



Country analyses to identify individual challenges of 55+ employment

Project information

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and integration of 55+ workforce into the labour market!

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Content

1. Introduction	5
2. Overview.....	8
2.1. Context of the older workforce worldwide.....	8
Importance of employment of individuals aged 55+.....	20
3. Country Analysis	22
3.1. Slovenia	22
Demographic situation in Slovenia	22
Main policy actors.....	26
Age management.....	28
3.2. Austria.....	43
Demographic situation in Austria.....	43
3.3. Republic of Serbia	54
Demographic situation of Serbia.....	54
Main (political) actors	61
Age management.....	67
Evaluation of the effectiveness of existing measures	79
3.4. Croatia	89
Demographic situation in Croatia	89
Ageing management in Croatia	111
3.5. Germany.....	118
Demographic situation in Germany.....	118
Main (policy) actors.....	121
Age management.....	122
Evaluation of the effectiveness of existing measures	127
55+ employment challenges.....	129

3.6. Hungary	134
Demographic situation in Hungary	134
Main (policy) actors.....	139
Age management.....	143
55+ employment challenges.....	145
3.7. Bulgaria.....	151
Demographic situation in Bulgaria.....	151
Main (policy) actors.....	158
Age management.....	159
55+ employment challenges.....	165
3.8. Czech Republic	172
Demographic situation in Czech Republic	172
Main (policy) actors.....	176
Age management.....	178
55+ employment challenges.....	181
3.9. Slovak Republic	183
Demographic situation in the Slovak Republic.....	183
Main (policy) actors.....	190
Age management.....	198
55+ employment challenges.....	213
Evaluation of the effectiveness of existing measures	225
3.10. Bosnia and Herzegovina	227
Introduction.....	227
Main (policy) actors.....	231
55+ Employment challenges.....	235
4. Comparative analysis across countries	252
4.1. Employment challenges of individuals aged 55+	252



4.2. Differences among countries	254
4.3. Evaluation of findings	265
4.5. Evaluation	270
5. Recommendations for Age management	273
6. Conclusion.....	276

1. Introduction

In an era marked by unprecedented demographic shifts, the global landscape is witnessing a significant rise in the ageing population. As societies worldwide undergo this demographic transformation, it becomes imperative to address the challenges and opportunities associated with the employment of individuals aged 55 and above. The age at which individuals' transit into retirement is steadily increasing, and concurrently, there is a growing trend of older individuals actively participating in the workforce. Recognising the multifaceted dimensions of this demographic evolution, this document embarks on a comprehensive analysis aimed at identifying the unique challenges faced by the 55+ age group in the realm of employment.

The importance of this study cannot be overstated, considering the profound impact of an ageing population on various facets of society, including labour markets, healthcare systems, and social welfare structures. As we delve into country-specific analyses, our objective is to shed light on the intricate interplay of factors influencing the employment dynamics for individuals in the 55+ age bracket. By understanding the nuances and disparities across different regions, we strive to contribute valuable insights that can inform targeted strategies, policies, and interventions aimed at fostering inclusive and sustainable employment opportunities for the elderly.

As the global workforce undergoes a transformative shift, with a significant proportion entering the later stages of their careers, it is crucial to adapt our perspectives and approaches to ensure that the ageing demographic is integrated seamlessly into the world of work. Through this exploration, we aim to lay the foundation for evidence-based strategies

that not only address the challenges faced by older workers but also harness the wealth of experience and expertise they bring to the table.

The primary objective of this document is to conduct in-depth country analyses, to comprehensively understand the intricacies surrounding employment challenges for individuals aged 55 and above. This undertaking involves a multifaceted approach, encompassing detailed examinations of the main policy actors within each country, interviews centred on age management practices, and an overarching overview of the challenges partners, to encountered by the 55+ workforce.

The document contains reports for each country within the participating partner's regions. Explores the unique dynamics and factors influencing the employment landscape for older individuals. These reports will delve into the policy frameworks, initiatives, and actors shaping the 55+ employment scenario in each country. The inclusion of interviews on age management practices will contribute qualitative insights, capturing the perspectives of key stakeholders and shedding light on the strategies employed to address challenges faced by older workers.

To gain insights from previously conducted surveys and studies, we analysed secondary sources and obtained a comprehensive review of them, including existing literature, reports, and datasets on population ageing and employment of older individuals. To capture diverse perspectives and on-the-ground insights we conducted semi-structured interviews were conducted with key stakeholders. These stakeholders included government officials, representatives from labour organisations, employers, and experts in the field of ageing and employment. The semi-structured nature of the interviews allows for a balance between predefined questions and the flexibility to explore emergent themes.

The data obtained from secondary sources and stakeholder interviews were interpreted. Patterns and trends were identified, and qualitative data were analysed to draw conclusions. The analysis from each country has adhered to a pre-designed structure, ensuring consistency and comparability across reports. This structure included sections focusing on policy frameworks, stakeholder perspectives, age management practices, and challenges older workers face. The information gathered will be organised coherently within this framework, facilitating clear insights into the unique dynamics of each country.

Based on the interpreted findings, specific national policy recommendations were formulated and tailored to address the identified challenges and capitalise on the opportunities within each country. The aim is to provide actionable insights, that can guide policymakers and stakeholders in developing effective strategies to enhance the employment prospects of individuals aged 55 and above.

2. Overview

2.1. Context of the older workforce worldwide

Population ageing

According to demographic forecasts, the population is expected to age significantly, primarily due to an increase in the number of elderly individuals. This shift will result in a decreasing proportion of the productive working-age population. Consequently, the job market is facing an increasingly pronounced shortage of human resources. To address this challenge, companies must learn how to effectively harness the work ability and potential of employees across all age groups. By doing so, they can mitigate the impacts of demographic changes and ensure a more sustainable and productive workforce.

Table no. 1: Employment Rates of Individuals Aged 55-64 in Participating European Countries and Regions (2013-2023)

Region/Country	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
EU - 27 countries (from 2020)	47.9	49.7	51.4	53.5	55.5	57.3	58.6	59	60.4	62.3	63.9
Euro area – 20 countries (from 2023)	49.5	51.2	52.9	54.9	56.7	58.5	59.7	59.7	60.8	62.5	64.1
Bulgaria	46.8	49.3	52.2	53.8	57.4	59.9	63.5	63.4	64.8	68.3	69.5
Czechia	51.6	54	55.5	58.5	62.1	65.1	66.7	68.2	69.8	72.9	74
Germany	62.7	64.6	65.2	67.6	69.1	70.4	71.6	70.6	71.8	73.3	74.6
Croatia	37.8	36.2	39.2	38.1	40.3	42.8	43.9	45.5	48.6	50.1	51.7
Hungary	37.9	41.8	45.3	49.8	51.7	54.4	56.7	59.6	62.8	65.6	69.1
Austria	43.8	45.1	46.3	49.2	51.3	54	54.5	54.2	55.4	56.4	57.3

Slovenia	33.2	35.1	36.3	38.2	42.4	46.7	48.2	49.9	52.7	55.2	54.2
Slovakia	45.2	46	48.3	50.5	54.6	55.9	58.8	60.2	60.6	64.1	66.6
Bosnia and Herzegovina	:	:	:	:	:	:	:	:	35.6	36.3	38.6
Serbia	29.1	33.9	34.5	39.6	42.2	43.2	46.6	48.6	51.4	54.6	56.7

Source: EUROSTAT ¹

The table presents the employment rates of individuals aged 55-64 in various European countries and regions from 2013 to 2023. Analysing the data reveals a general upward trend in employment rates across almost all listed areas. The employment rate for the EU (27 countries) increased from 47.9% in 2013 to 63.9% in 2023. Similarly, in the Euro area (20 countries), the rate rose from 49.5% in 2013 to 64.1% in 2023. This consistent growth indicates a broad regional improvement in employment opportunities for older adults.

Germany consistently shows the highest employment rates, beginning at 62.7% in 2013 and reaching 74.6% in 2023. This suggests a robust labour market for older workers. Czechia also exhibited significant growth, with rates increasing from 51.6% in 2013 to 74% in 2023, surpassing both the EU and Euro area averages. This substantial rise reflects successful employment policies targeting older adults. Austria also contributes to this positive trend, with employment rates rising steadily from 43.8% in 2013 to 57.3% in 2023, showcasing consistent growth over the decade.

Bulgaria's employment rate grew markedly from 46.8% in 2013 to 69.5% in 2023, with a notable increase between 2016 and 2017, indicating effective labour market reforms. Hungary showed one of the highest growth rates, increasing from 37.9% in 2013 to 69.1% in 2023, with rapid growth particularly evident from 2019 to 2023, likely due to recent policy

¹ <https://ec.europa.eu/eurostat/databrowser/view/tesem050/default/table>

impacts. Slovakia's steady rise from 45.2% in 2013 to 66.6% in 2023, with significant gains between 2020 and 2023, suggests successful employment strategies in recent years.

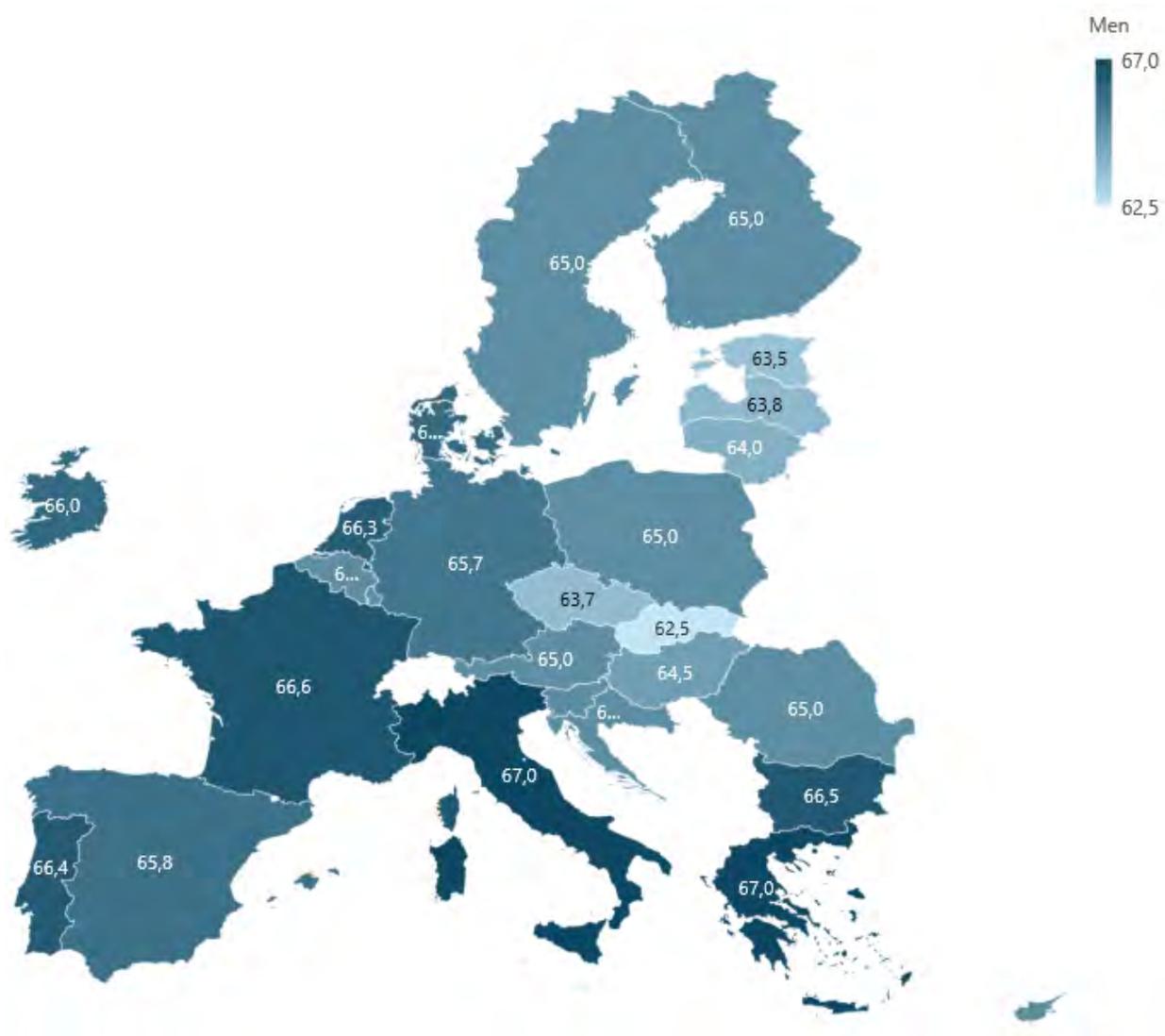
Croatia and Slovenia started with relatively low employment rates but showed improvements over the decade. Croatia improved from 37.8% in 2013 to 51.7% in 2023, while Slovenia's rates fluctuated but generally increased from 33.2% in 2013 to 54.2% in 2023. Bosnia and Herzegovina, with available data only from 2021, showed a positive trend from 35.6% to 38.6% by 2023, despite the limited timeframe for analysis. Serbia experienced a steady rise from 29.1% in 2013 to 56.7% in 2023, indicating consistent improvements in employment opportunities for older workers.

In summary, the data demonstrates a positive trend in the employment rates of individuals aged 55-64 across Europe, with some countries showing particularly rapid growth. These improvements are likely attributed to targeted employment policies and economic reforms, which have successfully enhanced labour market opportunities for older adults.

Official retirement age

The official retirement age varies across countries and is influenced by various factors, in some countries including gender and the number of children raised.

Map no. 1: Statutory pension age – men



Source: EUROSTAT 2

For men, the statutory pension age ranges from 62.5 to 67 years. Greece and Italy have the highest pension age at 67 years. Many countries, including Belgium, Cyprus, Luxembourg,

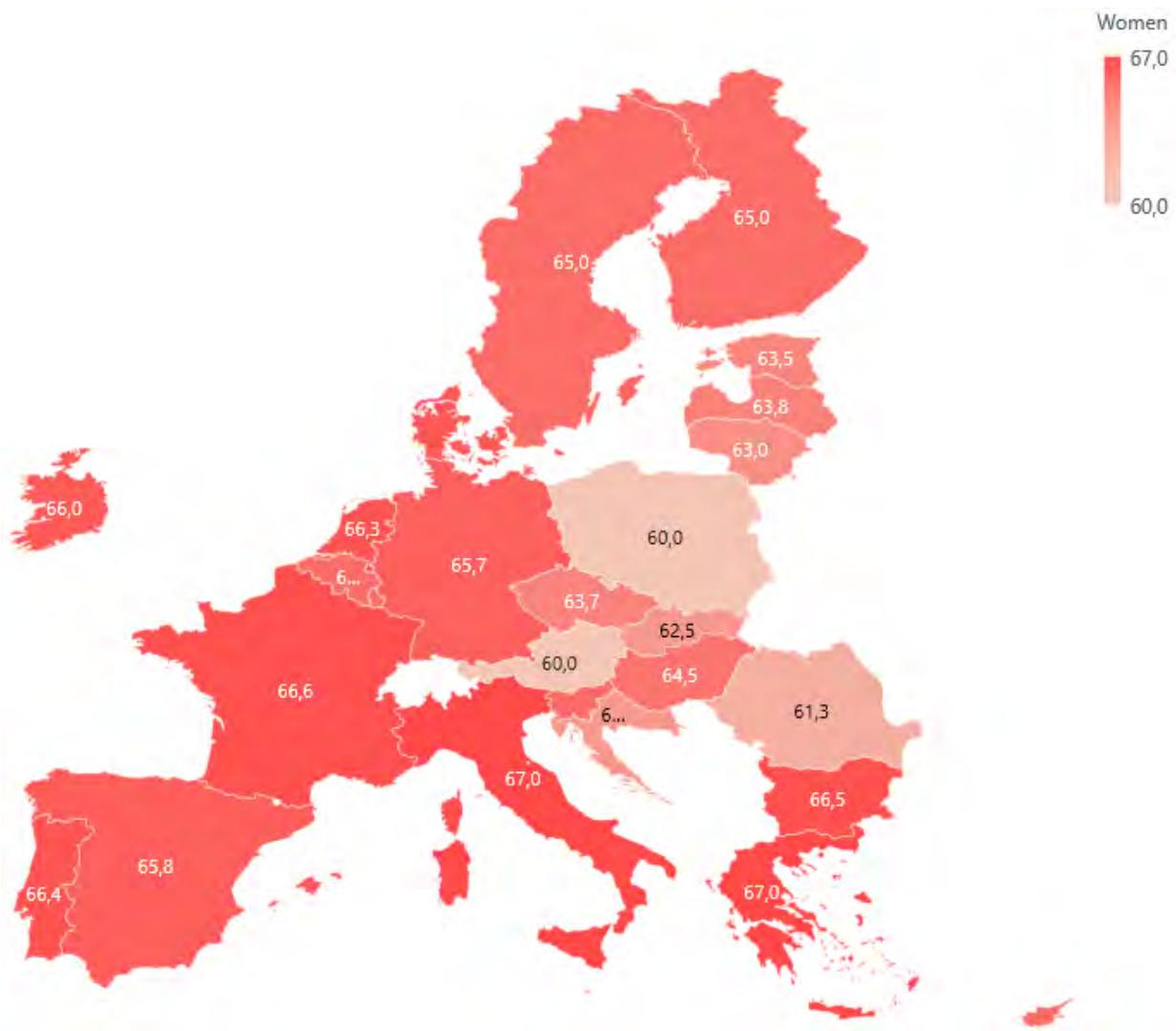
² https://ec.europa.eu/eurostat/statistics-explained/images/9/92/Statutory_pension_ages_and_average_ages_up_to_which_people_want_to_work%2C_by_sex%2C_February-September_2015_and_2020_%28years%29_AE2020.png

Finland, and Sweden, have set the pension age at 65 years. Some countries, like Bulgaria and Portugal, have a slightly higher pension age at 66.5 and 66.42 years, respectively. Estonia and Slovakia have the lowest pension age at 63.5 and 62.5 years, respectively. This variation indicates different retirement policies and economic considerations across Europe.

Focusing on the project countries:

- **Slovakia** has a pension age of 62.5 years, one of the lowest in Europe.
- **Czechia** has a pension age of approximately 63.67 years.
- **Germany** has a pension age of around 65.67 years.
- **Bulgaria** has a pension age of 66.5 years.
- **Croatia** sets the pension age at 65 years.
- **Austria** has a pension age of 65 years.
- **Slovenia** has a pension age of 65 years.
- **Hungary** has a pension age of 64.5 years.
- **Serbia** has a pension age of 65 years.
- **Bosna and Hercegovina** have a pension age of 61,5 years.

Map no. 2: Statutory pension age – women



Source: EUROSTAT³

The pension age for women also varies but generally mirrors the pension age for men in most countries. Greece and Italy again have the highest pension age at 67 years. In many

³ https://ec.europa.eu/eurostat/statistics-explained/images/9/92/Statutory_pension_ages_and_average_ages_up_to_which_people_want_to_work%2C_by_sex%2C_February-September_2015_and_2020_%28years%29_AE2020.png

countries, the pension age for women is the same as for men, such as in Belgium, Cyprus, Luxembourg, Slovenia, Finland and Sweden, all at 65 years. However, some countries like Croatia (62.5 years), Poland (60 years), and Romania (61.25 years) have a lower pension age for women compared to men. This reflects different historical and social policies that have shaped gender-specific retirement ages.

Focusing on the project countries:

- **Slovakia** has a pension age of 62.5 years, equal to men.
- **Czechia** has a pension age of approximately 63.67 years, equal to men.
- **Germany** has a pension age of around 65.67 years, equal to men.
- **Bulgaria** has a pension age of 66.5 years, equal to men.
- **Croatia** sets the pension age at 62.5 years, lower than for men.
- **Austria** has a pension age of 60 years, lower than for men.
- **Slovenia** has a pension age of 65 years, equal to men.
- **Hungary** has a pension age of 64.5 years, equal to men.
- **Serbia** has a pension age of 63 years, lower than for men.
- **Bosna and Hercegovina** have a pension age of 56,5 years, lower than for men.

The demographic forecasts indicate a significant ageing of the population across Europe, leading to a shrinking proportion of the working-age population and a growing shortage of labour. To confront this challenge, companies must tap into the potential of employees of all age groups. Data from 2013 to 2023 reveals a general upward trend in employment rates for individuals aged 55-64, indicating improved opportunities for older workers. Germany consistently boasts the highest rates, while countries like Czechia, Bulgaria, and Hungary

exhibit remarkable growth. Retirement ages vary across Europe, with Slovakia having one of the lowest pension ages in Europe at 62.5 years. Gender-specific retirement ages also vary, reflecting historical and social policies. In project countries, pension ages generally align with European trends, though there are variations, such as lower retirement ages for women in Croatia and Austria compared to men.

Early retirement culture

The extensive use of early retirement schemes has historically contributed to lower labour force participation among older workers, e.g. in Austria. In Slovakia, early retirement has proven to be a very unfortunate and problematic measure, causing numerous complications. This policy exacerbates the existing shortage of human resources. As more individuals retire early, the gap in the workforce widens, raising the critical question: who will replace these missing human resources? Addressing this issue is essential for maintaining economic stability and ensuring the continued productivity of the labour market.

Solutions to this problem may include investing in retraining programs, encouraging later retirement, and attracting younger workers through various incentives. For example, Austria encourages partial retirement programmes, allowing employees to reduce their working hours until full retirement with minor financial losses. Employers who support their employees in working part-time can benefit from subsidies provided by the public employment service. However, Austria has also faced challenges, as the extensive use of early retirement schemes has historically contributed to lower labour force participation among older workers. Austria has a particularly low tendency of older people to remain in the workforce, which can be observed as the effect of generous early retirement provisions. In Slovenia, a distinct preference for early retirement among both young and older workers intersects with limited opportunities for part-time employment among the latter

demographic, revealing the delicate balance between generational aspirations and labour market structures.

Meanwhile, in Serbia, systemic adjustments targeting severance pay and retirement age aim to integrate older workers into the labour force while simultaneously bolstering their health and adaptability to contemporary work environments.

Early retirement in Bulgaria offers specific professions and labour-intensive roles a pathway to retire before the standard retirement age, provided they meet certain criteria based on years of service and age. This system caters to armed forces personnel, state employees, firefighters, divers, and teachers, among others, allowing them to access financial support earlier in recognition of their dedicated service. The pension options include fixed-term professional pensions from professional pension funds or lifelong pensions from the National Social Insurance Institute, offering flexibility and support for retirees.

Croatia faces challenges of early retirement propelled by health concerns among older employees, prompting the need for improvements in healthcare and working conditions to prolong workforce participation and mitigate premature exits.

Germany contends with strains on its pension system due to generous early retirement schemes, prompting reforms aimed at addressing demographic challenges and fostering longer working lives despite persistent integration hurdles. Similarly, Hungary navigates the economic repercussions of an ageing society by gradually raising the retirement age and curtailing early retirement options, confronting concurrent challenges in employment and retirement policies amidst demographic shifts.

Finally, Czechia's efforts to enhance economic activity among older individuals encompass raising the retirement age and incentivizing continued work through reduced social security

contributions, highlighting a multifaceted approach to optimising workforce participation and societal resilience across the ageing continuum.

Understanding the global ageing phenomenon and the role of the Active Ageing Index (AAI)

The world's population is ageing due to several concomitant factors. This demographic shift will cause significant structural changes in the economy, healthcare, and social care, affecting not only the labour market but also education, culture, household functioning, and family coexistence. Early recognition and gradual implementation of necessary changes are crucial to effectively managing the challenges associated with ageing.

The AAI: A Tool for policymakers

AAI is a practical tool designed to help policymakers identify areas where the potential for active ageing among older people is not yet fully realised. The AAI measures the extent to which older people live independent lives, participate in paid employment and social activities, and possess the capacity to actively age. The index comprises 22 individual indicators grouped into four domains, each reflecting a different aspect of active ageing. Additionally, the AAI provides a breakdown of results by sex to highlight differences in active ageing between men and women.

