
SITUATION OF SENIORS IN LABOUR MARKET IN SELECTED COUNTRIES AND EU

Aging population and demographic changes are the major challenges which society will have to face in coming years. Terms as silver economy and lifelong learning should be incorporated into policies and initiatives of governments, employers and other relevant stakeholders. Age management as a tool, which is aiming at human resources development for all age groups within a company, should become an ingredient of principles implemented in each organization.

This extract is developed from the study carried out within the SILVER project. The full version of the study is available on project website: www.silver-skills.eu.

What is Silver Economy?

Policy-makers have worked on tackling the societal challenge of aging population in Europe for many years. Initially, there was a focus on maintaining public spending on health and care and pensions sustainable in the short and long term. This focus has since then been extended and increasingly the challenge of an aging population is being tackled more comprehensively.

The Silver Economy is part of general economy which is relevant to the needs and demands of older adults (population over 50 years old). It covers the whole range of economic activities related to production, consumption and trade of goods and services relevant for older people within public and private sector.

If ranked among sovereign nations, the European Silver Economy would currently be the third largest economy in the world, behind only the USA and China. And it will only continue to grow.

Official population projections suggest the Silver Economy will expand steadily over the next 10 years, across the EU. It has the potential to expand by approximately 5% per year up to 2025, to € 5.7 trillion. Also, the contribution of the European Silver Economy to GDP to reach € 6.4 trillion and 88 million jobs by 2025. This would be equivalent to 32% of EU GDP and 38% of Union's employment.

50+ on the labour market

Based on data from Labour Force Survey by Eurostat the employment in EU28 in 4th quarter 2018 was 225,171.7 thousand people in age group 15 – 64 years old. Out of this number almost 31 % of the workforce were in age group 50-64 years (69,491.5

thousand). And there is a prediction the rate of population over 50 years old will increase in the future.

When it comes to employment rate, compared with age group 25-49 years, where the employment rate is 80,8 %, the age group of 50-64 years is just 66,7%.

In 2018, nearly one fifth (19,7 %) of the EU population was aged 65 and more.

Across the EU Member States, the highest share of young people in the total population in 2018 was observed in Ireland (20.8 %), while the lowest shares were recorded in Italy (13.4 %) and in Germany (13.5 %). Regarding the share of persons aged 65 or older in the total population, Italy (22.6 %) and Greece (21.8 %) had the highest shares, while Ireland had the lowest share (13.8 %).

The share of people aged 80 years or more should more than double by 2100 to reach 14.6 % of the whole population.

Consistently low birth rates and higher life expectancy are transforming the shape of the EU-28's age pyramid; probably the most important change will be the marked transition towards a much older population structure, a development which is already apparent in several EU Member States.

As a result, the proportion of people of working age in the EU-28 is shrinking while the relative number of those retired is expanding. The share of older persons in the total population will increase significantly in the coming decades, as a greater proportion of the post-war baby-boom generation reaches retirement. This will, in turn, lead to an increased burden on those of working age to provide for the social expenditure required by the ageing population for a range of related services.

When considering the challenges older adults face, it is important to note that the 50+ population is not a homogenous group. Within this group, many individuals are still in employment, and will continue to be for several years, while others are already retired. For those who are retired, the ceasing of employment is often a major life event. While this event itself is similar, the effects can be very different, depending on an individual's condition and circumstances.

There are 6 major determinants developed by the World Health Organisation (WHO) which are used to introduce the challenges and opportunities for growing the EU Silver Economy:

Health and social services

In order to improve the quality and affordability of care, health and social services need to be integrated and better coordinated. The ratio of people in the EU that are aged 65 or above compared to people aged 15-64 is expected to increase from 28% in 2015 to 50% in 2060.

The number of people aged above 65 that will need (long-term) health care will increase substantially in the EU over the next few years and this puts direct pressure on the healthcare system. The social care sector is likewise put under pressure because with increasing age, people become more restricted in their movements and need additional support in daily tasks.

