From demographic time bomb to valuable human resource: making the most of active ageing in Europe

di Alexandra Dehmel e Jasper van Loo

Riassunto*: la questione dell’invecchiamento attivo della popolazione ha assunto un ruolo rilevante nelle politiche comunitarie, sia per la dimensione quantitativa delle dinamiche demografiche, sia per l’impatto che deriva dalla profonda revisione dei sistemi di welfare. A livello internazionale, i cambiamenti riguardano fenomeni complessi, quali la globalizzazione e l’internazionalizzazione dell’economia, i modelli valoriali e l’utilizzo delle ICT. Questi si intersecano con le scelte relative al sistema pensionistico, al sistema sanitario e agli investimenti per le infrastrutture logistiche e sanitarie. La molteplicità degli aspetti interessati dal fenomeno che oggi riguarda la generazione del baby boom, ovvero quella dei nati tra gli anni 1945 e 1965, implica un approccio multidisciplinare e integrato. Nel contributo proposto, l’invecchiamento della popolazione e della forza lavoro è assunto come un dato dal quale partire per valorizzare le risorse umane e favorire lo scambio intergenerazionale di conoscenze, competenze e abilità. Se, nell’Europa dei 27 paesi, i decisori politici sembrano convinti dell’importanza di favorire l’invecchiamento attivo della popolazione, i cambiamenti a livello micro avvengono solo molto gradualmente e, in questo ambito, gli interventi di istruzione e formazione, la valutazione e il riconoscimento delle competenze giocano un ruolo fondamentale. In particolare, la soddisfazione professionale e la qualità del lavoro costituiscono veri e propri incentivi a cui devono concorrere la ricerca di forme innovative di organizzazione del lavoro, la cura e la progettazione delle postazioni di lavoro, la valorizzazione delle professionalità acquisite. Molti sono ancora gli ostacoli da superare, ed è in questa direzione che si dirigono gli sforzi degli Stati membri attraverso la cooperazione e l’approccio interdisciplinare volto a superare gli stereotipi che guardano ancora in modo negativo al rapporto tra età avanzata, percorsi formativi e processi produttivi.

Parole chiave: Active ageing; Vocational education and training; Demographic change

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Introduction

As birth rates decline and life expectancy increases, the proportion of older adults continues to grow steadily in Europe. According to Eurostat population projections for EU-27, the share of people aged 65 years or over in the total population will increase from 17.1% in 2008 to 30.0% in 2060, and the median age will rise from 40.4 years to 47.9 years (Giannakouris, 2008). Demographic ageing is accelerating. The number of people over 60 years old is now increasing twice as fast as it did before 2007 (cf. European Commission, 2010a). The latest Eurostat projections show that over the next 50 years, population ageing is likely to attain unprecedented levels in Europe, but the magnitude, speed and timing are likely to vary between the different countries (Lanzieri, 2011). Population ageing is undoubtedly a key challenge for the next decades.

The change in age profiles among European populations is a well-known and well-researched phenomenon. Ageing will have a major impact on societies and economies, requiring changes in labour markets, societal structures and attitudes. The debate about the ageing population started about three decades ago. For a long time, it was mainly approached as a trend with distant future consequences, but with many baby boomers making the transition to retirement, we are now at a turning point where the effects of ageing are becoming more apparent. At the same time it is also becoming clear that in the next decades, Europe's growth, prosperity and well-being will increasingly depend on its ability to capitalise on the skills, experience and expertise of ageing people. Attitudes towards age are only changing slowly. Active ageing policies will play a key role in ensuring that ageing people are valued for their contribution to society. In the world of work, providing the conditions that enable ageing workers to work productively together with younger generations is crucial.

As the title of this paper suggests, views on population ageing are changing. It is no longer only the «demographic time bomb» that is ticking and has major negative consequences once it «explodes». New ways of thinking emphasise that it can also be seen from a different perspective: population ageing can provide us with many new opportunities if we manage to reap the full potential of older people. They are a «valuable human resource», but benefiting from their experience and wisdom requires the right conditions for active ageing. Success depends on how well we prepare for population ageing and manage to address the challenges that lie ahead. Vocational education and training plays an important role in this context.

