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# **THE TIMES OF OUR LIVES: ACTIVE AGEING AND THE REDISTRIBUTION OF WORK IN EUROPE**

## **INTRODUCTION**

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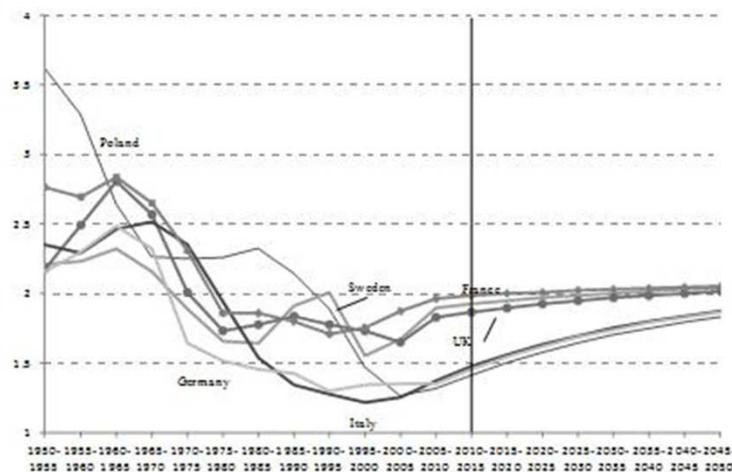
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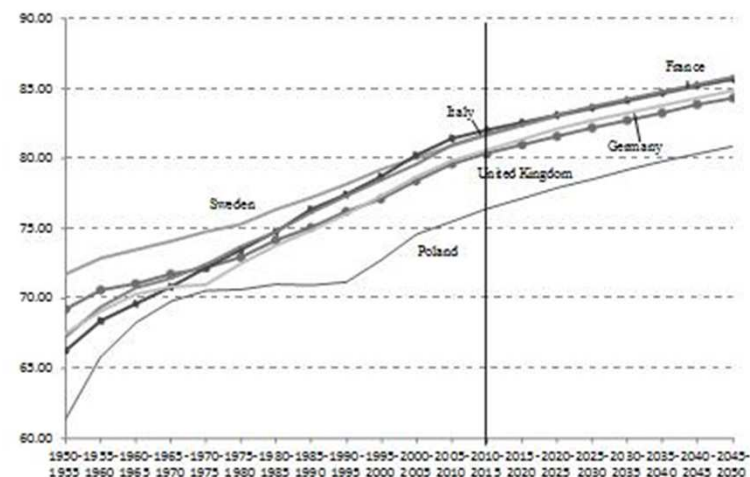
The European Union faces significant population ageing. Ongoing demographic changes due to low fertility rates, the constant increase in life expectancy and the approaching retirement age of the baby-boom cohorts are expected to dramatically affect the European population's size and age-structure (VC2009/1921)

Real and projected total fertility rate (**TFR**) and life expectancy at birth ( **$e_0$** ), for some selected European Countries, **from 1970-75 to 2045-2050**

TFR



$e_0$



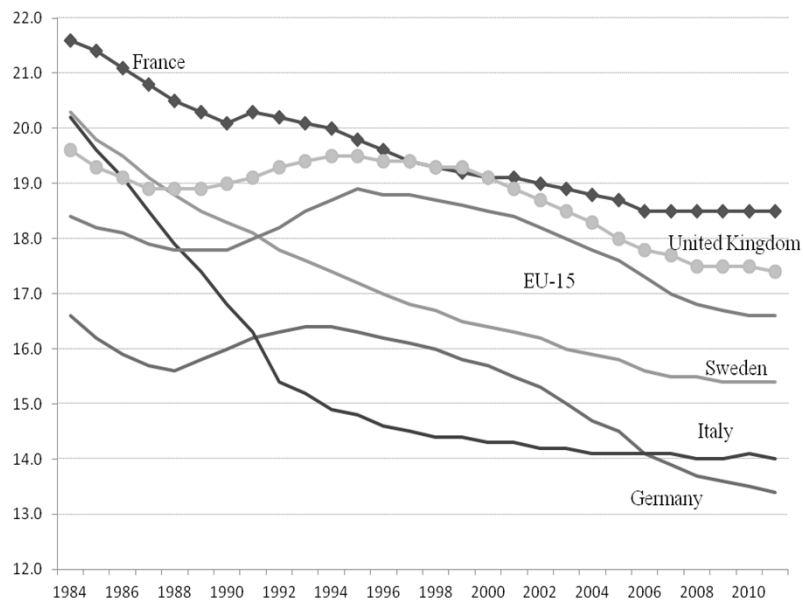
Source: Caselli and Deriu elaborations on Eurostat data - Database on-line 2012