Behavioural determinants

Behavioural determinants such as healthy eating, physical activity, as well as the use of medication are key to an active and healthy lifestyle.

Life expectancy has increased substantially across the EU and, on average, life expectancy at birth is 78 years for men and close to 84 years for women. However, life expectancy at the age of 65 for men is 18 years and for women it is 22 years with 8.6 years of healthy life expected for both (Eurostat, 2014). This means that, on average, at age 65 older people can only expect to live less than half of the remaining years in good health. In other words, life expectancy has increased relatively fast, in contrast, healthy life years largely stagnated in Europe. The EU and global market for active and healthy ageing is therefore expected to be sizable and growing.

Personal determinants

Personal determinants of active ageing include biological and genetic features, that influence how a person ages, and psychological factors such as cognitive capacity.

There is a market for cognitive training games for older people that are designed to improve memory, and thereby indirectly may support the continued independent living of the older adult. There is also a market for personalised medicine and nutrition that help support active and healthy ageing. Moreover, the development of new integrated technology and/or wearable technology can be used to collect information about health and wellbeing and provide advice to further increase health and wellbeing.

Physical environment

Physical environment includes transport and housing. The mobility of the older adult is sometimes impaired, leading to isolation and deprivation. Much of existing transport services for older and disabled people are highly dependent on volunteers. As a result of the ageing population, these voluntary services will become ever more under pressure and there is a danger that older people, especially those living in more remote areas, will become increasingly isolated. Moreover, with increasing age, the characteristics a suitable home environment needs to fulfil can change drastically. Many homes at present are not built to adapt to such changes, nor include smart home solutions. This leads to many older people living in houses and flats which pose unnecessary hurdles for independent living in older age.

It will be possible to encourage mobility of older people by increasing the offer of the public transport system via the introduction of autonomous and/or driverless cars and public transport. The scheme may also contribute to enhance accessibility to employment, thereby allowing the older adult to contribute to the job market for a longer period of time. Adaptable and smart home solutions can help update and support independent living of older people better.

Social determinants

Determinants of Active Ageing related to the social environment include opportunities for education and training, and social participation.

Adult education and training can contribute to increase the employability of older people. This might mean that older adults are able to return to employment and become more productive for longer periods. Other benefits from education and training for older people are mental health benefits and increased socialisation and interaction with the community, leading to less social deprivation and associated health and welfare challenges.

The availability of activities (including tourism) specifically targeted to the interests and needs of older people can also have a positive impact on a person's well-being.

Economic determinants

Determinants of Active Ageing in relation to economic aspects are income, work and social protection.

Many older people are keen to work, although at a different rate, but often not able to do so in the current legal and physical environment. A significant proportion of 50+ age group end up leaving the workforce years before their official retirement age. At the same time, there is a shortage of highly-skilled workers in several sectors where older people could usefully contribute, after retirement age.

Average disposable income of the 51-65-year-old population is above average in most EU countries (e.g. in Italy the average disposable income of the 51-64-year-old is €23k whereas average disposable income is €20k) (OECD statistics, 2103). Average disposable income of the retirement age population is usually lower than the average disposable income of all age groups.

Increasing the number of older entrepreneurs offers opportunities to solve multiple issues facing people in the 50+ age group. Many of them will prefer to try their hand at launching their own business rather than attempting to find a place with a new employer. Given their management experience, professional networks and wider resources, these 'third-age entrepreneurs' have the ability to shake up markets and challenge incumbents to do better. Retaining these individuals fully within the labour market also creates wider societal impact.

Range of Silver Economy related policy initiatives and programmes

The Europe 2020 strategy calls for citizens in our ageing society to live actively and independently for longer and to continue contributing to the economy and to society. The Silver Economy also fits well with the new Commissions priorities regarding new jobs, growth, investments and strengthening of the industrial base.

