

Active Ageing
through Social Partnership
and Industrial Relations in Europe
Workshop summary

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Active ageing and social dialogue

In 2017, European Union (EU) social partners agreed a framework for promoting workplace active ageing and intergenerational solidarity. Across Europe, populations are ageing and many EU member states are raising pension ages, removing barriers to extended working life, or both. The concept of Active Ageing is not simply about staying in work longer. According to Zaidi et al (Zaidi et al., 2013), the focus of active ageing is to empower older people to live healthy and secure lives through access to lifelong learning, security and healthy working and living environments. Work *can* provide the building blocks for active ageing. Work which is meaningful, provides the opportunity to maintain social networks, is expansive in terms of skills used and acquired, enables good work-life balance and is sustainable as the worker's physical capabilities change has the potential to enhance the quality of life for older people within the context of longer working lives. Many older workers are not in work which can promote active ageing. They may be in jobs which are physically demanding, stressful and precarious. The challenge posed by Workplace Active Ageing therefore is to provide older workers the support, both on an individual and collective basis, to manage their careers and to facilitate transitions to work which is sustainable and valued. At the same time, managing workplace ageing necessitates the creation and maintenance of career pathways for younger workers so that they are in stable work as they themselves plan for extended working life.

In Europe, social partnership is the main vehicle for the securing stable and rewarding work through dialogue at the national, organisational and workplace levels. Until the turn of the millennium, managing age through social dialogue was often actioned through creating pathways for older workers out of work. The so-called 'Collusion toward Early Retirement' (Ebbinghaus, 2001) was pursued because- in the short term at least- it seemed to benefit everyone. Employers favoured the opportunity to shed older staff who often had redundant skills and perhaps declining physical capabilities. Unions saw early retirement as a way to protect pension entitlements while preventing employers from using contingent older workers in order to tamp down wages of younger ones (Macnicol & Blaikie, 1990). Older workers could retire and young workers were thought to benefit from older workers freeing up high paid and secure jobs.

Since 2000, European governments, employers and unions have recognised that while early retirement might relieve short-term pressures on organisations and labour markets, over the longterm, the costs of early retirement are growing pension burdens, skills and labour shortages, and poor management of older workers' knowledge and experience. Further, extended working life offers potential benefits for older workers by enabling them to maintain workplace friendships and connections, their own work identity and structure to the day, while young workers can gain from mentorship from older colleagues. Workplace active ageing *can* therefore benefit all of the stakeholders in work as long as there is both *dialogue* and *coordination* to better manage work across the life course.

About ASPIRE

Within the context of European level social partners offering advice to employers and unions on workplace active ageing and intergenerational solidarity, the European Commission Directorate for Employment, Social Affairs and Inclusion has sponsored a four-country study on the attitudes, perspectives and experiences of unions and employers in managing workplace ageing. The project team, made up of research teams in the UK, Poland, Italy and Spain, talked to managers and union



representatives in a total of twenty-six workshop discussions. The social partners with whom we spoke represented a range of industrial sectors (including construction, health and leisure, higher education, health services, finance, public services and manufacturing). We also spoke to social partners who are organised by regions who were responding to challenges within local economies. Most of the discussions were with workplace level union representatives and managers, which enabled the research team to hear about how changing perceptions of age are impacting workers whom they represent and manage as well as the organisational practices within which they work. Broadly, our aims were fourfold: 1) to learn their perspectives on work and age within the contexts of the workplaces in which they operate; 2) to find out what barriers and opportunities exist to social dialogue on active ageing; 3) to identify good practices of managing age which can be shared with social partners in other contexts; and 4) to develop tools to help workplace level social partners start a dialogue on workplace ageing.

The four countries in which we conducted the research represent a variety of industrial relations systems. On one side, the Spanish system provides social partners at the national level with a formal role in setting public policy through collective bargaining and implementation through national, regional and organisational levels. There is therefore a high level of vertical integration. On the other, the UK is a fragmented system with sector based collective bargaining limited to the public sector. British unions follow an agency model (Farnham, 2011) and are reluctant to rely on government regulations as a tool for furthering the interests of their constituencies (Hyman, 2003), focusing instead on identifying and removing barriers to work faced by excluded groups. Social dialogue primarily occurs therefore at the workplace level. In some UK industrial sectors such as social care, hospitality, and retail, coverage for collective bargaining is negligible and unions adopt a campaigning role aligning with social groups, government and like-minded employers to pressure employers to improve labour practices. Unlike Spain therefore, social dialogue in the UK is mostly devolved.