Population aged 65 years and over : Years 1985 and 2010 **EU27**

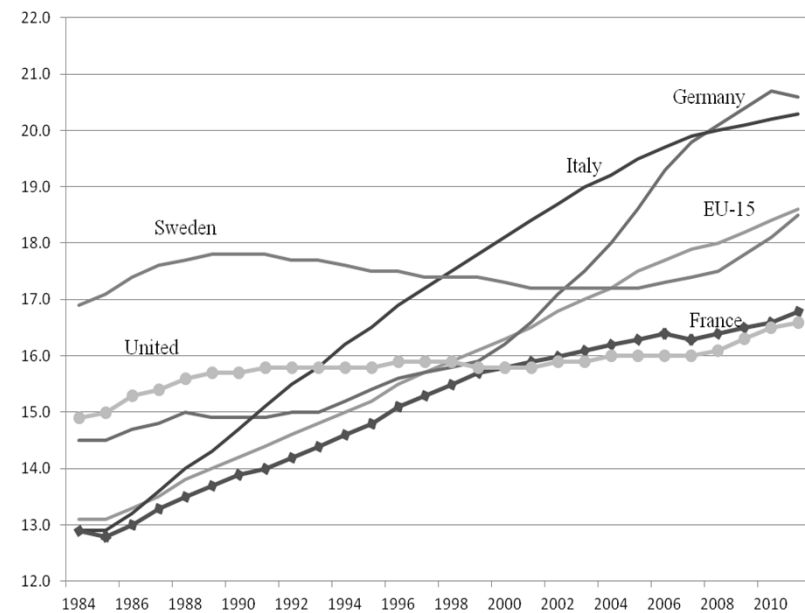
Date	Total population 65+(in milion)	Percent of 65+ on total
1.1.1985	59,3	12.8
1.1.2010	87,0	17.4
<b>Differences 2010-1985</b>	<b>27,7</b>	<b>4.6</b>

Proportion (%) of population aged 0-14 years and 65 years and over by EU-15 and some selected countries. 1984-2011

0-14 years



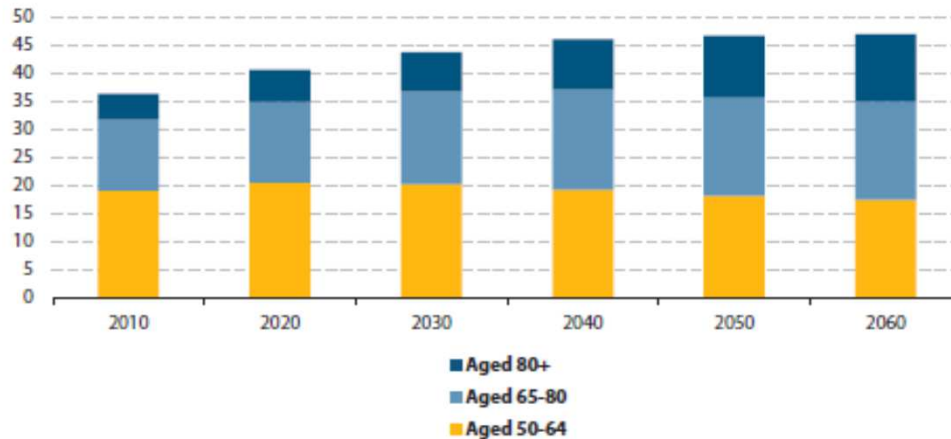
65+ years



Source: Caselli and Deriu elaborations on Eurostat data - Database on-line 2012

In EU27 countries during the next half century the absolute number and the relative importance of the population of older persons will continue to grow, particularly the female population

**Figure 1.10:** Projected structure of the population by age group, EU-27, 1 January (!)  
(% share of total population)



(!) 2010, estimates.

