



**The European Commission Mutual Learning Programme
for Public Employment Services**

DG Employment, Social Affairs and Inclusion

**THE ROLE OF PUBLIC EMPLOYMENT
SERVICES IN EXTENDING WORKING LIVES**

Sustainable employability for older workers

Analytical Paper

Barry J. Hake

(September 2011)

CONTENTS

EXECUTIVE SUMMARY	1
1. INTRODUCTION: DEMOGRAPHIC CHANGE AND EXTENDING WORKING LIVES – POLICY TRENDS AND CHALLENGE FOR PES	2
2. PES PROVISION FOR OLDER WORKERS: SERVICES AND MEASURES FOR OLDER WORKERS AND EMPLOYERS	4
2.1 PES services for older unemployed or inactive individuals need to deal with challenges relating to skills, psychological and physical factors	4
2.2 PES services for older workers to maintain employability	8
2.3 PES measures for employers	12
3 PES AND THE ROLE OF STRATEGIC SERVICE PARTNERSHIPS	17
4 CONCLUSIONS: PES AND FLEXIBLE WORKING LIVES FOR OLDER WORKERS	20
REFERENCES	22

Dr Barry J. Hake, Eurolearn Consultants, The Netherlands

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

EXECUTIVE SUMMARY

In the coming decades, the European Union (EU) will **face many challenges arising from fundamental demographic change towards ageing populations and ageing workforces**. One of the key requirements facing the Member States is the need to secure higher levels of participation by older workers in the labour market. The labour force will consequently include increasing numbers of older workers who are often lower skilled or hold skills in need of updating. This analytical paper examines the role of **Public Employment Services (PES)** in **extending the working lives of older workers aged 55 and above**. Its main focus is on PES services and measures to assist older unemployed workers, maintaining employability among those older workers still in the labour market and work carried out with employers to help change often negative attitudes towards older workers.

With regard to **integration**, PES focus lies on the creation of **individualised pathways** as evidence shows that older workers face significant difficulties in accessing the labour market without such in-depth assistance. **Specific expertise is required among PES counsellors** to help address motivational issues, perceptions about own ability to learn, as well as health and to provide tailored skills enhancement. PES have an important role to play in providing measures to recognise and **enhance existing skills** through training and other measures. Similar **PES expertise is also required to provide services to employers to address negative attitudes towards older workers and to assist them with workforce planning and measures which can assist in maintaining employability and workability throughout working life**. This often calls for **strong partnerships** with social partners and other organisations, in particular training providers and those responsible for the accreditation of prior learning.

Successful PES measures aimed at extending working lives include assistance in providing **access to in-work training** through subsidies, **training and retraining measures**, help with the **accreditation of prior learning** and **employer subsidies**.

1. INTRODUCTION: DEMOGRAPHIC CHANGE AND EXTENDING WORKING LIVES – POLICY TRENDS AND CHALLENGE FOR PES

Demographic change is one of the key challenges facing the European Union (EU) in the coming decades which gives rise to the policy issue of promoting higher levels of participation by older workers in the labour market. Fundamental demographic trends in the EU were first systematically addressed in the EC's Green Paper *Confronting Demographic Change: New Solidarity between Generations* in 2004. Throughout the EU, birth rates are falling, family sizes are shrinking with less than 1.5 children per household, fewer absolute numbers of young people are in initial education and entering the labour market than in previous generations, people are living longer, and national populations are growing very slowly or are actually in decline.

Such demographic trends lay the foundations for the acceleration of the **ageing of populations in the Member States**. Of all the regions in the world, Europe has the highest population share aged over 65 at 15% and this will double to 30% by 2050. These fundamental demographic trends will cause increasing problems for European economies with potential labour and skill shortages, making it imperative to **delay the effective age of labour market exit, as well as tapping into the potential of currently inactive individuals**. In future, the **labour force will consequently include increasing numbers of older workers** who are often less-well qualified with low levels of initial education acquired some decades ago in industrial societies. This **skills gap** will put pressure on levels of productivity. At the same time as the problems of the greying of society become major items on political agendas, the particular problems associated with the funding of pensions are giving rise to calls for older workers to continue working longer and the postponement of retirement.

This paper seeks to stimulate discussion on the role of **Public Employment Services (PES)** in the context of ongoing policy measures which seek to postpone labour market exit and **extend the working lives of older people**. It provides a basis for reflection about PES services and PES interventions through active labour market policies to enhance the sustainable employability of older workers, defined for the purposes of this paper as **workers aged 55 and above**. The point of departure is the EU 2020 Strategy for Smart, Sustainable and Inclusive Growth and in particular Employment Guidelines 7 and 8 with regard to the employment policies of the Member States. Guideline 7 refers to: "*Increasing labour market participation and reducing structural unemployment*", while Guideline 8 calls for the development of "*a skilled workforce responding to labour market needs, promoting job quality and lifelong learning*".

The ongoing **elimination of pathways towards early retirement** together with the increase in retirement ages in many countries and the drive towards delaying exit in all Member States give rise to challenges for PES in facilitating the (re-)entry of older unemployed workers into the labour market, enabling older employed job seekers to remain in work and/or change jobs, and encouraging employers to invest in older

employees, as well as in training throughout the life cycle. Member States depart from **heterogeneous national contexts**, and paths towards the integration of older people into the labour market are also diverse. The labour market situation of those aged 55 and above is marked by significant differences with regard to the **Stockholm target of 50%** participation rates among this age group and the new overall 2020 target of 75% of people aged 20-64 in work. Employment rates for older people in 2009 ranged from 71% in Sweden, through a 'middle-of-the-road' group including Germany 56,1%, Denmark 57,5%, Finland, 55,6%, UK 57,5, Netherlands 52,6%, to lower rates in Austria 41,1% France 38,9%, Italy 35,7% Belgium 35,3%, with similar rates in the EU10.