In between these two extremes are the two other countries in which the project was carried out. In Italy, sectoral based collective agreements are reached but only voluntarily accepted by employers. There is therefore a high level of horizontal coordination of employer practices but, unlike Spain, weak vertical coordination. In Poland, the main union Solidarnosc has close ties to the government and social dialogue primarily occurs at the national level. Therefore, in the four countries, social dialogue and pressures on employers focus on the national, regional, sectoral, organisational and workplace levels.

Public policies on ageing workplaces are also varied in the four countries. Early retirement routes exist in Spain and had existed in Italy up to 2006. The UK, with a very modest state pension, has not featured state funded early retirement routes since 1991, although employers (especially those in the public sector) frequently use early retirement as a way to manage job attrition. The UK is one of the EU member states to have gone farthest in transposing the Employment Equality (Age) Directive 2001 by not only prohibiting direct and indirect forms of age discrimination, but also, by 2010, abolishing mandatory retirement in most circumstances. In Spain, mandatory retirement is also prohibited in workplaces except the Civil Service, but few workers stay beyond normal pension age (despite state funded incentives for them to do so). In Italy, employees can extend their employment contracts by notifying their employers of their intention to delay drawing their pensions. Pension ages are 67 in Spain and Italy, 65 in the UK but rising to 66 in 2020. In Poland, government in 2017



lowered pension ages to 60 for women and 65 for men. Finally, the pension replacement rate for median earners is lowest in the UK (37.9%) and highest in Spain (73.9%) with Italy (71.2%) and Poland (48.8%) in between (OECD, 2017).

Attitudes to workplace ageing

Awareness of workplace active ageing and the European Social Partners' Declaration was mixed across the four countries. In Spain, social partners' awareness was particularly low and the issue of ageing demographics was perceived within the context of competing pressures like youth unemployment. Managers with whom we spoke still saw early retirement as the dominant model for managing age, arguing that in some circumstances, early retirement is less costly for employers than developing interventions to help older workers maintain employment. In the UK, social partners' awareness of active ageing was somewhat higher, although few participants were aware of the 2017 framework agreement. The prominence of ageing workforces as a labour market issue was to some extent because of outreach campaigns by government as well as stakeholders such as the TUC, ENEI and Business in the Community. Such campaigns emphasise the 'business case' to employers of recruiting and retaining older workers as well as fitting within the context of challenging discrimination faced by a range of protected groups. In Poland and Italy, dissemination of the Declaration was carried out by the respective national trade union movements Solidarnosc and CISL respectively with coordination within sectors.

Both union representatives and managers with whom we spoke recognise pressures from changing age demographics on workers to delay retirement. In the UK in particular, union representatives noted that many older workers are compelled to work longer due to the unaffordability of retirement. While it was recognised that some workers may want to delay retirement, others may have a need to retire early, for example if they have a health problem or caring responsibilities. Union representatives in Italy in particular framed active ageing as expanding choice of pathways in later life rather than facilitating longer working lives.

At the same time, some employers expressed an interest in recruiting and retaining older workers. Benefits for doing so included acquiring and retaining skills acquired through long careers. However, perceptions of age, shape management of both older workers (e.g. having outdated skills, being reluctant to learn, being too costly) and younger ones (e.g. being less dedicated to work or lazy) prevail in many workplaces.

Representation of age varied between both sectors and countries. In the UK, employers generally espoused positive views about older workers such as valuing older workers' experience and seeing them as an untapped source of skills. Employers in the other countries were more likely to problematise the issue of extending working life, emphasising the costs of supporting older workers in delaying retirement. Espoused positive views on age do not necessarily translate into more age inclusive workplaces. For example, union representatives in all four countries discussed implicit biases which older workers face when seeking career changes like a promotion or retraining to transition to a new line of work.

Barriers to active ageing

Several barriers to staying economically active were identified by workshop participants. First, declining physical capabilities was identified by both employers and union representatives as a

significant barrier to extended working lives. For example, union representative in the UK construction sector noted that the onset of back and knee problems in their early fifties force many building workers out of work well before retirement age. Employers in manufacturing in Italy also cited the degrading impact on workers' health. Both managers and union representatives recognised that interventions to mitigate the impact of physically demanding work on workers' health could help older workers avoid health related early exit from work, but both financial pressures and work intensification make such interventions difficult for employers to enact.