The set-up of this article is as follows. First, the phenomenon of population ageing is placed in the wider context of other dominant trends. Population ageing is affected and influenced by several other developments in society and economy, implying that it cannot be meaningfully assessed and successfully addressed in isolation. Several barriers and obstacles to active ageing are then discussed and facilitating factors and innovative ways of thinking to support active ageing are examined.
Population ageing in the wider context of contemporary trends

Population ageing is a major development that influences all aspects of our lives, but it is not the only challenge that Europe is facing. A variety of developments in the broader social, economic and technological context influence our societies and economies on national as well as international levels. These developments and their impacts on all economic and social spheres of life have been well addressed in a wide spectrum of literature (e.g. Sloane, 1998, 2000) and are often referred to as «megatrends». They include for instance the globalisation and internationalisation of the economy, changing value patterns, and the rise of ICTs, social media and the information- and knowledge-based society.

In the following, we provide an insight into main trends, including ageing, that are shaping work, labour markets and societies in Europe, and reveal some of their major impacts as well as possible solutions (cf. van Loo et al., 2011). Some of the issues raised here are discussed in more depth later. Our analysis is based on three levels: macro, meso and micro level. This distinction is done for analytical purposes: one has to bear in mind that there are complex interactions and relationships between these three levels.

Macro level: population ageing, the global economic crisis and employment

Population ageing is a macro trend that is driven by increasing life expectancy, lower fertility rates and the ageing of the baby-boom generation (1945–1965) (cf. Zaidi, 2008). As outlined earlier, it influences all spheres of our life and has for example impacts on national pension, health and long-time care systems and infrastructures. These need to be adequately addressed in the respective policy areas as part of an overall, integrated strategy for demographic change. On the labour market, population ageing leads to changing age-structures in enterprises, increasing labour-market exit in the coming years and possible skills shortages when employers face difficulties in finding new hires to replace employees that are leaving. These trends can be counteracted and/or managed by providing incentives supporting longer careers, by laws and regulations restricting early exit and increasing (statutory) pension ages and by supporting workplace learning through policies and cooperation structures.

The economic crisis has radically challenged economic conditions for citizens of all ages, and many have experienced unemployment or unexpected job and career transitions. The most significant challenge for Europe in the coming years will be to combat the negative effects of the crisis and consequently to introduce measures to reduce unemployment as well to increase productivity and economic growth in the Member States.

The crisis has reduced opportunities for entering the labour market and led to higher unemployment. The target of reaching a 70% employment rate for the 20–64 years age group by 2010 as set out in the Lisbon strategy was not reached (cf. European Commission, 2011a; in 2010, the EU-27 average employment rate was 68.8%). For 2020, the European Union has agreed on the even more ambitious goal to achieve an employment rate of 75%. This objective is one of the five key elements of the Europe 2020 strategy for smart, sus-
tainable and inclusive growth (European Commission, 2010a). The employment rate of older workers (55-64 years) reached a mere 46.4% in 2010 (cf. European Commission, 2011a), and did also not meet the 50% target set for this group. The low employment rate of older workers results, amongst others, from a combination of factors that lead to an early exit from the labour market (cf. *ibid.*): various forms of early retirement schemes and practices of age management as well as an improper functioning of labour markets for older people (e.g. low demand for older workers from employers, low levels of up-skilling, lack of assistance for job search, the referral to early retirement benefits, insufficient reintegration and re-training provision after redundancy).

One of the side-effects of the crisis is that the attention for population ageing as a dominant trend faded somewhat, but it is increasingly recognised that in the medium to longer term, future competitiveness and prosperity of Europe relies largely on its capability to put all its labour resources (including ageing people) to active use (Council of the European Union, 2010). This requires extending employment over the lifetime, the adoption of necessary policies to support a better work-and-life balance, addressing skill needs of ageing workers through lifelong learning, promoting active ageing and creating more inclusive labour markets. These are fundamental challenges.