Such differences mean that older workers encounter **country specific employment regimes** and labour market contexts. Sweden and the middle-of-the-road group, for example, are characterised by generally high employment rates, the availability of part-time jobs, and low unemployment rates. The Member States with lower participation rates among older workers generally feature low employment rates, less availability of part-time jobs, and high inactivity rates. Furthermore, while **levels of participation by older workers in education and training are significantly lower throughout Europe**, there are similar divergent geographical patterns of levels of participation by older people in adult learning activities. The Education and Training 2020 benchmark of 15% of the adult population participating in adult learning confronts many Member States, especially the EU10 and countries in southern Europe, with severe challenges.

As a result, this paper also focuses on the contribution of PES in raising levels of labour market participation of older workers in the context of **long-standing “structural non-participation” and “skills gaps”**. PES are a key player in the implementation of the New Skills for New Jobs agenda through interventions to promote the sustainable employability of older workers. They therefore have a **specific role in implementing the employment targets for older workers against a backdrop of structural non-participation in the labour market and in ongoing training**.

This paper draws on a review of **policy documents, previous peer reviews, and published reports of empirical research**. The following three sub-sections examine a variety of practice-based repertoires which are available to PES in responding to the labour market needs of older workers (updating and enhancing of skills, overcoming motivational and other barriers, etc.). It examines some innovative practices which may indicate the way ahead in terms of what seems to work for older workers with regard to PES services and PES measures for older unemployed workers, those still in work, as well as for employers.

2. PES PROVISION FOR OLDER WORKERS: SERVICES AND MEASURES FOR OLDER WORKERS AND EMPLOYERS

As European economies hesitatingly move out of recession to often slow growth, the reintegration of older, often-low-skilled job seekers is regarded as a PES priority in the longer term. Ongoing reforms to raise levels of participation by older job seekers in the labour market share a number of common **factors which seek to influence the willingness of older people to stay in or return to the labour market**. These include phasing out or at least restricting access to early retirement schemes, fiscal incentives to return to work, lower pensions at 65 to encourage working longer to 67 or beyond, premiums when state and occupational pensions are deferred, targeted activation programmes for the 55+ including training and job placements, opting to work part-time, together with compulsory reintegration trajectories for individuals on unemployment and occupational incapacity benefits.

2.1 *PES services for older unemployed or inactive individuals need to deal with challenges relating to skills, psychological and physical factors*

Whether unemployed, employed or inactive, **older people face a variety of problems** in getting and keeping jobs in the longer term. These include persistent negative perceptions, largely unsupported by empirical evidence, about the motivations and capacities of older workers to adapt to technological and organisational change; questions about productivity and absence due to poor health; higher wages and non-wage labour costs of older workers; and employment protection favourable to older workers. **A key problem for older job seekers is that they themselves have limited chances of finding jobs through the traditional channels of applying for vacant jobs** advertised by employers. In the Netherlands, for example, the PES reported in July 2011 that while 10% of 45+ job seekers found a job in 2010, only 2% of the 55+ were successful in finding work themselves. Furthermore, older job seekers often have an out-of-date view of the labour market and the demands of potential employers.

Unemployment is often associated with distance from the labour market and **lack of social contacts with working people of the same age** (Kohli and Künemund, 2010). A significant problem for older unemployed job seekers is their **lack of formal qualifications** which can be decisive for potential employers (OECD, 2006). Older job seekers are often disadvantaged in both of these respects. They are often not aware that personal networks, such as family, friends, neighbours and local networks can support them in their search for work. The majority of older unemployed job seekers also have **negative health perceptions** which can inhibit job-search motivation and lower their expectations of finding work (Schuring, Burdorf, Kunst and Machenbeck, 2007).

With regard to the specific labour market situation and integration requirements of older workers, a lack of relevant training among PES staff can also restrict positive placement outcomes for older unemployed job seekers.

Data presented at a Peer Review meeting in the Netherlands in May 2010¹, also indicates that the number of job to job transitions among older workers are influenced by the extent to which seniority related pay plays a role in different labour market systems.

The country studies in a report on PES practices and flexicurity in Europe (European Commission, 2009) indicate that with regard to PES services for older unemployed job seekers, most PES regard

1. The **principle of conditionality, i.e activation base upon mutual obligation** as important in enhancing the effect of active labour market measures. The applied criteria of conditionality in order to maintain unemployment benefits typically include obligations to actively search for a job, regular reporting, participation in training or employment measures, together with availability for work. Participation in PES organised training and education programmes is key to improving the employability of unemployed job seekers.
2. PES in almost all countries offer direct **provision of support and coaching for employability skills** to selected groups of unemployed people including older workers. The employability skills supported include soft skills/competencies such as time keeping, personal presentation, communication, CV and application writing, and interview performance.
3. Most countries also **provide referral to free** (publicly funded) **external training and education programmes** (linked to specific technical skills/competencies/qualifications).
4. Finally, in a number of PES retraining of the unemployed includes the **accreditation of prior learning** (APL). PES in Austria, Belgium, Denmark, France, Germany, Ireland, Lithuania, Netherlands, Poland, and Slovenia facilitate the recognition and accreditation of non-formal and informal learning which can enhance more rapid return to the labour market (Buiskool, Broek and Hake, 2010).

Individualised services replace previous service approaches, in which PES organised their interventions primarily **to address certain target groups** and/or older workers (Austria, Belgium, Czech Republic, Greece, Spain, Finland, Malta, Netherlands, Poland, Romania, Sweden, Slovakia, and United Kingdom). PES encourage older job seekers to take advantage of standard provision of job-matching services such as the growing availability of self-service options. In addition, particularly for harder to place groups, **individualisation of job broking and other PES services** has become an essential element of a preventive strategy to combat long-term

¹ For more information see http://www.mutual-learning-employment.net/index.php?mact=PeerReviews,cntnt01,detail,0&cntnt01options=18&cntnt01orderby=start_date%20DESC&cntnt01returnid=59&cntnt01item_id=81&cntnt01returnid=59

unemployment. PES is increasingly adopting more pro-active preventive approaches to support for individuals including early identification of needs (through profiling), job search assistance, guidance and training as part of personalised action plans. Special guidance and tailored-made support to find a job has been introduced in many Member States, either on a general basis for all job seekers, or with special groups of older workers such as dedicated 45+ and 50+ projects (Austria, France, Germany, Netherlands, Sweden), together with programmes focusing on workers aged 55+ as announced by PES in the Netherlands in March 2011.