Second, a prevalent issue facing older workers in terms of careers and employability were skills deficits within the context of rising demands. Union representatives in ambulance services for example noted that older paramedics largely acquired skills on the job while younger equivalents are entering the occupation with formal qualifications and therefore had greater career development choices. The impact of new technology was also cited as impacting older workers' employability especially on those in declining industries. In several cases, it was argued that if workers are expected to delay retirement, many will need support in transitioning between occupations and sectors.

Third, union representatives identified cohorts of older workers who are in precarious work and therefore are not only at continual risk of being pushed out of employment but also lack support from employers, governments and others to maintain employability. In some sectors like construction and transport, casual and agency workers are common. Union representatives noted that older workers in precarious employment have little support either in terms of employability or a welfare safety net to rely on as they age.

Fourth, balancing the interests of older and younger workers was identified as a concern by social partners in all countries to varying degrees. Italian social partners talked about 'age cleavages' which could result from employment regulations, collective agreements and Human Resource Management (HRM) interventions which are perceived to favour older workers extending working life over creating pathways to sustainable work for young people. Although the risk of intergenerational conflict was recognised in all four countries, it unfolded differently between them. While in Spain and Italy, social partners emphasised the importance of ensuring that older workers do not crowd out younger ones seeking well-paid and secure jobs, in the UK and Poland, discussion centred on older workers with outdated skills or lacking formal qualifications being passed over by a younger generation with greater access to formal education.

Fifth, social partners in all four of the countries noted that organisations which are most in need of support in managing age are outside of collective bargaining structures. Small and medium sized enterprises (SMEs), for example, are most at risk of negative impact of demographic change like labour shortages or skills loss. However, not only are SMEs outside of collective bargaining structures, but they often lack in-house HRM expertise to adopt and maintain interventions to support ageing workplaces.

Finally, social partners generally thought there was a lack of dialogue on workplace ageing not only in terms of collective bargaining, but also in terms of individual discussions between older workers and their managers. This was particularly emphasised in the UK in which, of the four countries, employers have the most flexibility in hiring and firing staff. Older workers in most need of support from their employers to maintain their employability, are often the least likely to ask for it, because



they want to avoid raising their managers' awareness of skills deficits they may have or a health problem which needs addressing. Therefore, workplace active ageing interventions have the potential to be provided on a privileged basis if interventions are limited to those provided by individual requests.

Active ageing solutions through social partnership

Ageing demographics was recognised by most of the social partners with whom we spoke as a workplace issue for which social dialogue has the potential to develop constructive interventions even if there are few examples of where such discussions are occurring presently. Italian union representatives conceptualised the challenge of workplace active ageing as finding the right balance between productivity and sustainability. Productivity emphasises short term efficiencies which within some contexts may work against active ageing measures, for example where the costs of supporting older workers exceed the costs of early retirement. Sustainability measures promote long term measures to more efficiently use the resources within the organisation. In the case of older workers, sustainable goals include reducing turnover, improving staff morale, retaining skills and transferring knowledge from older to younger workers.

Identifying the 'business case' for sustainable HRM measures was considered challenging but can become evident when organisations face immediate pressures. For example, social partners in Volkswagen Poznan identified the ageing profile of their workforce in factories which was leading to increases in workplace injuries and long-term health related absences. In the UK National Health Service, rises to the occupational pension age led to social partners review work processes for the range of health care professions in the NHS. Managers and unions in HM Revenue and Customs (UK) were incentivised to collaborate by persistent problems of low work morale within groups of older staff which on investigation was found to have been affected by career progression plateaus and perceptions of implicit biases of managers against long serving staff. In the case of BAE Systems, fluctuations in labour demands led unions and employers to develop a phased retirement model in which older workers could be encouraged to delay retirement when manpower demand peaks.

Social partners with whom we spoke discussed existing social partnership measures and tools which could be adapted to meet the challenges of workplace active ageing rather than needing to develop new bespoke approaches to the issue. In Italy, social partners identified models which exist to manage health and injury as well as creating pathways into work for young workers. Bilateral funds for example have been used in manufacturing to supporting factory workers who are out of work due to an injury. Bilateral funds are funded by employers and government and jointly managed by employers and unions. They can be used to support adaptations to work stations, retraining and health and well-being initiatives as well as to support adaptations to address changing capabilities.

