

Active Ageing
through Social Partnership
and Industrial Relations in Europe

CONSOLIDATED SUMMARY
OF FOUR NATIONAL
REPORTS

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ASPIRE Executive Summary of National Report

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ASPIRE (Active Ageing through Social Partnership and Industrial Relations Expertise (ASPIRE)) is a project being completed by the Centre for Research into the Older Workforce (CROW), ADAPT, University of Granada and University of Lodz funded by the European Commission Directorate of Employment, Social Affairs and Inclusion. It complements other European Union funded projects on age, work and health (MOPACT); local and regional pilot health programmes (EIP on AHA); employer interventions (Workage); and the development of tools to implement and measure active ageing.

The project is set within the context of a formal agreement between European social partners (employers and unions) on working collaboratively in developing and embedding workplace active ageing policy and practices. The “Framework Agreement on Active Ageing and an Intergenerational Approach” agreed earlier this year between Business Europe, UEAPME, CEEP and the ETUC (and the liaison committee EUROCADRES/ CEC). This is an agreement to implement national, regional, and company level initiatives to take a life-cycle approach to productive working. In countries like Germany, Finland and Sweden, collective agreements have been reached at the sectoral and organisational levels on workplace ageing. However, these are countries with formal structures for negotiating and embedding collective agreements across industrial sectors. The four countries in which ASPIRE is being run have weak and/or fragmented labour political structures for employer coordination. Therefore, the ASPIRE project has two overarching aims: First, to investigate how social partners can work together in developing an embedding active ageing approaches to work; and second, how they can do so within those European countries without robust systems for employer coordination. The project is therefore meant to complement other European Commission sponsored projects by exploring the role of social partners in delivering more age friendly workplaces and providing tools to employers and unions in doing so.

Four national reports have been completed in which partners have reviewed academic literature, ‘grey literature’ (e.g. reports written by national governments, stakeholders, and social partners themselves). This is a short summary of the findings, consolidating the four reports. A fifth summary report reviews predecessor European Union projects on active ageing and how ASPIRE complements them.

Research Questions

1. How do different industrial relations (IR) structures facilitate and/or inhibit the dissemination and implementation of collective agreements on active ageing?

The four countries represent a diversity of business systems: state organised (Spain); mixed-market (Italy); post-communist (Poland) and arms-length institutional (UK). In two of the countries (Poland and the UK), the regulatory state takes a light-touch approach to regulation, while in Spain and Italy, coordination by institutions is high and centralised.

- a. In Italy, there are systems for collective bargaining at the national and sectoral level on workforce issues including age. In the case of Italy, volunteerism in terms of adherence to sectoral level collective agreements have led to fragmented approaches to sector based approaches to age management.
- b. In Spain, unions have a formalised role in setting, implementing and monitoring public policy via collective bargaining and bilateral structures at the national, regional and sectoral level. These structures mean that employment policies are implemented in non-uniformed ways and social partners have some influence over HRM practices. The Spanish report highlighted the ways in which social partners have influence over regional level active ageing programmes. However, workplace ageing is rarely mentioned within regional programmes.
- c. In Poland, the main union movement, Solidarnosc, has close political ties with the current government and strong influence over national public policies, including pensions and retirement. Collective bargaining is primarily at the employer level and, since 2006, collective bargaining structures have been complemented by works councils at the national, regional and organisational levels. Works councils in Poland incorporate non-union voices on employment issues
- d. The UK industrial relations system is segmented between public and private sectors. Public sector industrial relations are governed by Whitley Council structures which feature national collective bargaining (although there are devolved pay bargaining structures in the Civil Service and parts of local government) and workplace level consultative bodies. Private sector industrial relations are fragmented with some sectors (e.g. hospitality and retail) having very low levels of union membership.
- e. The reports highlighted different ways in which formal and informal collective bargaining structures are transforming the ways workplace ageing are discussed:
 - i. In Italy, bilateral bodies (workplace level decision making bodies) have been used to employment based social welfare including training, health and safety interventions, health insurance and income support. It has been noted that

such bodies can be used to deliver active ageing interventions and support intergenerational solidarity.

- ii. In the UK, Local Enterprise Partnerships (LEPs) are voluntary organisations made up of local governments, employers and other stakeholders which are tasked with setting regional economic priorities. At least two LEPs in the North of England have prioritised age as a local economic priority and have assembled working groups made up of unions, employers, and other stakeholders to develop regional plans for addressing issues around joblessness, skills, and healthy workplaces.