As the European population is ageing, older workers\(^1\) should be encouraged to remain longer in the labour market. Key factors for the sustainability of work and for retaining older people in the labour market are job satisfaction and job quality (cf. European Commission, 2007a). To meet the 75% employment target, it is particularly important to increase the labour market participation of certain target groups, among them older people (but also others, e.g. women, low-skilled and migrants) (cf. European Commission, 2010a). Further measures are, for instance, the launch of structural reforms, the creation of new jobs and the promotion of lifelong learning. Within this context, adult learning plays an important role (European Commission, 2006, 2007a), as it can help extend working life of older workers, increase the participation of younger people in the workforce (e.g. by addressing the issue of early school leavers), and support the labour market integration of migrants, who might counterbalance the ageing of the European population to some extent.

Other trends on the macro level include for example the globalisation and internationalisation of markets, which lead to intensifying worldwide competition and reinforce the need to be more innovative. These developments pose new challenges at the meso level.

**Meso level: changing work and emerging organisational and skill needs**

Population ageing, globalisation, internationalisation and increasing competition demand and lead to changes in work organisation and skill requirements. An ageing workforce requires changes in (physical) workplace design and in personnel management approaches

\(^{1}\) Definitions on what is an older worker differ, but generally employed people over 50 or 55 are considered older workers (Bohlinger, van Loo, 2010).
Age-related demographic changes in the workplace for example bring about role reversals in the workplace (e.g. older workers reporting to much younger superiors), challenging traditions, violating established age norms and creating status incongruence (cf. Collins et al., 2009). There are specific characteristics of work such as heavy physical work, very noisy work or shift work that are obviously problematic for older workers and might for example be addressed by using other equipment designed to reduce the physical demand or by developing innovative approaches to shift work, for instance by introducing more flexibility. «Normal» desk job workplaces need adjustment, too, for example by adapting them to the needs of older workers with the help of ergonomics. Older workers not only face work-related health problems, but also a declining recognition of expertise by management and younger workers, both – especially in combination – potential sources for de-motivation (cf. Buckle et al., 2008).

Stegmaier and Sonntag (2009) outline the importance of workplace design for older workers in terms of their contribution to innovation, and highlight innovation conducive workplace characteristics such as autonomy or possibility of knowledge transfer. As innovation is crucial in times of increasing worldwide competition, the question how older workers can (be encouraged to) contribute to the innovative capacity of enterprises is a crucial issue that is increasingly considered (cf. Bergmann, 2001; Mühlbradt, Schat, 2009). But we are far from having conclusive answers. The contribution of workplace design to innovation is a topic that needs further research. This not only applies to ageing workers, but is relevant for employees of all age groups.

The dynamic nature of modern workplaces implies that skill requirements are changing. Baethge et al. point out that across the board:

a. there is a clear need for extended basic general knowledge next to occupational expertise;

b. there are higher requirements for analytical and problem-solving skills;

c. demand for social-communicative skills is increasing (Baethge et al., 2006, cited in Bohlinger, van Loo, 2010).

Changing skill requirements pose new challenges to education and training and require lifelong learning. As most jobs are becoming more knowledge- and skills-intensive, Europe needs to continue investing in education and training to increase human capital to promote competence development and innovation (Cedefop, 2010). Until now, training systems have not been sufficiently capable of equipping workers and job-seekers with skills, knowledge and competences required by employers (European Commission, 2011a). Member States have introduced strategies to address these issues. Many countries have for example taken concrete measures to improve assessment and recognition of skills acquired throughout life as well as to support adults' participation in lifelong learning (cf. e.g. Cedefop, 2011a; European Commission, 2006, 2007a; Hawley et al., 2010).

Supporting adults' participation in lifelong learning is very high on the political agenda (European Commission, 2006, 2007a, 2011b; Council of the European Union, 2008, 2011; Dehmel, 2011). The target participation rate for adults (25–64 years old) set for the year 2020 in the strategic framework for European cooperation in education and training
(ET2020) is 15% (Council of the European Union, 2009). According to data from Eurostat’s Labour Force Survey (LFS), the EU-27 average participation rate of adults in lifelong learning was 9.1% in 2010. The rates vary by country and depend on individual characteristics such as age, educational attainment, etc. For the age group 50–64 years, the EU-27 average participation rate was only 5.3% in 2010. A lot remains to be done to make lifelong learning more inclusive for ageing workers.