The document titled Active Ageing Index, Analytical Report (2018), discusses the application of the AAI to EU Member States and selected subnational contexts, showcasing its potential as a tool for monitoring the implementation of active ageing policies. The AAI facilitates the comparison of countries and regions, identifies trends, and highlights domain-specific and regional specificities, providing valuable information for policymakers.⁴

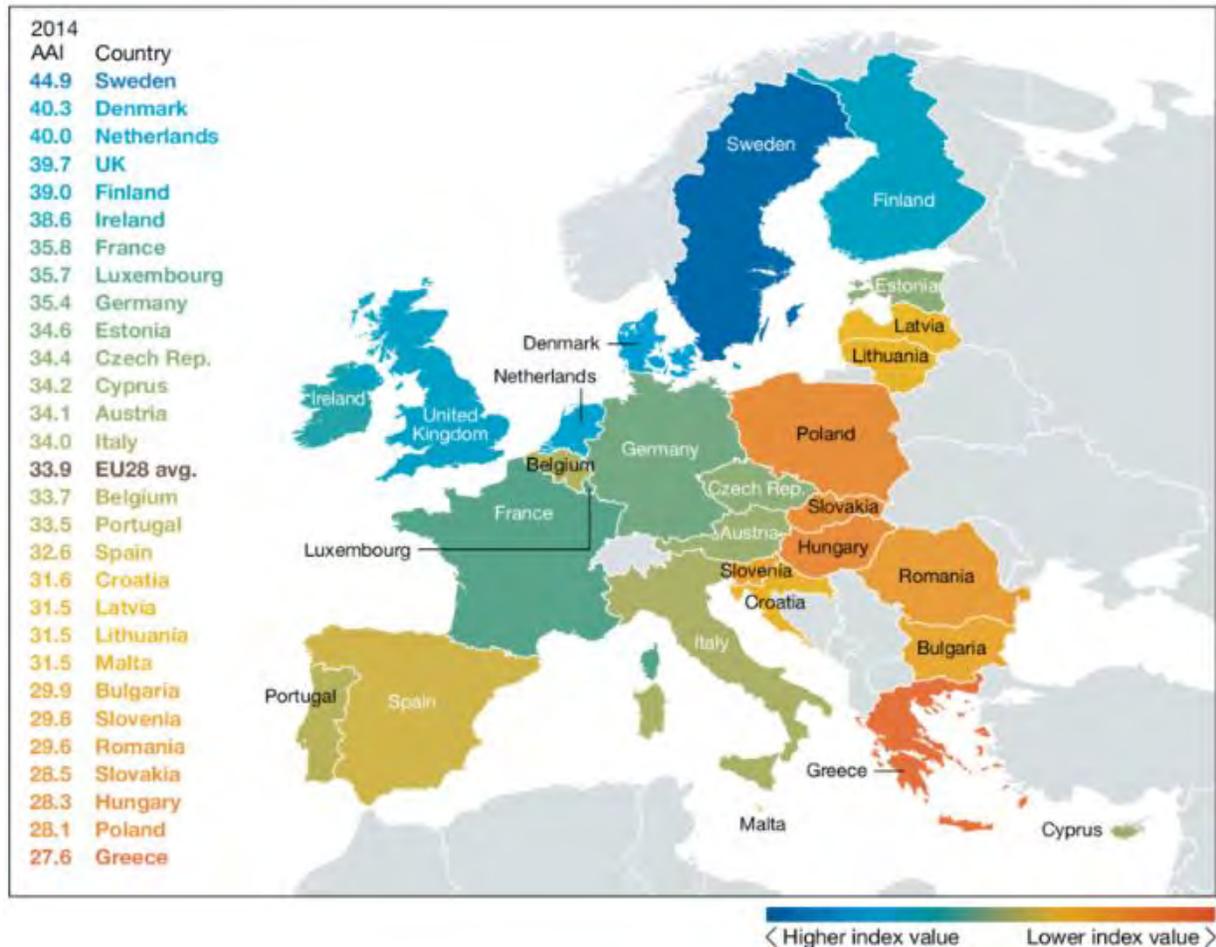
⁴ United Nations. (2019). 2018 Active Ageing Index. Analytical Report. Geneva. [Online] Available at: https://unece.org/DAM/pau/age/Active_Ageing_Index/ECE-WG-33.pdf [Accessed 3 June 2024]

One of the critical insights from the AAI application is the identification of inequalities and strengths in active ageing. The index helps address inequalities that marginalise vulnerable groups, such as those with lower socio-economic status, poor health, or belonging to ethnic minorities. It emphasises the need for more detailed, age-disaggregated data, particularly for the oldest age groups, and the use of longitudinal data to understand life-course events affecting active ageing.

To enhance the effectiveness of the AAI, the document recommends focusing on future research on: Migration-related inequalities, as migrants constitute a growing share of the older population, and increased attention to the oldest age groups and their specific needs.

The document underscores the importance of using the AAI to promote active ageing, address inequalities, and develop effective policies through comprehensive data and stakeholder engagement. By leveraging the insights provided by the AAI, policymakers can better support it.

Map no. 3: The AAI in EU countries in 2014



Source: ResearchGate⁵

Among the project partner countries, Germany, the Czech Republic, and Austria stand out with AAI values exceeding the EU28 average. Germany leads the group with a robust AAI of 35.4, indicating a high level of active and healthy ageing. This suggests that older adults in Germany benefit from extensive opportunities for employment, social participation, and

⁵ https://www.researchgate.net/figure/Ranking-of-28-EU-Member-States-on-the-basis-of-the-2014-overall-AAI_fig2_275348974

independent living, contributing to their overall well-being. Similarly, the Czech Republic and Austria exhibit strong AAI values of 34.4 and 34.1, respectively, reflecting well-integrated older populations and supportive policies for active ageing. These countries serve as exemplary models in fostering environments that empower older adults to lead fulfilling and engaged lives.

Croatia, with an AAI of 31.6, falls slightly below the EU28 average but surpasses several other project partner countries. While Croatia demonstrates relatively favourable conditions for active ageing compared to lower-ranking countries, there remains room for improvement to reach the European average.

Conversely, Hungary, Slovakia, Slovenia and Bulgaria face significant challenges with AAI values below the EU28 average. These countries struggle to provide adequate opportunities for employment, social participation, and independent living for their older populations. With AAI values ranging from 28.3 to 29.9, these countries must prioritize policies and interventions to address systemic barriers hindering active and healthy ageing. By investing in initiatives that promote employment opportunities, social inclusion, and accessible healthcare, these countries can work towards improving the well-being and quality of life of their ageing populations.

Importance of employment of individuals aged 55+

In response to the demographic challenges posed by ageing populations in European countries, it is essential to increase employment rates among older workers and extend their employment duration. Despite low unemployment rates in many countries, there is a significant shortage of qualified graduates who meet the demands of the labour market. As one respondent highlighted, "anyone who has two hands and two feet" is being hired,

underscoring the urgency of the situation. To address labour market needs effectively, retaining older employees for as long as possible is a viable solution. Workers aged 55 and above possess substantial potential due to their skills and experience.

Age management is a strategy that focuses on managing individuals based on their age, abilities, and work potential. It considers the various life stages of employees, their evolving competencies, values, health, attitudes, and motivation. Age management applies to all age groups in the workplace, from new graduates to working retirees, and spans all sectors of the economy, including state and public administration. A crucial aspect of this approach is fostering motivation and willingness to work among older employees, as well as supporting their ability to acquire new knowledge, particularly in the field of new technologies. By implementing effective age management practices, it is possible to support older workers in remaining employed and contributing to the labour market for longer periods.

3. Country Analysis

3.1. Slovenia

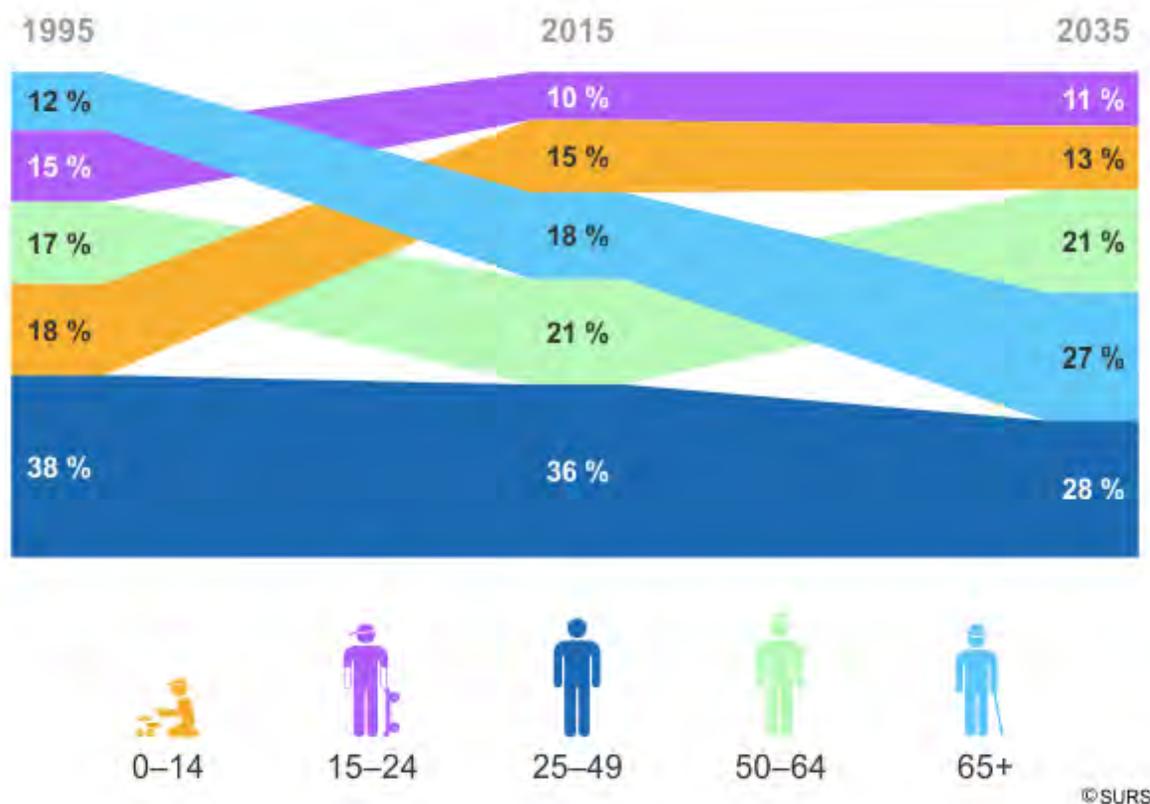
Demographic situation in Slovenia⁶

Slovenia, like many European countries, is experiencing significant demographic changes characterised by an ageing population. Despite the expected increase in the population in the coming years, which should reach its peak in 2025, we can expect major changes in the age structure. Life expectancy at birth is constantly increasing; from 1995 to 2015 it grew from 74.1 to 80.5 years, and it is projected to extend for a further 2.9 years by 2035. However, the current fertility rate (1.58 children per woman) is not sufficient for the complete replacement of the population in the long term, which should be about 2.1 children per woman.

Thus, the median age of the population will grow from 36 years in 1995 to 48.1 years by 2035. This means that the share of children under 14 years will fall by 5 percentage points. The active population between 15 and 64 years will decrease by 10 percentage points, which will largely depend on the reduction of the population of 25–49-year-olds. On the other hand, the share of the elderly is increasing, both those belonging to the older workforce (50–64 years) as well as the even older population.

⁶ Savarin, A., 2016. Are we becoming grey or wise? Statistical Office of the Republic of Slovenia. Available at: <https://www.stat.si/StatWeb/en/News/Index/5902> [Accessed 3 June 2024].

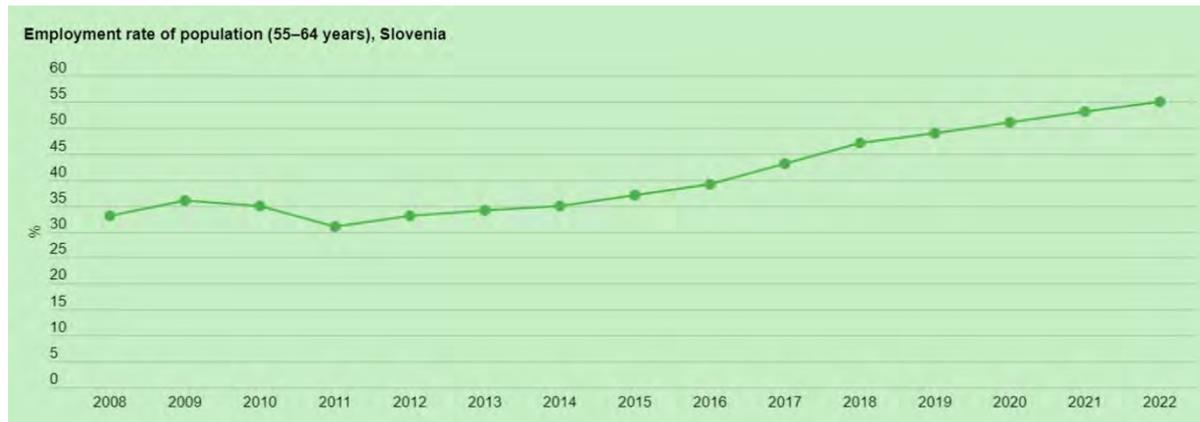
Graph no. 1: The employment rate of Slovenia's residents aged 0–65+ years



Source: SURS

The employment rate of Slovenia's residents aged 55–64 years was 33% in 2008. Three years later, it fell to the lowest level of 31% and has been increasing ever since until it reached the highest level of 55% in 2022.

Graph no. 2: Employment rate of population



Source: SURS

Reaching old age reflects a higher quality of life, largely due to great advances in science and medicine. One of the tools to reduce such strong dependence of the inactive, mainly pensioners, on employed persons is postponing retirement. Active ageing and subsequent retirement also depend on good health. Data from SILC show that, based on self-assessment of health status, the share of people who assessed their health status as good or very good is growing. Between 2005 and 2014 the share of people between 55 and 64 years who assessed their health status at least as good grew from 34% to 49%. Likewise, during the same period, the share of people aged 65 or more who made the same assessment increased from 18% to 27%. The involvement of the population aged 55–64 in the labour market grew from 31% to 35%, while the inclusion of 65–69-year-olds fell from 12% to 10%. Activity in old age does not mean only later retirement and thereby lower expenditure on pensions, but also the preservation of mental activity and physical health.

Despite large progress in achieving longer life, the indicator of the length of service, which measures how many years a person aged 15 is expected to be active in the labour market, is slowly increasing. In the period discussed earlier (2005–2014), it grew from 33.5 to 34.1

years. However, the ratio between the number of insured persons and pensioners is growing steadily. In 2005, there were 100 insured per 60 pensioners; by 2015 the number of pensioners grew to 73, and according to projections, it should reach 97 pensioners per 100 insured by 2035.

For a constructive coexistence between generations, it is necessary to maintain a positive interpersonal relationship and solidarity between the young, the middle-aged and the elderly. The Eurobarometer conducted an opinion poll in 2012 on discrimination in the EU. Results showed that in Slovenia 42% of respondents believe, that discrimination against the elderly over 55 is widespread, compared to 14% who believe in discrimination against people younger than 30 years. On a 10-level scale of "feeling if someone would occupy the highest elected political position in Slovenia" respondents expressed the opinion that it would be more normal if they were younger than 30 years (value 6.8) than if they were older than 75 (value 5). Even when it comes to equal opportunities in recruitment, the first ranked opinion with 66% was that a person older than 55 years is in a disadvantage if the company is choosing among two equally qualified candidates, compared with 14% if a person is younger than 30 years.

Similarly, on the impact of the crisis on the labour market persons over 55 were placed in the first place as most discriminated against, whereas persons under 30 were placed last. Even on the topic of active ageing, 49% expressed the opinion that people older than 55 are generally viewed positively and only 45% felt that they can contribute to society as paid workers. For this reason, it is necessary to raise awareness of the contribution and potential of each of the following age groups in raising the quality of life and enhancing human capital. Abilities and skills of the elderly are an important part of human capital; mobilization and use of these skills could strengthen the social status of the elderly and relieve the younger generation.

Main policy actors

Addressing the challenges of 55+ employment in Slovenia involves a coordinated effort among various policy actors, including government ministries, social partners, NGOs, and international organisations. These actors work together to develop and implement policies and programs that support older workers, promote healthy ageing, and ensure economic sustainability.

GOVERNMENT BODIES

- **The Ministry of Labour, Family, Social Affairs, and Equal Opportunities** is the primary government body responsible for labour market policies, including those affecting older workers. It develops and implements policies related to employment, social security, family policy, and equal opportunities.
- **The Employment Service of Slovenia (ESS)** is a key institution in the labour market, providing employment services, career guidance, and training programs. It plays a crucial role in supporting older workers to re-enter or remain in the workforce.
- **The Ministry of Health** is responsible for health policies, including workplace health and safety regulations. It collaborates with other ministries to promote healthy ageing and address health issues that can affect the employability of older workers.
- **The Ministry of Education, Science and Sport** oversees education and training policies, including lifelong learning initiatives that are essential for upskilling older workers.

SOCIAL PARTNERS

- **Trade Unions** such as the Confederation of Trade Unions of Slovenia (ZSSS), advocate for the rights and interests of workers, including older employees. They engage in social dialogue and collective bargaining to improve working conditions and job security for older workers.
- **Employers' Associations:** Organisations like the Chamber of Commerce and Industry of Slovenia (GZS) and the Slovenian Employers' Association (ZDS) represent the interests of employers. They are involved in policy discussions and initiatives to create favourable conditions for employing older workers.

NON-GOVERNMENTAL ORGANISATIONS (NGOs) AND OTHER INSTITUTIONS

- **The Slovenian Federation of Pensioners' Associations** (ZDUS) advocates for the rights and well-being of older adults, including issues related to employment and social security. They are actively involved in policy discussions and public awareness campaigns.
- **Institute for Pension and Disability Insurance of Slovenia** (ZPIZ) manages the pension and disability insurance system in Slovenia. It plays a critical role in shaping policies related to retirement age, pension entitlements, and incentives for delayed retirement.
- **Academic and Research Institutions**, such as the University of Ljubljana and the Institute for Economic Research, conduct studies and provide data to inform policymaking on ageing and employment issues.

INTERNATIONAL ORGANISATIONS

- As a member of the EU, Slovenia aligns its policies with EU directives and strategies related to employment and social policy. EU initiatives and funding programs, such as the European Social Fund (ESF), support projects aimed at improving employment prospects for older workers.
- **The Organisation for Economic Co-operation and Development (OECD)** provides policy recommendations and research ageing and employment, which Slovenia can use to inform its national policies.

Age management

Many times, it seems that some professions are somehow more intended for older people, and some for younger people. In Slovenia, older working people are present in a smaller percentage than the entire working population, mainly among sellers, in a larger percentage among farmers, officials and professionals, and in a slightly larger percentage also in public sector activities⁷.

In a narrower sense, age management means planning and implementing an active ageing strategy at the organisational level, which focuses on the continuous involvement of older employees in the work environment and the extension of their active period of life. Age management at the organisational level includes: 1) employment and retirement policy for older workers; 2) training, development and promotion of older employees; 3) developing

⁷ Lah, L.M., Svetin, I. and Razpotnik, B., 2013. Older people in the labor market. Ljubljana: Statistical Office of the Republic of Slovenia. (Brochures Collection / Statistical Office of the Republic of Slovenia). Available at: <https://www.stat.si/doc/pub/starejsi.pdf> [Accessed 3 June 2024]

flexible forms of work; 4) creating jobs tailored to the elderly and 5) changing attitudes regarding older employees.

There are three pillars of elderly management: 1) the **individual level**, which includes tradition, culture, gender, health and social security; 2) the **organisational level**, which contains age management, changing stereotypes, health prevention and curative, synergy and employment policy; 3) the **social level**, which includes non-discrimination, employment policy, lifelong learning, the health system and the promotion of active ageing⁸.

Overview of policy initiatives and programs

Slovenia's **Active Ageing Strategy** aims to promote longer working lives, improve the employability of older workers, and enhance their quality of life. It includes measures for lifelong learning, health promotion, and flexible working arrangements.

1. Lifelong Learning and skills development:

- Continuous Education and Training: Programs to provide older workers with opportunities for continuous education and training to update their skills and remain competitive in the labour market.
- Digital Literacy Programs: Initiatives to improve digital skills among older adults to ensure they can adapt to technological changes in the workplace.

2. Health promotion and workplace adaptations:

- Healthy ageing programs: Initiatives focused on promoting healthy lifestyles and preventive healthcare to maintain the physical and mental health of older workers.

⁸ Wikipedia, n.d. Management starosti. Available at: https://sl.wikipedia.org/wiki/Management_starosti
[Accessed 3 June 2024]

- Workplace health and safety: Measures to improve workplace ergonomics, prevent occupational diseases, and adapt work environments to the needs of older employees.

3. Flexible working arrangements:

- Part-time and flexible hours: Encouraging employers to offer part-time positions, flexible working hours, and telecommuting options to accommodate the needs of older workers.
- Phased retirement: Options for phased retirement that allow older workers to gradually reduce their working hours while transitioning to full retirement.

4. Anti-Discrimination and Awareness campaigns:

- Combating age discrimination: Enforcement of anti-discrimination laws and policies to protect older workers from age-related biases and unfair treatment in the workplace.
- Public awareness campaigns: Initiatives to raise awareness about the value of older workers and combat negative stereotypes.

5. Social inclusion and participation:

- Community engagement: Programs to encourage the active participation of older adults in community activities and volunteering, fostering social inclusion and a sense of purpose.
- Intergenerational programs: Initiatives that promote interaction and cooperation between different age groups to facilitate knowledge transfer and mutual support.

Employment programs for older workers: Specific programs and incentives are designed to encourage the employment of older workers, such as subsidies for employers who hire older employees and training programs to enhance their skills.

1. Subsidies and financial incentives:

- Hiring Incentives for Employers: Financial subsidies and incentives for employers who hire or retain older workers. These incentives can help offset the perceived higher costs of employing older individuals.
- Support for Self-employment: Grants and financial assistance for older workers interested in starting their businesses or pursuing self-employment.

2. Job search and placement services:

- Tailored Job Placement: Services provided by the Employment Service of Slovenia (ESS) to help older workers find suitable employment opportunities. These services include personalised job search assistance, career counselling, and job matching.
- Job Fairs and Recruitment Events: Events specifically aimed at connecting older job seekers with potential employers.

3. Training and upskilling programs:

- Vocational Training: Courses and training programs focused on vocational skills to help older workers transition to new roles or industries.
- Re-skilling Initiatives: Programs aimed at re-skilling older workers in areas with labour shortages or growing demand.

4. Public works and community service:

- Public Works Programs: Temporary employment opportunities in public works projects, that provide older workers with income and work experience.

- Community Service Initiatives: Programs that, engage older workers in community service activities, offering them meaningful work while benefiting the community.

5. Consulting and Mentoring:

- Mentorship programs: Initiatives, that leverage the experience of older workers by involving them in mentoring roles where they can guide and support younger colleagues.
- Career consulting services: Professional career consulting services to help older workers navigate career transitions and plan their professional futures.

Evaluations of active aging strategy and employment programs

Evaluating the effectiveness of measures aimed at promoting 55+ employment in Slovenia involves examining various reports, studies, and analyses conducted by government agencies, research institutions, and international organisations. Here's a summary of findings from available evaluations and assessments:

1. European Commission Country reports:

The European Commission regularly publishes country reports as part of the European Semester process. These reports often include assessments of labour market policies, including those targeting older workers. According to the 2020 European Semester Country Report for Slovenia, the active ageing measures were acknowledged as crucial, but the report highlighted the need for stronger implementation and better alignment with labour market needs.

2. OECD reviews:

The OECD's "Pensions at a Glance" reports provide insights into the effectiveness of retirement and employment policies across member countries, including Slovenia. The 2019

report noted that while Slovenia has made progress in extending working lives, challenges remain in ensuring adequate income and employment opportunities for older workers.

3. National evaluation reports:

Slovenia's Ministry of Labour, Family, Social Affairs, and Equal Opportunities periodically evaluates the impact of its employment programs. A 2018 report from the ministry indicated that employment subsidies and training programs had positive outcomes in terms of increasing employment rates among older workers. However, the report also pointed out the need for continuous improvement in program design and delivery to maximize effectiveness.

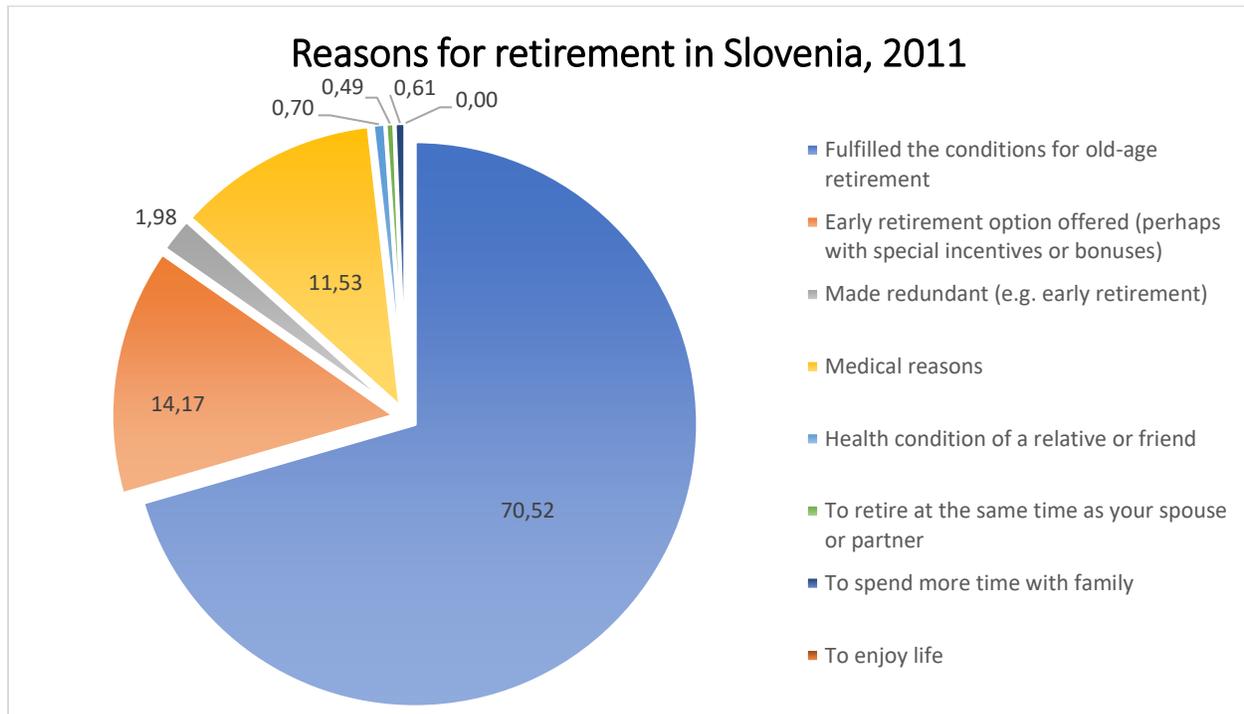
4. Research studies:

Studies conducted by Slovenian research institutions, such as the Institute for Economic Research, have analysed specific programs and policies. A study from 2017 examined the impact of lifelong learning programs on the employability of older workers, finding that participants in these programs were more likely to remain in employment compared to those who did not participate. The study recommended increasing accessibility and targeting of such programs.