Active Ageing Index (AAI)

Monitoring tool AAI is an outcome of the European Year for Active Ageing and Solidarity between Generations 2012; developed with the United Nations Economic Commission for Europe (UNECE). It is a composite index which focuses on the contribution older people make to society and hence on the sustainability of high welfare standards for older people in ageing societies. AAI uses data from sources such as Eurostat (Labour Force Survey, Statistics on Income and Living Conditions - EU-SILC) and the European Foundation (European Quality of Life Survey). The AAI has four dimensions, which are composed of 22 indicators:

- Employment (employment rate 55-59, 60-64, 65-69, 70-74);

- Participation in society (voluntary activities; care for children, grandchildren, older adults; political participation);
- Independent, healthy and secure living (physical exercise, access to health services, independent living, financial security (3 indicators), physical safety, lifelong learning);
- Capacity and enabling environment for active ageing (remaining life expectancy at age 55, share of healthy life expectancy at age 55, mental wellbeing, use of ICT, social connectedness, educational attainment).

EUNAAPA

European Network for Action on Ageing and Physical Activity is there to promote evidence based physical activity for the elderly.

<http://www.eunaapa.org/>

HASIC

Healthy Ageing Supported by Internet and the Community - empower older people in Europe to adopt healthy lifestyles (diet, physical activity, social participation).

<http://www.hasicproject.eu/en>

European Innovation Partnership on Active and Healthy Ageing

The European Innovation Partnership on Active and Healthy Ageing (EIP AHA) is one of the 5 European Innovation Partnerships of the EU 2020 strategy for sustainable growth and jobs. It brings together all relevant stakeholders to achieve (technological and systemic) innovation at European scale and to help create new jobs and growth for Industry in Active and Healthy Ageing, enhancing the competitiveness of European industry in this fast growing global market.

https://ec.europa.eu/eip/ageing/home_en

SHARE

Survey of health, ageing and retirement in Europe - multidisciplinary and cross-national panel database of micro data on health, socio-economic status and social and family networks of about 140 000 individuals aged 50 or older. SHARE covers 27 European countries and Israel.

<http://www.share-project.org/home0.html>

ECVET

ECVET for elderly care ECVET is an initiative designed to promote European cooperation within specific sectors of the economy to develop vocational skills from the perspective of labour market needs, so that more individuals are able to acquire marketable skills. The project ECVET for Elderly Care (EFEC) improves the comparability, transparency and mutual recognition of qualifications in the six partner countries and implements ECVET principles in the elderly care work. EFEC aims to develop a new education scheme for elderly care based on the needs of

working life, to ease the implementation of ECVET in the field of social and health care.

<http://www.ecvet-toolkit.eu/>

SWOT analysis of people 50+

Strengths	Weaknesses
<ul style="list-style-type: none"> ▪ Long-term work experience ▪ High degree of loyalty to the employer and minimal fluctuation. ▪ Less critical attitude ▪ Many private and professional contacts, links ▪ Psychological maturity and reliability ▪ Responsibility ▪ Priority to retain work rather than building a career ▪ Greater willingness to tolerate some restrictions on working conditions ▪ Generation 50+ excels in emotional balance and spiritual stability 	<ul style="list-style-type: none"> ▪ Health problems ▪ Low flexibility ▪ Lack of mobility (social and geographic) ▪ Fear of setting up a business ▪ Lack of computer skills an insufficient language knowledge ▪ Passivity caused by long unemployment ▪ Tendency to stereotype and choosing their own proven solutions ▪ The deterioration of perception, memory and concentration ▪ Difficulties learning new skills
Opportunities	Threats
<ul style="list-style-type: none"> ▪ People over 50 can offer the synergy of life and working experience, often they hold key competences and are experts ▪ Older people can increase self-confidence ▪ Older workers are more motivated to exceed expectations than their younger counterparts ▪ Teach and pass to younger generations, mainly when we are talking about working habits (mentors of young colleagues) 	<ul style="list-style-type: none"> ▪ Youth cult ▪ Preconceptions, discrimination because of age ▪ More frequent absences due to health reasons ▪ Stereotypes of employers like “Older workers do not “fit” in an energetic and fast-paced workplace – they cannot keep up and don’t want to work as hard as it is required” ▪ Ageing of population over Europe ▪ Retirement age extension