Older workers as a target group at Pôle Emploi

Pôle Emploi considers all jobseekers aged above 50 senior workers. Pôle Emploi's mission is to work with senior jobseekers and companies and to involve relevant partners for the placement and guidance of senior jobseekers. The main goals include: increasing the rate of employment of 55-64 years in order to reach the Stockholm target of 50 % for 2010 and 2020), encouraging older workers to stay in the labour market, and increasing the sustainable employment of older workers.

Evidence-based research into the effectiveness of PES case-workers in working with older job seekers (France, Germany, Netherlands, Romania, and Sweden) indicates that this involves **more in-depth intervention** with regard to labour market conditions, alternative career paths, competence assessment, sources of skills development, and **transition management to enhance personal employability**. This requires PES case-workers to coach older workers, provide skills updating where required, assess which firms might be potential employers, and establishing personal contacts for older job seekers. This requires good knowledge of local labour markets and contacts with employers. PES case-workers need to combine a personal approach to employers accompanied with a CV and a motivated job-seeker as part of their service to potential employers. This can help to influence the selection and recruitment behaviour of employers. Evidence suggests, for example, that **older job seekers have better opportunities of finding work in small and medium-sized companies**, especially small companies and especially with those employers who already employ substantial numbers of older workers (Lagerström, 2011).

Tailor-made support by PES case-workers also needs to take account of the **specific characteristics of older job seekers** and they need knowledge and skills in dealing with these characteristics. The chances of finding work are greater when older unemployed job seekers look positively at returning to work and see no disadvantages in working.

An example of good practice can be identified in the case-work support provided for individual job seekers within **compulsory reintegration trajectories** in the Netherlands.

Health perceptions as a barrier to labour market participation: Evidence of research from the Netherlands

Research commissioned by the Dutch PES concluded that case-workers need above all more knowledge about the **health perceptions** of unemployed older job seekers. Based upon the entire national data base of older job seekers, the research demonstrated that positive health perceptions are vital factors in successful job search behaviour. It also demonstrated that the majority of older unemployed job seekers have negative health perceptions which inhibit job-search motivation and lowers expectations. The research recommended that PES case workers need to provide appropriate health promotion support with regard to recent health problems and recommending healthy behaviour (Schuring, Mackenbach, Voorham and Burdorf (2011)).

As well as perceptions about health, PES counsellors also have to address **attitudes towards learning** (this will be discussed in more detail below). In addition, with some older workers made redundant, **salary expectations** (previously based on seniority), as well as employer perceptions about the salary expectations of more senior workers could also provide a barrier to re-integration.

PES also support individual older job seekers through the **organisation of group activities targeted at supporting and empowering older job seekers**. Group activities for older job seekers are provided in Bulgaria, Czech Republic, Estonia, France, Hungary, Latvia, Lithuania, Poland and the Netherlands. PES experience suggests that the **social networks of older workers are of significant influence** in their job-search behaviour and chances of success (Lindsay, 2010). PES outreach to job seekers in neighbourhoods can support them in successful reintegration by arousing their awareness of the social capital available in social networks. One Romanian study into job seekers with rich and poor social networks suggests that PES or other case workers can successfully support those with poor networks in participating in social activities which also relate to how voluntary activities can contribute to competence development and chances of getting paid, or, unpaid work as a volunteer, in their local community (Rodrigues-Planas, 2007).

55+ programme in the Netherlands

With the new 55+ programme in the **Netherlands**, PES work with local networks of 55+ job seekers who are supported by 25 work coaches employed by PES. This work involves a broader approach to focusing on individual possibilities and resources rather than limitations, encouraging active participation in social life, participation in learning activities and personal development which can increase the willingness of older people to make the transition to paid work.

Specialist advice for older jobseekers in France

In **France**, every older jobseeker has a **personal counsellor from the first month of unemployment** (younger jobseekers only have a counsellor from the fourth month of unemployment). More **intensive support** is provided by 'senior clubs' which are support groups for older jobseekers. The main purpose is that they are in a network with other senior jobseekers which visit companies in order to establish job opportunities.

A significant issue encountered by PES case-workers in working with older unemployed job seekers is the **assessment of their formal qualifications, competences and personal qualities** which can be decisive for potential employers (OECD, 2010). As mentioned in point 4 above, **systems for the assessment and recognition of prior learning (RPL), together with accreditation of prior learning competences (APL)** have been developed and implemented in many Member States in recent years. Validation of non-formal and informal learning may help older unemployed job seekers to understand their own competences and encourage self-management, employability and learning in later life. **PES have** included in their mission the **development** of raising awareness among employees and **job seekers** of the possibilities of the national infrastructures, and the development of RPL/APL procedures for older unemployed job seekers in particular now demands systematic attention. These procedures are now being further developed, together with other stakeholders, and are made transparent by PES staff involved in the activation of individual job seekers, older unemployed and low-qualified job seekers themselves, and disseminated to employers.

As a source of expertise in this area, PES should be involved in promoting the adoption of RPL/APL by the social partners in collective bargaining agreements and contracts of employment. PES are also involved in awareness raising about available schemes for RPL/APL in the workplace.

2.2 PES services for older workers to maintain employability

Older employed workers often face important choices with regard to managing the transitions between remaining in full-time paid work, looking at options of part-time work and part-time retirement, to devote more time to caring tasks, and the all important decision as to retirement. These decisions depend significantly on a number of factors in relation to individual **older workers' (and their employers') perceptions and realities with regards to their ability to continue doing their job** (or being offered an alternative job either with the same employer or elsewhere); **their willingness and ability to adapt to new circumstances and work requirements; their health; their income situation and wider financial position** (in work and in retirement); and their **personal and family situation** being chief among them.

During the period of high youth unemployment in the 1970s, many countries, social partners and employers introduced early retirement schemes as a way of carrying out

“socially responsible restructuring” and being able to offer access to the labour market for younger workers. This led, among certain groups of older workers, to an expectation of early retirement which can now often no longer be met as pathways towards early exit are increasingly being foreclosed.