5. European Social Fund (ESF) evaluations:

Projects funded by the ESF in Slovenia are subject to evaluation to assess their effectiveness and impact. ESF evaluations have highlighted successful initiatives that improved the skills and employment prospects of older workers, but also pointed to the need for better coordination between different programs and more comprehensive support services.

Graph no. 3: 55+ employment challenges



Source: Active and Healthy Ageing for an Active and Healthy Old Age: Analytical Report of the DP3 AHA 9

Most Slovenians want to retire as soon as possible. In Slovenia, young people also support early retirement, as they believe that this is the only way employment opportunities will open for them as well. Some countries solve this problem with the so-called gradual retirement; this means, that older workers work progressively fewer hours per week before finally retiring. Such gradual retirement can be measured by the share of older workers (50-64 years) whose working hours are shorter than full-time. Slovenia ranks among the countries

⁹ Kavaš, D., Koman, K., Kump, N., Majcen, B., Sambt, J. and Stropnik, N., 2016. Active and Healthy Ageing for an Active and Healthy Old Age: Analytical Report of the DP3 AHA.SI Project. Institute for Economic Research. Available at: https://www.staranje.si/sites/www.staranje.si/files/upload/images/ier_analitsko_porocilo.pdf [Accessed 3 June 2024]

with a low value of this share; in 2012 it amounted to 9.8%; it was less than the average share in the EU-27 by more than 10 percentage points (20.4%).

Young people in Slovenia advocate for the early retirement of older people also because they believe that this would also open more stable jobs for them. Slovenia is known for having the highest share of fixed-term employment among EU member states among young employees (15-24 years), namely 72%, and compared to this share, a relatively small share of fixed-term employment among older employees (50-64 years old), 7%.

Slovenian organisations are already implementing certain measures, namely: 1) discriminatory age restrictions do not appear in advertisements; 2) promoting the formation of age-mixed or diverse work teams and the cooperation of older and younger colleagues; 3) age-related medical examinations: care for prevention and curative care; 4) identification of health-risk jobs and risk assessment for individual (older) employees; 5) communicating with employees about retirement plans; 6) constant communication with employees regarding their intentions and wishes to extend their work activity - even beyond the retirement age; 7) identifying, retaining and transferring the key skills of the elderly; 8) exemption from working overtime for older workers. The least frequently implemented measures are: 1) promotion of active aging strategies and age management policies in organisations; 2) management training on age management; 3) extended vacations aimed at building a career; 4) option: reassignment of older employees to lower levels – lower salary, easier work and less responsibility; 5) flexible work practices (working at home, condensing work obligations to 4 days a week, etc.)¹⁰.

Many times, it seems that some professions are somehow more intended for older people, and some for younger people. In Slovenia, older working people are present in a smaller

¹⁰ Wikipedia, n.d. Management starosti. Available at: https://sl.wikipedia.org/wiki/Management_starosti [Accessed 3 June 2024].

percentage than the entire working population, mainly among sellers, and in a larger percentage among farmers, officials and professionals, and in a slightly larger percentage also in public sector activities¹¹.

According to the Labour force survey results (SURS, 2023)¹², the main reason why retired people continue working is that they enjoy working and being productive. Fewer than a tenth of respondents – more men than women – decided to continue working after they started receiving old-age pensions. The most common reasons for continuing to work are the joy of work and being productive, financial necessity and maintaining social inclusion.

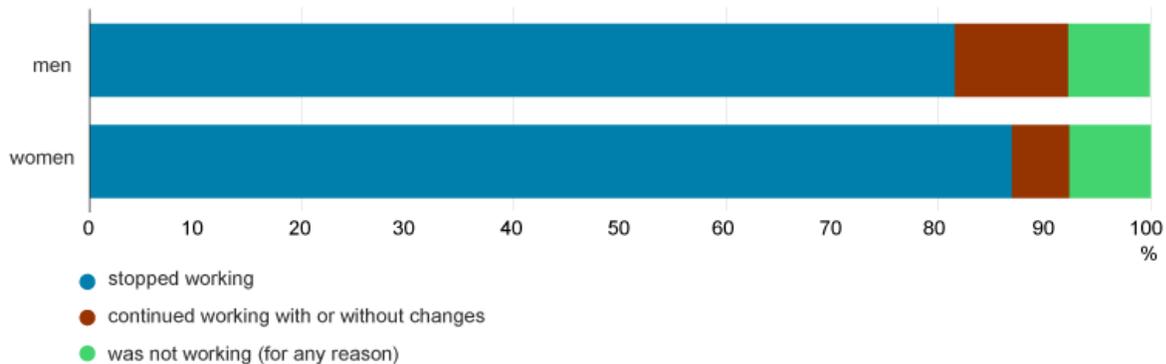
In Slovenia, a little more than four-fifths (84.3%) of persons stopped working after they started to receive old-age pensions. Fewer than a tenth (8.0%) decided to continue working with or without changes. Among them, there were more men (65.0%) than women (35.0%). The gender ratio among those who decided to continue working was also similar at the level of cohesion regions - about a third were women and two thirds were men.

¹¹ Lah, L.M., Svetin, I. and Razpotnik, B., 2013. Older people in the labor market. Ljubljana: Statistical Office of the Republic of Slovenia. (Brochures Collection / Statistical Office of the Republic of Slovenia). Available at: <https://www.stat.si/doc/pub/starejsi.pdf> [Accessed 3 June 2024]

¹² Nenadović, G. and Vratnar, H., 2024. Labour force survey results, module, 2023: The main reason why retired people continue working is that they enjoy working and being productive. Statistical Office of the Republic of Slovenia. Available at: <https://www.stat.si/StatWeb/en/News/Index/12764> [Accessed 3 June 2024]

Graph no. 4: Persons at the beginning of receiving old-age pension by activity situation

Persons at the beginning of receiving old-age pension by activity situation, Slovenia, 2023



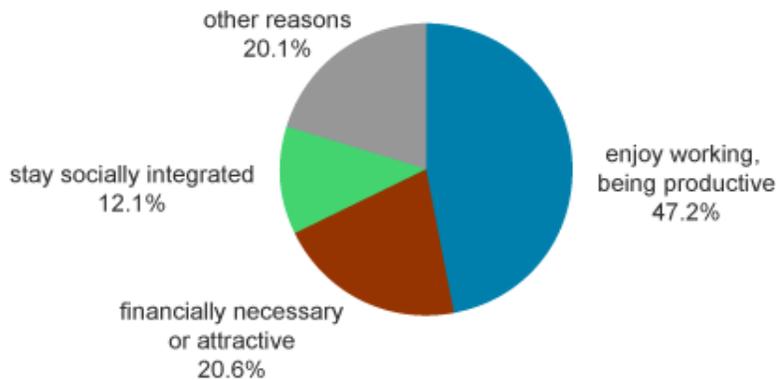
Source: SURS

The differences between cohesion regions are reflected in the share of persons, who decided to continue working at the beginning of receiving old-age pension, which was 4.6 percentage points (p.p.) higher in West (Zahodna) Slovenia (10.5%) than in East (Vzhodna) Slovenia (5.9%). On the other hand, the share of persons who were not working just before and after they started to receive old-age pension was 7.9 p.p. higher in East Slovenia (11.2%) than in West Slovenia (3.4%).

Almost half (47.2%) of respondents cited the joy of work and being productive as the main reason to continue working after they started receiving old-age pension. 20.6% of people chose financial necessity or financial attraction of the work, 12.1% chose social inclusion and 20.1% other reasons.

Graph no. 5: Main reasons to continue working at the beginning of receiving old-age pension

Main reasons to continue working at the beginning of receiving old-age pension, Slovenia, 2023



Source: SURS

4.3% of persons who were not working for the first six months after they started receiving their statutory old-age pension entered the labour market again and started working at least one paid job of a minimum duration of 3 months or occasional work. Among the reasons to re-enter the labour market, half (50.2%) indicated the enjoyment of work and being productive. The second most common reason was financial necessity or attractiveness (30.4%), and the rest mentioned other reasons (19.4%).

Secondary data with information from stakeholders' interviews

One of the major challenges for elderly workers is adapting to fast-paced technology. Rapid technological changes create apprehension about inclusion in modern work processes. To help older workers, it's important to provide incentives that build on their skills and experience. Digitisation and health issues also impact their motivation and ability to perform tasks. Understanding, intergenerational support, and additional training are crucial. Encouragement and assistance can counter their fears and self-doubt. Staying active in the

workforce is key, but many workers over 55 are not used to the tools that can ease their workload. Supporting them in using these resources can enhance productivity and help them remain active and efficient.

Indeed, **challenges faced by older workers vary significantly across industries.** In manufacturing, mastering production automation and quickly acquiring new knowledge are crucial, requiring support to adapt to evolving technologies. In service industries, delivering fast, high-quality services is essential, necessitating investment in older employees. Physically demanding sectors, like manufacturing, pose challenges due to the intensity of the work. In the ICT sector, older workers need additional digital skills, which can be difficult for those over 55. Staffing gaps in elderly care and healthcare demand skills in caring for the elderly and sick. The nature and form of work greatly influence these challenges. For instance, healthcare has less physical burden due to a larger workforce, while social care, especially with elderly or dementia patients, is more demanding. Overall, the type and intensity of challenges depend on the specific industry and job requirements.

Preventive activities for mental and psychological health are becoming more common. Since a healthy mind resides in a healthy body, focusing on preventive healthcare can help older workers remain effective in their jobs. Prioritizing health prevention helps manage the challenges of a profit-driven society, balancing capital with empathy and respect for individual needs. For those aged 55 and older, who may lack the motivation and energy of younger workers, additional measures like employer subsidies are necessary. These measures depend on financial resources and tenders. Politics plays a crucial role in shaping rights and policies, and there are significant gaps in legislation, system arrangements, and education, especially in healthcare and nursing. Addressing these gaps requires a systematic approach from high school through retirement.

Likely projects are encouraging the employment of older workers, **but the main incentive known is that employers pay lower contributions for workers over 60.** No other major incentives are currently recognised. More could be achieved with sufficient resources and political responsibility. Improvements are being made, but social consciousness and legislation need to change to support this discourse. Employment of older workers could be encouraged with more vacation days, fewer working hours (even four hours a day), and flexible schedules. Allowing retirees to work while receiving their full pension and salary, rather than just 40% of their pension, would also be beneficial.

There are initiatives to address these issues, but the state and politics **lack a long-term strategy.** The focus should be on retaining our well-educated staff rather than relying solely on foreign labour. Maintaining our workforce should be a priority. The state should proactively legislate to guide employers in training workers from age 40 to prepare them for later work life. As an ageing society faces a labour shortage, it is crucial to keep older employees working longer. Early retirement leads to a loss of valuable knowledge and wisdom. Many larger companies already implement age management, changing perceptions about ageing, managing knowledge, and developing health management tools. They design suitable work environments, maintain older workers' mobility and efficiency, and manage intergenerational relations. Transforming human resources management is necessary to address productivity, absenteeism, adaptability, and the working environment. Larger companies offer age ergonomics, intergenerational cooperation, flexible working days, and part-time work options. Occasionally, measures or subsidies are aimed at workers 50+.

Good practices exist in modern companies investing in personnel. **When workers reach a certain age and their family obligations decrease, they appreciate being respected and welcomed at work.** These workers stay physically and mentally healthy, contributing

significantly without frequent absences. Success depends on individual attitude and a supportive environment, but such stories are rare in our health and social care sectors.

Collective agreements only define rights and do not incentivise employing vulnerable groups, especially older people. National projects aim to preserve the vitality of the elderly, but other incentives are lacking, except for those at the Employment Agency for different reasons. Measures to encourage and retain older employees and retirees, including financial allowances, exist in various institutions like the employment office. However, our social health segment does not have a strategy for this.

Mikro+Polo from Maribor, a laboratory supply company, sets an example as they strongly encourage, regardless of age, relaxed functioning in the company, hybrid working hours from home, and at work, everyone takes responsibility for quality work done. This is not usually the case in **industrial companies**, there is no listening, **it is still not recognized that personnel capital is the biggest capital in the company, regardless of age.**

Certainly, with an additional understanding of the elderly, coordinating workplaces for the elderly, encouraging movement at the workplace, working from home, regular medical check-ups, socialising, trips, etc. The Employment Service of Slovenia, unit Kranj, has an average age of employees of 45+ years. They approach it openly, and positively, in the same way as they advise and treat their users. What they teach, they also do. Partly because there are simply no younger candidates, and partly because they are aware of the value and wealth of the elderly. For as in the social healthcare trade unions, the unions are the ones who are taking some initiatives. They are trying to show some guidelines that should be followed so that these older employees can be motivated and activated in the end. But the readiness is not high, probably because of the burdens during the working life, the willingness of our older workers to extend, to work beyond the retirement age or conditions for early retirement is actually very small and rare.

The elderly naturally react more slowly, which can be a disadvantage for employers needing quick responses. However, **teamwork between younger and older generations can bridge this gap.** Older and younger workers can support each other, with older workers offering problem-solving experience and younger ones bringing speed and digital skills. Even less educated workers can master technology with training.

Older workers analyse and solve complex problems better due to their experience, while younger workers often make more mistakes due to speed and superficiality. Effective teamwork is crucial, ensuring all employees, regardless of their contribution, feel equal. Mentoring by older workers is important, encouraging and helping younger ones without being authoritarian. Training in organisation and prioritisation is needed as some people, regardless of age, are naturally disorganised. Modern society's emphasis on speed has led to more errors and higher complaint rates. Companies need to teach conflict resolution and recognise individual differences to ensure a harmonious work environment.

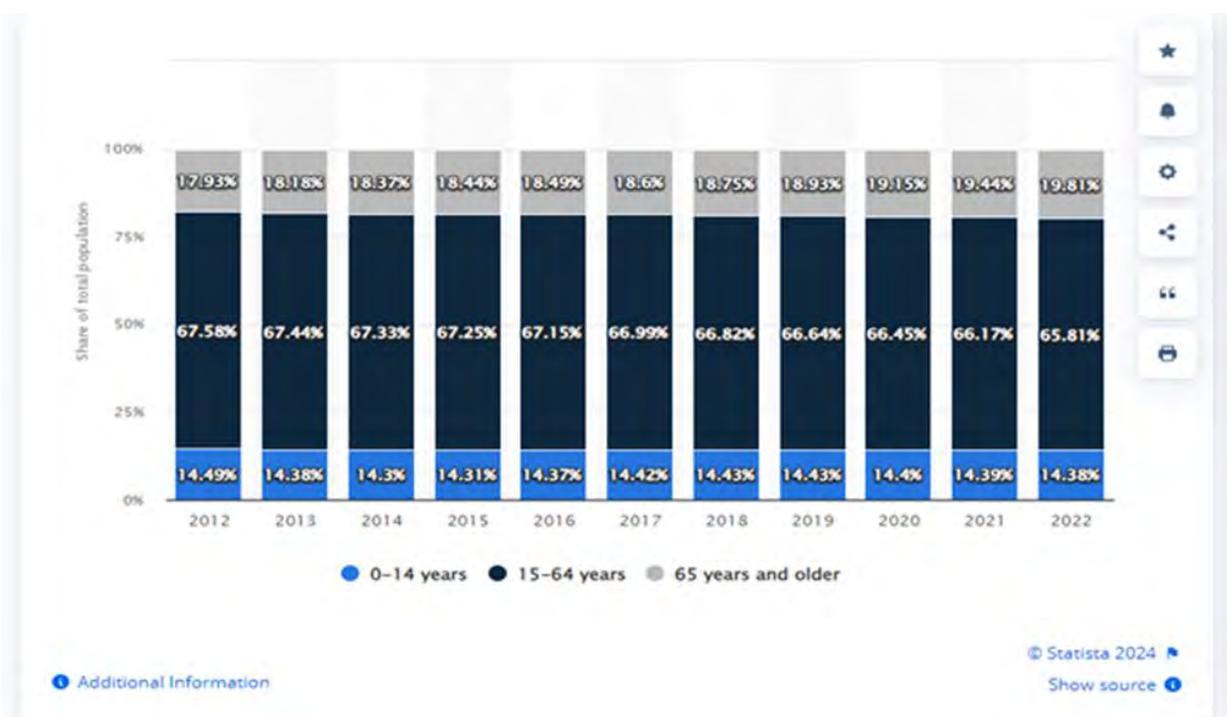
The willingness and ability to acquire new knowledge should be encouraged as lifelong learning benefits everyone. Challenges should be seen as opportunities for growth, and it's important to teach appropriately to avoid burdening employees. Embracing different cultures and perspectives enriches the workplace. The arrival of foreign labour should not be a cause for apprehension but seen as an opportunity for mutual growth.

3.2. Austria

Demographic situation in Austria

The current demographic situation in Austria shows a population of approximately 9 million inhabitants with a notable distribution across age groups. Around 65% fall within the working-age range of 15 to 64 years, constituting the workforce potential, while 15% are children under 15 and little less than 20% are 65 or older¹³.

Graph no. 6: Age structure from 2012 – 2022, Austria



Source: Austria - Age structure 2024 | Statista

¹³ Austrian Press and Information Service. (2024). Population. [Online] Available at: <https://www.austria.org/population> [Accessed 3 June 2024]

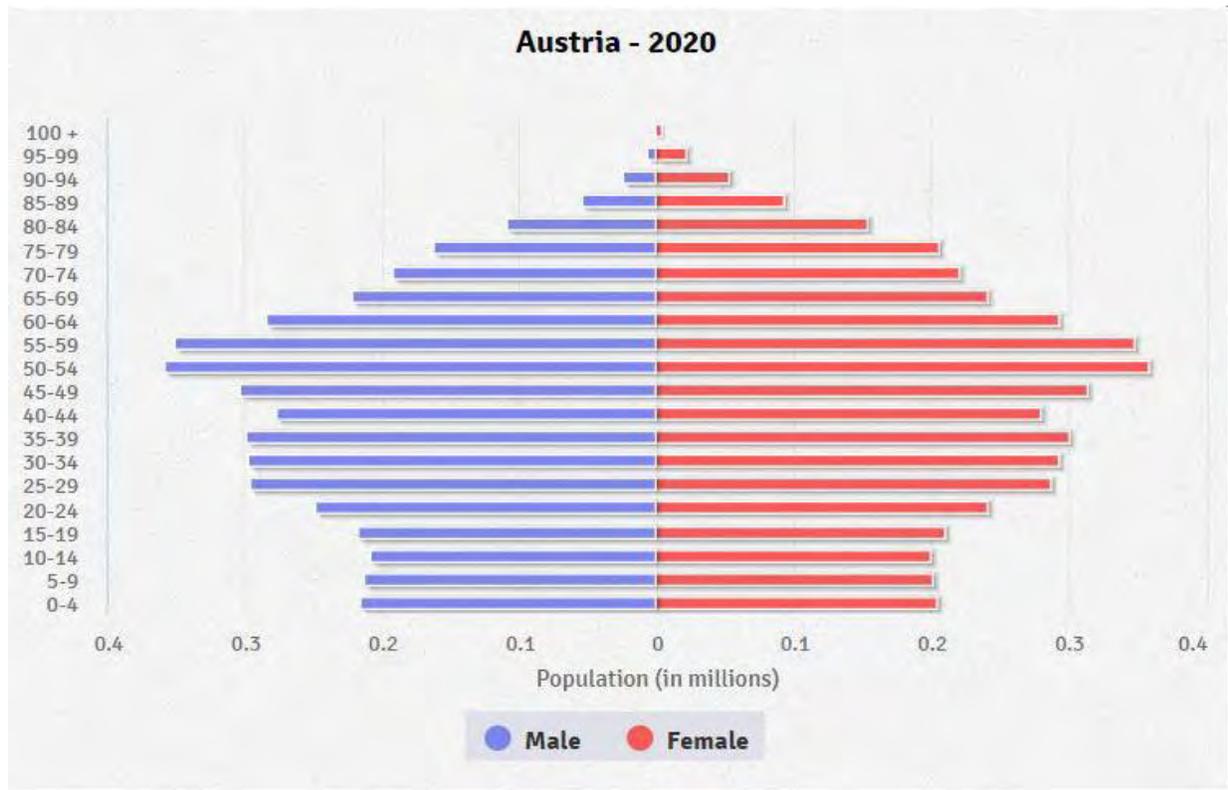
As the graph indicates, the country's demographic landscape is characterised by a growing share of elderly individuals, with projections indicating a rise in the percentage of the population aged 65 and older to 24.02% by 2030 and 30.40% by 2050. These trends underscore the evolving age structure and migration patterns shaping of Austria's demographic landscape. The population is expected to reach 9.94 million by 2080, with Vienna being the most populous federal province. Notably, Austria's population growth is primarily driven by immigration, with a significant increase in net migration gains.¹⁴

The more detailed age structure of the population in Austria¹⁵ is presented in the graph below.

¹⁴ O'Neill, A., 2023. Age structure in Austria 2012-2022. [Online] Available at: <https://www.statista.com/statistics/385829/age-structure-in-austria/> [Accessed 3 June 2024]

¹⁵ based on the 2020 estimates

Graph no. 7: Austria age structure



Source: CIA World Factbook

- Group 0-14 years: 14.01% (male 635,803/female 605,065)
- Group 15-24 years: 10.36% (male 466,921/female 451,248)
- Group 25-54 years: 41.35% (male 1,831,704/female 1,831,669)
- Group 55-64 years: 14.41% (male 635,342/female 641,389)
- Group 65 years and over: 19.87% (male 768,687/female 991,621)¹⁶

This means that out of the 8.93 million residents of Austria, fewer than 1.29 million are children under 15 years of age. About 5.93 million are in the 15-to-64-year range, and

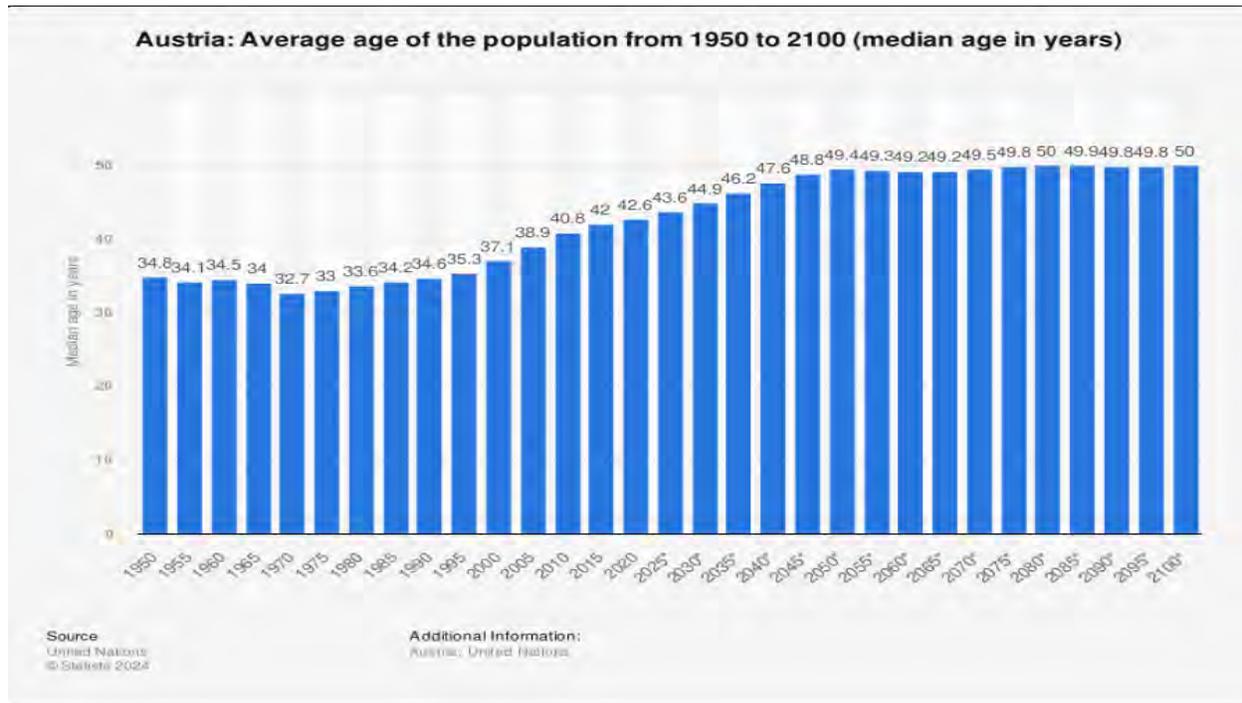
¹⁶Central Intelligence Agency. (2024). People and Society. In: The World Factbook. [Online] Available at: <https://www.cia.gov/the-world-factbook/countries/austria/#people-and-society> [Accessed 3 June 2024]

another 1.72 million Austrian men and women are 65 years or older. Fourteen point four per cent of the population are preschool and compulsory school-age children, about two-thirds (66.4%) are of working age, and 19.2% are elderly persons in retirement age¹⁷. According to the same source, there are many more women than men not only in the highest ages but generally in all age groups beginning with the age of 59. This is due to the longer life expectancy of women.