Source: Eurostat (online data code: [proj\\_10c2150p](#))

**Figure 1.2:** Proportion of women among the population, various age groups, EU-27

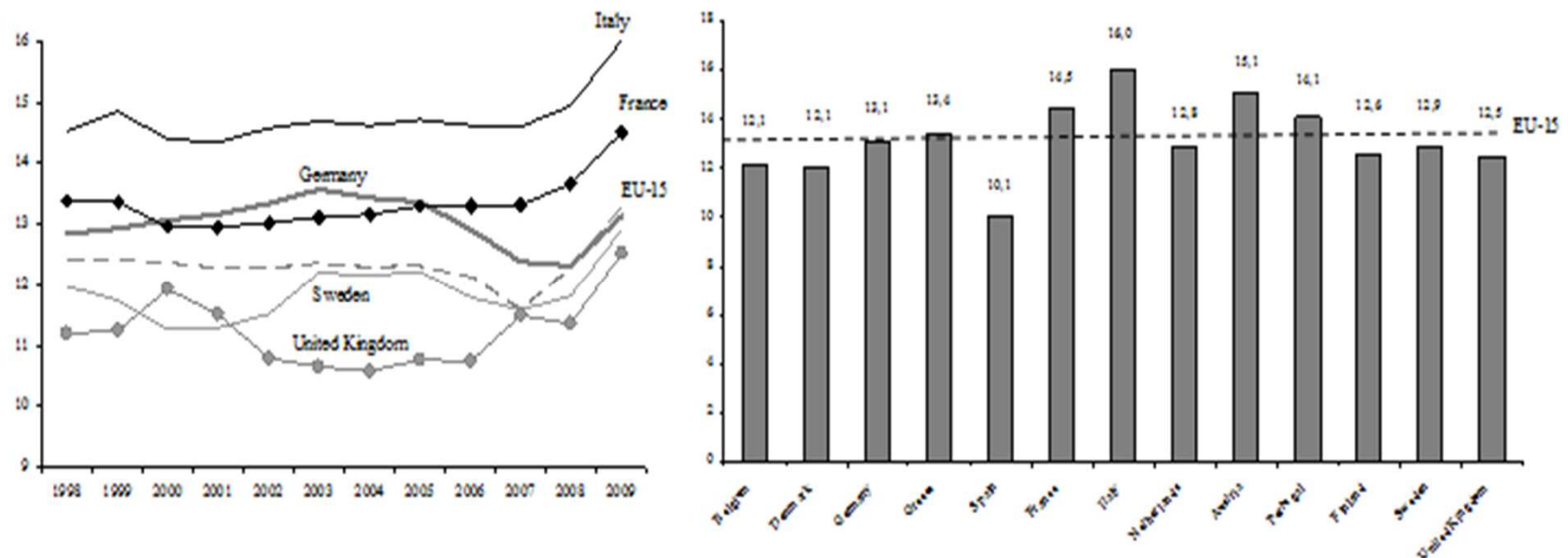


Source: Eurostat (online data code: [demo\\_pjangroup](#))

This demographic changes will lead to significant challenges for families and individuals – for example, it could become commonplace for people to move into retirement while still having one or both of their parents alive.

As is frequently recalled, ageing populations will raise significant budgetary, economic and social issues. The phenomenon will increase **pressure on pension systems**, public finances, social and care services for older people, heightening the risks of exclusion from the labour market, family and community life, and intergenerational conflicts. (VC/2009\021).

Figure- Expenditure on pensions in percentage of GDP. Time series 1998-2009 for some selected Countries (A) and EU15 countries comparison un 2009 (B)



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However, it is equally true that ageing can bring potential opportunities. The elderly may significantly contribute to tackling the challenges of population ageing by remaining active and autonomous after retirement and by delaying their exit from the labour market. The historic increase in educational levels and substantial improvements in health conditions make elderly people a great potential resource for social and economic development. Thus, active ageing emerges as a key factor in the process of optimising opportunities for health, participation and security and as a way to enhance the quality of life as people age.

( Walker A, Maltby T., 2012, *Int J Soc Welfare*)

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**Mark Twain** once said:

*"Life should begin with age and its privileges and accumulations, and end with youth and its capacity to splendidly enjoy such advantages".*

Twain's reversal of the life cycle is, unfortunately, only a dream !

But, as Günther Schmid said:

*"Managing the transitions from work to retirement contributes to increasing quality of life in Mark Twain's direction"* He argued that *"people's possibility to participate in working life as long as they wish and the opportunity to combine work with other self-determined activities are essential elements for high quality of life and to realize such a dream"*

*The slogan of Active Ageing already contains a good deal of that dream.*

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## From the European Year of Older People to ....European Year of Active Ageing...

1. **The European Year of Older People in 1993** was a significant occasion when a policy discourse on active ageing was promoted at European level for enhancing the employability of older workers and also for adapting employment protection regulations to suit an ageing workforce.

2. **Since 1999 (UN Year of Older People)**, **active ageing** has featured in many EU/EC documents. The participation of older workers in the labour market is reflected in 2 EU targets

Four years after the Lisbon Summit

----**the 2001 Stockholm target** to ensure 50% of those at age 55-64 were in employment by 2010

----**the 2002 Barcelona target** to increase the average exit age from labour market (for retirement) by five years by the same year.