This means that many additional workers must be enabled to continue their productive careers up to – and in some cases even beyond (previous) state retirement age. The key challenge for those in work is therefore one of **ensuring employability and adaptability throughout the life cycle**.

However, the available data show that older workers, particularly those with lower initial education and skills levels are less likely to access ongoing education and training, even where it is offered in the workplace (CEDEFOP, 2009). Evidence suggests that **both employers and individual older employees regard employability in terms of keeping the current job** rather than using learning and enhanced employability to secure a new, hopefully better, job with the same employer, or to find a better job with another firm, or even an employer in a different sector or to find a new job in cases of redundancies (Labour Foundation, 2011). Furthermore, there is substantial research evidence that older workers are not aware of the personal returns which result from investments in enhancing their skills, personal development and employability even in later working life (Fourage, Schills and de Grip, 2010).

In addition, it is arguably those with lower skills who are often in more strenuous, manual jobs, who find it more difficult to remain in the same job into older age and are therefore required to find alternatives, be it in the form of reduced working hours of an adapted job profile.

2.2.1 Opportunities for PES funding in the area of adult learning

While the role of adult learning is increasingly recognised for its contribution to developing knowledge-based economies, action is needed to confront the challenges facing the Member States with regard to the skills gap among older workers, their competences and sustainable employability.

One PES approach with regard to proactive labour market policy is to generalise in-work benefits in the form of individual facilities for investments in learning which would enhance the competences and employability of low-skilled older workers. In Member States, the implementation of **funding measures to support adults to engage in learning** include a variety of forms of individual learning accounts, voucher systems and career breaks. Such measures constitute financial stimuli for adults to invest in the maintenance and improvement of their human resources through participation in adult learning. Bildungskonto in Upper Austria, Opleidingscheques in Belgium, congé individuel de formation in France, and WeGebAU in Germany, are just four examples of a variety of funding arrangements available for low-qualified employees to finance their learning and employability, which also include priority for older workers.

PES are actively involved in establishing relevant infrastructures with particular reference to the use of training vouchers. This is the case, for example, in Austria, Belgium, France, Germany, Hungary, Netherlands, Latvia and Poland.

Providing assistance to SMEs to train older workers – the example of the WeGebAU initiative in Germany

WeGebAU [Continuing education for low qualified and older employees in private enterprises] is an example of an initiative supporting the long-term employability of risk groups among older employed persons in the labour market. WeGebAU is a legislative initiative implemented by PES which assists SMEs to invest more in the qualification of employees older than 45. The last training qualification should date back more than 4 years and employees should not have participated in publicly-funded vocational training in the meantime. Employees have to be released from work to participate in vocational training. Fees are paid by the Federal Employment Office which offers also information, advice and guidance to the employers and employees. Employees receive a voucher to purchase training of their own choice. In special cases, partial wage compensation by the National Employment Agency is also possible.

PES have also been partners in a number of Member States in experiments with Individual Learning Accounts (ILA) for low-qualified employed and unemployed job seekers (Austria; Belgium; Estonia; Finland; France; Germany; Netherlands; United Kingdom). ILAs comprise contributions by PES, social partners, and, in some cases, individual employees themselves (CEDEFOP, 2009). There are variations in the degree to which individuals are free to use ILAs in choosing forms of adult learning activities independently of PES and/or their employers. In The Netherlands, a controlled experiment with ILPs demonstrated the strength of ILAs in terms of outreaching to low-skilled older workers and in enhancing their self-worth and personal development Doets and Huisman, 2009).

2.2.2 The opportunities offered by working time reduction and self-employment measures (portfolio careers)

There is evidence from national and comparative studies that there is a **significant relationship between labour market activity rates for the 55+ age group, targeted activation measures, and the availability of part-time jobs** (see for example Courtioux and Erhel, 2006 and Schmid (2010)). On the one hand, higher activity rates of older workers in Norway, Sweden, and The Netherlands, are associated with active labour market measures supporting part-time work resulting in high numbers of individuals aged 55+ in part-time work. On the other hand, countries with low labour market activity rates among older workers are characterised by limited targeted activation and low levels of part-time jobs. This evidence suggests that PES activation measures to facilitate transitions among the 55+ age group from full-time work into part-time work need to address the issue of the availability, and social acceptability, of part-time work when targeting older job seekers and employers. PES measures also need to take account of the fact that older workers are willing to consider part-time work as a

realistic option in combination with other activities. Labour Force Survey data suggest that involuntary part-time work is less prevalent among older workers (Eurofound, 2011).

From 2000 onwards, however, part-time contracts have increasingly become a solution to the desire of older employees to combine paid part-time work with other activities in particular family life and increasing caring responsibilities. **Open-ended part-time contracts are on the increase with the exception of the new member states. Part-time employment of older people, however, varies tremendously in Europe. It ranges from 49% in The Netherlands to 5% in Greece.** Differences between men and women are even greater. In the Netherlands, 83% of older employed women work part-time compared to 28% of older employed men.

PES activation strategies in most Member States also include active measures to facilitate **transitions into self-employment for older workers**. The number of self-employed workers – understood as own account workers of working-age without employees and working without an employment contract – varies from 13% in Greece to 2% in Luxemburg. In many countries, full-time self-employment is falling, mainly due to the decline of traditional small farming, while in other countries part-time self-employment is increasing. Empirical research suggests that the combination of open-ended part-time employment with self-employment is a strategy for enhancing employment and income security beyond the standard full-time employment contract (Schmid, 2010). This suggests that the transition to self-employment is more complex than revealed by earlier research. There are indications, especially in Austria, Denmark, Germany, The Netherlands, Sweden, UK, that this dynamic is especially strong in the creative industries. This can include the possible combination of gainful part-time work as the main source of reliable income together with part-time self-employment, often as an experimental area of additional income when individuals seek to turn creative skills into marketable goods and services.