The small numbers at the top of the population pyramid are explained to have resulted from the deficit of births in World War I. However, the number of children increased considerably after the Annexation to the Third Reich in 1938 (people born at that time are now around 79 to 81 years old) only to drop again at the end of World War II as well as in the early post-war era. Due to the post-Baby Boom reduction in birth rates, which has only been partially compensated by immigration, the base of the population pyramid is quite narrow. This statistic shows the median age of the population in Austria from 1950 to 2100. In 2020, the median age of the Austrian population was 42.6 years.

¹⁷ Austrian Press and Information Service. (2024). Population. [Online] Available at: <https://www.austria.org/population> [Accessed 3 June 2024]

Graph no. 8: Average age of the population from 1950 to 2100 (median age in years)



Source: United Nations, Statista

Consequently, the number and percentage of the senior population of 65 and older is increasing considerably as the Baby Boom Generation mentioned before reaches retirement age in the prospective future. The potential workforce remains relatively stable, but the population of working age is also ageing.

With a 72% employment rate in the 15-to-64-year age range, Austria is considerably higher than the EU average (68%) and in eighth place among the 27 EU member states (2020). At 84%, the employment rate among 25 to 54-year-olds is the highest. It is lower (50%) among youth and young adults (15 to 24 years), many of whom are still pursuing their educations.

In the 55 to 64 years age group, only about 55% (increased to 57.3 % in 2023) of the population are employed; many persons of this age are already retired¹⁸.

Table no. 2: Employed and unemployment rates by age and sex, 2020

Age (years)	Employment rate % of population			Unemployment rate % of economic activities		
	Total	Men	Woman	Total	Men	Woman
Total	72.4	76.5	68.3	5.4	5.5	5.2
15-24	50.2	52.7	47.8	10.5	11.3	9.5
25-54	83.9	86.9	80.8	5.0	5.0	5.0
55-64	54.7	62.7	47.0	4.0	4.4	3.6

Source: Statistic Austria, Micro census, yearly average

Table no. 3: Employed persons by economic activities, 2020

	Total	Men	Women
Employed in total (absolute)	4 296 900	2 277 500	2 019 400
Employed in total (as %)	100.0	100.0	100.0
Agriculture, forestry, mining	4.1	4.6	3.5
Industry	24.9	36.7	11.6
Manufacturing	15.6	21.7	8.8
Construction	8.1	13.3	2.3

¹⁸ Austrian Press and Information Service. (2024). Population. [Online] Available at: <https://www.austria.org/population> [Accessed 3 June 2024]

	Total	Men	Women
Employed in total (absolute)	4 296 900	2 277 500	2 019 400
Services	71.0	58.7	84.9
Wholesale and retail trade, repair	14.4	11.9	17.2
Transportation and storage	5.1	7.4	2.5
Accommodation and food service activities	5.3	3.9	6.8
Financial and insurance activities	3.3	3.1	3.6
Professional, scientific and technical activities	6.4	6.2	6.5
Public Administration; social security	6.8	6.4	7.2
Education	6.7	3.7	10.1
Human Health and social work activities	10.9	5.0	17.5

Source: Statistic Austria, Microcensus. Yearly average 2008

In summary, Austria's workforce includes around 57.3% of individuals aged 55 to 64, with a notable prevalence of part-time work and a gender distribution favouring woman. Compared to other European countries, Austria's employment rate for older individuals falls below the EU average but has shown an increasing trend over recent years.

The most common job areas for individuals aged 55 and above in Austria include the service sector, where more than half of men and almost nine out of ten women are employed.

Additionally, around 4% of jobs are in agriculture and forestry, while approximately 25% of employed individuals work in the production sector. Men predominantly work in the manufacturing sector, while women dominate in the health sector and trade. Part-time work is more prevalent among women, with 80% of part-time workers being women, and 47% of all working women opting for part-time employment compared to only 11% of men¹⁹.

The average salary for individuals aged 55 and above in Austria varies based on factors such as job roles, experience, and education levels. Men earn on average more than women annually.

The ageing population in Austria is a significant demographic trend. The statutory retirement age is currently set at 65 years for men and will gradually increase to reach 65 years for women by 2033. Women currently retire earlier than men (60 versus 65). However, from 2024, the retirement age of women will be increased by 6 months each year, so that women and men will eventually have the same retirement age. As Stieglbauer (2006)²⁰ explains, whereas older people worked considerably longer until the 1970s, at present Austria has a particularly low tendency of older people to remain in the workforce, which can be observed as the effect of generous early retirement provisions. Therefore, the pension reforms introduced lately are seen as a solution to the problem and a necessary condition for a later exit from the labour force. These reforms should provide strong incentives for people to work longer.

In Austria, there are **government programs and initiatives** aimed at supporting the employment of individuals aged 55 and above. The employment program for individuals

¹⁹ Austrian Press and Information Service in the United States. (2024). Employment & Job Market. [Online] Available at: <https://www.austria.org/employment-and-job-market> [Accessed 3 June 2024]

²⁰ Stieglbauer, A. (2006). Strategies for Employment and Growth in Austria. Eurosystem: Oesterreichische Nationalbank. [Online] Available at: https://www.oenb.at/dam/jcr:7971d602-c710-4d80-aa1b-5cf4b6c78b9e/stieglbauer_tcm16-46137.pdf [Accessed 3 June 2024]

aged 55 and above in Austria offers various benefits to support their integration into the labour market. Some of the key programs include:

- **50+ Employment funding:** This program provides financial assistance amounting to €165 million annually to workers aged 50 and above, who have been registered with the public employment service for more than 90 days. It aims to facilitate the integration of older workers into the labour market.
- **Employment initiative 50+:** Job seekers who are 50 years old or older and face challenges in finding employment due to health issues or extended absences from the labour market can benefit from this initiative. It provides support even before the 90-day registration period expires.
- **Partial retirement support:** Austria encourages partial retirement, allowing employees to reduce their working hours until retirement with minor financial losses. Employers who enable their employees to work part-time can benefit from subsidies provided by the public employment service.
- **Incentives for employers:** The program encourages employers to retain and hire older workers by implementing age-neutral measures, preventing discrimination based on age, and promoting better retention and hiring mechanisms targeted at older workers.
- **Training and development:** The program focuses on enhancing the employability of older workers by providing access to training adjusted to their experience and learning needs, promoting lifelong learning, and setting up mechanisms for recognising and validating skills.

Overall, these initiatives aim to reward work and later retirement, prevent welfare benefits from being used as alternative pathways to early retirement, encourage employers to retain

and hire older workers, and promote the employability of older workers throughout their working lives.

Although the employment rate is said to be increasing with more than one in two individuals aged 55 to 64 working in Austria by 2023, there are several indications that older workers do have a problem in finding employment and age discrimination still exists in practice. In his latest report (2018/19), **the Equal Treatment Ombudsman** documented **427 cases of age discrimination**, which represents about 10% of all discrimination complaints²¹. To improve the existing situation, it is suggested that both policymakers and firms should be aware of possible discrimination against older workers. Therefore, companies must be ready to employ and retain older workers by taking measures to facilitate the longer working lives of their employees. Existing collective arrangements on seniority pay should also be reviewed by the social partners to ensure that wages are compatible with age-related productivity and longer work lives. (Stieglbauer, 2006)

Due to demographic reasons, it is necessary to increase the employment rates of older workers in Austria as well as to extend their employment times to cope with the problem of ageing populations in Austria and other European countries.

Nevertheless, some of the causes of employment challenges that individuals aged 55+ in Austria face are as follows:

Early retirement culture: The extensive use of early retirement schemes has historically contributed to lower Labour force participation among older workers in Austria.

Health and employability: The health status of older individuals significantly impacts their labour supply and employability. While older Austrians generally have good health, factors

²¹ AGE Platform Europe. (2023). Age barometer 2023. [Online] Available at: <https://www.age-platform.eu/barometer-2023/austria/> [Accessed 3 June 2024]

like educational attainment and living standards influence health status and, consequently, labour force participation.

Unemployment and job opportunities: Older workers in Austria face challenges related to unemployment rates, reemployment probabilities, and job changes. The likelihood of becoming unemployed and finding a new job decreases with age, leading to higher unemployment rates and longer unemployment spells for older workers.

In summary, the employment challenges for individuals aged 55 and above in Austria stem from low employment rates, the prevalence of early retirement practices, health-related factors affecting employability, difficulties in finding new jobs, and the need for effective policy interventions to support older workers in the workforce.

To conclude, Austria stands out with low unemployment rates for individuals aged 55 to 64, showcasing a strong labour market performance. However, compared to other EU countries like Germany, the euro area, and the EU-27, Austria faces challenges with significantly lower employment rates for older workers, emphasising the need to address the employment issues faced by this age group.

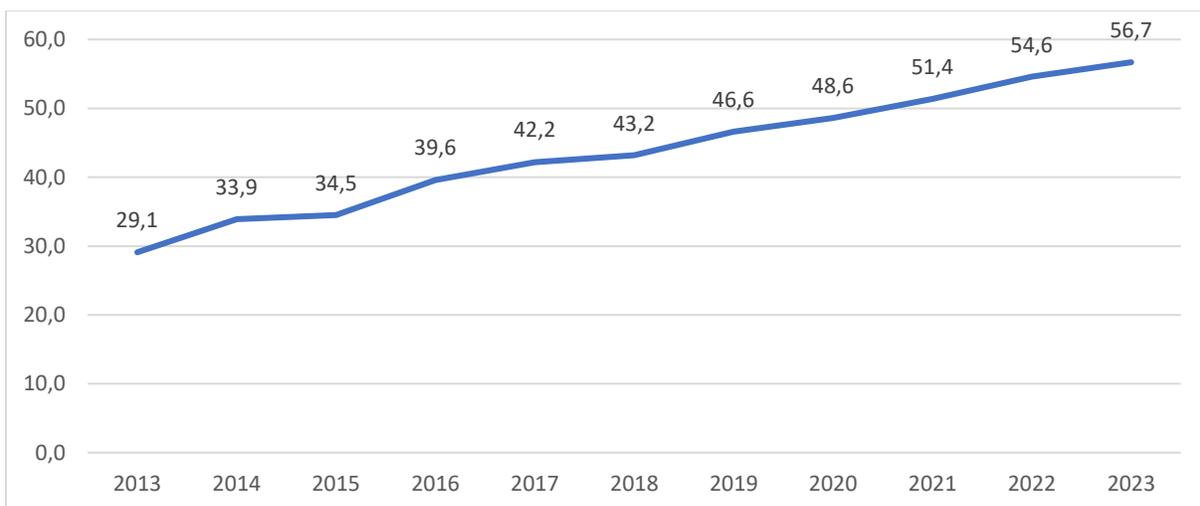
3.3. Republic of Serbia

Demographic situation of Serbia

Serbia belongs to the group of rapidly ageing European countries. According to the estimates of the Statistical Office of the Republic of Serbia and the Population Census from 2023, the population in Serbia is intensively ageing (as well as in the EU27 countries). The participation of individuals 55+ in the labour force continues to increase. During the previous decade (2013-2023), their share increased from 29.1% to 56.7%.

Ageing affects all segments of life and all generations of the population in terms of their needs, and as a result, it is recognised that it is necessary to introduce a strategic direction, which approaches the issues of population ageing in a gender-responsible, high-quality, versatile and more engaged manner. This applies to all areas of society and is equally important for the economy and the labour market, the development of democratic and equal relations in society, the social security of citizens, education and culture, health and social protection.

Table no. 4: Serbia: Persons aged 55 to 64 as labour force - Percentage of the total population



Source: Eurostat

According to current demographic trends (by 2060) Serbia will experience a decrease in the total population and an intensive aging of the population, which is irreversible in the coming decades. It is expected that the working-age population will register a dramatic decline by 2060, while the post-productive population will have a significant increase.

The Statistical Office of the Republic of Serbia announced at the end of December 2022 that according to the data of the last census in the Republic of Serbia from 2022, the total number of inhabitants is 6,647,003 (48.6% men and 51.4% women)²². The average age of the population of the Republic of Serbia is 43.8 years (average age of women 45.2 years and men 42.4 years).

Table no. 5: Population by gender and average age, total and by region²³

Region	Number of inhabitants			Average age		
	Total	Male	Female	Total	Male	Female
Republic of Serbia	6.647.003	3.231.978	3.415.025	43,8	42,4	45,2
Belgrade region	1.681.405	794.413	886.992	42,7	41,03	44,2
Region of Vojvodina	1.740.230	845.739	894.491	43,6	42,03	45,2
The region of Šumadija and Western Serbia	1.819.318	895.840	923.478	44,3	43,1	45,5
Region of Southern and Eastern Serbia	1.406.050	695.986	710.064	44,9	43,7	46,02

²² Statistical Office of the Republic of Serbia. (2022). Serbia census 2022. [Online] Available at: <https://popis2022.stat.gov.rs/sr-Cyrl/> [Accessed 3 June 2024]

²³ Statistical Office of the Republic of Serbia. (2022). Census 2022 - excel table. [Online] Available at: <https://popis2022.stat.gov.rs/en-US/popisni-podaci-eksel-tabele/> [Accessed 3 June 2024]

Source: The Statistical Office of the Republic of Serbia

Given the data of the last two censuses (2011 and 2022), the trend of depopulation in Serbia has intensified. The population decrease is the result of a negative migration balance and a negative natural increase (-8% in 2019). The average age has increased by about one and a half years, and life expectancy in Serbia is five to ten years shorter²⁴ than the average in the EU.

Table no. 6: Population by major age groups, by region

Region	Total		0-14		15-64		65 and over	
	Total	%	Total	%	Total	%	Total	%
Republic of Serbia	6.647.003	100	955.452	14,4	4.222.696	63,5	1.468.855	22,1
Belgrade region	1.681.405	100	254.270	15,1	1.086.113	64,6	341.022	20,3
Region of Vojvodina	1.740.230	100	254.971	14,7	1.108.342	63,7	376.917	21,7
The region of Šumadija and Western Serbia	1.819.318	100	258.234	14,2	1.143.283	62,8	417.801	22,9
Region of Southern and Eastern Serbia	1.406.050	100	187.977	13,4	884.958	62,9	333.115	23,7

²⁴ Ministry of Labor, Employment, Veterans' Affairs, and Social Affairs. (2019). Initial draft version of the Social Protection Strategy for the period from 2019 to 2025. [Online] Available at: <https://www.udruzenjesz.rs/images/PDF/nacrt-strategije-socijalne-zastite-2019-2025-27032019.pdf> [Accessed 3 June 2024]

Source: The Statistical Office of the Republic of Serbia

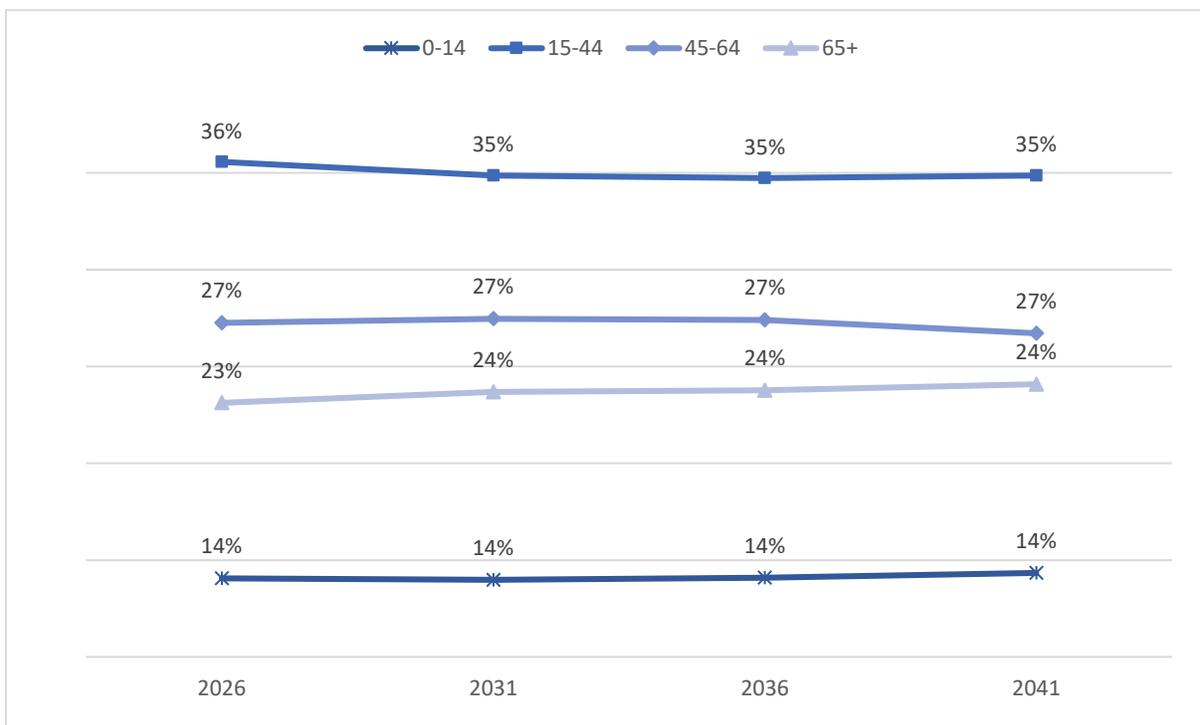
In the period between the two censuses in Serbia, there was a significant increase in the share of persons aged 65 and over from 17.4% (2011) to 22.1% (2022). The most unfavourable demographic situation is in the Region of Southern and Eastern Serbia, where almost every fourth person (23.7%) is over 65 years old²⁵.

Because of the decrease in the number of inhabitants and the ageing of the population, the number of persons of working age is **decreasing**. This is reflected in the economic situation in society, as well as in lower potentials for financing social security, which is largely based on labour taxation. The ageing of the workforce and efforts to address its consequences require higher allocations for retraining and an additional one-time shorter compared to the averages in the EU. Population according to large age groups, by region, education, and potentially also for benefits in the event of unemployment and the onset of disability or a handicap situation due to the longer presence of the elderly in the labour market²⁶.

²⁵ Statistical Office of the Republic of Serbia. (2022). Serbia census 2022. [Online] Available at: <https://popis2022.stat.gov.rs/sr-Cyrl/> [Accessed 3 June 2024]

²⁶ Matković, G. (2018). The welfare state in the countries of the Western Balkans. Center for Social Policy, Belgrade. [Online] Available at: https://csp.org.rs/en/assets/publications/files/The_Welfare_State_in_Western_Balkan_Countries_Position_Paper.pdf [Accessed 3 June 2024]

Table no. 7: Trends forecast in the participation of the main age groups of the population of Serbia until 2041



Source: The Statistical Office of the Republic of Serbia

In previous years, institutional changes were implemented having had an impact on the improvement of the relative position of the elderly. The first change is related to severance pay, which, according to the amendments to the Labour Law from 2014, is paid only for seniority with the last employer. Before these changes, the calculation of severance pays for the entire length of service deterred employers to hire older persons, i.e. employers saw the payment of severance pay as a potential danger (in the form of high costs due to eventual dismissal) when hiring persons with long service experience. Another institutional change refers to the increase in the retirement age, which directly affected the increase in activity and employment among older persons of working age. In addition, the increase in activity was influenced by penalties for early retirement.

Changes in technology and the production process have contributed to the fact that it is **relatively more difficult for older people than others to adapt independently to the new needs of the labour market**. The biggest problem of these people is **outdated knowledge and skills**. Those persons, who have been employed in the same company for a long period of time, and whose work has ceased to be necessary to perform a certain job due to technological, economic or organisational changes, found themselves in a particularly unfavourable situation. Insufficient adaptability and discouragement due to the impossibility of finding adequate employment can contribute to these persons relatively easily slipping into inactivity.

The risk of poverty varies by age group, employment status and household type. The most vulnerable are persons aged 65 and over – 22.6%, followed by persons aged 55 to 64 - 21.6%, while persons under 54 had the lowest rate of risk of poverty. When it comes to the acquired level of basic ICT skills, it is higher among the younger population compared to the older population. The current level of education, especially of the older population, does not allow easy and simple mastering of the digital economy. The superiority of certain educational programs is one of the biggest weaknesses in the transition to the information society, together with insufficient funds allocated by the state for higher education.

According to the SORS survey from 2022, the Work Skills Module in the context of required work skills for employees, these three segments are recognised: **social skills** (communication with people in the organisation and outside the company/organisation), **manual skills** (doing heavy physical work and performing precise tasks with fingers) and **cognitive skills** (reading instructions, technical documentation and relatively complicated calculations). The **most frequently used required work skill for the job is communication with people at work** (in the work environment, oral business communication with colleagues during working hours) **as well as with people outside the**

organisation. The use of social skills is highlighted as important for members of both sexes, while manual skills are more prevalent in men during most of their working hours. The degree of job autonomy increases proportionally with age because older people have significantly greater partial or complete freedom in determining the sequence and content of their work tasks compared to younger colleagues. Most tasks, in the context of repetitive work, are found in the occupational group Machine and plant operators, fitters and drivers, Service and trade occupations, as well as in the Simple occupations group, with the least or no repetition of work tasks being held by employees in the Specialists and artists group. The use of digital devices is a skill highlighted as needed for less than half of working time and is most needed in the service sector.²⁷

Sustainable Development Goals²⁸ were adopted under the auspices of the UN for the period from 2015 to 2030 and represent a set of goals related to future social and economic development in accordance with the principles of sustainability (there are 17 main goals, and within them 169 specially determined sub-goals, which are equally important for members of all generations). Among these goals, some of particular importance for the elderly can be singled out, namely: Goal number 1, which refers to the **end of poverty**, Goal number 3, which provides that by the year 2030, the realization of specially defined goals will ensure a **healthy life and promote well-being for people of all generations**, Goal number 4, which promotes **quality education and the possibility of lifelong learning**, Goal number 5, **gender equality**, Goal number 11, which refers to the **need to make cities and other settlements inclusive, safe, resilient and sustainable**, Goal number 16 which promotes **peaceful and inclusive societies for sustainable development and mandates that**

²⁷ Statistical Office of the Republic of Serbia. (2022). The Work Skills Module. [Online] Available at: <https://publikacije.stat.gov.rs/G2024/pdf/G20241100.pdf> [Accessed 3 June 2024]

²⁸The United Nations. (n.d.). (2024). The Sustainable Development Goals. [Online] Available at: <https://www.un.org/sustainabledevelopment/> [Accessed 3 June 2024]

access to justice be ensured for all, and envisages the building of effective, accountable and inclusive institutions at all levels.

Main (political) actors

In the Republic of Serbia, organisations have been identified that are directly or indirectly responsible for creating and directing age management. All interested parties and participants in this process are bodies, organisations, natural and legal persons, associations, civil society organisations and other interested parties, who have an interest in current events on the labour market and are interested in the Employment Strategy. In Serbia, these are:

- 1) **Decision-makers at the national and local level** (Ministry of Labour, Employment, Veterans and Social Affairs, Ministry of Economy, Ministry of Finance, National Employment Service; Qualifications Agency; local self-government units);
- 2) **Representative organisations that represent the interests of key actors on the labour market - social partners** (unions, employers' associations, including the chamber system in Serbia, chambers of foreign companies, mixed chambers);
- 3) **Non-governmental sector** (civil society organisations that deal with employment issues, but also the position and rights of vulnerable groups);
- 4) **Employment agencies;**
- 5) **International organisations and donor community.**

Beneficiaries of active employment policy measures are the so-called target groups (a group of natural and/or legal persons, i.e. other interested parties that are influenced by public policy measures): job seekers, unemployed persons, inactive persons, employees, employers, organizers of adult education.

The Ministry of Labour, Employment, Veterans and Social Affairs of the Republic of Serbia

is responsible for state administration affairs related to labour relations, labour rights, occupational safety and health, trade union organisation, international conventions in the field of labour, social protection system, monitoring of conditions and trends in the labour market, records in the field of employment, encouraging employment, strategy, program and measures of active and passive employment policy, employment of people who find it difficult to get employment, development of social entrepreneurship, realisation of rights based on unemployment insurance, proposing measures to improve the system of adult education, and other jobs in the field of work.

The Ministry of Family Care and Demography of the Republic of Serbia

initiated the drafting and adoption of a new public policy document in 2023, which concerns age and the aging process, i.e. the Strategy of Active and Healthy Aging in the Republic of Serbia for the period from 2024 to 2030²⁹. The strategy is based on demographic data, the concept of active aging and a holistic approach, emphasizing the needs of the elderly, their capacities and the attitudes of the social environment. This Ministry is competent in measures to prevent domestic violence and the importance of reporting violence, as well as

²⁹ Official Gazette of the Republic of Serbia. (2023). Strategy for Active and Healthy Aging in the Republic of Serbia for the period from 2024 to 2030. ("Sl. glasnik RS", no. 84/2023). [Online] Available at: http://www.eupropisi.com/dokumenti/SG_084_2023_003.docx [Accessed 3 June 2024]

the rehabilitation of elderly victims of violence, as well as the strengthening of professional capacities of multi-sector teams to work with elderly victims of violence.

The Ministry of Education of the Republic of Serbia

is responsible for several measures of the Strategy of Active and Healthy Aging in the Republic of Serbia for the period from 2024 to 2030, primarily in developing intergenerational solidarity and sensibility towards the elderly (supplementing curricula).

The Ministry of Sports of the Republic of Serbia

is responsible for measures related to the provision of public sports and similar institutions for sports recreation for the elderly with the aim of increasing the number of elderly people who exercise continuously.

The Ministry of Health of the Republic of Serbia

is responsible for measures in promoting healthy aging in accordance with the specific needs of the elderly, research on the habits and needs of the elderly, as well as additional training of health workers and associates for work and communication with the elderly, increasing the availability of palliative care and integrated services for palliative care users.

