

Productive ageing in the Netherlands

Productive ageing has been an important policy issue in the Netherlands for more than a decade by now. The demographic change in Dutch society is a threat for sustainable government finances and the sustainability of economic growth and the systems of social security (including old age income) and public health. The shrinking labour force and the increasing number of old age dependents require higher participation rates of the workforce, particularly of older workers, and longer working lives. But this is not just a question of raising the retirement age, but also a question of how to facilitate sustainable employability and workability of workers of all ages on the work floor and targeted inclusion programmes for older jobseekers. These are absolute prerequisites for longer, healthy and productive working lives. Longer productive working lives are not just important for the economy. There is also ample evidence that longer healthy and productive working lives contribute in a positive way to active ageing after retirement, that is longer healthy lives and higher levels of social participation.

Policy initiatives

A wide range of policy initiatives to tackle the low participation rates of older workers and short working lives have been in place in the Netherlands since the turn of the century. These can be grouped in different categories:

- *stimulating awareness* raising about the consequences of demographic change through *research and information activities*, which were the core activities of the 'Taskforce Ouderen en Arbeid (Seniors and Work' (2001-2004) and 'Regiegroep Grijs Werkt' (Grey Works) (2004-2008);
- *stimulating companies and sectors* to adopt *age-conscious HRM-policies* by providing *project subsidies* like the Temporary Subsidy Regulation Age Conscious Personnel Policy (2004-2010), which reached hundreds of big companies and small and medium sized enterprise sectors and thousands of workers;
- *legislation* in the field of age discrimination (2004), health and safety, and pensions;
- *financial stimuli for employers* to hire 55+ workers, including a mobility-bonus for work-to-work transitions, and to employ 62+ workers in the form of premium reductions and *financial stimuli for older workers* to continue working in the form of tax credits (till 2012 for 57+ workers and from 2013 for 61+ workers);
- *inclusion campaigns* by the public employment services (PES), targeted at older jobseekers like Talent 45+ and the campaign 'I Can';
- subsidizing all kinds of activities that may have a positive impact on participation rates, like programmes and projects aimed at increasing workability and sustainable employability of workers, projects to combat age discrimination, improving occupational health and safety;
- *tripartite agreements* with social partners like the Participation Agreement from 2007 and the Pension Agreement from 2010. The latter tripartite agreement also led to the adoption of the Policy Agenda 2020 of the central organisations of social partners, aiming at equal participation rates of older and younger workers and a commitment to invest in sustainable employability and workability and mobility of older workers.

Particularly the Taskforce initiative was quite successful in setting the older-workers and productive ageing agenda in government policy, although it failed to have a big direct impact on attitudes and practices in companies, sectors and the organisations of social partners (employer organisations, trade unions, bipartite sector funds). Important recommendations of the Taskforce were:

1. To stimulate a pro-active life-cycle approach with a focus on sustainable employability and workability for all age groups and to develop tailor-made alternatives for the age related regulations in collective labour agreements, like the extra days off, reduced working hours

with full pay and the exemption of strenuous working times and shifts. These forms of contractually institutionalised senior policy were seen as a major obstacle for job mobility at higher ages and probably conflicting with legislation on equal treatment on the ground of age;

2. To use the institutions of decentralised social partners, like the sector collective labour agreements and the sector funds for education and training and health and safety for the promotion of sustainable employability programmes, particularly in the sme-sectors;
3. To develop a long term project subsidy program for (larger) companies and sme-sectors to stimulate age conscious personnel policies;
4. To stimulate working longer with financial stimuli.

Most of these recommendations have been put in practice over the last decade. Some with more success than the others. Nevertheless much has been achieved during the last decade in terms of awareness raising, research, development of tools and approaches for Age Management and commitment of social partners to support active ageing policies at work.

Impressive results.....

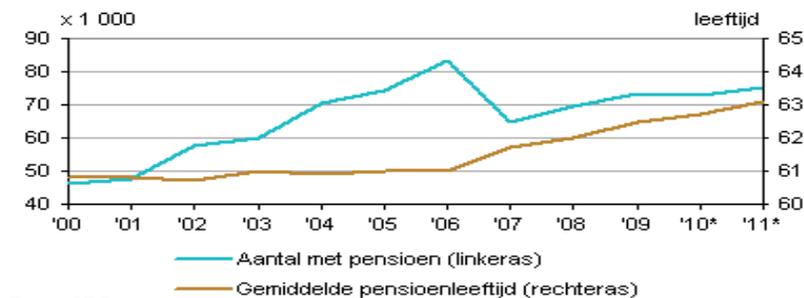
Over the last decade impressive results have been achieved. Particularly regarding participation rates of the older workforce and the lengthening of working lives as the following table and figure show.

Table 1: Employment rate of older workers age groups 55-59 and 60-64 in 2001, 2006 and 2011

	Total		Men		Women	
	55-59	60-64	55-59	60-64	55-59	60-64
2001	48,2 %	13,7%	66,2 %	20,2 %	29,7 %	7,2 %
2006	55,8 %	20,8 %	71,0 %	29,2 %	39,5 %	12,3 %
2011	68,2 %	36,0 %	81,7 %	46,6 %	54,6 %	25,4 %

There is a steady increase in participation rates for both men and women in both age groups in the period 2001-2011, even accelerating after 2006, when fundamental early retirement reforms took place in the Netherlands. The gender gap in participation rates decreased markedly in the age group 55-59, but not as yet in the age group 60-64, but that will be just a matter of time as the younger cohorts of women show higher participation levels than the older. Participation rates are some 10% higher than the EU average, for both men and women.