The phenomenon of **'portfolio careers'** is increasingly relevant to PES activation strategies towards self-employment for the 55+. Individuals can contract their skills and knowledge to various clients and organisations, in effect creating a 'portfolio' of paid work activities for themselves. In terms of transitional labour markets, however, portfolio careers can be understood in terms of periods of paid part-time self-employment, periods of unpaid work, and the flexible transition into permanent retirement. As such, portfolio careers comprise a combination career in the transition to retirement for older workers.

Early empirical studies of portfolio careers focused on highly skilled professional workers, often in the media, financial services and creative industries, who had lost full-time jobs with one employer (Platman, 2004). More recent research into portfolio careers in the later working lives of male employed job seekers, and females returning to the labour market, has studied individuals with diverse employment histories in different occupational sectors but particularly with regard to retaining older employees in the health and care sectors (Sultana, 2011).

PES can facilitate transitions by organising periods of engagement in learning activities and competence development in innovative transitions between different combinations of part-time employment and/or self-employment. PES staff can play a crucial role in expanding the provision of labour market information and support services, available training opportunities, and coaching facilities for potential ‘transitional’ or ‘combination’ portfolio workers aged 55+.

2.3 PES measures for employers

Evidence demonstrates that the difficulties experienced by older workers in securing longer retention and re-integration in the labour market not only result from the difficulties outlined above resulting from outdated skills, salary expectations and so on. They are also significantly influenced by employers’ attitudes towards older workers. As mentioned above, these difficulties are associated with, often unsubstantiated by research, **negative attitudes of employers towards older workers** in terms of sickness, absence from work, lower productivity, lack of motivation to accept change, and unwillingness to be involved in training (Dalen and Henkens, 2009).

2.3.1 Services to maintain sustainable employability focus on awareness-raising activities and support in the development of age management strategies

PES in many Member States are responding more proactively recognition of the workplace as an increasingly important arena **where older employees encounter potential risks of social exclusion. Effective PES co-operation** with private and public employers to enhance the sustainable employment of older employees, involves providing support for employers, especially SMEs, in the development of age-sensitive human resource development practices in the workplace.

The key challenge for PES, together with employers, and the social partners, is the necessity to develop **effective responses to increasing age diversity in the labour force**. In a number of countries PES are increasingly focusing on working with employers to raise awareness of the important contribution of older workers and measures in place to support active ageing. Together with relevant stakeholders, PES have been involved in seeking to influence public opinion, attitudes of employers, and providing support for age awareness and active age management strategies to promote the employability and workability of older employees.

In this regard, **PES are not always directly responsible but work together in coalition with employers’ organisations, social partners, and other interest groups** actively engaged in promoting age awareness. **Public information campaigns** have been launched in a number of countries (Finland, France, Germany, Luxembourg, the Netherlands, and the United Kingdom) to promote public awareness and to counter the negative attitudes of employers. These campaigns have targeted employers with the **provision of information and tools to manage age-awareness and diversity management of ageing work forces**. Both approaches need to be pursued, but with

an emphasis on the benefits of age diversity in the workplace throughout working life in order to avoid unintended stigmatising of older workers in hiring and retention practices.

Although the **United Kingdom** PES specialist services for older workers, it does aim to extend working lives through the information campaign '**Age Positive**'², which works with businesses and sectors to support older workers' employment and flexible approaches to employment, and encouraging the removal of employer fixed retirement ages. There is also legislation in place to remove the default retirement age, prevent age discrimination and to increase the age of official retirement. In 2007, **Luxembourg** launched a public awareness campaign on prejudices against senior workers entitled **45+**. This campaign addresses employees as well as companies and is built on two pillars: the promotion of senior workers and their qualities and the value they represent in the labour market and the promotion of best practices for companies and market actors.³ **France** launched a new campaign in 2008 **l'expérience des plus de 50 ans** which highlights the value and qualities of senior workers. It is directed in particular at corporate executives and HRD managers in order to raise their consciousness of the added value senior workers can bring to the workplace.⁴

Voluntary covenants between PES, employers, and the social partners, such as "working life agreements" in Norway can contribute to raising awareness and increasing entrepreneurial social responsibility with regard to older workers. Similar initiative also exist in Austria, Belgium, France, Germany, Hungary and the Netherlands (Kover and Oeij, 2009). In addition to campaigns to correct often deep-seated prejudices with regard to the productivity of older workers, pro-active PES interventions include efforts to support employers in developing age-aware human resource management policies and human resource development instruments to enhance the sustainable employability of the workforce.

However, evidence suggests that initiatives to promote age-awareness are often assessed by employers in terms of company performance indicators such as: their profitability, preventing loss of skilled personnel, success in recruitment, employee satisfaction, client friendliness, and the positive development of competitiveness and share of the market.

PES in a number of countries now recognise that they have a potentially significant role to play in **providing support for human resource development strategies in firms, in particular SMEs without Human Resource Development staff** (Belgium, France, Germany, Norway, Sweden (Panagiotakopoulos, 2011)). **PES services for employers include advisory services and consultancy to employers, particularly SMEs**, on age management strategies to help older workers remain active, mobile and innovative during their extended working lives. While age management is an issue for all

² Available at: <http://www.agepositive.gov.uk/>

³ Available at: <http://www.45plus.lu/campagne/>

⁴ Available at: <http://www.emploiesseniors.gouv.fr>

employees throughout working life, PES can, nonetheless, provide employers with advice and support with particular reference to the successful retention of older workers. Adequate staffing would be required to provide such services. In France, Pôle Emploi has implemented specific actions for older workers which include targeting of enterprises in order to encourage and promote employment of older workers. Actions organized by Pôle Emploi include: age-awareness communication plans, forums, and breakfast meetings with French companies, and human resource clubs so companies can exchange information on seniors including organization of quarterly meetings of national “Human Resources Clubs” with the big companies decision-makers.

The formulation of national competence agendas (Belgium, France), has contributed to the development of individualised trajectories for the maintenance and improvement of personal employability. The focus here is on developing flexible learning trajectories in the workplace which provide older workers’ in particular with individual learning and personal development trajectories. Based upon a life course perspective on longer working lives, it is increasingly recognised that preventive **interventions in the mid-career period of working life around 40-45** at the point when investments in education and training by employers, and employees themselves, normally start to decline.