The National Employment Service

is a public service that provides services to unemployed persons and employers (the beginning of its operation is in 1921, when one of the first regulations regulating the field of employment was published). It consists of the Directorate, two provincial offices, 34 branches, 21 services and more than 120 branches in all administrative districts in Serbia. It provides support to unemployed people when they want to change jobs or start their own business or need advice on employment. The main mission is the development and improvement of human capital with the aim of efficient and effective mediation

between all actors on the labor market. Performs employment, unemployment insurance, records in the field of employment and employment abroad as well as other general tasks.

Commissioner for the Protection of Equality

a state body formed based on the Law on Prohibition of Discrimination from 2009. The tasks are the prevention of all types, forms and cases of discrimination, the protection of the equality of physical and legal persons in all areas of social relations, the supervision of the implementation of regulations on the prohibition of discrimination, as well as the promotion of the achievement and protection of equality. He especially deals with the issue of aging and the protection of the rights of the elderly.

Chamber of Commerce and Industry of Serbia

is a legally defined organisation of business entities and gathers the economy for more than 167 years (founded in 1857) into a single system, sectoral and regional. The members are economic companies grouped in the sectors of agriculture, industry and services, which are further grouped into 18 branch associations. Within the network of 16 regional chambers of commerce and the chamber of the capital city, professional support and efficient representation of the interests of the economy in the regions is provided. It has representative offices in several European countries, the main foreign trade partners. It represents the interests and attitudes of the economy by participating in the creation of laws and other regulations important for the business community, improves economic cooperation with foreign countries, and provides IT and analytical support to the economy. The Chamber of commerce (PKS) is active in the creation of laws and in the field of labour rights, prepares initiatives, and participates in the working groups of competent ministries

and numerous projects at the international level, thereby presenting good practices within the national community.

Employers' Union of Serbia

is an independent organisation of freely associated employers and a legitimate representative of employers in the domestic social dialogue and a representative of the status interests of its members in international frameworks based on voluntary membership. It acts in accordance with the principles on which it builds relations between its members, but also with state bodies and trade unions. The Union promotes responsible business, sustainable development and improvement of the economic environment. Through its mission and activities, as a responsible social partner, it strives to contribute to the implementation and development of human rights and international labour standards, primarily those related to dignity at work and the fundamental rights of workers - the prohibition of forced labour and child labour, freedom of association, rights on organising and collective bargaining, prohibition of all forms of discrimination, gender equality, i.e. gender equality and equal participation of women and men in all areas, equal remuneration for equal work and work of equal value and other rights. It works to establish partnership relations between employers and workers' representatives.

Unions

in the Republic of Serbia, there are organisations of interest that engage in the protection, achievement and improvement of members as well as their material, social and social position, as well as others and the 55+ age category of employees.

The Association of “Women at a Turning Point”

is actively contributing to closing the gender gap in the labour market through economic and social empowerment and connecting women aged 45+ who have lost their jobs. The

association was founded by a group of women who combined professional experience, knowledge and contacts to solve the problem of social and economic exclusion of middle-aged and older women, while they went through similar business challenges.

Other relevant entities:

- Ministry for Human and Minority Rights and Social Dialogue,
- Ministry of Rural Care,
- Ministry of Science, Technological Development and Innovation,
- Association for adult education³⁰ founded to achieve goals in the field of learning and adult education,
- The Association of andragogists of Serbia³¹ gathers all andragogists interested in the affirmation of the profession and the promotion of the concept of lifelong learning,
- The Red Cross of Serbia is a humanitarian, independent and voluntary organisation and the only national society in the Republic of Serbia, and, among other things, it deals with education on the support and care of the elderly in regular and emergency situations (such as COVID-19,
- Portal Poslovi Infostud³² which, as part of monitoring information from the labour market, publishes analyses and information regarding the position of the elderly on the labour market.

³⁰ Adult Education Society. (2024). Organisation. [Online] Available at: <https://www.aes.rs/organizacija/> [Accessed 3 June 2024]

³¹ Society of Andragogues of Serbia – DAS. (2024). About us. [Online] Available at: <https://andragog.org/o-nama/> [Accessed 3 June 2024]

³² Poslovi.infostud. (2022). Women 45+: Too old for employers, invisible to decision-makers. [Online] Available at: <https://poslovi.infostud.com/vesti/Zene-45-Stare-za-poslodavce-nevidljive-za-donosioce-odluka/56043> [Accessed 3 June 2024]

Age management

Age management refers to the various dimensions of human resource management within organisations with an explicit focus on aging and, more generally, to the overall management of an aging workforce through public policies or collective bargaining. The basic principles of age management include: an emphasis on prevention rather than reactive problem solving, a focus on the entire working life and all age groups, not just older workers, and a holistic approach that includes all dimensions, that contribute to effective age management. In accordance with the Sustainable Development Goals, the field of age management is covered by the following goals: 10 Reducing inequality, 1 A world without poverty and 8 Decent work and economic growth.

Therefore, it is necessary to systematically support the healthy integration of older generations of workers (55+) into the labour market, capitalizing on their knowledge while supporting them to adapt to the **challenges of new ways of working**. It is necessary to increase their participation, avoid unwanted early retirement and extend their productive life. This is why a healthy balance between work and private life adapted to age is promoted. In addition, the issue of the lack of qualified labour is becoming increasingly urgent, especially in regions where labour mobility is unbalanced, leading to a shortage of qualified professionals. By using the expertise of older workers, the project aims to alleviate this shortage and contribute to the overall development and growth of the region.

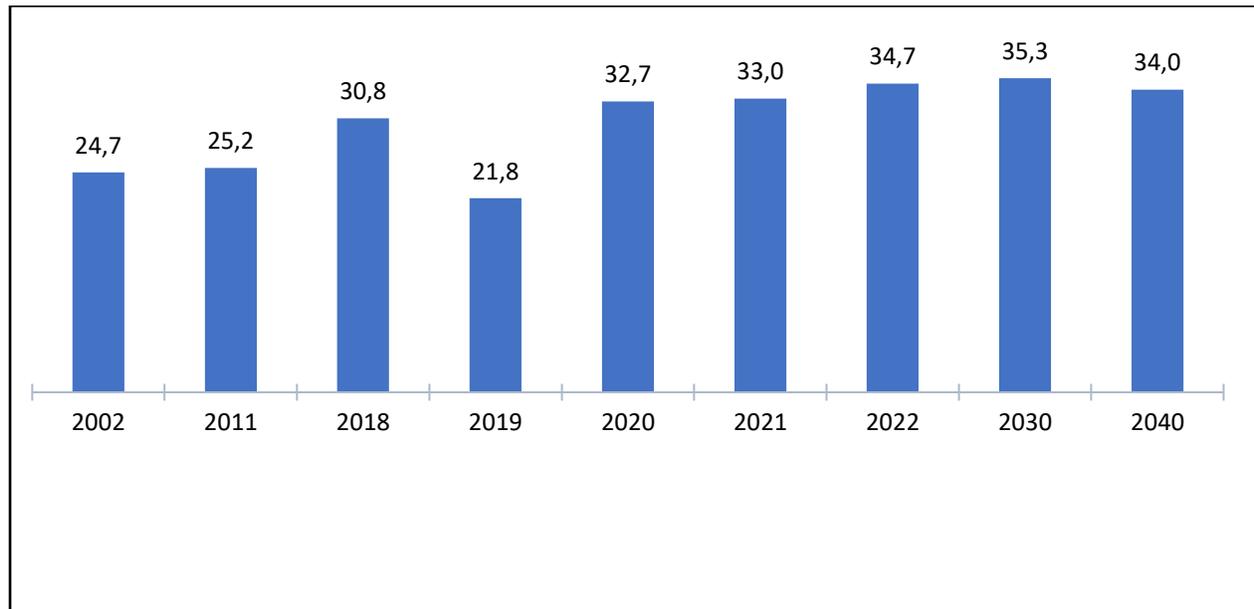
Senior citizens in Serbia are recognized as a vulnerable social group, whose needs must be considered. The Republic of Serbia has adopted strategic documents, that recognise elderly citizens as a group that must be taken care of for various reasons. The modern understanding of old age (prospective approach) is based on the fact, that years which once represented deep old age are no longer so. Unlike chronological age, which defines the elderly after a certain number of years (in many cases it is 60 or 65 years of age) - the

prospective approach shifts the focus from chronological aging to healthy life expectancy, the process of active ageing and the importance of participation of the elderly in society. Thanks to the reduction in mortality and the increase in average life expectancy, the remaining years of life for the formally older generations leave the possibility for many years of active and high-quality life, which in terms of style cannot be recognized as different from the life of younger people.

Emigration also contributes to the faster disintegration of traditional multigenerational family models, affects the increase in the share of elderly households and creates an increasing demand for care services, which are normally provided in the extended family. According to data from 2019, in Serbia, 23.8% of the elderly live in single elderly households. A third of them have serious difficulties in performing daily household activities (grocery shopping, preparing food, light and difficult household chores), and almost one in ten (9.5%) have serious difficulties in performing personal care activities (dressing, undressing, using the toilet, bathing, showering). Residents of non-urban settlements with the lowest education, as well as the poorest, are significantly more vulnerable.

The problem of dependency among the elderly is indicated by estimates that the rate of dependency among the elderly will increase in the coming years to reach 35.3% in 2030. The dependency rate of the elderly population represents the share of the population over 65 years old in the working age population (15-64 years).

Table no. 8: Dependency rate of people over 65 (2002-2040)



Source: SORS

The National Strategy on Ageing 2006-2015 was the most significant in Serbia for the position of the elderly. All defined strategic directions were assessed as appropriate, and the **priorities are:** poverty reduction, respect for the principle of sustainability, adaptation of the pension and disability insurance system, defining and regulating the area of aging and practical connection and development of long-term care services, strengthening non-governmental organisations and private partners in the process of long-term care, more accessible lifelong education of older people, prevention and protection of older people from all discrimination and violence.

For the oldest population, the most significant is the **Strategy of Prevention and Protection from Discrimination**, which aims to reduce poverty and improve the financial situation of the elderly, prevent family and/or other violence against the elderly, provide services, health and social protection, participation in social life and education. The communication strategy

on the accession of the Republic of Serbia to the EU designates pensioners as a group sensitive to changes.³³

An important document from the perspective of the position of older women is **the National Strategy for Gender Equality** (older women, rural women and women with disabilities are recognized as a particularly vulnerable group to which public policies should be directed to improve their overall social position).³⁴

Other documents are: Public Health Strategy of the Republic of Serbia, Strategy for Palliative Care and Strategy for Improving the Position of Persons with Disabilities in the Republic of Serbia.

The Constitution of the Republic of Serbia is the highest legal act in the Republic of Serbia and guarantees the right to equal legal protection of all citizens without discrimination on any basis, including age (the elderly are mentioned as a special social group that is guaranteed the right to health care from public revenues, as well as pension insurance for the economic security of pensioners).³⁵

When it comes to protection against discrimination, other anti-discrimination laws are also important (the Law on the Prohibition of Discrimination, which stipulates age as a separate basis for discrimination), and different types of discrimination are specifically defined, as it prohibits discrimination on the basis of age and prescribes that "older they have the right to

³³ Ministry of Labor, Employment, and Social Policy of Serbia. (2006). National Strategy on Aging: 2006-2015. Belgrade: Ministry of Labor, Employment, and Social Policy. ISBN - 86-7704-018-8

³⁴ "Official Gazette of the Republic of Serbia", No. 52/21. Strategy for Gender Equality for the period from 2021 to 2030: 103/2021-4. [Online] Available at: <https://pravno-informacioni-sistem.rs/eli/rep/sgrs/vlada/strategija/2021/103/1> [Accessed 3 June 2024]

³⁵ Constitution of the Republic of Serbia (Official Gazette of the Republic of Serbia No. 98/2006), Serbia. [Online] Available at: <https://www.wipo.int/wipolex/en/legislation/details/7378> [Accessed 3 June 2024]

dignified living conditions without discrimination, and in particular, the right to equal access and protection from neglect and harassment in the use of health and other public services”.

Laws that are very important for the protection and position of the elderly in general are:

Law on Health Insurance, in which persons over the age of 65 are classified as a population group that is exposed to a special risk of illness and that enjoys special conditions regarding health insurance, **Law on Health protection** (by which persons older than 65 years are recognized as a special social group). **The Social Protection Act** governs the social protection system and is of great importance for the position of older citizens, especially considering that the elderly are a population that is particularly exposed to the risk of poverty and social exclusion. Social protection services that should be provided to senior citizens are assessment and planning services, day services in the community, accommodation services (home accommodation, accommodation in shelters), home assistance services, day care, boarding house and other services that support the stay users in the family and immediate environment, support services for independent living, counseling-therapeutic and social-educational services.³⁶

The family law, which does not contain explicit provisions on the elderly, is entirely related to the arrangement of relationships in the family, which has an impact on the position of the elderly in the family and society. In accordance with the provisions of the **Law on Identity Cards**, citizens over the age of 65 can be issued an identity card without a limited period of validity at their request, on a form that does not contain a microcontroller (chip).

In the **Law on Inheritance**, the provisions related to the **Lifetime Maintenance Agreement** are important, both the term itself and the explicit definition of what the maintenance

³⁶ The Social Protection Act. "Official Gazette of the Republic of Serbia", No. 24/2011 and 117/2022 - decision of the Constitutional Court. [Online] Available at: https://www.paragraf.rs/propisi/zakon_o_socijalnoj_zastiti.html [Accessed 3 June 2024]

obligation entails (it includes the provision of housing, food, clothing and footwear, appropriate care in illness and old age, expenses treatments and allowances for everyday common needs).

The **Law on the Spatial Plan of the Republic of Serbia** in several places contains provisions related to the rights or position of older citizens (recognizes and states the serious problems, that arise in society due to the disruption of the population and the continuation of negative tendencies regarding the demographic structure of the population and the large impact of migration on the whole of the population in the country, and it is especially emphasized that rural and hilly-mountainous areas are threatened by the aging and outflow of the population).³⁷

The **Law on Road Traffic Safety** regulates the reduction of the period during which a driver's license is issued to persons over 65 years of age from 10 to a maximum of 5 years, according to the findings and opinion given in the health certificate. The elderly are also recognized as a special group whose characteristics affect the safe flow of traffic.³⁸

Agency for Qualifications of the Republic of Serbia, which was founded in 2018, is the institution within which **the Center for Accreditation of Publicly Recognized Organizers of Adult Education Activities** (PROA Center) functions. It is an organisational unit, that performs tasks of granting approval for the acquisition of the status of a publicly recognized organizer of adult education and tasks of quality assurance in non-formal education (which are entrusted to the Agency by the Law on the National Qualifications Framework of the

³⁷ Official Gazette of the Republic of Serbia, No. 88 from November 23, 2010. Spatial Plan of the Republic of Serbia from 2010 to 2020: 88/2010-4. [Online] Available at: <https://pravno-informacioni-sistem.rs/eli/rep/sgrs/skupstina/zakon/2010/88/2/reg> [Accessed 3 June 2024]

³⁸ Official Gazette of the Republic of Serbia, No. 24/2018. Road Traffic Safety Act: 41/2009-3, 53/2010-12, 101/2011-270, 32/2013-22 (CC), 55/2014-61, 96/2015-106 (other law), 9/2016-178 (CC), 24/2018-70, 41/2018-122, 41/2018-32 (other law), 87/2018-26, 23/2019-3, 128/2020-3 (other law), 76/2023-9. [Online] Available at: <https://pravno-informacioni-sistem.rs/eli/rep/sgrs/skupstina/zakon/2009/41/1/reg> [Accessed 3 June 2024]

Republic of Serbia). The goal is more professional performance of accreditation of all subjects and quality control of their work. The key activities of this Center are to improve the standards and conditions for the performance of adult education activities and implement the procedure for approval of the JPOA status for the performance of adult education activities that:

- acquire competences and/or qualifications for performing, improving or changing occupations, jobs, work functions or work operations,
- improve knowledge, skills and abilities, for the sake of personal and professional development and socially responsible behavior, improving the quality of life, general education and culture, and
- provide career guidance and counseling services.

In addition to the above, the Centre develops standards for self-evaluation and external evaluation of the quality of JPOA's work, conducts external quality control of JPOA's work, provides support to JPOA in the implementation and improvement of the quality system, promotes adult education at the local, regional and national level, by informing the public and business entities about conditions, advantages and importance of acquiring JPOA status, as well as the necessity of harmonising adult education with the needs of the labour market. It also keeps records and archives documents on the recognition of foreign school documents and manages the JPOA Sub-Registry to inform the public about JPOAs, that have been given or revoked approvals about approved adult education activities and about employers where JPOAs carry out practical work.

Faculty of Medicine, University of Belgrade is one of the examples of a strategic approach to the development of awareness and care for healthy aging through the master's program of the Faculty of Medicine of the University of Belgrade "Medicine of Longevity and Healthy Aging". Within the framework of this two-semester program, the education of professionals

is implemented, who will contribute to the longevity of the country's population, by spreading the concept of healthy aging and vitality. This study program is in line with modern trends in the field of antiaging medicine, aging medicine, longevity and vitality and other disciplines. It relies on programs accredited in many European countries, such as: Spain, France, UK, Norway, Italy and others.

The priorities of adequate and sustainable pension systems are reflected in *the White Book Agenda for Adequate, Safe and Sustainable Pensions*, presented by the European Commission in 2012. The White Paper presents the current pension challenges, which are mainly seen in the context of an aging population and include: the financial sustainability of pension systems; the adequacy of pensions, which are the main source of income for an increasingly large part of the population; increasing the participation of women and older workers in the labour market, which can largely neutralise the effects of population aging on the share of pensions in GDP. To address these challenges, the **White Book recommends:** linking the retirement age to increased life expectancy; limiting access to early retirement and other ways of early exit from the labour market; supporting longer working lives by providing better access to lifelong learning, adapting workplaces to a more diverse workforce, developing employment opportunities for older workers and supporting active and healthy ageing; equalization of the retirement age for men and women; and support for the development of supplementary pension savings in order to increase pension income. The mentioned approach practically implies the concept of active aging which includes physical functionality, appropriate lifestyle, urban environment and social inclusion.³⁹

³⁹ European Commission. (2012). WHITE PAPER An Agenda for Adequate, Safe and Sustainable Pensions (Text with EEA relevance). Brussels, 16.2.2012 COM(2012) 55 final {SWD(2012) 7 final} {SWD(2012) 8 final}. [Online] Available at: <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2012:0055:FIN:EN:PDF> [Accessed 3 June 2024]

Overview of strategies and policies (national age management concepts)

According to **the Strategy of Active and Healthy Aging in the Republic of Serbia**⁴⁰ for the period from 2024 to 2030, looking at the current state and position of the elderly, areas that are important for the implementation of activities are singled out, in respect of difficulties and unresolved social relationships, that make the daily life of people over 65 difficult. Along with other public policy instruments in Serbia, which already address certain domains relevant to the elderly, such as the issue of prevention and protection from discrimination or dealing with emergency situations, the key problems stand out:

1. Disrespect for diversity, gender equality, understanding of intergenerational and intergenerational solidarity by the general population and lack of (generational) dialogue;
2. Absence of the necessary stimulating and supportive environment, adapted to the elderly and their psycho-physical condition without clear support for informal caregivers, sufficiently developed and available public and alternative services for the protection of the elderly from neglect and abuse, raising awareness and the image of ageing,
3. The social participation of the elderly is not satisfactory. The capacities of the older category of the population are great, as well as the opportunities for personal development and employment. It is especially important to support the employment of the elderly to improve living conditions in rural areas. That is why the participation of the elderly and their inclusion in the processes of creating policies and making decisions according to their great life experience and potential is important;

⁴⁰ Ministry for Family Care and Demography. Proposal for the Strategy of Active and Healthy Aging in the Republic of Serbia for the period from 2024 to 2030 - public debate. [Online] Available at: <https://www.minbpd.gov.rs/predlog-strategije-2030-javna-rasprava/> [Accessed 3 June 2024]

4. The knowledge and life experience of the elderly, as well as the contribution that the elderly can make to society, are not adequately valued, nor is it actively counted on the volunteer engagement of persons over 65 years of age.

The healthy and active lifestyle of the elderly has not yet taken root in the desired scope so that this category can achieve the protection of their health in an appropriate way, prevent diseases and the onset of disability and have effective institutional protection in cases of violence. The general goal of the strategy is the active and healthy involvement of persons over 65 years of age in all social and other areas. Special goals are: increased awareness of the general population about the needs and possibilities of people over 65, improved access to public services for the elderly, especially in rural areas, available lifelong learning programs, as well as sports and cultural content for the elderly, strengthened volunteer activities of the elderly, especially in local self-government units, improved institutional and non-institutional protection of the elderly (health protection, social protection and security and prevention of violence).

According to the **Employment Strategy**, it was pointed out that the Republic of Serbia, like most countries in the EU, faces the problem of an **ageing population**. The vision of this Strategy is a developed labour market, that provides access to employment under equal conditions for everyone. The strategy recognizes that the age structure of unemployed persons is unfavourable and that the participation of unemployed people over 50 years of age is around 34%. An increase in the participation of women, persons without completed secondary education and over 50 years of age, and especially women over 50 years of age, as well as a slight increase in the participation of the unemployed, who have been looking for work for more than two years, are the main trends in the structure of registered unemployment. Elderly people of working age (50-64 years old) represent a vulnerable group

on the labour market. The main recognized challenges are: the organisation and systematization of the National Employment Service, where priority is given to support functions in relation to the core activity, limited use of methods and instruments for the activation of unemployed persons, insufficient financial resources for active employment policy measures and the low degree of effectiveness of certain measures (especially training for the labour market), insufficient personnel capacities of the Ministry of Labour, Employment, Veterans and Social Affairs in the part of the organisational units whose competence is active employment policy⁴¹.

In the **Digitization Strategy**, the category of the elderly population is especially recognized because a certain number of elderly citizens do not have the basic digital skills, that others have acquired in school or at the workplace. On the other hand, they have the need to follow information on modern devices, as well as the need to be in contact with friends and family and to have access to various services in society. All this dictates the necessity of developing this type of digital interactive skills. It is therefore recommended, that as many senior citizens as possible should be trained in basic digital skills, which include learning the basics of how smartphones and the internet work together to deliver applications, information, and messages, including skills to set up new accounts and create passwords, research, search, downloading and using online and mobile applications. It is recommended, that these trainings be carried out at employers, but also in premises such as pensioners' clubs, libraries, homes for the elderly, etc. Positive effects could also be achieved through peer education, in such a way that trained older persons would carry out further training in basic

⁴¹ Official Gazette of the Republic of Serbia No. 18/21 and 36/21 – correction. Strategy for Employment in the Republic of Serbia for the period from 2021 to 2026. [Online] Available at: https://www.nsz.gov.rs/live/digitalAssets/15/15855_strategija_zaposljavanja_u_rs_2021-2026.pdf [Accessed 3 June 2024]

digital skills. In 2023, a campaign to promote these trainings and education on the use of modern Internet technologies began in Serbia.⁴²

The education strategy points out, that in terms of adult education (although certain advances in the availability of adult education have been identified) coverage has not been sufficiently improved because the main strategic goal related to the participation of adults in adult education programs (7% according to the Labour Force Survey) was not fulfilled. In recent years, by looking at the annual national action plans for employment, it can be concluded, that allocations for the education of the unemployed are increasing within the framework of active measures for employment and other measures implemented by the NES. Serbia is far from the EU average because the participation rate of adults in some form of formal or informal education or training at the national level was 19.8% in 2016. **Adult education is not available to all categories**, that is, the network of institutions is not functional and there are **significant systemic barriers** to its effective functioning. There are also challenges in terms of the organisation and quality of formal adult education, given the large dropout rate of participants in the adult functional basic education program, and the problems of providing transportation, the outflow and competence of personnel, the problem of the implementation of professional trainings, the establishment of a framework for monitoring and evaluation, etc. In Serbia, not all formal obstacles to the recognition of qualification, retraining or upskilling, whose removal could increase the number of users, have been recognized.⁴³

⁴² "Official Gazette of the Republic of Serbia" No. 30/18. Strategy for the development of digital skills in the Republic of Serbia for the period 2020 to 2024. [Online] Available at: <https://pravno-informacioni-sistem.rs/SIGlasnikPortal/eli/rep/sgrs/vlada/strategija/2020/21/2> [Accessed 3 June 2024]

⁴³ Ministry of Education, Science and Technological Development. (2021). Strategy for the development of education and education in the publica of Serbia until 2030. [Online] Available at: https://prosveta.gov.rs/wp-content/uploads/2021/02/1-SROVRS-2030_MASTER_0402_V1.pdf [Accessed 3 June 2024]

Evaluation of the effectiveness of existing measures

The surveyed representatives of the institutions and the economy identified the following factors as the most important demographic⁴⁴ and/or economic⁴⁵ trends, that affect the employment of people over 55 years old: population ageing, declining birth rate, the increased retirement age for women, labour force migration to large cities and abroad, rising costs of living, technological progress, globalization, mismatch of supply and demand in the labour market, inflation and change in the traditional household structure. Such demographic data necessarily have implications, first, for the system of pension and disability insurance, health insurance, and social protection, but also the labour market. Because of all the above, the respondents pointed out, that it is necessary to take into account the fact that the **"elderly" are not a homogeneous group, that there are big differences between men and women, those who live in the countryside or in the city, those who are more or less educated, those who have health problems and /or disability and those who do not, between different ages, i.e. "older" elders and others.**

In terms of policies and regulations, the surveyed representatives of institutions and companies pointed out, that the strategic framework of the employment policy recognizes the 50+ category as a category of more difficult-to-employ persons, that should be given priority when including active employment policy measures, but that there is no special measure for this category (except subsidies for the employment of unemployed persons over 50) as there is for some other categories: young people up to 30 years of age (e.g. internship, professional practice and the like), Roma and Roma women (e.g. a special public call for a subsidy for self-employment and the like), people with disabilities (e.g. wage subsidy

⁴⁴ Examples: aging population, declining birth rate, increased level of education, delayed retirement, change in family structure

⁴⁵ Examples: rising cost of living, changes to the pension system, financial insecurity, technological advances, globalization, flexible working arrangements, labour market demand, silver economy

for people with disabilities and similar). It was pointed out that strategic documents should recognize multiple factors, that complicate the position of older women on the labour market: age, on average a lower level of education and number of years of work experience, and, accordingly, greater discouragement. This is important because when older women are identified as a particularly vulnerable category on the labour market, then they become the primary beneficiaries of active employment policy measures. Public policies dealing with employment have not yet been harmonised and in line with policies in the field of gender equality in a way to ensure a strategic and systemic improvement of the position of women on the labour market, including the elderly.