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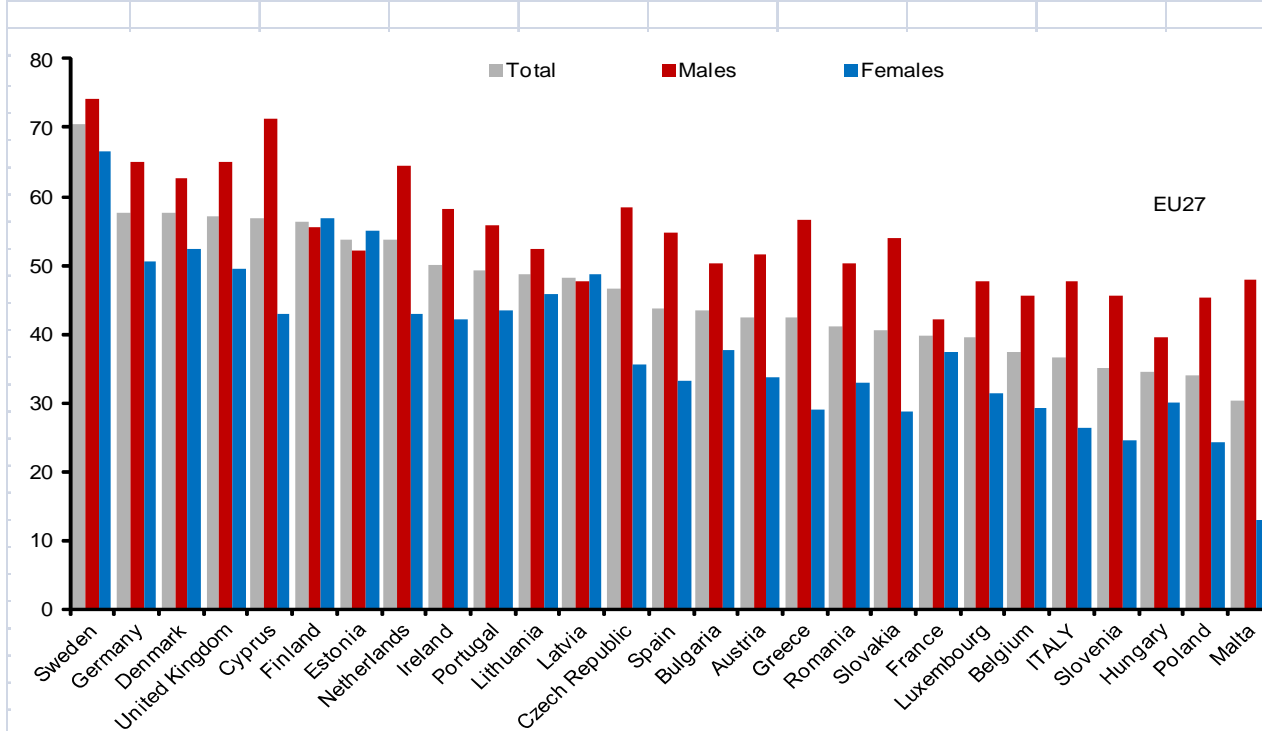
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Some countries did raise the employment rate for the age  
55-64 to over the 50% threshold by 2010 (the 2001  
Stockholm target)