Intergenerational relay mechanisms are adaptations of the block early retirement models which have been prevalent across Europe. In Germany, for example, Altersteilzeitgesetz enabled employers in declining industries to retire older workers to two years early with state funding to top up pensions. Intergenerational relays could be used to enable older workers to reduce working hours as well as transition away from their main jobs. By staying economically active, the older worker can train and mentor the younger worker who eventually succeeds them.

UK social partners emphasised structures which facilitated social dialogue outside of traditional collective bargaining structures. For example, regional based local enterprise partnerships in two



regions (the North East and Humber regions) have assembled working groups made up of employers, unions and other stakeholders to develop regional based strategies for addressing active ageing issues such as economic inactivity and training needs. In the North East, for example, Northern TUC and the chamber of commerce collaborated for the Healthy Workplaces Award to promote active ageing with local SMEs.

Adaptations in workplaces in the UK emphasised dialogue and interventions at the individual level rather than collective level. Mid-life career reviews are adaptations of career advice services for young people but adapted to support people around the age of fifty in planning their careers to retirement. The pilot was developed and implemented through a partnership between career advisory services, third sector advocacy groups and the Trades Union Congress. The right to request flexible working similarly gives individual workers space to discuss changes to working hours and unions are providing support in having a conversation.



Training and dissemination needs

In the final stage of the project, the project team has developed an online training tool to support older workers in promoting active ageing. The module is aimed at workplace level social partners rather than those at the national or sectoral level. The aim of the project team in developing the online tool was to facilitate social partners in starting a conversation on active ageing which can lead to new approaches to work and age which can be developed, piloted and embedded. Based on feedback from workshop participants, we have structured the tool accordingly:

- 1) Workshops participants thought that social partners need an explanation of workplace active ageing and intergenerational solidarity. This was particularly the case in Spain where participants had only a vague awareness of the concept. However, once it was explained, the benefits to society, organisations and individuals became apparent.
- 2) It was thought that social partners could benefit from explanations of the benefits of active ageing and of business case reasons for organisations to introduce age positive HRM policies. This was thought to be particularly important in order to promote sustainable HRM strategies which may have short-term costs but long-term benefits.
- 3) It was noted that social partners could benefit from information on the building blocks of workplace active ageing. Interventions like flexible working, lifelong learning, healthy workplaces and phased retirement could play a part, and were cited as measures needing explanation so that workplace social partners could both understand them and develop future activity.
- 4) Practical examples of good practice could help spark ideas of social partners in adapting approaches in their own workplaces. Participants emphasised the need for practical interventions which workplace level partners could use to develop manageable changes rather than large but overwhelming programmes.
- 5) Multimedia features like video clips were thought to be helpful to engage in understanding active ageing and translating it into adaptations in their own workplaces.
- 6) As Active Ageing is a relatively novel concept, it was thought that social partners could benefit from learning from one another's experiences in developing, piloting and embedding new approaches to managing workplace ageing. Consequently, giving users of the online tool, opportunities to share good practice, exchange ideas and advise one another were thought to be cornerstones for ensuring that training and support was lateral and expansive rather than top-down.

Workplace Active Ageing is a concept which requires social partners to reorient their approaches to managing work across the life course. However, as demonstrated by the social partners with whom we spoke, engaging with older and younger workers about careers, developing interventions and embedding new cultures of sustainable age management can be carried out using tools and approaches to career management which already exist.

Conclusion

Because populations are ageing across Europe, there is a general recognition that active ageing is a long-term issue facing economies, communities and workplaces. However, addressing long term workforce challenges like changing age demographics can often be deprioritised when businesses



are faced with immediate problems. Developing new approaches to workplace ageing can also seem overwhelming as social partners face deep rooted and contested issues in the labour market such as how to strike an intergenerationally fair approach to employment. Further, while early retirement is for the most part recognised by social partners as being unsustainable within a context of people living longer and healthier lives, it remains a tool which employers use to manage both changes in labour demands and a way to shed older employees with changing capabilities.

However, within the context of older workers wanting or needing to work longer, new approaches to managing workplace ageing are being developed and social dialogue has often been central to developing HRM policies which are both practical for organisations and feasible for older workers. Not only is social dialogue producing bespoke age management through traditional collective bargaining, but also facilitating collaborations to meet challenges outside of unionised workplaces. Although issues of the sustainability of pension systems and the right to retire are highly contested, the social partners with whom we spoke were able to identify a range of areas where they could work together to develop ways to manage age in ways that can benefit both workers and employing organisations. By shifting the focus of workplace action from simply extending working life to developing sustainable approaches to managing age, new and innovative age management strategies can be developed through social dialogue.

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