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Europe needs to make better use of its older workers, says Commission

In a policy document released today, the European Commission examines how the European Union can make better use of the potential of its older workers. The concept of active ageing is a key component of achieving the European Union's stated goal of more and better jobs by 2010. Targets have been agreed to increase the employment of older workers on the labour market, but progress has been slow. The Commission highlights early retirement schemes as a particular cause for concern.

"Europe's older workers have much to offer, and we need to ensure that they are given the maximum support to remain in the labour market," said Margot Wallstrom, acting Commissioner for Employment and Social Affairs. "Governments and social partners have their roles to play in ensuring that we maximise the potential of all our workers. The practice of using early retirement to restructure businesses must come to an end."

Increased participation of older workers is important if the EU is to create the estimated 15 million jobs needed to fulfil the target agreed at Lisbon of a 70% employment rate by 2010. It is also fundamental to the future sustainability of our economies, in the face of expected reductions in the working age population.

Active ageing was identified in the Commission's Spring Report as one of the three priority areas on which the European Union needs to focus its activities if it is to meet the Lisbon target. Increased life expectancy means that people have greater opportunities to fulfil their potential over a longer life-span. However, their employment will be a key factor in maintaining living standards.

The Stockholm and Barcelona summits in 2001 and 2002 adopted targets on the employment rate for people in the 55-64 age group (50% by 2010) and raising the average exit age from the labour market by 5 years by 2010. However, progress towards these targets has been disappointing: the current employment rate for older workers is 40.1% and the exit age went up by less than half a year between 2001 and 2002.

The main issues for the employment of older workers are:

- Early retirement schemes are a short-term answer to economic downturn and corporate restructuring. They entail a permanent loss of human capital and growth potential, as withdrawal is difficult to reverse when economic conditions improve.
- There is no evidence to suggest that older workers cannot make a full contribution to employment growth in expanding sectors – in fact, employment growth for older workers superseded that for prime age workers in most service sectors between 1998 and 2002.

Key conditions for fostering the employment of older workers are:

- Appropriate financial incentives
- Continuing access to training
- Good health and safety conditions at work
- Flexible forms of work organisation
- Effective labour market policies
- Improved quality in work.

Government policies can provide a framework within which active ageing policies can be designed and carried out, but the social partners – workers' and employer's representatives – have a particularly important role when considering aspects such as bringing pay into line with productivity and performance, work organisation and health and safety at work, lifelong learning, bringing an end to early retirement and age management schemes.