**Employment rate (55-64 years) in Eu countries by gender**  
Year 2010 (percentage values)



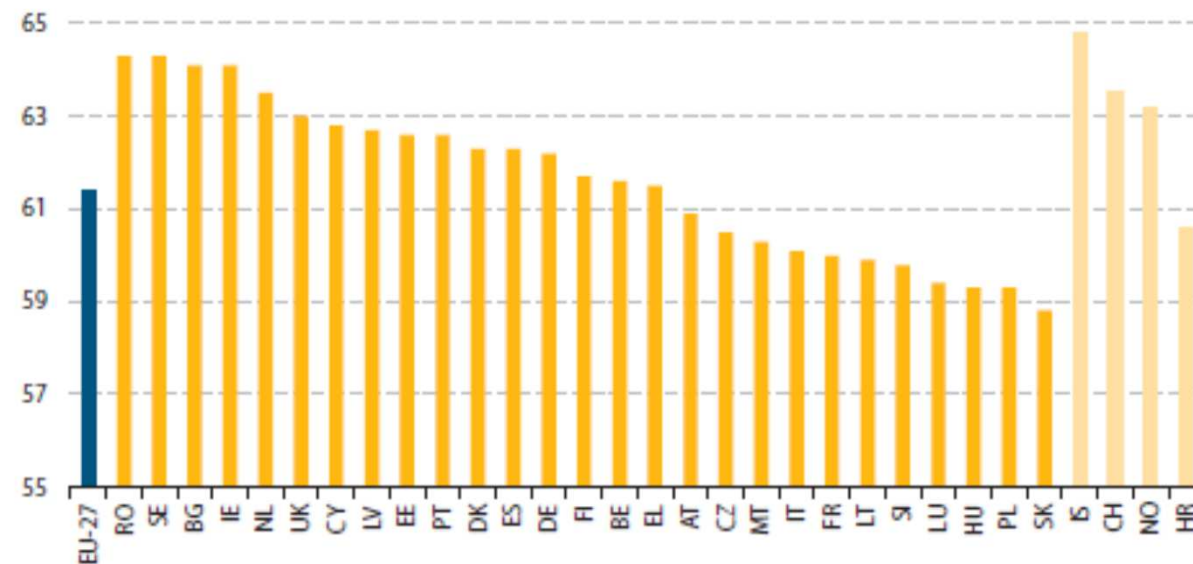
Source: Eurostat, Labour force survey

Countries	Employment rate 55-64 years		
	Total	Males	Females
Sweden	70.5	74.2	66.7
Germany	57.7	65.0	50.5
Denmark	57.6	62.7	52.5
United Kingdom	57.1	65.0	49.5
Cyprus	56.8	71.2	43.0
Finland	56.2	55.6	56.9
Estonia	53.8	52.2	54.9
Netherlands	53.7	64.5	42.8
Ireland	50.0	58.1	42.0
Portugal	49.2	55.7	43.5
Lithuania	48.6	52.3	45.8
Latvia	48.2	47.6	48.7
Czech Republic	46.5	58.4	35.5
Spain	43.6	54.7	33.2
Bulgaria	43.5	50.3	37.7
Austria	42.4	51.6	33.7
Greece	42.3	56.5	28.9
Romania	41.1	50.3	33.0
Slovakia	40.5	54.0	28.7
France	39.7	42.1	37.5
Luxembourg	39.6	47.7	31.3
Belgium	37.3	45.6	29.2
ITALY	36.6	47.6	26.2
Slovenia	35.0	45.5	24.5
Hungary	34.4	39.6	30.1
Poland	34.0	45.3	24.2
Malta	30.2	47.9	13.0
EU27	46.3	54.6	38.6

**None** of the EU countries has managed to achieve the Barcelona target  
(to increase the average age of exit from labour market - for retirement - by five  
years by the same year)

**Figure 3.4: Average exit age from the labour force, 2009 (°)**

(years)