How to match (in quantity as well as in quality) labour supply and demand is another related challenge that needs to be addressed. For the time being, national labour markets are not well balanced: skills shortages in some regions, sectors and occupations coincide with relatively high levels of unemployment (European Commission, 2010b). With the «New Skills for New Jobs» initiative (European Commission, 2008), the Council of the European Union (2009) aims at establishing a mechanism for regular assessment of long-term skills supply and demand to better monitor trends in European labour markets, to develop tools and services for job-related mobility and to address skills mismatches. Appropriate skills improve individuals’ employability, ease employment transitions and support re-entry into the labour market (Cedefop, 2010). All of this is crucial for (ageing) peoples’ more active labour-market participation.

Micro level: changing nature of careers and need for lifelong learning

Developments at macro and meso level have considerable impact on individuals at micro level, as the contexts in which they are working and living are changing. Considering the continuous nature of developments outlined above (e.g. increasing competition, pressure to be innovative, speed of development in ICT), change has become a constant feature of work and life. This does not mean that people are completely at the mercy of these developments: individuals also shape change by reacting to the trends they face. Lifelong learning plays a crucial role in a constantly changing environment – not only to meet challenges, but also to take advantage of the opportunities that new developments bring.

The work biographies, i.e. the careers and career development (opportunities) of individuals, are affected by the developments on macro and meso level, too (cf. van Loo et al., 2011). A little more than a decade ago, literature on careers and career management has started to conceptualise the changing nature of careers. «Traditional» careers usually evolved within one or a few organisations over a lifetime. Success was defined by increasing salary and promotions, and workers exchanged loyalty for job security. This traditional model is not consistent with the reality of learning needs arising at various stages in working life and mobility within or between organisations becoming more common. A new model of non-linear, boundaryless careers is emerging, where workers exchange performance and flexibility for continuous learning opportunities and marketability (Sullivan, 1999). Sullivan and Emerson (2000) describe three changes that mark the transition from organisational to boundaryless careers:

2 The Bruges Communiqué on enhanced European cooperation in vocational education and training (VET) calls for maximising the contribution of VET to this benchmark.
a. a move towards professional loyalty instead of organisational loyalty;
b. a change in focus from extrinsic to intrinsic rewards;
c. a change from firm-reliance towards self-reliance.

The main implications of these trends are that career development responsibility shifts from the organisation to the individual (Mirvis, Hall, 1994) and that individuals increasingly need self-management and lifelong learning skills to successfully steer their career.

As formal qualifications and conventional education and training models appeared no longer sufficient to deal with the new demands – in the labour market, but also in society – the concept of lifelong learning has emerged as a key focus at national as well as international levels since the early 1990s (cf. Dehmel, 2005). Education and training are now perceived as the basis for continuous, i.e. lifelong, learning, aimed at promoting individual motivation and ability to extend and update knowledge, skills and competences continuously throughout life (cf. ibid.; Achtenhagen, Lempert, 2000). Lifelong learning is a necessity for all age groups, but as outlined above, especially the participation of older people in lifelong learning needs to be increased.

For ageing workers, lifelong learning is at the interface between employability and personality development (cf. Bohlinger, 2009). The new Council Resolution on a renewed European agenda for adult learning (Council of the European Union, 2011) emphasises the importance of learning later in life to promote active, autonomous and healthy ageing. It encourages the Member States to focus on «enhancing learning opportunities for older adults in the context of active ageing, including volunteering and the promotion of innovative forms of intergenerational learning and initiatives to exploit the knowledge, skills and competences of older people for the benefit of society as a whole» (ibid., p. 16). Within active ageing, lifelong learning plays an important role. Continuing vocational training and learning at the workplace is an important part of lifelong learning and should thus be fostered (cf. Cedefop, 2011b). Adults – and in particular ageing workers – will increasingly be called upon to update and broaden their knowledge, skills and competences through continuing vocational training and learning while working. Investment in continuing vocational training, the development of learning-conducive workplaces and the participation of all individuals – irrespective of age, gender, etc. – in learning need to be encouraged. It is a well-known and empirically verified fact that participation in further education and training – and in lifelong learning in general – is unevenly and unequally distributed with respect to individual characteristics such as age, gender or level of qualification (Cedefop, 2011b). Ageing workers still participate significantly less in further education and training than younger generations.