In the context of the assessment of the effectiveness of the current laws and regulations related to the employment of persons over 55 years of age in Serbia, considering the various needs of this age group, business representatives pointed out that **it is necessary to:** improve the implementation of the legislative framework, ensure sufficient financial resources, harmonise policies, programs and measures with local needs, which requires quality analyzes of the environment. Bearing in mind all the previously mentioned problems, it is obvious that the employment policy should be improved concerning certain groups of the unemployed, who find it difficult to join the labour market. Employers from the private sector can be granted a subsidy for the employment of unemployed persons over 50 years of age. In 2023, about half of the persons who were employed with a subsidy to the employer were aged 50 and over. Due to the insufficient funds allocated for the implementation of measures of active employment policy, **only about 6.5% of persons** on the records of the National Employment Service are included in the financial measures of Active Employment Policy (professional practice, internship for young people, acquisition of practical knowledge, training for the labour market, training at the request of the employer - for the unemployed, training for the needs of the employer for the employee, functional basic education for adults, subsidy for the employment of unemployed persons from the harder-to-employ

category, subsidy for self-employment, wage subsidy for persons with disabilities without work experience, measures for persons with disabilities who are employed under special conditions, public works).

Although they believe that the Law on Gender Equality has laid down good principles and foundations, the respondents point out, that the problem is its implementation. The by-laws are unclear, so it is not clear who should submit reports on gender equality within legal entities because the by-law conflicts with the Law. Also, other regulations are not harmonized and do not follow the set principles and requirements. For policies towards people of this age to be adjusted, information and data are necessary that include opportunities and possibilities on the labour market, the educational structure of the person, opportunities for their integration through adequate training and support for employment, as well as close cooperation with the economy.

Challenges of employment of persons 55+

According to the opinion of the surveyed representatives of institutions and the economy, observed in different sectors, in the case of jobs in the industry sector, technological development and automation of jobs leads to reorganisation and the appearance of technological redundancies, and due to outdated knowledge and skills, employees face problems adapting to new technologies and new work methods. There are professions (most often crafts) within the construction sector, textile industry sector, and service and production professions where the workforce is ageing and where the percentage of older workers is significantly higher compared to the percentage of young people who do not show interest in crafts. It was also pointed out that, for example, older women are employed more often in the textile industry and clothing production, while older men find work faster in the

private-technical security sector. It is also pointed out that there are numerous activities, as well as some companies, that highlight the advantages and importance of employing the elderly population.

When it comes to the inclusion of older people in the labour market, it is **necessary to provide them with an adequate offer of training and retraining**, and work should be done on flexible programs of educational institutions as well as continuous communication and formalized cooperation with the economy. Tax policy should provide adequate tax incentives for employers to employ long-term unemployed persons older than 55 years, and similarly, it is necessary to provide adequate incentives for the employment of elderly persons through subsidies and cooperation with employers within the active measures of the employment policy. It is more difficult to reactivate older women and men, because they have lost trust in the system, they feel isolated due to the loss of business and social contacts, and they have lost self-confidence.

Concrete examples of employment challenges 55+

Common factors and aspects of the labour market (cultural aspects)⁴⁶ in Serbia, that affect the employment of people 55+:

- Due to the lack of a sufficient number of institutions for the care of children and the elderly, women often take care of dependent members of the immediate and extended family (elderly parents, grandchildren, sick household members, etc.). Most often, these obligations are the reason, why women usually do not have support in the primary family to, for example, requalify to get a job (it is common for them to devote themselves to taking care of other family members).

⁴⁶ Examples: respect for elders, language barriers, intergenerational dynamics

- Unlike individuals with disabilities, older workers in the labour market share the same status as other employees; they apply for open job positions just like any other job seeker.
- One of the challenges is the lack of flexibility of employers in adapting working conditions to the needs of older workers.
- The challenge is the existence of a gender gap in the labour market in favour of men. The elderly population is especially at risk, and the analysis of the labour market confirmed, that women are far more vulnerable than men of the same age, and secondly, that their vulnerability starts much earlier, from the age of 45. Even then, women face the impossibility of realizing equal rights to work in relation to their male peers.
- It was also observed that women are more represented in non-financial measures such as workshops for overcoming stress due to job loss, self-efficacy training, job search club, functional basic education for adults, employment fairs, while, when it comes to women 50+, only every tenth woman is involved in active employment measures.
- Many older women have no work experience in the formal sector at all and it is highly likely, that they will not exercise their right to a pension. Unable to get a job, they are ready to accept jobs in the informal sector, to perform various seasonal jobs, which provides them with a certain level of flexibility and earnings, but without paying social security contributions. Therefore, when it comes to women, the largest percentage of informally employed is in the over 55 age group (60%). As a result, more than 144 thousand women over the age of 65 (14.37%) and more than 25 thousand men (4.25%) do not have a pension, which confirms the pronounced gender gap in this area of social protection.

According to the opinion of the business, the **perceived challenges of employment of people 55+**, considering their changing competencies, values, health, attitudes and motivation, are:

- Over 55s face new technologies and changes in the way they work that require **lifelong learning and flexibility**.
- Older people are **more prone to chronic and occupational diseases** that have developed over years of work and that can reduce productivity at work.
- The lack of training for retraining and acquiring new skills is a particular challenge, and the **offered training programs are often inadequate** (bookkeeping software is outdated or not in line with what companies use, or, for example, the training is not well organized, so the participants drop out), the training offer changes slowly and adapts to existing trends in the labour market.
- The surveyed respondents indicated that **discrimination in the labour market is present**, and the personal characteristics that most often appear in complaints are gender and marital and family status, primarily of women, membership in political trade unions and other organisations, disability, age, nationality, health condition.
- The **status and position of older persons on the labour market is directly related to the level of education and educational profile**. Employers from the private sector focus on the knowledge and skills of their employees, as well as the efficiency and results achieved at work. In this sense, there is no difference between the employees either by gender or by the age of their employees. In companies, all employees are treated equally, regardless of age group. Employees are provided with equal opportunities for advancement and development. Persons older than 55 are also in management positions.
- In the Republic of Serbia, any form of indirect and direct discrimination in employment on any basis, including age discrimination, is prohibited. At the same

time, in accordance with the Law on Employment and Unemployment Insurance, **the employer independently decides on the person to be employed.**

An example of good practice – EkoBag, an ecological social enterprise⁴⁷

EkoBag employs women over the age of 50 who have been impacted by transitions and face challenges in finding employment. The company's production focus is on recycling PVC foil from billboards, a material that takes up to 1,500 years to decompose in nature. *EkoBag's* mission is to advance socially responsible business practices by managing targeted waste and discovering new ways to create value and purpose. Following marketing campaigns, companies opt to recycle the materials used rather than transporting them abroad to recycling centres, thus reducing costs. These materials are repurposed as raw materials for *EkoBag*, a company that handcrafts eco-friendly, distinctive products such as bags, folders, laptop and tablet cases, and wallets. Each item created by *EkoBag* carries a unique story. These products are used for promotional purposes and as gifts for employees of the companies that commissioned their production from recycled materials. In addition to working with PVC film, *EkoBag* also specialises in recycling carpets, mesh, and various other materials. These are transformed into locker bags and a variety of other practical items.

Example of good practice - Our house⁴⁸, catering, chocolate plum, chocolate raspberry, printing house

Our house has developed a service for elderly residents, "Kitchen on wheels", which was formed to help elderly, mobility-impaired residents, who cannot leave the house and have no one to buy them food. They created this service to involve their young users in supporting

⁴⁷ Ekobag. (2024). Get to know us. [Online] Available at: <https://ekobag.rs/#upoznaj-nas> [Accessed 3 June 2024]

⁴⁸ Our House - an association for the support of people with developmental disabilities. (2024). Our ideas, suggestions and thoughts. [Online] Available at: <https://nashakuca.blogspot.com/> [Accessed 3 June 2024]

their elderly fellow citizens. In this way, they developed a special relationship between young people and older fellow citizens who need that meal. "Kitchen on Wheels" is a community service consisting of meal preparation and delivery, event catering, Belgian chocolate praline, prune (Choco plum), chocolate and freeze-dried raspberry (Choco raspberry) pralines.

Our house was founded on the initiative of the parents of children with developmental disabilities and works to ensure the conditions for life and work of the developmentally disabled, their inclusion in all life courses, because they are supported in work training and employment, independence, housing and active inclusion in the community. In addition to the production of chocolate plums and chocolate raspberries, they provide catering, but also have a small printing shop where they print promotional material on paper, which they produce themselves (business cards, greeting cards, catalogues, books...)

An example of good practice - Radanska ruža⁴⁹, Lebane

Radanska RUŽA doo Lebane was founded in 2015 as a non-profit limited liability company. In addition to other groups of sensitive categories, they employ women aged 55+ from marginal groups (women with disabilities, single mothers) who traditionally process fruits and vegetables according to recipes from the south of Serbia in the company's production plant. They started production by employing 5 women, with 20 products and in search of a market they didn't have and ended 2020 with a 20-fold increase in production and over 30 women employed in production. In 2018, they started primary organic production, and in 2019, the production of finished organic products. The entire organic production is currently exported to EU markets. In the 2020/21 season the total export of organic products was over

⁴⁹ Radanska ruža. (2024). About us. [Online] Available at: <https://www.radanskaruza.rs/o-nama/> [Accessed 3 June 2024]

120,000 jars. The goal of the social enterprise Radanska RUŽA is to further promote social enterprises and increase the number of employed women.

An example of good practice – Reteks⁵⁰, Užice

Reteks is a social enterprise for the collection and recycling of waste textiles within the economic program of the Women's Center in Užice. The goal of Reteks is to build a sustainable economic model of textile recycling and disposal of textile waste (municipal and post-industrial), which would enable the employment of a much larger number of women from vulnerable groups (women victims of violence, single mothers, women with disabilities) and have a positive impact on the preservation of the environment.

An example of good practice – Socijalna sinergija, Šabac⁵¹

Since 2005, Socijalna sinergija, a company for social synergy and employment of persons with disabilities, has been contributing to the community through free laundry, with the aim of improving the quality of life of the most vulnerable fellow citizens and making them more dignified (a service for the elderly, infirm, disabled and other persons). More than 160 direct users were helped, and the number of indirect users exceeded 200.

An example of good practice - Ferdinand knedle⁵² „Ruka ruku mi je“, Beograd

The brand Ferdinand Knedle launched the campaign "*One Hand Washes the Other*," which was based on providing free products and delivering dumplings to people over 65 years of age. Anyone who ordered food through the website or by phone and purchased 4, 6, 8, or 12

⁵⁰ Retex. (2024). About us. [Online] Available at: <https://prodavnica.zenskicentaruzice.com/o-nama/> [Accessed 3 June 2024]

⁵¹ Socijalna Sinergija Šabac. (2024). About us. [Online] Available at: <https://sociojalnasinergija.rs/o-nama/> [Accessed 3 June 2024]

⁵² Ferdinand knedle. (2024). One hand washes the other and you also support older neighbors. [Online] Available at: <https://www.ferdinandknedle.com/sr/vesti/3/ruka-ruku-mije-a-tvoja-podrzava-i-starije-komsije/> [Accessed 3 June 2024]

dumplings had the chance to provide the address of a neighbor over 65 years old. With the help of the partner courier service "Vaš potrčko," Ferdinand Knedle delivered dumplings for free to elderly neighbors. The action was created in the first wave of the COVID-19 pandemic to help the elderly when they were prohibited from moving during the state of emergency, which was aimed at protecting citizens. This campaign was joined by other food production bands (BeoFruit, Spaghetti, Lenonne Pasta Fresca) who supported the elderly in the same way. The project lasted from March to April 2020.

Business inclusion - equal opportunity for employment, ManpowerGroup⁵³, Beograd

The ManpowerGroup company deals with employment and, considering that they recognised the lack of visibility of certain groups that are more difficult to employ, with their expertise they helped their equality during employment through the pro bono project Business inclusion equal opportunity for employment. The goals of the project are empowerment for employment, greater awareness of employment opportunities, strengths and potentials of individuals, and greater awareness of the local business community, while the general goal of society is employment. Unemployed people over the age of 50 were one of the target groups of the project

⁵³ Manpowergroup. (2024). About us. [Online] Available at: <https://manpowergroup.rs/> [Accessed 3 June 2024]

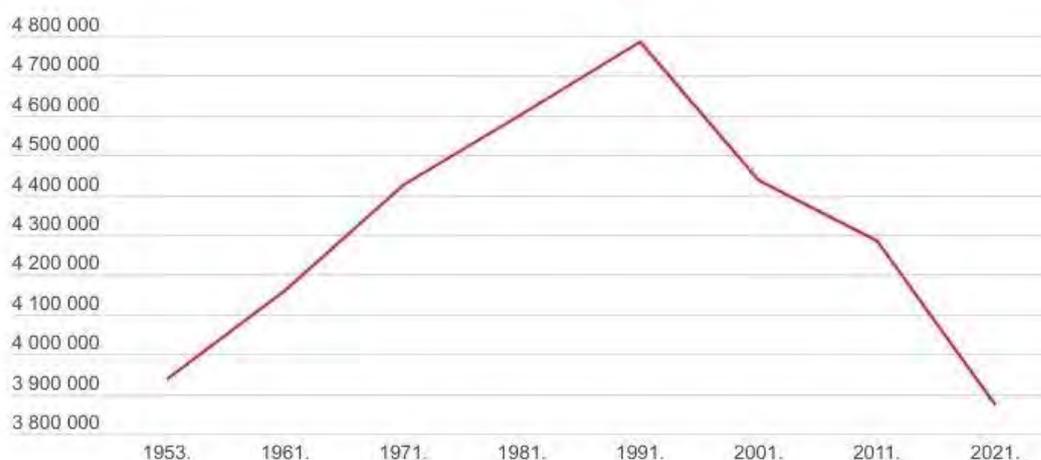
3.4. Croatia

Demographic situation in Croatia

The Republic of Croatia has a population of 3,871,833, with 1,865,129 males (48.17%) and 2,006,704 females (51.83%) according to the 2021 census. Compared to the 2011 census, the population has decreased by 413,056 people, or 9.64%.

Graph no. 9: Population according to censuses

Population according to censuses, 1953 – 2021.



Data on the population structure in Croatia over the last decade reveal a gradual ageing of the population. The average age of the population has continuously increased, from 42 years in 2012 to 44.3 years in 2022. During the same period, the ageing index, which measures the ratio of people older than 60 years to those younger than 20 years, has also significantly increased, from 117.8% in 2012 to 156.1% in 2022. These data indicate an increasing percentage of older individuals in the total population, representing a significant demographic shift⁵⁴.

⁵⁴ Croatian Bureau of Statistics (2024). Statistics in line / Population. [Online] Available at: <https://podaci.dzs.hr/en/statistics-in-line/> [Accessed 3 June 2024]

Table no. 9: Population by age and sex, average age of population and life expectancy (in thousands)

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total	4.267,6	4.255,7	4.238,4	4.203,6	4.174,3	4.124,5	4.087,8	4.065,3	4.047,7	3.879,0	3.855,6
0 – 4	213,3	211,3	207,9	201,9	196,2	190,6	186,3	183,4	181,5	176,1	176,4
5 – 9	204,0	206,5	209,6	210,2	209,4	208,1	204,4	199,9	194,0	182,2	179,3
10 – 14	222,9	213,7	207,0	203,9	201,8	199,1	199,9	201,4	201,7	195,8	196,3
15 – 19	246,1	245,9	243,6	239,4	230,8	218,9	208,6	201,1	197,8	189,1	188,9
20 – 24	256,1	251,9	247,9	244,5	242,5	242,1	240,8	239,3	236,0	210,6	204,0
25 – 29	282,3	278,3	271,2	262,1	257,3	248,1	241,4	238,3	237,6	214,0	218,5
30 – 34	295,5	294,7	293,2	289,1	282,5	272,5	265,2	258,1	251,7	228,4	224,6
35 – 39	284,7	286,1	288,3	288,7	289,0	286,2	282,9	281,6	279,4	256,6	251,9
40 – 44	281,0	278,4	277,1	276,5	277,9	275,0	274,6	276,8	279,1	267,6	267,6
45 – 49	303,2	299,2	295,2	286,7	277,4	271,1	267,2	266,5	267,7	260,5	259,4
50 – 54	316,2	313,2	306,3	299,8	297,0	291,9	286,9	283,0	276,2	261,4	256,4
55 – 59	318,2	315,1	315,1	310,4	306,5	302,8	299,6	293,1	287,7	280,1	275,8
60 – 64	275,0	283,8	286,8	291,2	295,8	299,9	297,4	297,9	294,6	289,4	284,7
65 – 69	205,3	209,4	219,8	236,0	251,8	253,0	261,2	264,5	269,8	278,3	281,0
70 – 74	209,0	204,9	199,3	188,0	177,9	182,1	186,1	195,7	210,9	228,8	229,2
75 and over	354,8	363,3	370,1	375,2	380,5	383,1	385,3	384,7	382,0	360,1	361,6
Average age	42,0	42,2	42,4	42,6	42,8	43,1	43,4	43,6	43,8	44,3	44,3
Life expectancy	77,0	77,2	77,6	77,4	78,1	77,9	78,2	78,5	77,8	76,5	77,6

Source: Croatia Bureau of Statistic

Changes in Total Population

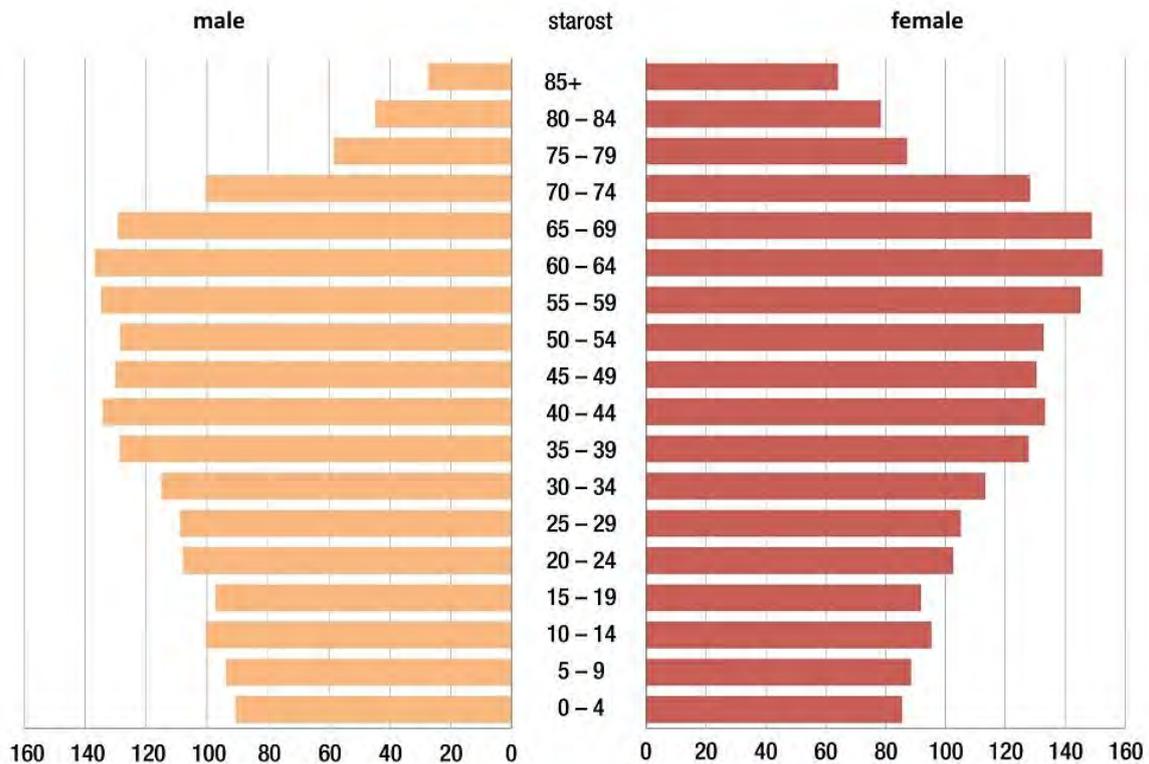
From 2012 to 2022, a decrease in the population was recorded for both males and females. The total number of males decreased from 2,058.7 thousand in 2012 to 1,860.5 thousand in 2022, while the number of females decreased from 2,208.9 thousand to 1,995.1 thousand.

Differences by age groups

There is a noticeable decrease in the younger age groups (0-14, 15-24) over the last decade, indicating a decrease in birth rates or emigration of the younger population. For example, the number of male children aged 0-14 years decreased from 328.5 thousand in 2012 to 283.4 thousand in 2022, while the number of female children decreased from 311.7 thousand to 268.6 thousand.

Graph no. 10: population of the republic of Croatia by gender and age, 2021

Population of the Republic of Croatia by gender and age, 2021 (in thousands)



Source: Croatia Bureau of Statistic

Population ageing

The increase in the number of people in the older age groups (65 and over) suggests population ageing. The number of men in this group increased from 301.7 thousand in 2012 to 363.3 thousand in 2022, and the number of women from 467.4 thousand to 508.5 thousand.

Comparison with the EU

Population ageing is not a phenomenon limited to Croatia; similar trends are recorded in most European countries. According to Eurostat data, the average expected lifespan in the EU gradually increased until 2019 but decreased due to the COVID-19 pandemic. The

average expected lifespan in the EU is slightly higher than in Croatia (80.1 years in 2021). The highest expected lifespan is recorded in Spain (83.3 years) and Sweden (83.1 years), while the lowest are in Bulgaria (71.4 years) and Romania (72.8 years)⁵⁵. The ageing index in Europe is continuously rising due to lower birth rates and higher life expectancy, as is the case in Croatia. Initiatives and policies across the EU aim to manage this through health care, pension system reforms, and older employment strategies, which can serve as a benchmark for strategies that Croatia might implement. Comparing Croatia with other EU countries highlights the need for comprehensive strategies to address the challenges associated with population ageing. It is necessary to promote policies that support the workforce of all age groups, encourage childbirth, and provide support for older individuals to remain active in the community and the labour market.

Natural changes in Croatia's population

The analysis of natural population changes and data from the Croatian Bureau of Statistics show trends in births and deaths in Croatia over the decades. These figures indicate gradual changes that can have a significant impact on the country's demographic and economic structure.

Table no. 10: Natural change in population

Years	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Live births	41.771	39.939	39.566	37.503	37.537	36.556	36.945	36.135	35.845	36.508	33.883
Deaths	51.710	50.386	50.839	54.205	51.542	53.477	52.706	51.794	57.023	62.712	56.979

⁵⁵ Eurostat. 2023. Demography of Europe – 2023 edition. [Online] Available at: <https://ec.europa.eu/eurostat/web/interactive-publications/demography-2023> [Accessed 3 June 2024]

<i>Natural decrease</i>	9.939	10.447	11.273	16.702	14.005	16.921	15.761	15.659	21.178	26.204	23.096
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Source: Croatia Bureau of Statistic

Birth trends

The number of births has continuously declined during the observed period. In 2012, there were 41,771 births, which decreased to 33,883 by 2022. This decline in the number of births points to a decrease in birth rates, a trend that can be linked to various socio-economic factors, including economic uncertainty and changes in the life priorities of younger generations.

Mortality trends

Mortality also shows fluctuations but generally increases from 51,710 deaths in 2012 to 56,979 in 2022. A particularly high number of deaths, 62,712, was recorded in 2021, likely a consequence of the COVID-19 pandemic. This increase in mortality further contributes to the demographic challenges that Croatia faces.

Natural increase

Croatia continuously records a negative natural increase, meaning the number of deaths annually regularly exceeds the number of births. The negative natural increase has grown from -9,939 in 2012 to -23,096 in 2022. This trend of increasing negative natural increases indicates growing demographic challenges for Croatia.

Comparison with the EU

The total fertility rate in the EU has converged over the past decades, with significant fluctuations in individual countries. By 2022, most EU countries had fertility rates above 1.30, but countries like Spain, Italy, Lithuania, Malta, and Poland were exceptions. In 2022, the average fertility rate in the EU was 1.46, while in Croatia, it was 1.53, which means

Croatia does not significantly deviate. France had the highest fertility rate, while Malta had the lowest⁵⁶.

The data indicate a decrease in birth rates and an increase in mortality, resulting in an increasingly negative natural increase. This poses a significant demographic challenge for Croatia, with potentially profound long-term effects on the population structure and economic stability of the country. Strategic approaches to encouraging childbirth and improving healthcare, especially among the older population, will be key to mitigating these challenges.

