implications for Public Employment Services

Staff information and training

In order to serve older jobseekers properly and effectively, PES staff must believe that finding work in older age is possible and that working until – or even beyond – pensionable age is desirable. Naturally, without having these issues explicitly addressed, PES staff will tend to share general societal attitudes and notions about age and work. Furthermore, regardless of the age group concerned, frontline staff always
spend more time with the difficult cases than with those customers that quickly move on to work. Therefore, without exposure to compensatory information and experience, both statistical and anecdotal, the labour market in general and particularly for older workers, will appear less promising than it actually is from the perspective of placement officers.

One possible element for orienting PES staff is mentioned in the Austrian report, according to which staff are provided with a ‘compilation of arguments’ in favour of hiring older workers and of taking up work in older age. By critically discussing such arguments in staff meetings or training sessions, staff will be enabled to support them in discussions with jobseekers and employers.

Problems of communication with older jobseekers could potentially arise for PES employees who are very young themselves. They may feel reluctant to give advice or to impose demands on customers perhaps slightly older than their parents, and, vice versa, these customers may find it hard to accept guidance by a ‘greenhorn’. Since most participating PES do not subscribe to specialised services for older jobseekers in which they could employ only ‘mature’ staff, young/old coincidence in staff/customer relationships cannot be avoided in principle. Therefore, in their initial training, PES staff should be prepared to manage such situations effectively. Such training could involve video-monitored role-playing including role switching – which is, of course, a useful exercise anyway, aside from dealing with a particular age group.

**Optimising placement strategies**

There is an apparent paradox in that older jobseekers reported about the many job applications they completed and that were rejected or never answered, whereas relevant proportions of HR departments report that they did not receive any applications of older workers. One of the problems of older jobseekers may be that they lack realistic search strategies; the firms that they know of and that they regard as ‘good employers’ may not be hiring older workers. It does not make sense to nudge older jobseekers into writing as many applications as possible without any targeted strategy behind this; the resulting failure will only increase their discouragement.

It appears logical that certain types of enterprises are more likely to hire older workers than others. The propensity of hiring older workers could be related to the type of work, the age group of customers primarily addressed (e.g. in clothes retailing), the overall workforce turnover and, last but not least, the existing age structure of the workforce. Depending on economic structure and HR practices, the likelihood of different types of employers to hire older workers may well differ between countries and regions, but it is obviously worthwhile to find out about the relevant patterns – through statistical analysis and through the sharing of experience among the placement staff.

---

In some cases, hiring an older worker has been made possible by designing a job for a specific person rather than finding an older applicant for a pre-defined job. Smaller enterprises without formalised job descriptions may be better prepared to do this than large companies. This, together with higher turnover and younger age structures of incumbent workforces, may be the reason why the German PES found SMEs easier to approach when it comes to seeking placement for older jobseekers.

**Vocational training for older workers**

Older workers, whether employed or unemployed, tend to be under-represented in vocational training. Traditionally, the extra investment for training did not appear worthwhile to the parties concerned – employers, Public Employment Services, and the workers themselves – against the limited time span before retirement during which newly acquired skills could be used. However, as retirement age is shifting upwards, the relevant time spans are actually expanding. Furthermore, there is a good case in point for training tailored to address discrepancies between the requirements of a specific job and the skills of a specific person. Such tailored training is less costly, and, with a job in sight, it is more motivating for the worker concerned. Such an approach is not age-specific by nature. However, usual concerns against job-specific training – like preferences to invest in a person’s long-term employability in the labour market at large, or avoiding a ‘hidden subsidy’ to an employer – should be less prominent where an older employee or jobseeker is concerned.

In the case of jobseekers or in conjunction with hiring, such tailored and targeted training can be organised (1) immediately before hiring (for which the potential employer should assume a binding commitment, conditional upon the successful completion of the training), or (2) during a transitional stage of internship or probationary employment, (3) immediately after hiring (as a sort of dedicated hiring subsidy to the employer). The country reports mention various examples. Everything seems acceptable in this respect, with the notable exception of unpaid work (‘working for the benefit’) over longer periods of time with training as a mere pretence. Obviously, the optimal design depends on national circumstances like benefit rules, statutory employment protection and the regulation of probationary periods.

**Counselling for employers**

In order to create a working environment that is both more age-friendly and better sustainable over extended working lives, working conditions and HR practices will have to change. Promoting such change through counselling for employers is an obvious approach. Whether such counselling should be provided directly by public authorities or by private consultants commissioned or reimbursed by public authorities cannot be decided in principle; nor is there a universally obvious priority for the PES to be the public authority in charge. It depends on national tradition and governance structures whether there are preferable alternatives such as regional governments, regional business development units or labour inspectorates. Likewise, it depends on
how closely a national PES is already working with employers whether it has good chances to become a partner well accepted by them in matters of HR management in general, beyond recruitment.

When a decision has been made in favour of the PES as the direct provider, then this has consequences for PES organisation and staff training. Employer counselling cannot be done on the side, along with traditional PES functions. Specialised units must be created which, in order to achieve critical mass and economies of scale, will probably not be allocated at the local but the regional level of PES organisation (of course, notions of ‘local’ and ‘regional’ depend on the size of a country and its administrative structure). The staff employed in such a specialised counselling unit should in part be recruited from outside the PES rank and file, from companies’ HR departments, personnel service providers and consultancy firms. In such a mixed structure with various backgrounds and experiences, much of the initial training could be done by training each other. From the beginning, monitoring and supervision should ensure that strategic approaches chosen are periodically reviewed based on valid evidence, and an eventual strategic re-orientation must again be accompanied by adequate training.