**Active ageing: barriers and solutions**

We have argued that population ageing is not happening in isolation, but is affected and influenced by many other developments taking place simultaneously. This complexity has to be taken into account when discussing active ageing. To foster active ageing, it is important to understand the existing barriers to active ageing and to develop innovative
ways of thinking to overcome them. This is a core challenge for researchers, policy-makers and practitioners. Joint efforts, close co-operation and interdisciplinary approaches are crucial (cf. Dehmel et al., 2009). Below we give a concise overview of the main barriers and reflect on what can be done to overcome them.

We discuss three main barriers (see also van Loo, 2011). First, there is the so-called «ageing paradox»: employers accept the realities of population ageing but do too little about it. National as well as international cross-country research consistently finds that, although employers generally view population ageing as an important trend that may have negative consequences for their business, they are not sufficiently adapting their HR policies accordingly.

Research reveals that one reason for this paradox could be the lack of adequate competences within the organisation and suggests developing demographic literacy as a future organisational key competence (Sporket, 2010, 2011). Demographic literacy encompasses the ability to generate or identify information and data about internal (e.g. workforce) and external (e.g. labour market) demographic developments, to analyse these data and – if necessary – to link them with other intelligence. This helps in interpreting, understanding and assessing the outcomes, and can be a catalyst to develop and introduce new measures and policies (ibid.). Fostering the development of demographic literacy can be a strategy to overcome the «ageing paradox».

A second barrier concerns negative perceptions of age in society. Stereotyping by employers and the relationship between age and participation in various types of learning have received considerable attention in debates on active ageing, but individual and societal views and beliefs on age and their impact on working life and retirement decisions have been far less prominent (Paloniemi, 2006). This is, however, an important issue, as policies can only create the conditions to extend working life: ultimately, the retirement decision is an individual one. The implication is that negative perceptions about age, in terms of the ability to work, in society are a factor that can have a negative impact on the success of active ageing policies.

Whilst it is crucial to counteract these negative views, it would also be good to emphasise positive perceptions of age by using positive stereotypes such as experience, loyalty and reliability (e.g. McGregor, 2001; Taylor, Walker, 1994) to encourage a more positive view on age. This is in line with Schalk et al. (2010, p. 92), who recommend in their recent overview and agenda of research on work and ageing for Europe that «the advantages and positive age stereotypes of older employees should be promoted». Perceptions of employers and – equally important – of the individual ageing workers need to be addressed. On the level of the individual, it is important to raise ageing workers’ self-image as learners.

Finally, unmet guidance and counselling needs for older people can be a significant barrier to making active ageing a success. The changing world of work, changing career patterns and the need for longer working lives require a much larger role for guidance and counselling for work and life. This requires a more holistic approach to careers guidance. Despite a number of encouraging initiatives in some countries, much more needs to be done to support ageing workers with services that really cater to their needs.

Guidance enables individuals to identify their capacities, competences and interests, to make educational, training and occupational decisions and to manage their individual life
paths in learning, work and other settings (cf. van Loo et al., 2011). Recognition of the diversity among the heterogeneous group of older adults and responsiveness to the needs of different groups of ageing workers are crucial for effective guidance approaches (cf. Lau- nikari et al., 2011). In a holistic perspective to age management, appropriate guidance tools supporting active ageing and effective learning and working schemes should be combined.