Migration trends in the Republic of Croatia

The analysis of migration flows in Croatia over a decade reveals significant changes in the patterns of population arrivals and departures. According to data from the Croatian Bureau of Statistics, migrations have had a significant impact on the country's demographic landscape.

Immigration trends

From 2012 to 2022, the number of immigrants to Croatia has continuously increased. The total number of immigrants rose from 8,959 in 2012 to 57,972 in 2022.

Emigration trends

Conversely, the number of emigrants from Croatia has also risen, but with a less dramatic increase compared to the number of immigrants. The total number of emigrants was 12,877 in 2012, rising to 46,287 by 2022. Most emigrants move to other EU countries, seeking better economic opportunities.

⁵⁶ Eurostat. 2024. Eurostat Fertility statistics. [Online] Available at: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Fertility_statistics [Accessed 3 June 2024]

Net migration balance

There has been a net migration loss of population from 2012 to 2022, with a total outflow of 362,856 people compared to an inflow of 262,272 people. However, 2022 shows a turnaround, with more immigrants than emigrants, partly due to the opening of the labour market to foreign workers due to local labour shortages.

Comparison with the EU

The EU generally shows similar migration trends with variations among member states. Countries like Germany, France, and Spain record many immigrants, while countries like Romania and Bulgaria exhibit significant population outflows. For example, **Germany recorded an influx of approximately 1,200,000 people in 2022, while Romania recorded an outflow of about 300,000 people.**

Migration flows have a profound impact on the demographic structure of Croatia, increasing the influx from non-EU countries and Asia, while at the same time, many Croatians continue to emigrate in search of better living conditions in the EU. These data underscore the need for thoughtful policies that address both the influx and outflow of the population, aiming to balance the workforce and encourage demographic renewal.

The demographic landscape of Croatia shows several pronounced trends that have a profound impact on the socio-economic aspects of the country. Significant ageing of the population, continuous decline in birth rates, an increase in death rates, and dynamic migration flows are the main characteristics that shape Croatia's demographic reality.

Population ageing is a key challenge, with the average age increasing and the ageing index rising. These changes put pressure on pension systems, healthcare, and the labour market. Comparison with the EU shows that this is a widespread phenomenon but with variations in the intensity and effectiveness of responses to the challenges of ageing.

The decrease in birth rates and the increase in death rates further complicate the demographic picture. The negative natural increase has become more pronounced, and the particularly high number of deaths during the COVID-19 pandemic highlights the need to strengthen the health system and community resilience to external shocks.

Migration flows are also a crucial factor, with an increase in the number of immigrants, especially from non-EU countries and Asia, which could be an opportunity to rejuvenate the workforce and alleviate some demographic challenges. On the other hand, the high number of emigrants, particularly young and educated individuals seeking better economic opportunities within the EU, indicates the need to create more attractive living and working conditions in Croatia.

To successfully manage these demographic challenges, it is necessary to promote comprehensive strategies that include encouraging birth rates, integrating immigrants, supporting older individuals, and creating a more attractive economic and social environment. Strategies should be aligned with European practices and tailored to the specific needs and possibilities of Croatia.

These conclusions highlight the importance of an integrated approach in planning future policies to ensure the sustainability of the demographic structure and the overall socio-economic development of Croatia.

Analysis of the working-age population in Croatia by activity, age groups, and gender

The analysis of the working-age population in Croatia reveals several key trends reflecting changes in the workforce structure. The observed years, from 2012 to 2022, show fluctuations in the size of the workforce, employment, and unemployment within different age and gender groups.

Table no. 11: Fluctuations in the size of the workforce, employment, and unemployment within different age and gender groups.

Year	2012	2013	2014	2015	2016	2017
Labour force						
Total	1.863,00	1.841,75	1.892,50	1.890,75	1.830,00	1.829,25
15 – 24	151,00	148,50	165,75	160,25	176,50	165,75
25 – 49	1.201,25	1.190,75	1.225,50	1.211,50	1.161,00	1.166,75
50 – 64	447,00	447,00	448,50	462,00	444,75	455,25
65+	63,75	55,50	52,75	57,00	47,75	41,50
Persons in employment						
Total	1.566,50	1.524,25	1.566,50	1.585,00	1.589,75	1.625,00
15 – 24	87,50	74,25	90,50	92,50	121,25	120,50
25 – 49	1.015,50	997,75	1.032,00	1.031,25	1.022,75	1.043,00
50 – 64	425,50	421,75	419,75	435,25	422,50	439,50
65+	38,00	30,50	24,25	26,00	23,25	22,00
Unemployed persons						
Total	296,50	317,50	326,00	305,75	240,25	204,25
15 – 24	63,50	74,25	75,25	67,75	55,25	45,25
25 – 49	185,75	193,00	193,50	180,25	138,25	123,75
50 – 54	21,50	25,25	28,75	26,75	22,25	15,75

55 - 64	25,75	25,00	28,50	31,00	24,50	19,50
Inactive population						
Total	1.764,00	1.780,75	1.722,00	1.694,75	1.735,00	1.716,00
15 - 24	350,75	348,50	326,50	322,50	297,25	298,75
25 - 49	244,75	244,75	199,50	190,00	220,75	196,25
50 - 64	436,75	439,00	431,75	408,00	428,25	418,00
65+	731,75	748,50	764,25	774,25	788,75	803,00

Year	2018	2019	2020	2021	2022	2023
Labour force						
Total	1.281,28	1.797,92	1.792,25	1.814,75	1.833,25	1.706,13
15 - 24	153,00	148,50	143,00	142,50	148,25	119,96
25 - 49	621,78	1.137,60	1.127,50	1.127,75	1.121,75	1.062,62
50 - 64	470,25	472,82	480,50	502,75	511,75	479,51
65+	36,25	39,00	41,25	41,75	51,50	44,04
Persons in employment						
Total	1.128,78	1.679,19	1.658,00	1.678,50	1.706,50	1.602,63
15 - 24	116,50	123,75	112,75	111,25	121,50	97,21
25 - 49	528,53	1.060,13	1.045,25	1.047,75	1.049,00	1.005,37

50 - 64	459,00	465,57	472,25	490,25	499,75	469,01
65+	24,75	29,75	27,75	29,25	36,25	31,04
Unemployed persons						
Total	152,50	118,72	134,25	136,25	126,75	103,50
15 - 24	36,50	24,75	30,25	31,25	26,75	22,75
25 - 49	93,25	77,47	82,25	80,00	72,75	57,25
50 - 54	11,25	7,25	8,25	12,50	12,00	10,50
55 - 64	11,50	9,25	13,50	12,50	15,25	13,00
Inactive population						
Total	1.723,75	1.720,85	1.719,50	1.691,75	1.673,75	1.559,00
15 - 24	303,25	298,99	296,75	289,25	275,25	264,00
25 - 49	195,75	188,26	181,50	164,00	154,00	145,75
50 - 64	407,25	402,59	386,50	361,50	346,25	306,25
65+	817,50	831,01	854,75	877,00	898,25	843,00

Source: Croatia Bureau of Statistic

Workforce

The total workforce shows a slight recovery after a decline in the number of working-age individuals during the observed period. The number of workers aged 15-24 has decreased, indicating demographic changes such as the reduction in the number of young people in the population. However, the number of workers aged 50-64 has been continuously increasing, a result of extended working lives and an ageing population. A

significant increase in the number of workers over 65 reflects trends of staying longer in the workforce.

Employment

Employment within the workforce generally shows stabilisation with a slight increase in the number of employed individuals. However, employment among the youth (15-24) shows volatility but also a general recovery in employment numbers. Employment in the 50-64 age group and the group over 65 is increasing, indicating greater integration of older workers into the labour market.

Unemployment

The number of unemployed individuals is declining in all age groups, a result of more effective labour market measures. The reduction in unemployment is particularly pronounced among the youth and the elderly, indicating the success of training programs and requalification.

Inactive population

The number of inactive individuals, which includes those not in the workforce, is decreasing, indicating greater mobilisation towards the workforce and demographic changes that reduce the number of young inactive people.

Comparison with the EU

When comparing the situation in Croatia with trends in the EU, we can observe similar challenges faced by many EU member states. According to Eurostat, the EU also records an increase in the number of older workers in the workforce as a response to demographic changes and an ageing population. Additionally, many EU countries are implementing labour market reforms aimed at increasing the inclusion of both young and older individuals in the workforce. The employment rate for people aged 55 to 64 in the EU varies but generally shows a trend of increasing participation of older workers in the

labour market. For 2022, the employment rate for this age group in the EU was about 62.9%. In Croatia, comparable rates for the same age group show slightly lower employment (about 52%), but also a trend of gradually increasing inclusion of older workers.

European countries, including Croatia, have implemented various pension reforms that affect the older workforce. These reforms often promote longer working lives and more flexible retirement conditions to allow older workers to remain active in the labour market for a longer time. The analysis of the working-age population in Croatia indicates significant demographic and economic changes within the country.

Trends show an increase in employment and a decrease in unemployment but also challenges related to the ageing of the workforce and the integration of younger generations. Similarities with other EU countries suggest the need for a common European approach to managing changes in the labour market, with a special focus on promoting youth employment and integrating older workers.

In the context of this data, it is important to note that Croatia, despite similarities in trends with the EU, has its specific challenges, including the need for further promotion of employment among the older workforce and adaptation of workplaces to their abilities.

Also, there is a need for continuous development of educational programs, that will enable older workers to remain competitive in a rapidly changing technological environment.

Key stakeholders and strategies for managing workforce Ageing in Croatia

In Croatia, managing workforce ageing involves a range of key stakeholders, including government agencies, business associations, educational institutions, and non-governmental organisations. These groups collaboratively work on developing and

implementing policies that support older workers and adjust to demographic changes in the labour market.

The Ministry of Labour, Pension System, Family, and Social Policy is a key stakeholder in managing workforce ageing in Croatia. This ministry is responsible for creating and implementing policies concerning working conditions, the pension system, and social care. Their initiatives include pension system reforms, that allow more flexible retirement conditions, promote active ageing, and encourage older workers to stay in the workforce longer. The ministry also plays a significant role in shaping policies that promote the integration and social protection of older people, and in creating a legislative framework, that protects the rights of older workers in the labour market.

Croatian Employment Service (HZZ) an agency of the Ministry of Labour, plays a crucial role in workforce management in Croatia, particularly concerning workforce ageing. As the central state agency for the labour market, HZZ implements a range of programs aimed at the employment, retraining, and education of workers of all ages, with a special focus on older workers. These programs include incentives for the employment of older individuals, such as subsidies for employers and retraining programs that enable older workers to acquire the skills needed to adapt to the changing demands of the labour market. HZZ also provides career advice and job placement support, helping older workers remain active and integrated into the workforce.

Croatian Employers' Association (HUP) represents the interests of employers across various industrial sectors. As one of the leading voices in labour market development, HUP actively participates in dialogue with the government on reforms to labour legislation, including those concerning older workers. The association promotes the development of flexible working arrangements and practices, that support the inclusion of older workers and emphasises the importance of lifelong learning and adaptation to new technologies to keep older employees competitive. HUP also helps in creating

policies, that enable older workers to extend their professional careers in a positive and productive environment.

Several other institutions in Croatia are significant in managing the ageing of the workforce:

1. **Croatian Institute of Public Health (HZJZ)** – plays a crucial role in promoting health aspects related to the ageing workforce, including programs for health promotion at the workplace and preventive health screenings, which are especially important for older workers.
2. **The Ministry of Health** – Alongside the Ministry of Labour, the Ministry of Health is essential in ensuring adequate healthcare and support for older workers, particularly through the development of policies and programs that address the specific health needs of older workers.
3. **State Office for Demography** – Although specifically focused on broader demographic challenges, this office also deals with issues related to the ageing workforce and can contribute to the development of strategies to cope with demographic changes.

These institutions, along with other key stakeholders, form a support network that enables better management of workforce ageing in Croatia.

Challenges, strategies and policies

Ageing workforce

The ageing of the workforce in Croatia represents a challenge, that requires thoughtful human resource management strategies. As the demographic structure ages, it is necessary to adapt approaches in recruitment, retention, training, and employee development, ensure knowledge transfer, and promote health and safety at work.

Demographic structure

Demographic data show that in Croatia, as in most EU countries, the percentage of older workers is increasing. The European Foundation for the Improvement of Living and Working Conditions highlights that by 2030, more than 30% of the workforce in the EU will be over 50 years old. This requires the adaptation of workplaces and practices to ensure that the workforce remains productive and motivated.

Experience and skills

Older workers bring a wealth of experience and skills, that are valuable to any organisation. In Croatia, it is crucial to implement mentorship and knowledge systems to leverage the potential of older workers and ensure knowledge transfer to younger generations, thereby strengthening corporate culture and innovation.

Productivity and innovation

Contrary to common stereotypes, research shows that older workers can be just as productive as their younger colleagues. Organisations in Croatia need to develop targeted programs for continuous learning, that include digital literacy and adaptation to technological changes, allowing older workers to remain competitive in the labour market.

Legal framework

Following EU directives, Croatia has developed a legislative framework that protects the rights of older workers. Proper implementation of these laws is key to avoiding legal risks and promoting a fair work environment for all workers.

Maintaining health at work

Health care and safety programs need to be adapted for older workers, considering specific health challenges. In Croatia, it is important to promote programs that address

ergonomics, mental health, and preventive health screenings to minimize health-related risks in the workplace.

Transfer of knowledge

As many older workers approach retirement, it is vital to develop knowledge transfer strategies. This ensures that key knowledge and functions remain within the organisation, minimizing disruptions in business operations.

Managing the ageing workforce in Croatia requires a comprehensive approach, that supports workers throughout all phases of their careers. A comparison with EU practices shows, that continuous investment in workforce development, adaptation of legislative frameworks, and promotion of health are crucial for maintaining productivity and innovation. This approach not only contributes to the success of organisations but also to the overall social and economic progress.

Challenges in employing individuals over 55 in Croatia

The challenges of employing those over 55 in Croatia are numerous and cover various aspects of the work environment and social conditions. These challenges require comprehensive strategies that include legislative changes, adaptation of workspaces, and the development of programs that promote lifelong learning.

Key challenges:

1. Work conditions

Older individuals often face work conditions that are not adapted to their physical and health needs. It is necessary to introduce more flexible working hours, ergonomic workspaces, and options for working from home to improve their work efficiency and satisfaction.

2. Skill gaps

Rapid technological changes can result in older workers falling behind in digital skills, that are essential for the modern workplace. Training programs and requalification are crucial to ensure, that older workers remain competitive in the labour market.

3. Pension conditions

Many older workers in Croatia must work longer due to financial needs, often due to insufficient pensions or changes in the pension system, that have raised the minimum age for retirement.

4. Reasons for early retirement

Physical and mental health issues are the main causes of early retirement among older workers, necessitating better support in terms of healthcare and working conditions.

5. Socio-economic considerations

Workplace discrimination, including stereotypes about the productivity of older workers or their resistance to change, requires greater social awareness and the promotion of an inclusive work culture.

Comparison with the EU

In the EU, similar challenges are present and are addressed through various EU directives and national policies, that promote active ageing, including strategies to improve working conditions, training and requalification, and flexible pension regimes. For example, programs such as "Active Ageing" in the EU promote initiatives, that enable older workers to remain active and productive.

Croatia faces complex challenges related to the employment of older workers, requiring coordinated responses at the state and private sector levels. Implementing

comprehensive strategies, that include legislative changes, workplace adjustments, and the development of public programs, that promote lifelong learning and a healthy work-life can significantly improve the integration of older individuals into the workforce. Comparing practices and policies within the EU suggests a common approach that values the contributions of older workers and ensures their integration into society and the economy.

Some challenges were highlighted by employees of institutions we interviewed, including several key stakeholders - the Ministry of Labor, Pension System, Family and Social Policy, and the Croatian Employment Service as well as other stakeholders - large companies, colleges, associations.

1. **Technology adaptation:** Older workers often see new technologies as a burden rather than an aid, which can increase their anxiety and stress.
2. **Health issues:** Frequent absences due to health issues create additional pressure as there often isn't adequate replacement.
3. **Psychological pressure:** Health problems can cause anxiety and depression, especially when frequent medical checks are involved.
4. **Burnout and financial necessity:** Some older individuals continue working out of financial necessity, which can lead to professional burnout.
5. **Skill mismatch:** Rapid technological changes can result in older workers falling behind in necessary digital skills.
6. **Social pressure and stigma:** Prolonged unemployment among older individuals can lead to social disapproval.

The interviews point to significant challenges in employing older persons, including stereotypes, lack of new skills and motivation, and the physical demands of certain jobs. There are various approaches to addressing these challenges, from formal educational

programs to less formalized methods of mentoring and support. Targeted and comprehensive strategies could be key to improving the situation and integrating older persons into the labour market in Croatia.

Strategies and policies

The strategy for managing the aging workforce in Croatia includes a range of measures aimed at integrating and retaining older workers in the labour market. There is a focus on increasing the flexibility of work arrangements, improving working conditions adapted for older workers, and encouraging continuous education and skill development. The European Agency for Safety and Health at Work (EU-OSHA) emphasizes the importance of these measures but also highlights the need for continuous monitoring and evaluation of their effectiveness to ensure they meet the needs of both employers and employees. Ageing Workforce Management Strategies in Croatia include several key approaches to support older workers and optimize demographic challenges. Here are a few examples:

1. **Flexible working conditions:** Promoting flexible work arrangements, such as reduced working hours, remote work, and flexible retirement, allows older workers to continue working according to their capabilities and needs.
2. **Requalification and training programs:** The government (through ministries and agencies) and various educational institutions offer programs for acquiring new skills, especially in the digital area, to allow older workers to adapt to changing labour market demands.
3. **Health programs:** Implementation of healthcare programs tailored to older workers, including preventive check-ups and specialized medical services, to improve their overall health and reduce sick leave rates.

4. **Social integration and mentorship:** Development of programs, that encourage intergenerational cooperation and the leveraging of the knowledge and experience of older workers through mentoring younger colleagues.
5. **Pension reforms:** Adjustments to the pension system, that encourage a longer stay in the workforce, such as gradual retirement and flexible pension options.

These strategies reflect the broader European trend of adapting the labour market to an ageing population and efforts to keep older workers active, productive, and healthy. Strategy suggestions were also presented by employees of institutions we interviewed, including several key stakeholders – the Ministry of Labour, Pension System, Family and Social Policy, as well as other stakeholders - large companies, colleges, associations.

1. **Workplace flexibility:** Suggested approaches include more flexible working hours and adjustments to job tasks for older employees.
2. **Training and reskilling:** Training and reskilling programs, especially in digital skills, are crucial for keeping older workers competitive in the labour market.
3. **Mentorship and knowledge transfer:** Mentorship programs where experienced older workers pass on their knowledge to younger colleagues can encourage intergenerational cooperation.
4. **Health programs:** Implementing tailored health programs can help reduce absences from work and improve overall health.
5. **Social inclusion:** Activities that involve older individuals in the community, such as volunteering and cultural activities, can reduce their social isolation.

Comparison with the EU

The strategy for managing the ageing workforce in Croatia largely reflects the practices and challenges faced by other EU member states. EU policies also encourage flexibility in

work arrangements, lifelong learning, and the integration of older workers, with the aim of maintaining a sustainable workforce despite demographic changes.

Coordinated efforts of key stakeholders in Croatia are crucial for successfully managing the challenges and opportunities presented by the ageing workforce. Comparing with practices within the EU, flexibility, innovation in policies, and inclusive approaches are necessary to support older workers and generally maintain a dynamic and productive labour market.

Ageing management in Croatia

Ageing management in Croatia encompasses a wide range of activities aimed at addressing demographic challenges associated with an ageing population. These approaches include a variety of policies, programs, and initiatives aimed at improving the quality of life of older people, ensuring their active role in society, and optimizing working conditions for the older workforce. In Croatia, official institutions such as the Ministry of Labor and Pension System, the Croatian Employment Service (CES), and other agencies use various tools and programs to encourage the integration of the older workforce into the labour market. These programs are crucial for maintaining the competitiveness of older workers and promoting an inclusive and productive work environment.

Key aspects of ageing management

1. Social protection and pension system

Croatian institutions strive to ensure financial security for older people through sustainable pension systems. Croatian pension system reforms are aimed at promoting longer working lives and more flexible retirement conditions, allowing older citizens to remain active in the labour market. These reforms reflect similar initiatives being

implemented in many EU countries, where older individuals are also encouraged to remain in the workforce longer to mitigate the consequences of demographic changes.

- **Example:** Pension system reform enables more flexible retirement conditions, encouraging older workers to gradually reduce their working hours until full retirement.
- **Source:** Information on legislative changes is available on the official pages of the Ministry of Labour, Pension System, Family, and Social Policy.

2. Health care

The healthcare system is adapting to the needs of the older population through specialized programs and services, including preventive health screenings and geriatric services. Improved access to healthcare in rural areas is key to ensuring equal access to health services. These measures are in line with EU policies that also emphasize the importance of adapting health systems to an ageing population.

- **Example:** The "For the Health of the Elderly" program includes preventive health screenings and specialized health services tailored to older individuals.
- **Source:** Details about this program are available on the website of the Croatian Institute of Public Health.

In the EU, member countries implement various programs aimed at improving healthcare for the elderly, with a special focus on preventive screenings and chronic disease management. The European Commission encourages integrated health services, that are tailored to the needs of the older population, aiming to reduce hospitalizations and improve the quality of life for older citizens⁵⁷.

Some EU countries, such as Finland and the Netherlands, have implemented innovative programs that include technological solutions and home care for managing chronic

⁵⁷ The European Observatory on Health Systems and Policies. (2008). Caring for people with chronic conditions. [Online] Available at: <https://eurohealthobservatory.who.int/docs/librariesprovider3/studies---external/caring-for-people-with-chronic-conditions.pdf> [Accessed 3 June 2024]

diseases among the elderly. These programs often involve multidisciplinary team that provide continuous support to patients, enabling better management of their conditions and reducing the need for acute care. Croatia can utilize experiences from the EU to develop and apply similar integrated health services. For instance, **improving the availability of gerontological and geriatric services, and developing local health programs targeted at the specific needs of older citizens**, could be key to enhancing their healthcare and quality of life.

These insights provide an overview of the opportunities for improving healthcare for the elderly in Croatia through the adoption and adaptation of successful models from the EU. Adapting these practices could significantly improve the management of chronic diseases and overall healthcare for the older population.

3. Education and Lifelong Learning

Promoting lifelong learning among older individuals is a priority in Croatia, enabling them to acquire new skills and knowledge, increasing their employability and activity in the community. This aligns with EU policies that encourage active ageing through education and personal development.

• Example:

1. **"Third Age"** programs at universities offer educational courses and workshops designed for older individuals.
2. **Educational programs:** Training and upskilling programs, available through the Croatian Employment Service and other educational institutions, enable older workers to acquire new skills, especially in areas such as digital literacy.
3. **Education vouchers:** The Croatian Employment Service offers a wide range of co-financing for education (support for upskilling, education of the unemployed, on-the-job training) including

vouchers for education that specifically subsidize digital and green programs, as well as programs in shortage areas.

• **Sources:** Universities in Croatia, open universities, and other educational service providers publish information about these programs on their websites. The CES also has all the necessary information about all educational programs available on its website.

In the EU, there is a strong focus on integrating older individuals into society and the workforce through various programs and initiatives that promote lifelong learning and social inclusion. For example, Europe has strategic frameworks like the one established in Croatia from 2017 to 2021, which focus on promoting lifelong learning as a tool to support older workers and integrate them into the workforce. These programs include various activities such as training, mentorship, and flexible working arrangements tailored for older individuals⁵⁸.

Additionally, in some EU countries, there are specially designed programs that allow older individuals to remain active even after retirement, strengthening their social inclusion and mental health. These programs often include educational modules, that are tailored for older adults, focusing on digital skills and other competencies needed in contemporary society. A comparison with Croatia can reveal similarities in approaches, but also differences in availability and scope of programs. Croatia can use experiences from the EU to enhance its own initiatives, especially in the context of retraining and adapting workplaces for older workers, which is crucial for maintaining their competitiveness in the labour market.

4. Labor force and labour market

Initiatives focused on older workers include retraining programs, mentorship, and the development of flexible work arrangements. Campaigns against age-based discrimination

⁵⁸ European Association for the Education of Adults. (2022). European Lifelong Learning and Adult Education Strategies. [Online] Available at: https://eaea.org/wp-content/uploads/2022/03/LLL-ALE-policies-Europe_update-2022.pdf [Accessed 3 June 2024]

and the promotion of diversity in the workplace are also present, reflecting EU directives on equality and non-discrimination.

- **Examples:**

1. **Encouraging the employment of older persons:** The CES implements special programs designed for the employment of older workers, including employment subsidies, training, and requalification. These programs are designed to help older workers remain competitive in the labour market.
2. **"Zaželi" program:** Focused on employing women over 50 in socially beneficial jobs, this program provides an opportunity for them to return to the labour market by helping older and disabled individuals in the community.
3. **Active employment policy measures** include various training, counselling, and education programs carried out by CES, aimed at improving the employability of older persons and promoting lifelong learning.
4. **Counselling and support:** Older workers can use advisory services for information on labour market rights, pension rights, and opportunities for further education and professional development.
5. **Mentorship programs** – more experienced older workers pass on their knowledge and skills to younger colleagues, encouraging intergenerational cooperation and retaining valuable knowledge within organisations.

- **Source:** More about these programs can be found on the website of the CES.

The EU implements numerous initiatives that promote the integration of older individuals into society and the workforce. This includes programs such as "Active Ageing" and the "European Year for Active Ageing and Solidarity," which aim to increase the inclusion of older persons in all aspects of social life, including the labour market. The EU also encourages the development of flexible work arrangements that allow older workers to continue working, even if they wish to do so at a reduced intensity and supports lifelong learning programs to ensure that older workers can keep up with technological and market changes.