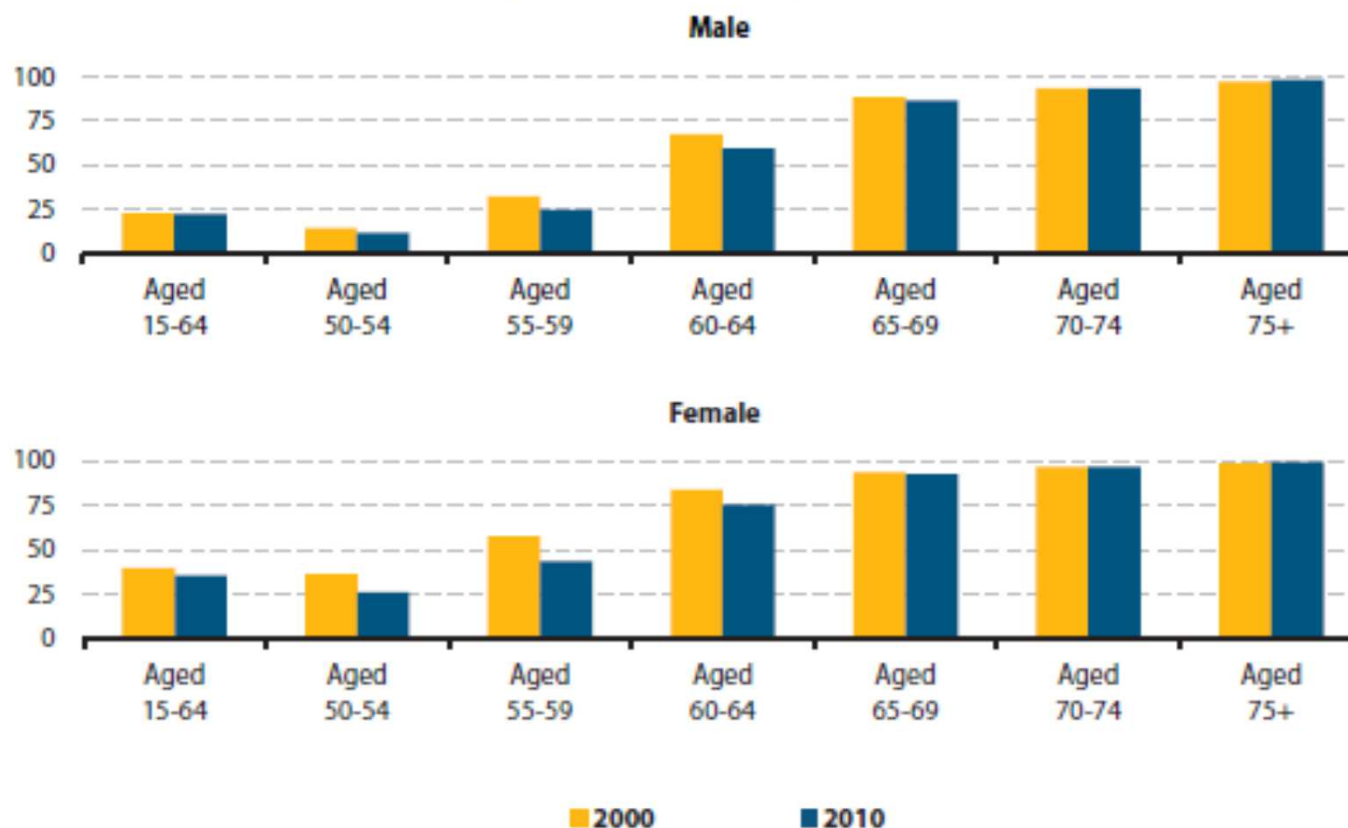


(°) Weighted by the probability of withdrawal from the labour market; estimates.

Source: Eurostat (online data code: [lfsi\\_exi\\_a](#))

The reality of the labour market experience of large numbers of older workers in most EU countries is **exclusion from employment, particularly for women**

**Figure 2.12: Inactive persons, by gender and by age group, EU-27**  
(% share of the total population for a given gender and age group)



Source: Eurostat (online data code: [lfsa\\_ipga](#))

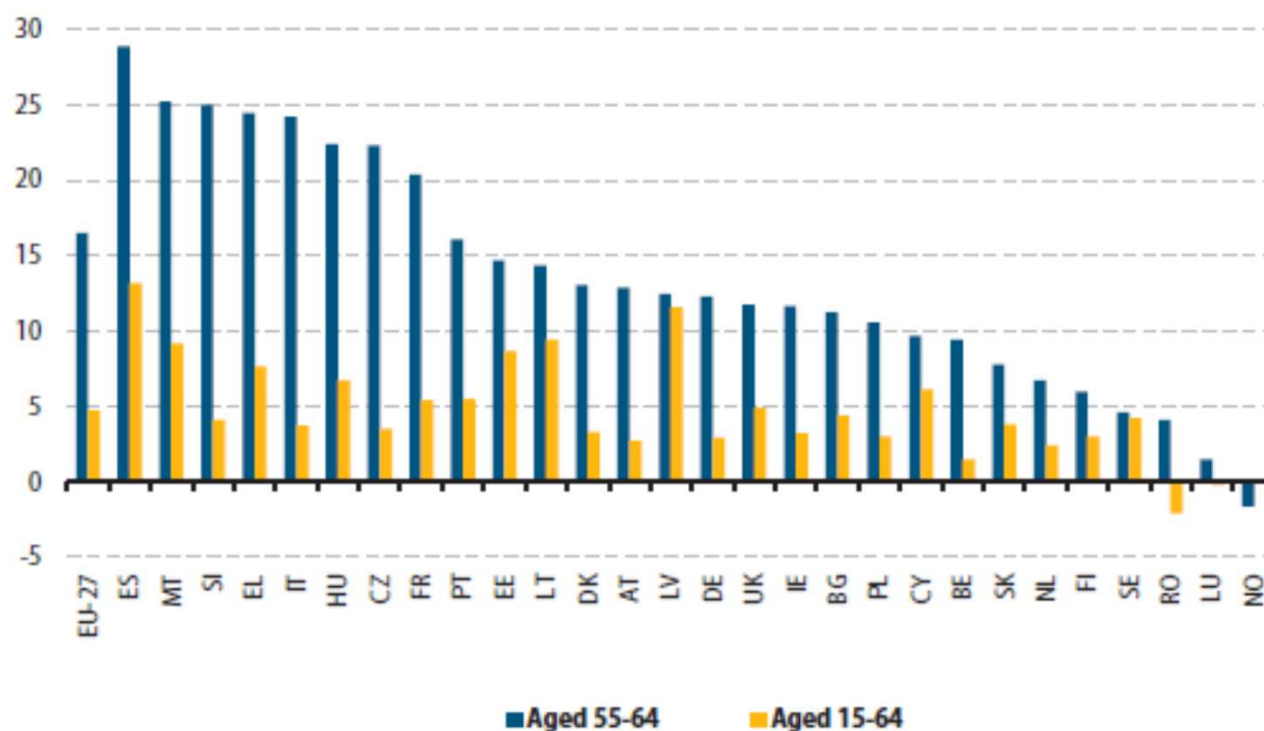
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**In most countries, older workers tend to occupy a relatively low status in the labour market, experience discrimination with regard to job recruitment and training, and are disproportionately represented among the long-term unemployed (Phillipson & Smith, 2006)**