Figure 1. Number of people retiring (blue line) and average retirement age (brown line), 2000-2011



Bron: CBS

The upward trend in the average retirement age is likely to continue in the coming years as the public state pension age, currently at age 65, will be gradually lifted till 67 years in 2024/25 and then possibly even higher depending on the development of life expectancy.

.....and stubborn problems

Whereas the increasing participation rates of older workers and the prolongation of working lives can be seen as a success story, this is not the case for the inclusion of older unemployed in productive employment. Since 2008 it has become very difficult for older jobseekers to find a suitable job. In 2009 only 2% of the vacancies were filled by 55+ jobseekers, and those that found a job were generally the younger seniors. The chance to find a job also diminishes strongly with the duration of unemployment. And when a senior jobseeker finds a job it is very often unskilled labour in an other sector of the economy, for lower wages on a fixed term and very often part time contract. In that sense there is a wide discrepancy between the long term employed insiders which may enjoy all kinds of privileges and those who are so unfortunate to lose their job at a higher age. Negative stereotyping and age discrimination, a (perceived) gap between productivity and wage costs, poor health, obsolete skills and lack of training are important factors that contribute to the marginal position of older jobseekers.

The vulnerable position of older jobseekers is probably highly related to their adaptability potential, that is their level of education. The following table show participation rates of the age group 55-64 by level of education.

Table 2: Employment rate of older workers (age 55-64) in relation to level of education in 2011

Education level	Total	Men	Women
Low	51,6 %	62,9%	40,5%
Middle	71,0%	77,1%	64,9%
High	81,7%	84,6%	78,8%

It is likely that those who don't participate in the group with low education levels are very often those with obsolete skills and knowledge, frequently facing health problems as well. When they have worked this was mostly in physical demanding jobs with unfavourable working conditions. It is a matter of civilization to invest in the health and skills of in particularly this group as a non-productive life in poor health and with little social and professional skills at a relatively young age also forecasts a short life after official retirement with a relatively poor quality of life.

Challenges

Official retirement age will be gradually raised in the Netherlands, probably starting in 2013 till 67 years in 2024/25 and then possibly even higher depending on the development of life expectancy. This raises new questions like "How to stimulate that people in (physically and mentally) demanding jobs can also prolong their working lives in a healthy and productive way?". Is this a matter of (ergonomic) adaptation of workplaces and organisation of work, improvement of the individual's health or is it better to stimulate the development of new careers in other sectors (with labour shortages lie the health care sector) of the economy or as a self-employed senior? There are no conclusive answers yet to these questions.

The second set of questions relates to the issue of job mobility of older workers. How to increase work-to work mobility at a higher age and prevent long term exclusion of older jobseekers and the permanent loss of accumulated skills and knowledge? Are low mobility rates of older workers and job

seekers the result of a wage-productivity gap, negative stereotypes and discrimination on the ground of age, lack of appropriate skills or obsolete skills, inadequate provisions for acquiring knowledge and skills for work in other sectors? And should there be a general approach on this issue or should there be a very specific focus on lower educated workers and jobseekers, many of whom work or have been working in physically demanding jobs? Here again there are no conclusive answers yet.

Whether The Netherlands will be able to maintain the track towards longer healthy and productive working lives will be highly dependent on the extent to which government, social partners, companies and individual workers will be able to stimulate sustainable and continuous development of knowledge and skills and healthy working and living conditions of workers.

ILC The Netherlands tries to influence the productive ageing agenda. At the moment we have several projects dealing with this subject:

- *Supporting the ESF Age Network.* The aim of the ESF-Age network is to bring Age Management concerns into account in the design and implementation of programmes (in particular ESF programmes), and to start a learning and networking process on effective Age Management. ILC The Netherlands Bert Lokhorst and The Ministry of Social Affairs support the working groups.
- *Wage indicator 45-plus.* Do older workers still feel welcome at their workplace? Are they more expensive or even cheaper than young people? Are they offered more or less training than younger people? It is assumed that the answers to the questions are influenced by the characteristics of the respondents (such as education, age, gender, company size, labour hours, wages, and health), and that the economic crisis has affected the answers. Given the relevance of this problem in Dutch society, information about the perception of older workers and (loss of) their work is useful for policy and politics.
- *Continue working after 60.* What are the practical experiences and opinions of people who stand or have stood for the question whether or not to (early) retire? We hope to uncover this in a bottom-up qualitative study, by interviewing over 40 low and highly educated men and women.
- *The second half of your life.* The European Commission has declared 2012 the European year of active aging, in order to raise more awareness and to stimulate discussion. This could lead to better services for older people, increasing the involvement in the community and reduce barriers between generations. With this in mind we explore the possibilities for a public campaign concerning people's plans for the second half of their life.

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