2. How are age and employment perceived in workplace contexts within different IR systems?

Workplace ageing is a mid-level priority in two of the countries (UK and Poland) and a low priority in two (Spain and Italy). Perceptions of age are influenced by the following:

- a. *Labour and skills shortages:* In two countries (UK and Poland), labour and skills shortages were mentioned as drivers for employer efforts to retain their older workers and encourage later retirement ages. Migration has also come into play, with British employers recognising the political limits of using migrant labour as a way to address shortages and Polish employers facing high levels of emigration of younger workers. While Spain and Italy have faced relatively high unemployment rates, these have plateaued and, with economic growth returning, some employers have shown concern about potential shortages, especially in sectors where recruitment had been frozen during the 2008-2010 recession and workforces are older and large cohorts are near retirement.
- b. *Training and skills:* The reports discussed skills and qualifications within the context of knowledge sharing and intergenerational support. Training opportunities for older workers are less available than for younger staff and few bespoke programmes for retraining were mentioned. The UK report discussed the Union Learn programme and role of learning reps in identifying workforce level skills needs. It also discussed the Mid-life Career Review: a pilot programme to offer universal career advice to people at or around the age of 50. The Italian report suggested that bilateral agencies could play a role in delivering mid-career training.
- c. *Rising pension ages:* In Italy and Spain, second tier pensions are delivered by the State and pension ages are both 67. The UK pension age is rising to 66 by 2020, while in Poland, government has recently reversed plans to raise pension ages to 67. In the UK, public sector pension ages have been linked to the state pension age which is driving collective bargaining on human resource management policies to support

public servants to reach pension ages, in particular the National Health Service Working Longer Review Group.

- d. *Closure of early retirement routes:* State funded early retirement routes still exist in Italy and Spain, but since 2006, such routes were closed in British public sector pension schemes (and there has not been state sponsored early retirement routes since 1989). Access to early retirement routes have shaped the drive workplace active ageing initiatives. In Spain, for example, take up of early retirement programmes are much higher than phased or late retirement benefits.
- e. *Government priorities:* Government policies in all four countries are generally promoting active ageing, but there is some variation to the extent to which workplace active ageing is part of an overall framework for supporting older people in social and economic engagement. The UK government has gone furthest of the four with a government document *Fuller Working Lives* setting out an overall framework for extending working lives. Regional and national programmes in the other three countries are being developed. However, priorities are mainly focused on other social issues such as social inclusion, health, and eldercare.
- f. *Age discrimination regulations:* All of the member states have transposed the Employment Equality (Age) Directive 2001 but in largely different ways and with different emphases. In all four countries, legislation on age discrimination has been consolidated with other discrimination laws. In the case of the UK, government explicitly sought to consolidate equality laws to address issues of intersectionality. In both Poland and the UK, there was a transition period to adjust to the regulations (in the case of the UK, there was a five-year interim in which the Default Retirement Age was lawful). Employers in Italy and Poland are permitted to use age as a criterion for redundancy selection while in the UK, employers are permitted to offer enhanced redundancy payments for older workers.
- g. *Retirement ages:* Two of the countries (UK and Spain) have abolished mandatory retirement for most workers. In Italy, workers can delay the date at which they start to draw their pension in which case their contracts cannot be terminated. In Poland, the employment contract is terminated upon the employee reaching pension age but can be extended with agreement with the employer. Employers in all four countries are permitted to use age as a factor in management decisions so long as the action is valid and proportional.
- h. *Defined contribution pensions:* In three of the countries, DC pension schemes (delivered and managed by the State in Italy and Poland and by employers in the UK), while in the fourth (Spain), individual retirement accounts are becoming an

increasing part of retirement savings. Because DC pension arrangements put the financial risk of retirement savings on the individual worker, unions, especially in the UK, are seeking ways to support older workers who need to delay retirement due to insufficient retirement savings.

3. How do employers and trade unions respond to EU and national social activation policies in creating sustainable work opportunities for older workers?

All four reports noted that joblessness amongst older people is higher than the overall population, although each also highlighted the high levels of youth unemployment- a problem which was discussed in the Spanish report.