## Hypotheses for increasing employment rate following the [Barcelona target](#)

**Figure 2.3:** Projections for changes to the employment rate between 2010 and 2060 <sup>(1)</sup>  
(percentage points difference between 2060 projection and 2010)



<sup>(1)</sup> A positive value indicates that the employment rate is projected to increase.

Source: European Commission, European Economy, 2/2009 - Economic and budgetary projections for the EU-27 Member States (2008-2060)

**Until very recently**, the approach to active ageing has extensively focused on senior worker employability, resulting in a dominant role played by pensions and social security reforms, **with the main aim of postponing the age of retirement by law**. Of course, this necessity is, particularly, related to the sustainability of pension systems due to increasing number of elderly and to the increasing number of years spent in retirement age.

Comparison between Age at retirement (ARx), Life Expectancy at that age (Ex) and Life Expectancy at 65 in selected European countries. Year 2009

Countries	Men		Women		M+W
	ARx 2009	Ex 2009	ARx 2009	Ex 2009	E65 2009
France*	60-65	22.5-18.7	60-65	27.5-23.2	21.2
Sweden*	61-67	21.5-16.7	61-67	24.6-19.5	19.8
Czech Rep.	62	17.2	60	22.9	17.2
Hungary	62	15.7	62	20.5	16.4
Italy	65	18.3	60	26.5	20.4
Spain	65	18.3	65	22.4	20.5
Germany	65	17.6	65	20.8	19.3
Denmark	65	16.8	65	19.5	19.2
Finland	65	17.3	65	21.5	19.6
Netherlands	65	17.6	65	21.0	19.4
Portugal	65	17.1	65	20.5	18.9

\* In these countries, those who retire at the minimum age will be penalized while those who retire at the maximum age will take benefit

Countries	ARx Reforms 2020	E65: M+W at 2020
Italy	66-11m	23.1
France	62-67	23.1
Spain	66+4m	22.0
Finland	65	22.0
Portugal	65	21.2
Sweden	61-67	21.2
Germany	65+9m	21.1
Netherlands	65	21.0
Denmark	66	20.3
Czech Rep.	63+10	19.4
Hungary	64	18.1

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## **From the European Year of Older People ...to European Year of Active Ageing and Solidarity Between the Generations**

The last two decades, with the Lisbon Treaty representing the half-way mark, have seen the evolution of a European policy discourse on active ageing which has comprised two contrasting models.

First, the more dominant one emphasizes a narrow economic or productivist approach and focuses wholly or mainly on employment policy and the extension of involvement in the labour market beyond pension age.

In contrast to this narrow perspective on active ageing, there is a second more comprehensive approach supported by the World Health Organization (WHO) and UN, as well as some parts of the EC, **that could be articulated in the European Year of Active Ageing and Solidarity Between the Generations, 2012 (henceforth, European Year 2012).**

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## **The paradigm of active ageing proposed is completely different**

The EU policy response is therefore based on a comprehensive and sustainable approach known as ‘active ageing’, which employs a range of tools beyond just retirement reforms. This recognises that in order to be able to seriously consider working longer, **people must be in good physical and mental health and have good prospects of remaining so for longer**, they must have access to more flexible retirement schemes and working arrangements as well as appropriate working conditions, they must have the opportunity and willingness to update and make the most of the skills they have gained, and they must have access to available employment opportunities and not be faced with discriminatory prejudices. As part of the new intergenerational approach advocated by the European Employment Strategy, it is recognised that particular attention should be paid to promoting access to employment throughout working life.  
(Walker & Maltby, 2012)

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The European Union designated 2012 as the European Year for Active Ageing and Solidarity between Generations on 23 September 2011.