A number of reports prepared for the Peer Review under the Mutual Learning Programme in the Netherlands refer to the **need to introduce mid-career interviews for older workers** (see for example Farvaque, 2010). These interviews should focus on issues of employability in terms of managing transitions in working life and personal development. The role of PES in this regard involves **agreements between PES and in particular SMEs with regard to the out-sourcing of HRD tasks from employers to PES and private employment services**. This is pertinent to the development of **personal development plans (PDP)**, indeed discussion of individual rights to a PDP (Belgium, France, and the Netherlands). Within PDP procedures employees can be proactively supported in learning to manage transitions in their later working careers. In a company context, PDPs can deliver additional value when they support future-oriented identification of learning needs and development of workers’ competences. PDPs enable individuals to reflect upon and explore their personal objectives as far as knowledge, skills and competence development in the workplace are concerned.

PES can support firms, particularly SMEs, with advice on tailor-made PDP procedures in relation to formal, non-formal and informal learning in the workplace. However, a key question for PES is how PDPs can be effectively implemented by means of co-funding of personal development budgets (PDB), involving financial contributions from public authorities, employers and individual workers themselves, to fund learning activities both inside and outside the workplace.

Growing emphasis upon work-based learning has enhanced the responsibilities of employers, the social partners, and branch training and development funds for the **recognition and accreditation of non-formal and informal learning in relation to competence development and employability**. This has resulted in greater emphasis

upon the lifelong formation of competences, awareness of changes in the labour market, the reality of flexible careers, and the role of non-formal and informal learning in supporting sustainable employability in later working life.

Such developments are demonstrated in one-stop desks, local mobility centres, and competence centres which provide integrated support at the local level for employees in identifying education and training opportunities which facilitate sustainable employability. In this context, RPL/APL can be put to work in building bridges between the worlds of formal vocational and educational training qualifications and the 'parallel' world of acquiring competences in non-formal and informal learning environments in the workplace. Evidence suggests that this parallel world of RPL and APL is particularly important for older workers who often have few or out-dated formal qualifications, who have not been active in in-company training, but who have developed competences which go unrecognised and unaccredited for the purposes of job and career progression within the workplace. **PES has a specific role to play in developing and implementing co-funding arrangements for the recognition and accreditation of prior non-formal and informal learning for both unemployed and employed job seekers.**

Labour Mobility Centres in the Netherlands providing assistance with validated prior learning

PES in the Netherlands have a special mobility fund totalling 20 million Euro in 2011 which funds RPL/APL procedures for recently unemployed workers and those threatened with unemployment within the next four months. **Labour Mobility Centres** have been set up by PES at regional level which provide employers and employees with support for the implementation of RPL/APL. One of these centres helped a medium-sized office company that needed to make an inventory of the capacities of its personnel so that it could seek new markets. The centre organised the validation of prior learning and competences for their employees. Results demonstrated that 30% of the employees could be offered a competence certificate. This better insight into its employees' competences means that the company has developed a number of new products and thereby strengthened its market position. Because employees are now aware of their own competences, they are also better equipped to consider career progression.

2.3.2 PES can support workability with a network of partners while protecting those unable to continue working

Health problems and difficult working conditions clearly play a role in early exit to retirement. PES can provide support services for employers in field of occupational health issues which contribute to the work ability of employees. This can include use of the Work Ability Index (WAI). Work ability involves assessing the ability of employees to perform tasks by evaluating the combined impact of their physical working conditions and work demands upon their health. While PES may themselves not be responsible for such activities, PES interventions could include, for example, **provision of information,**

the exchange of experiences and information about ‘good practices’ between companies. Dissemination of good practice can help employers, especially SMEs, to benefit from the experience of others. Activities initiated by PES focus on employers who are potentially willing to continue employing older workers and to provide support with age aware strategies for workability.

Local PES activities can include active support, supply of information, and assistance to employers about work ability and more specifically the WAI (Belgium, Finland, Germany, Netherlands)⁵. This can involve organising meetings together with local organisations for SMEs in order to disseminate information about WAI. This demands effective PES links to regional, local employers, employers’ organisations, SMEs, community-based employers and social enterprises. PES can also implement specific instruments to assess work ability, for example the WAI, as part of the process of determining the eligibility of individuals for sickness benefits and return-to-work trajectories (NL). This can stimulate employers to be more actively engaged in promoting the sustainable work ability of their workforce.

⁵ For detailed discussions see: *Peer Review on “Activating the Elderly: Increasing Participation, Enforce Employability and Working Age Until Age of 67”, Netherlands, 31 May – 1 June 2010*. Available at: http://www.mutual-learning-employment.net/uploads/ModuleXtender/PeerReviews/81/Netherlands_Peer_Review_full_summary_final.pdf

3 PES AND THE ROLE OF STRATEGIC SERVICE PARTNERSHIPS

In order to further develop the provision of effective services for older workers, **PES are seriously examining their potential role in the orchestration of labour market services in consultation with diverse stakeholders.**

At national level PES work within different systems of governance which determine their dependence on centralised decision-making, relative autonomy subject to government supervision, or as decentralised agencies at regional or local government level. This influences the roles they are able to play and the kind of services they can provide in terms of raising levels of participation by older people in the labour market.

Despite a significant measure of agreement as to the common mission of PES, there remain major differences with regard to the strategic positioning of PES in terms of what should be the core services central to the organisational strategy of PES. These differences range from PES as the leading major public provider of labour market services, through a more limited role as a public service provider alongside private providers, to PES as a supplementary provider in the marketplace for labour market services. Given the current discourse in PES circles about the “conductor” and “orchestration” role of PES, **strategic choices for the development of PES services should be examined in relation to the availability and quality of labour market services by other service providers.** On the whole, PES are increasingly required to enhance their co-operation with other delivery partners.