- a. There are various and modest programmes which are available to support older jobless into work. In Poland, government subsidises pension contributions for people 55+ who are out of work (the UK also provides pension credits for the unemployed and people who are out of work because of caring responsibilities). Spain has a programme for encouraging retirees to return to work by offering some pension flexibility, although take-up is quite low. The Italian government provides some tax incentives for organisations to hire older job applicants, such as suspending social security contributions. The Italian report also points to the role of bilateral institutions in delivering income support to jobless and resources like training and job placement to get them back into sustainable work.
- b. Reskilling for older workers is limited in all four countries. In the UK, government sponsored apprenticeship programmes have been extended to older apprentices. However, some employers have used this to provide training which would normally be provided through organisational funding.
- c. Early retirement remains a route in two of the countries. Two countries allow early retirement for people who are unemployed or at risk of unemployment. In the case of Spain, employees who are within two years of retirement and in Italy, employees who are within four years of retirement and have been unemployed for four years can start to draw their pensions. Neither Poland nor the UK governments provide early retirement benefits. However, in Poland, workers can draw down a reduced DC pension, while in the UK, employers can offer early retirement during a redundancy (as the UK public sector organisations have done).
- d. Social partners are actively involved in supporting both those in and out of work. The UK's largest union, Unite, has tried to recruit and represent unemployed people. The Italian report also cited many sources that argue in favour of an intergenerational approach to employability in order to address both younger and older unemployment-

such as introducing knowledge management systems for older workers to pass on knowledge to younger ones.

4. How are the interests of older and younger workers negotiated and reconciled through workplace level mechanisms?

None of the reports were able to identify existing intergenerational programmes being carried out by social partners. However, promotion of intergenerational support was mentioned in government programmes in Spain and Poland and as a potential for social dialogue at the sectoral level in Italy.

- a. Intergenerational issues have shaped employer and union attitudes to active ageing. The Spanish report noted that persistent high youth unemployment has been a priority for social partners and older workers have explicitly and/or implicitly been persuaded to retire early in order to make way for younger people.
 - b. In the UK, the ‘lump of labour’ theory has been challenged by unions and employers although remains a prevailing theory shaping both workers’ attitudes to extended working life and management practice. Unlike other economies, the external labour market has mitigated the extent to which older workers have created bottlenecks for younger workers’ career progression.
 - c. The Italian report has cited a number of scholars who have suggested that bilateral bodies could be used to support intergenerational learning and employability support. In particular, older workers, especially those wanting to phase into retirement, could be redeployed to train younger workers, especially those who have been or are at risk of being unemployed. Such programmes could present pathways to sustainable work for both generations. For older workers, training younger workers could provide pathways out of physically demanding work and for younger ones, it could provide the chance to upskill and transition into permanent work.
5. How are good practice and innovations in the dissemination of active ageing approaches shared between and within different national contexts and in Europe?
 - a. One of the emerging themes of all four reports is the emergence of regional and sectoral bodies as platforms for developing and supporting workplace active ageing programmes. In the UK, Local Enterprise Partnerships in the North have been developing programmes (involving Northern TUC, CIPD and local employers) to take a joined-up approach to tackling older joblessness and skills shortages as well as to bid for resources to implement FWL. In Spain, social partners are also collaborating both on active ageing (though with less of an emphasis on work) and economic development. The Italian report noted that regional variation of employment law occurs and, although sectoral based collective agreements exist at

the national level, regional differentiation can occur through activities of bilateral institutions. Finally, the Polish team is working with local based social partners to deliver tools for small and medium sized enterprises.

- b. All of the reports discussed the fragmented way in which public policy and collective agreements have influenced organisational HR practices at the workplace level. Because of relatively weak vertical integration in all four countries, employers have a great amount of discretion over whether and how to introduce active ageing HRM practices. The 'business case' for supporting older workers is therefore an essential incentive for organisations to act. In the case of Spain, few businesses have seen a persuasive case for acting, given the high level of youth unemployment and surplus labour. (but is less effective in persuading employers to recruit unemployed people). Volkswagen Poznan, for example, has adapted its assembly line in order to mitigate physical strain for factory workers while Barclays has introduced an apprenticeship programme to encourage older people to make a job change into retail banking.
- c. The Italian report referred to sectoral based collective agreements on work longevity (though not specifically based on age) in the chemicals and transport sectors which include programmes on health, training and flexibility.
- d. The UK report discussed the creation of the NHS Working Longer Review Group which is an industry (and employer based) working party to review the impact which higher pension ages would have to the delivery of health services.