This initiative aims to:

- 1) help create better job opportunities and working conditions for the growing numbers of older people in Europe,
- 2) help them play an active role in society, and
- 3) encourage healthy ageing and independent living.

Active ageing should incorporate and mutually support healthy ageing and healthy life expectancy.

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In Europe, social and economic realities show that raising the effective retirement age alone would not be sufficient to secure and develop the efficiency and effectiveness of European social systems. Additional investments in the active labour market, education and lifelong learning, active and healthy ageing, as well as social inclusion policies are inevitable.

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From a demographic perspective, these efforts should be accompanied by a rethinking of the organisation of the working life as such. The last century witnessed substantial transformations in the life-course, not only with a significant increase in life expectancy, but also with changes in family and working life.

Recently, researchers have proposed a redistribution of work across the life-course as a promising way to deal with these changing social and economic realities. The idea behind this concept is a trade-off between an extended work life beyond the current age of retirement and reduced working hours in earlier periods of life. If people worked fewer hours per week, more people would be employed, and work would be more evenly distributed over the life-course and across the labour force. It would slow the current “rush hour of life”, enabling people to have more time to raise and educate their children, to attain further skills by investing in training periods during their careers, and to stay longer in the labour force.

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In a nutshell,

*“active ageing as a societal process of activating the elderly and active ageing as an individual’s pursuit of a place in society and well-being are the key to integrated policy adaptation to the new demography and global economy.”* (Avramov and Maskova, 2004)

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**Population Europe and the Department of Statistical Sciences of the Sapienza University of Rome in cooperation with the Bavarian Representation in Brussels organised the Population Europe Event on**

***“The Times of Our Lives: Active Ageing and the Redistribution of Work in Europe”***

***aimed at addressing the idea of a redistribution of work across the life-course with empirical evidence from different societal spheres, and shedding light on the related social and economic challenges, as well as discussing required policy reforms for an effective and sustainable implementation.***

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The **first part of the event** will consist of an “off-the-record” discussion based on cutting-edge demographic research with eminent scientists, policy makers, journalists, and representatives from socio-economic interest groups and NGOs

The **second part of the event** will consist of a panel debate for a wider audience with eminent representatives from politics, economics, civil society, and research. The discussion will focus on the possibilities and limitations of a reorganisation of the working life from the perspective of an ageing labour force, e.g: What can we learn from research? What are the social and economic realities? What could be achieved through policy intervention at national and European level? What about disadvantaged groups (e.g. single income households, people with uncertain working perspectives, age and [sex discrimination](#), ...)? How can we develop social policies that are sensitive to the life-course and allow for a redistribution of income both within a person's lifetime as well as across members of society?

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## **FIRST PART: CLOSED MEETING**

**Fritz von Nordheim:**

**Policy Perspective: The European Commission's White Paper  
on Adequate, Safe and Sustainable Pensions**

**James W. Vaupel:**

**Health and the redistribution of work**

**Tommy Bengtsson**

**Facts and Figures from the European Labour Markets**

**Gustavo de Santis:**

**Challenges and Possibilities for Pension and Retirement Systems in Europe**

**Francesco C. Billari:**

**Redistribution of Work from a Life Course and Family Perspective**

**Franco Peracchi:**

**Conclusions and Final Discussion**

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**SECOND PART: PUBLIC PANEL DEBATE**

on

**ACTIVE AGEING AND REDISTRIBUTION OF WORK IN EUROPE: CHANCES  
AND CHALLENGES FOR POLICIES AND SOCIETY**

**Moderator: Sigrun Matthiesen, Journalist**

**PANEL DEBATE**

with

**Francesco C. Billari,**

Head of the Department of Sociology, Oxford University  
President of the European Association for Population Studies

**Axel Börsch-Supan**

Director of the Munich Center for the Economics of Aging (MEA),  
Max Planck Institute for Social Law and Social Policy

**Claudia Menne**

Confederal Secretary of the European Trade Union Confederation (ETUC), Brussels

**Fritz von Nordheim**

Deputy Head of Unit “Active Ageing, Pensions, Healthcare, Social Services”,  
DG “Employment, Social Affairs and Inclusion”, European Commission, Brussels

**Rebekah Smith**

Senior Adviser Social Affairs of BUSINESSEUROPE, Brussels

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