Active labour market policies in the near future call for the active involvement and co-operation of PES, employers, social partners, education and training providers, and voluntary organisations, together with employees themselves. PES at national, regional or local levels need to be increasingly involved in **multi-stakeholder partnerships**, including the social partners in co-ordinated efforts to address the labour market needs of older workers. However, this is still **not widespread in many Member States especially where co-operation with the social partners is still hesitant** (ILO, 2011). Involvement of social partners in the governance of PES remains strong in Austria, Belgium, France, Germany, Netherlands, Norway, and Sweden. In Denmark and the United Kingdom, and in some measure Germany, the gradual weakening of the social partners in PES governance has been more pronounced during the reorganisation of PES services in recent years. The role of the social partners in southern European countries and the new MS remains limited.

This report indicates the **need to develop strategic partnerships between PES and social partners** in enhancing the sustainable employability of older workers with particular regard to the importance of participation in adult learning activities in the activation of older workers. This will require, however, a new strategic coalition of social dialogue involving investments by public authorities, social partners and older people in

order to renegotiate the traditional borders between work, learning and retirement in flexible working lives.

Public, private and voluntary actors also need to work more closely together in co-ordination and knowledge sharing with regard to the labour market needs of older workers. **PES need to reposition themselves with regard to co-operation with employers, particularly with SMEs, the social partners, regional and local governments, and voluntary associations** representing and serving the interests of older workers. PES participation in Local Economic Development (LED) is a case in point.

A recent Eurofound report refers to PES participation within LEDs in local public-private partnerships (LPPPs) during the recent economic crisis (Eurofound, 2011). One longstanding example of LED and LPPPs in relation to the labour market needs of older workers are the **Territorial Employment Pacts (TEPs) in Austria**. Similar examples also exist in Germany.

Territorial Employment Pacts in Austria

TEPS are the most common local employment development programmes in Austria and include various partners among which the local and regional Public Employment Service (AMS) branches play a leading role including co-ordination tasks in some regions. **TEP_EQUAL_ELDERLY is a development partnership involving all Austrian** TEPs. The objective of TEP_EQUAL_ELDERLY is to recognise, appreciate and advance the potential of elderly workers, to identify adequate instruments and methods and to provide relevant societal institutions and organisations, companies, advocacy groups and social partners with know-how essential for practical implementation. The approach of the development partnership consists of two pillars: access to employment for elderly workers and retaining employment for elderly workers.

Employment Pacts for Older Workers in the Regions in Germany

Local PES centres also play a leading role for example, in Germany within the Federal programme, '*Perspektive 50plus Beschäftigungspakte für Ältere in den Regionen*' (Employment Pacts for Older Workers in the Regions) which seeks to increase the employment chances for those over 50. This programme is intended to find regional and local solutions by addressing and convincing regional or local companies, workers themselves and the public, of the advantages of older workers, and to reduce the barriers for their access to the labour market.

In addition, this report has identified **two very specific areas** which call for heightened levels of PES co-operation with other stakeholders in the development of infrastructures for enhancing transitional learning and employability of older workers. On the one hand, it is vital for PES to play a key role in the development of appropriate

infrastructures for the recognition and accreditation of prior learning with particular reference to non-formal and informal skills acquired in the workplace and beyond: “competences acquired elsewhere”. On the other hand, PES can play a key role in the **development of co-funding mechanisms**, such as Individual Learning Accounts, vouchers, career breaks, and educational leave, which will enable older workers to participate in transitional learning activities and enhance their competences to manage their own employability, particularly whilst still in employment.

4 CONCLUSIONS: PES AND FLEXIBLE WORKING LIVES FOR OLDER WORKERS

PES resources are currently stretched as the effects of ongoing fiscal consolidation and cuts in expenditure start to impact upon the budgets of public services involved in PES provision and infrastructures. Fiscal consolidation and cuts in public expenditure in most MS already indicate harsher regimes of conditionality with regard to the benefit entitlements of the unemployed, those on occupational disability and sickness benefits, together with those involved in sheltered work arrangements for those with physical and psychological impairments.

Nonetheless, PES are now required to address the labour needs of unemployed and employed job seekers among the 55+ age group who have not been significant among the priority client groups of PES until the recent past. **Engagement by PES with the specific labour needs of increasing numbers of often low-skilled older workers opens up a challenging field of activity** for the development of interventions and specific tools devoted to the sustainable employability of the expanding older cohorts in the 'greying' workforce. Innovation in PES provision to accommodate the labour market needs of older people dealing with extended working lives requires action in the following areas:

- PES investment in a knowledge base and staff development to support provision of targeted services for the specific labour market positions of older workers.
- PES guidance services for older workers fostering individual responsibility for employability among older workers and the managing of more flexible transitions between combinations of paid work, non-waged civic activities, caring tasks and retiring in later life.
- PES engagement, together with other public, commercial and voluntary providers, in case-work for the activation of older job seekers, and provision of support and advice both outside and inside the workplace.
- PES co-operation with available infrastructures to provide older workers with structured opportunities for reorientation and personal development, participation in non-formal and informal learning, accreditation of prior learning and funding mechanisms for learning.
- PES support for employers, above all SMEs, with information and advice in relation to age diversity, age-management practices, work ability and human resource development in work organisations, with particular reference to small and medium-sized companies.

- PES co-operation with the social partners to enhance the active management of labour market transitions of older workers which are not absorbed by generic labour market arrangements.
- PES involvement in strategic national, regional and local partnerships with diverse stakeholders including local authorities, social partners, social economy, voluntary organisations, and pressure groups.

These are the challenges for smart, sustainable and inclusive PES strategies for the sustainable employability of older workers.

REFERENCES

Buiskool, B-J, Broek, S. & Hake, B. (2010), *Impact of ongoing reforms in education and training on the adult learning sector*, Zoetemeer: Research voor Beleid.