In learning, tailoring the learning approaches to the needs and preferences of the individual (ageing) worker is crucial. Research findings suggest that certain forms of learning tend to be more suitable for older learners. Work-related and -integrated forms of learning are for example considered to be particularly powerful for ageing people as they are closely linked to professional practice and refer to previous professional and learning experience (cf. Bohlinger, van Loo, 2010). It is important that vocational education and training approaches take this into account.

Conclusions

The analysis in this article shows that vocational education and training plays a major role in addressing the challenges of an ageing population, and that successful active ageing has three foundations: 1) positive attitudes towards age among employers and employees and in society; 2) approaches to continuing vocational training and learning that fit to the needs of ageing workers and enterprises; and 3) easily accessible lifelong guidance and counselling services (cf. Cedefop, 2011c).

Employers tend to invest less in training for workers beyond the age of 45 who are believed to be less flexible and more reluctant to adapt to changes in work organisation and technological innovation (OECD, 2006; Cedefop, 2011b). Next to creating skill deficits, human resources policies that insufficiently consider ageing personnel send the wrong signals and reinforce older workers’ perceptions that there is little to be gained from engaging in continuing vocational training (Cedefop, 2011b). This, in combination with the fact that older workers’ self-image as learners often tends to be poor (Tikkanen, Nyhan, 2008), can have a negative impact on their learning motivation and needs to be addressed. To overcome the negative perceptions of themselves, guidance and counselling can play a major role. Further, the development of flexible learning pathways and the use of validation approaches seem beneficial. The identification, assessment and recognition of knowledge, skills and competences regardless of how and when they were gained has potential to increase the self-esteem of the learner, to reveal particular learning needs and to stimulate the motivation for further learning. Tikkanen and Nyhan (2008, p. 9) stress that «workplace investment in learning opportunities for older workers functions as a massive motivating factor for them, being a sign of appreciation of their contribution».

Lifelong learning is crucial for active ageing. Continuing vocational training and learning is an important part of lifelong learning and should thus be encouraged. But the mere provision of training and learning opportunities is not the only dimension that is instrumental in active ageing policies. Making learning and training tailored to the needs of older individuals is at least of equal importance. In addition, active ageing also requires that, where needed, workplace conditions are adapted, that older workers are given more opportunities...
for mentoring and coaching, and that there is sufficient flexibility for workers to manage their job in a sustainable way to enable a good balance between work and non-work activities. Approaches to continuous vocational training and learning for an ageing workforce must not only be tailored to the needs of the employees, but also those of the employers. Moreover, creating the right conditions and developing adequate approaches is a joint responsibility of employers, trade unions and public authorities, at national, regional, local and sectoral level. Especially in times of fiscal austerity measures, a good coordination of resources and the engagement of all stakeholders is important.

Training and learning can be much more successful when it is part of guidance and counselling that truly helps people navigate their career. Currently, guidance and counselling services are the responsibility of many different stakeholders in the labour market — with little coordination — which contributes to the scattered nature of these services. This makes it difficult to provide counselling services in line with more dynamic careers characterised by regular changes and spells of upskilling and reskilling. Cedefop (2011c) shows that successful modern guidance services comprise much more than directing people to a particular training course; they involve an assessment of skills and learning needs, including, where required, a recognition of prior learning or experience, a process of selecting and tailoring different training options according to clients’ needs, a strong focus on long-time career concerns, and support to assist people to become more self-managing, if needed.

It is a good sign that national and EU policy-makers recognise that future growth and prosperity will largely depend on the contributions of ageing people. But at workplace level, change is only gradual, and the full potential that learning in general and vocational education and training in particular has to offer is not tapped yet. Negative attitudes and stereotypes to working and learning later in life are often persistent. Human resource development strategies and policies need to become much more «age-aware» and vocational training and learning needs to become much more adapted to ageing workers. Research and analysis can support this: especially interdisciplinary approaches that combine insights from economics, education and training research, gerontology, psychology, etc. can be particularly powerful in making the case for investing in ageing workers. But although the contributions of ageing people to the labour market are important, active ageing is not only about enabling and supporting paid work. Learning later in life also has impacts after someone leaves the labour market, as people who are active after retirement can have enormous contributions to society.

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