CEC (2009), *The role of the Public Employment Services related to 'Flexicurity' in the European Labour Markets: Final Report*, Brussels

CEC (2010), *New Skills for New Jobs: Action Now*, Luxembourg

CEC (2010), *PES 2020 – mapping visions and directions for future development*, Brussels

Cedefop (2006), *Promoting lifelong learning for older workers: An international overview*, Luxembourg

Cedefop (2009), *Innovative learning measures for older workers*, Luxembourg

Cedefop (2009), *European Guidelines for validating non-formal and informal learning*, Luxembourg

Cedefop (2009), *Individual Learning Accounts*, Luxembourg

Courtioux, P. & Erhel, C. [2006], 'The national models of senior's employment in Europe and the TLM perspective', in N. Van den Heuvel *et al.* (eds), *Active Ageing: Early Retirement and Employability: Special Issue*, Garant, p. 17-34

Dalen van, H.P. & Henkens, K. (2009), 'Dealing with older workers in Europe: a comparative study of employers' attitudes and actions', *Journal of European Social Policy*, vol. 19, no. 1, 47-60.

Doets, C. & Huisman, T. (2009), *Effectiveness of Individual Learning Accounts*, ECBO, Amsterdam/'s-Hertogenbosch; Renkema, A.G. (2006), *Individual learning accounts: A strategy for lifelong learning?*, CINOP, 's-Hertogenbosch.

EIPA (2011), *Baseline study ESF Age Network*, Brussels.

EMCO (2009), Ad Hoc Group report on the 2009 thematic review, part 1, 'skills upgrading and skills matching', Brussels

EMCO (2009), Ad Hoc Group report on the 2009 thematic review part 2, 'inclusive labour markets', Brussels

EMCO (2010), Ad Hoc Group report on the 2010 thematic review part 2, 'Quality in work', Brussels

EMCO (2010), *Making transitions pay - EMCO Opinion*, Brussels

Eurofound (2011), *Part-time work in Europe*, Luxembourg

Eurofound (2011), *Joint public-private local partnerships for employment to cope with the recession*, Dublin

Farvaque, N. (2010), 'Extending working life and developing employability: what instruments at the company level and for what use?' Available at: http://www.mutual-learning-employment.net/uploads/ModuleXtender/PeerReviews/81/discussion_paper_France-MD_Edits.pdf

Fourage, D., Schils, T. & de Grip, A. (2010), *Why Do Low-educated Workers Invest Less in Further Training*, IZA Discussion Paper no. 5180, Institute for the Study of Labour, Bonn. Available at: <http://ssrn.com/abstract=1675691>

ILO (2011), *Social Partners and the Governance of Public Employment Services: Trends and Experiences from Western Europe*, Geneva

Kohli, M. and Künemund, H. (2010), 'Social networks', in: L. Bovenberg, A. Van Soest and A. Zaidi (Eds), *Ageing, Health and Pensions in Europe: An Economic and Social Policy Perspective* (pp. 141-167). Basingstoke: Palgrave.

Korver, T. & Oeij, P. (2009), 'The soft law of the covenant: Making governance instrumental', in: R. Rogowski (ed). *The European Social Model and Transitional Labour Markets*. Ashgate, 143-169

Lagerström, J. (2011), *How important are case-workers - and why? New evidence from Swedish employment offices*, working paper 10, Uppsala, Institute for Labour Market Policy Evaluation. Available at: <http://www.ifau.se/Upload/pdf/se/2011/wp11-10-How-important-are-caseworkers-and-why.pdf>

Lindsay, C. (2010), 'In a Lonely Place: Social networks, job seekers and the experience of long-term unemployment', *Social Policy and Society*, vol. 9, no.1, 25-37
Labour Foundation (2011), *Policy Agenda 2020: Investing in Participation and Employability*, The Hague. Available at: http://www.stvda.nl/~media/Files/Stvda/Talen/Engels/2011/20110610_Beleidsagenda_2020_EN.ashx

OECD (2005), *Promoting Adult Learning*, Paris

OECD (2006), *Live Longer, Work Longer: A synthesis report*, Paris

OECD (2010), *Recognizing Non-formal and Informal Learning*, Paris

OECD (2011), *Pensions at a Glance 2011: Retirement-income systems in OECD and G20 Countries*, Paris

Panagiotakopoulos, A. (2011), 'Barriers to employee training and learning in small and medium-sized enterprises (SMEs)', *Development and Learning in Organizations*, vol. 25, no. 3, 15-18

Platman, K. (2004), "Portfolio careers" and the search for flexibility in later life', *Work, Employment and Society*, 18 (3), 573-599

Purcell, P. J. (2008). 'Older workers: Employment and retirement trends', *Journal of Pension Planning and Compliance*, 34(1) 32

Rodriguez-Planas, N. (2007), *What Works Best for Getting the unemployed back to work: Employment Services of Small Business Assistance Programmes? Evidence from Romania*, IZA Discussion Paper 3051, Institute for the Study of Labour, Bonn.
<http://ideas.repec.org/cgi-bin/ref.cgi?handle=RePEc:iza:izadps:dp3051&output=0>

Schmid, G. (2008), *Full Employment In Europe: Managing Labour Market Transitions and Risks*, Edward Elgar

Schuring, M., Mackenbach, J., Voorham, T. & Burdorf, A. (2011), 'The effect of re-employment on perceived health', *Journal of Epidemiology of Community Health*, vol. 65, no. 7, 639-644

Schuring, M., Burdorf, A. Kunst, A. & Machenbeck, J. (2007), 'The effect of ill health on entering and maintaining paid employment: Evidence in European countries', *Journal of Epidemiology of Community Health*, vol. 61, no. 6, 597-604

Schmid, G. (2010), *Non-standard Employment and Labour Market Participants: A Comparative View of the Recent Development in Europe*, IZA Discussion Paper no. 5087, Institute for Study of Labour, Bonn.

Schmid, G. (2010), 'The future of employment relations. Goodbye 'Flexicurity' – welcome back transitional labour markets?', Working Paper 10-106, Amsterdam Institute for Advanced Labour Studies.

Sultana, R. (2011), 'Learning career management skills in Europe: a critical review', *Journal of Education and Work*, vol. 24, no. 3-4, 1-24.

Taylor, P. (2008), 'Comparison of approaches to the 50+ Workforce in Europe', In A. Chiva & A. Manthorpe (eds), *Older Workers in Europe*, Open University Press