Germany and Sweden are examples of countries that have successfully implemented programs focused on older workers. These countries offer a wealth of programs that include mentorship, requalification, and adapted working conditions that consider the specific needs of older workers. Sweden, for example, promotes a "flexicurity" model, where flexibility at the workplace allows older workers to combine work and private life more easily, and provides security through strong social protections.

Croatia can utilize similar approaches, that have been implemented in other EU countries to improve the integration of older people into society and the workforce. This could include the development of more flexible working arrangements, as well as improving access to training and requalification programs. Additionally, implementing policies aimed at reducing age-related discrimination in the workplace can help promote a more inclusive working environment. By comparing with the EU, Croatia can develop targeted strategies to address specific challenges and capitalize on opportunities arising from an ageing population. Adapting successful EU models and practices could significantly contribute to the social and economic integration of older people in Croatia.

5. Community involvement

Programs that encourage social inclusion of older people, such as volunteering and participation in cultural activities, help reduce social isolation. This aligns with EU

strategies that promote social cohesion through active participation of all age groups in social life.

- **Example:** Local retiree clubs and senior centres organise activities such as sports and cultural events for older people.
- **Source:** Information about local initiatives is available on the websites of local governments and retirees' associations.

6. Intergenerational solidarity

Supporting initiatives that promote intergenerational cooperation is an important element of managing ageing. These activities strengthen social bonds and bridge generational gaps, aligning with EU initiatives to promote solidarity among generations.

- **Example:** Young volunteers in homes for the elderly and joint educational programs that promote the exchange of knowledge and experience between generations.
- **Source:** Organisations such as the Red Cross publish details of these projects on their websites.

Comparison with the EU

Similar initiatives and programs are also present in other EU countries, where the importance of integrating older individuals into society and the workforce is also emphasized. In Croatia, **initiatives for the integration of the older workforce are crucial in promoting a productive work environment that values the contributions of older workers.** Comparison with practices in the EU shows, that continuous investment in the development of policies and programs that support older workers is necessary, ensuring that their skills and experience are effectively utilized. These efforts not only help older workers remain active and productive members of the workforce, but they also contribute to overall economic development and social cohesion.

3.5. Germany

Demographic situation in Germany

Germany faces significant demographic challenges characterized by an ageing population, declining birth rates, and potential strains on healthcare and social services due to the increasing number of elderly citizens. Family policy plays a crucial role in shaping demographic trends by influencing birth rates and population growth. Access to childcare is cited as a prominent example of a family policy measure, that can positively impact fertility rates. Forecasting future demographic trends poses challenges due to the uncertainty involved in predicting factors such as mortality, fertility, and migration. National statistical offices like the Federal Statistical Office in Germany provide valuable data and insights into population dynamics. International databases such as the Human Mortality Database offer standardized mortality data for comparative analysis across countries. Academic literature and research publications provide in-depth analysis and discussion on various aspects of demography, including fertility, mortality, and forecasting methods⁵⁹.

The demographic evolution in Germany over two decades was notably shaped by the economic vitality of its regions and the patterns of migration. Western states such as Hamburg, Berlin, Bavaria, Baden-Württemberg, and Hesse exhibited more robust demographic metrics, underpinned by their diverse and dynamic economies. These regions attracted a considerable number of immigrants, which not only countered potential declines in population but also rejuvenated the demographic structure by lowering the average age.

In contrast, regions like Saarland, which has historically relied on heavy industry, faced demographic challenges including shrinking populations and an increasing proportion of

⁵⁹ Dudel, C. (2018). Demografie. In: Voigt, R. (eds) Handbuch Staat. Springer VS, Wiesbaden. [Online] Available at: https://doi.org/10.1007/978-3-658-20744-1_2 [Accessed 3 June 2024]

elderly residents. This trend was more pronounced in the eastern states such as Saxony-Anhalt and Thuringia. These areas have struggled with economic stagnation after reunification and have not attracted significant immigration, which has compounded issues of demographic decline and ageing.

Migration has been a critical factor in shaping the demographic landscapes of the German states. The influx of migrants has generally had positive effects in the west, maintaining or increasing the population base. In 2015, Germany experienced a peak in immigration, with significant numbers arriving from conflict zones such as Syria, Afghanistan, and Iraq. This wave of migration helped to offset the declining birth rates and contributed to a younger workforce, essential for the economic sustainability of these states.

However, internal migration trends also show a significant movement from east to west, driven by the pursuit of better economic opportunities. This movement has led to demographic hollowing in the eastern states, with a notable brain drain of young, economically active individuals who relocate to the more prosperous western states.

The national birth rate in Germany has remained low, with the fertility rate consistently below the replacement level of 2.1 children per woman. This has been a persistent trend, that exacerbates the ageing of the population, particularly in areas without significant immigration to replenish the younger demographic. The eastern states, with lower birth rates and minimal migration gains, have seen the most significant increases in the median age of their populations.

The ageing population poses substantial challenges for social services, healthcare, and pension systems, particularly in regions with diminishing young populations. The federal and state governments have recognized these challenges, setting goals to enhance the integration and retention of immigrants, boost local birth rates, and develop economic opportunities to attract and retain residents.

The demographic disparities between the eastern and western parts of Germany highlight the ongoing challenges of achieving economic and social cohesion. The federal states' differing abilities to attract and integrate migrants, combined with the varying economic opportunities, suggest a nuanced approach to regional development and demographic planning is necessary.

To mitigate these disparities, policies aimed at enhancing the economic attractiveness of the eastern states, improving infrastructure, and providing incentives for families and businesses to settle in these areas are critical. Additionally, fostering educational and employment opportunities can help retain the local population and attract new residents, potentially reversing some of the negative demographic trends observed in the past two decades⁶⁰.

Population projections indicated that Germany's population increased from 83 million in 2021 to around 84 million in 2022 due to significant immigration from Ukraine. However, future trends will hinge on birth rates, life expectancy, and migration. Under moderate scenarios, the population could peak at 85 million by 2031 before dropping to 83 million by 2070. Conversely, with low migration, it could decline to 75 million by 2070, while sustained high migration could push it to 90 million. Germany will witness a rise in the elderly population and a drop in the working-age populace. By the mid-2030s, retirees aged 67 and above could surge to at least 20 million, while octogenarians may remain stable before increasing. The working-age group, 20 to 66, is expected to shrink, even with high migration⁶¹.

⁶⁰ Pastuszka, S. (2023). Regional demographic differences in Germany. *Studia Prawno-Ekonomiczne*, 128, 117–138. [Online] Available at: <https://doi.org/10.26485/SPE/2023/128/7> [Accessed 3 June 2024]

⁶¹ Statistisches Bundesamt. (2024). Future population development. [Online] Available at: <https://www.destatis.de/DE/Themen/Querschnitt/Demografischer-Wandel/Aspekte/demografie-bevoelkerungsentwicklung.html#:~:text=Bei%20einer%20moderaten%20Entwicklung%20der,2070%20auf%2083%20Millionen%20zur%C3%BCckgehen> [Accessed 3 June 2024]

Main (policy) actors

The Christian Democratic Union (hereinafter referred to as „CDU“) and its Bavarian counterpart, the Christian Social Union (hereinafter referred to as „CSU“), represent the centre-right in German politics. Established post-World War II, the CDU/CSU has historically attracted older individuals, churchgoers, and rural residents. They advocate for corporate tax reductions and benefits for high-income earners, while also emphasizing the importance of asylum rights with stricter application regulations. The preferred coalition partner for the CDU/CSU is the Free Democratic Party (hereinafter referred to as „FDP“).

Next up is the Social Democratic Party (hereinafter referred to as „SPD“), a centre-left party founded in 1875. With roots in social justice and trade union movements, the SPD traditionally appealed to the working class but has seen a decline in support due to internal divisions over labour market reforms. They prioritise issues such as a minimum wage and progressive taxation and seek coalition partnerships with the Green Party.

The Green Party, emerging from 1980s social protest movements, focuses on environmental concerns and infrastructure development. Their voter base consists mainly of urban, well-educated individuals, with recent support increasing among younger demographics. The Greens advocate for renewable energy, increased minimum pensions, and a progressive tax system, preferring coalition partnerships with the SPD.

Moving to the FDP, a pro-free market, neo-liberal party, which attracts self-employed professionals and business owners. They advocate for individual freedom, tax cuts, and technological advancement, opposing state intervention in housing markets. Their preference for coalition partnerships lies with the CDU/CSU.

The Left Party, formed in 2007, has its roots in the Socialist Unity Party of former East Germany. Their voter base is primarily in the former East, and they reject military missions

abroad while advocating for higher minimum wages and opposing deportations. The Left Party seeks coalition partnerships with the SPD and Greens.

The Alternative for Germany (hereinafter referred to as “AfD”), established in 2013 as a Euroskeptic party, has shifted towards far-right nationalism and anti-immigrant sentiments. They oppose refugee acceptance, advocate for preserving "traditional" German culture, and question climate change science. The AfD seeks to limit NATO's influence and replace the EU.

Finally, the Bündnis Sarah Wagenknecht (hereinafter referred to as “BSW”), a new party founded in 2024 by renegades from the Left Party. Combining left-wing economic policies with far-right stances on immigration and gender diversity, they oppose NATO, support Ukraine, and reject the shift towards renewable energy. BSW has not ruled out cooperation with the AfD⁶².

Age management

The study examines age management practices in Britain and Germany, focusing on how national institutions influence employer strategies for handling older workers. It highlights differences between the two countries, particularly in terms of institutional frameworks and the emergence of new actors aiding employers in this task. The authors advocate for a more nuanced approach to researching age management within the broader socioeconomic context and call for further investigation into how policy decisions at the organisational level are influenced. They also suggest analysing the career choices of individual older workers and considering the impact of gender on age management

⁶² Goldenberg, R. (2024). A look at Germany's political parties. [Online] Available at: <https://www.dw.com/en/spd-green-party-fdp-cdu-left-party-afd/a-38085900> [Accessed 3 June 2024]

practices. The study was supported by the Economic and Social Research Council and involved representatives from various organisations in both countries⁶³.

Overview of strategies and policies (national age management concepts)

A study delves into the realm of age management practices within the context of German companies. It emphasises the proactive stance of these organisations in navigating and leveraging the existing institutional framework of the labour market. Unlike a passive acceptance of institutional constraints, German employers are depicted as actively engaging in the adaptation of these structures to better suit their needs in managing older workers. This adaptation reflects a nuanced understanding of the institutional landscape, in which companies seek to explore and develop options within the established system rather than merely conforming to its dictates.

Moreover, the text critiques the tendency of institutional theory to oversimplify the diversity of options available to companies within the German system. By focusing solely on historical institutions and overarching national systems, researchers may overlook the intricacies of organisational strategies and responses to age management challenges. There's a call for institutional theory to broaden its scope, recognising the multitude of options for exploration within each system and integrating the role of other institutional actors into its analytical framework.

Gender dynamics also emerge as a significant aspect of age management in Germany. The text suggests that the German system may disadvantage older female workers, hinting at potential multiple forms of discriminations faced by this demographic group. This acknowledgement underscores the importance of considering intersectionality in analysing age management practices and their impact on different segments of the workforce.

⁶³ Muller-Camen, M., Croucher, R., Flynn, M., & Schröder, H. (2011). National institutions and employers' age management practices in Britain and Germany: 'Path dependence' and option exploration. *human relations*, 64(4), 507-530.

Additionally, the text acknowledges the contributions of various stakeholders, including participants in workshops, academic reviewers, and funding support from the Economic and Social Research Council. This collaborative effort reflects a multidimensional approach to understanding and improving age management practices in Germany, drawing insights from diverse sources and perspectives⁶⁴.

A study explores scenarios where workers are hired across overlapping generations and offered life cycle contracts by employers. These contracts entail specific wages over various periods, aiming to induce effort and commitment from workers.

The paper introduces the concept of employer opportunism, where employers may renege on promises of employment security, thereby affecting the effectiveness of life cycle contracts. This opportunism allows employers to adjust labour costs by firing existing workers and hiring new ones with potentially less favourable contracts. Such actions undermine the incentive structure of life cycle contracts, leading to a need for adjustments in wage schemes.

To address this issue, the paper presents equations that calculate adjusted wages to maintain the incentive for effort among workers in the face of potential opportunism. It discusses the implications of employer behaviour on worker anticipation and overall contract effectiveness. Theoretical models and equations are presented to illustrate the interplay between employer opportunism, worker expectations, and wage adjustments.

Furthermore, the paper incorporates references to a wide array of related literature, covering topics such as the economics of personnel, labour market dynamics, age discrimination, and productivity. It cites various studies and findings related to workforce

⁶⁴ Tesch-Römer, C., & Wurm, S. (2012). Research on active aging in Germany. *GeroPsych: The Journal of Gerontopsychology and Geriatric Psychiatry*, 25(3), 167–170. <https://doi.org/10.1024/1662-9647/a000067>

composition, firm performance, retirement policies, and the impact of demographic shifts on labour markets⁶⁵.

The German public pension system, initiated by Bismarck in the late 19th century, was the world's first formal pension system. It was designed to provide a significant portion of retirement income based on the worker's lifetime earnings, reflecting a direct extension of their work-life earnings into retirement. Historically, this system aimed to provide social and political stability and was funded through a combination of contributions from workers and employers, with the federal government providing subsidies for non-insurance benefits.

Before reforms began in 1992, Germany had a very generous pay-as-you-go pension system. Retirement income was primarily sourced from this public system, with replacement rates high enough to maintain retirees' standard of living. The system, characterized by early retirement ages and high replacement rates, became financially strained due to demographic changes and the incentive effects that encouraged early retirement. Costs associated with pensions were significantly higher than similar systems in other industrialized countries, amounting to over 11% of GDP.

Recognising the unsustainable trajectory of the pension system, Germany embarked on a series of reforms starting in 1992. These reforms aimed to transition from a predominantly single-pillar system to a multi-pillar system involving both public and private components. Key stages of the reform included:

1992 Reform: Initiated adjustments in benefits and began increasing the effective retirement age.

1999 and 2001 Reforms (Riester Reform): Introduced significant changes including adjustments to the formula used to calculate pensions, which were pegged to net wages

⁶⁵ Heywood, J. S., & Jirjahn, U. (2016). The hiring and employment of older workers in Germany: A comparative perspective. *Journal for Labour Market Research*, 49(4), 349-366.

rather than gross wages and set a framework for increasing private pension involvement through subsidies and tax incentives.

The reforms aimed to stabilize the pension system by reducing the financial burden on the public sector and encouraging private savings for retirement. By 2001, the system began transitioning to a funded scheme, complementing the pay-as-you-go system with private retirement savings plans that received governmental subsidies. The overall goal was to balance the pension system's financial sustainability with maintaining adequate retirement incomes for future generations⁶⁶.

In 2019, the costs associated with long-term care for those aged 65 and older amounted to approximately 61 billion euros. A notable aspect of the expenditure is that half of this spending is allocated to nursing homes, despite only about 22.5% of the beneficiaries utilizing these facilities. The distribution of out-of-pocket expenses varies significantly between care modes, with nursing home care requiring 41% of expenditures as out-of-pocket payments, compared to just 7% for home care services.

Most of the long-term care funding comes from German long-term care insurance, supplemented by other government schemes. Interestingly, about one-third of nursing home residents rely on means-tested social assistance, indicating the high cost of care relative to the financial capabilities of many elderly individuals.

Germany faces demographic challenges, that impact its long-term care system. The population is ageing, with a significant increase in the share of individuals aged 85 and older. This demographic shift is expected to increase the demand for long-term care services while simultaneously the workforce available to provide such care is in decline.

The long-term care workforce includes both professional caregivers and informal caregivers, typically family or friends, who play vital roles in caregiving. Professional

⁶⁶ Börsch-Supan, A. H. and Wilke, Ch. B. (2004). The German Public Pension System: How it Was, How it Will Be. NBER Working Paper No. w10525. [Online] Available at: <https://ssrn.com/abstract=552888> . [Accessed 3 June 2024]

caregivers must meet specific training and qualification standards, especially in settings like nursing homes. Economic implications of long-term care are significant, influenced by income and wealth disparities among the elderly, impacting their ability to afford care, exacerbated by high nursing home costs.

An example deepens understanding of social integration of Syrian migrants in Germany through analysis of their Facebook social networks. It reveals insights into social dynamics and integration processes affecting migrants post-Syria's civil war relocation.

Using de-identified Facebook data, the study assesses social integration by measuring friendships with Germans, participation in local groups, and German language use on social media. Variability in integration across German counties suggests local social environments significantly influence outcomes.

Employing a novel mover's research design tracks Syrians relocating within Germany, highlighting regional integration differences tied more to local conditions than individual migrant traits. Critical findings show integration varies with local friendliness, unemployment rates, and access to integration programs, where lower unemployment and robust courses boost migrant integration. Additionally, the document discusses causal effects of local integration courses, enhancing social integration by fostering native relationships and bolstering German language use among migrants⁶⁷.

Evaluation of the effectiveness of existing measures

The evaluation of existing measures regarding the challenges faced by individuals aged 55 and above in employment encompasses a multifaceted analysis of policies, strategies, and institutional frameworks aimed at addressing these issues. This evaluation seeks to

⁶⁷ Bailey, M., Johnston, D. M., Koenen, M., Kuchler, T., Russel, D., & Stroebel, J. (2022). The social integration of international migrants: Evidence from the networks of Syrians in Germany (No. w29925). National Bureau of Economic Research.

assess the efficacy of current interventions, identify gaps, and propose potential areas for improvement. Drawing upon a combination of existing analyses, research findings, and qualitative insights from stakeholder interviews, this chapter delves into the intricacies of age management practices and their impact on workforce dynamics.

A critical examination of existing policies reveals a mixed landscape of initiatives designed to support older workers in the labour market. Key measures include incentives for extending working lives, such as flexible retirement options and training programs tailored to older employees. Additionally, anti-discrimination legislation aims to combat ageism in the workplace, promoting equal opportunities for all age groups. However, the effectiveness of these policies varies across sectors and regions, highlighting the need for targeted interventions.

An integral aspect of evaluating the effectiveness of existing measures involves an assessment of working conditions for older employees. Factors such as ergonomic adaptations, job flexibility, and access to healthcare services play a crucial role in promoting sustainable employment among aging workers. **By analysing workplace environments and identifying potential barriers to participation, policymakers can develop strategies to enhance job quality and longevity.**

The retraining and upskilling of older workers constitute essential components of age management strategies. Evaluating the accessibility and relevance of training programs for individuals aged 55 and above is paramount for ensuring their continued employability in evolving industries. Moreover, fostering a culture of lifelong learning can empower older workers to adapt to technological advancements and market demands.

The evaluation also scrutinizes retirement eligibility requirements and their implications for workforce participation among older individuals. Assessing the alignment between retirement policies, pension schemes, and labour market dynamics sheds light on potential disincentives to extended careers. By promoting phased retirement options and

incentivizing continued employment, policymakers can mitigate premature exits from the workforce.

The social and economic implications of aging populations underscore the importance of holistic approaches to age management. Evaluating the broader socio-economic context, including intergenerational equity, healthcare provision, and social protection systems, clarifies the interconnected nature of employment challenges for individuals aged 55 and above. Promoting inclusive growth and addressing structural inequalities are crucial for cultivating an age-friendly society.

55+ employment challenges

An opening study provides an extensive overview of recent pension reforms in Europe, shedding light on the challenges and new directions emerging in this critical policy area. It delves into the complexities of pension systems across different European countries, highlighting the various changes implemented to address issues such as demographic shifts, income inequality, and labour market dynamics.

One key aspect discussed is the transition from traditional pension schemes to more modern and flexible models, with some countries abolishing mandatory funded individual accounts within their systems. Moreover, the text emphasizes the impact of pension reforms on income distribution and gender disparities in retirement income, underscoring the need for policies that promote equity and social justice.

Another significant point raised is the political dynamics surrounding pension reform, with different countries experiencing varying degrees of resistance and consensus-building in the implementation process. The text also explores the role of international organisations and transnational campaigns in shaping pension policies across Europe.

Additionally, the text touches upon the economic implications of pension reforms, particularly in the aftermath of the global financial crisis, and examines how countries

have navigated the challenges of ensuring the financial sustainability of their pension systems while addressing the needs of an ageing population⁶⁸.

Moreover, the text highlights the multifaceted nature of digital solutions in the workplace, distinguishing between mere information exchange and more advanced collaboration tools. It emphasizes the crucial role of such tools in facilitating effective communication and collaboration among remote teams, thereby enhancing overall productivity and organisational effectiveness.

Additionally, the text explores the psychological and socioeconomic aspects of remote work, discussing its impact on employee motivation and job satisfaction. It underscores the importance of aligning digitalization efforts with the evolving needs and preferences of the modern workforce, particularly among younger, tech-savvy demographics who prioritize flexibility and work-life balance.

Furthermore, the text underscores the importance for organisations to navigate the complexities of digitalization with caution and foresight. It highlights the need for thoughtful implementation of remote work policies and digital tools, considering the diverse needs and preferences of employees. This involves striking a delicate balance between leveraging the benefits of digitalisation and mitigating its potential drawbacks, such as information overload and burnout⁶⁹.

Secondary data

This section provides an in-depth examination of the challenges faced by Germany in employing its elderly population. It begins by discussing the demographic transition and its impacts, highlighting the shrinking workforce and the potential role of women in addressing this issue. The importance of supporting families, especially young mothers,

⁶⁸ Hinrichs, K. (2021). Recent pension reforms in Europe: More challenges, new directions. An overview. *Social Policy & Administration*, 55(3), 409-422.

⁶⁹ Dziubek, S., Fuchs, O., & Schwarz, S. (2022). Effects of workplace digitalisation on the motivation of German office employees. *International Journal of Business and Management*, 6(6), 39-48.

through improved childcare facilities is emphasized, along with the need to address conservative attitudes towards gender roles in family and work.

Furthermore, the text explores the potential for employing elderly individuals, noting their desire for flexible working arrangements and the necessity for legislative support in this regard. It also discusses the role of immigration in addressing labour shortages but raises concerns about xenophobia and the ethical implications of recruiting highly qualified individuals from developing countries.

Moreover, the text delves into the impacts of digitalisation and robotisation on the labour market, presenting contrasting perspectives on the potential job losses and job creation resulting from these technological advancements. It highlights the importance of education and vocational training in preparing the workforce for the digital economy⁷⁰.

In a recent press release dated January 19, 2023, it was highlighted that Germany has witnessed a significant rise in the employment rate among individuals aged 55 to 64 years. This demographic, crucial for addressing the challenges posed by a shrinking workforce and skilled labour shortage, saw a commendable increase of 10 percentage points, reaching 72% employment in 2021. This surge is noteworthy considering the EU average stands at 60%.

The data, sourced from the Federal Statistical Office (Destatis), draws attention to the correlation between higher educational attainment and increased employment rates among older individuals. Over the past decade, from 2012 to 2021, Germany observed a noteworthy jump in employment rates within this age group, underscoring the country's efforts to tap into the potential of its aging population.

However, it's essential to contextualize these figures within the broader European landscape. While Germany boasts a higher employment rate for 55 to 64-year-olds

⁷⁰ Eissel, D., Park, S. C., Ogawa, N., Kim, C. J., Sirivunnabood, P., & Le, T. H. (2021). Economic impacts of demographic transition: The case of Germany. *Demographic transition and its impacts in Asia and Europe*, 335-364.

compared to the EU average, surpassing countries like Sweden and Denmark, there's a recognition that this alone might not suffice to address the looming labour challenges⁷¹.

Specific cases and examples

The "Perspective 50 Plus" program in Germany tackles the challenge of employment among older workers, a pressing issue in the face of population ageing and demographic shifts. It's part of the broader "Initiative 50 Plus" spearheaded by the German Federal Ministry of Labour and Social Affairs. This initiative is significant, covering almost 75% of the population, indicating the widespread concern and effort to address the issue.

The employment rate for older individuals in Germany exceeded the Lisbon target of 50% back in 2008, demonstrating an early recognition of the need to act. To combat the exclusion of older unemployed individuals from the labour market, regional employment pacts were established to pioneer and assess new strategies tailored specifically for this demographic. These pacts are particularly focused on aiding low- or semi-skilled long-term unemployed individuals, who face the greatest challenges in finding employment.

Former early retirement schemes have become burdensome for both employers and employees. With many employees eyeing retirement well before the age of 65, companies often prefer to hire younger individuals, further exacerbating the issue. Consequently, jobcentres and local authorities, tasked with aiding the long-term unemployed since the implementation of the "Hartz IV" legislation act in 2005, find integrating individuals over 50 into the workforce a daunting task.

The regional employment pacts aim to involve various stakeholders to ensure better employment opportunities for older workers. These partnerships take a cross-sector approach, encompassing labour market, employment, social, and health policies. A

⁷¹ Statistisches Bundesamt. (2024). Employment of older people in Germany and the EU markedly up in the last 10 years. [Online] Available at: https://www.destatis.de/EN/Press/2023/01/PE23_N003_13.html [Accessed 3 June 2024]

diverse array of tools and instruments are employed, including profiling, assessments, specialised training, internships, wage subsidies, and public awareness campaigns.

The program operated in phases, with the first phase running from 2005 to 2007 and the second from 2008 to 2010. The Ministry of Labour and Social Affairs collaborated with various partners at both the federal and local levels to ensure the program's success. There was a substantial financial commitment to the program, with significant funding allocated for both the first and second phases.^{72,73}

⁷² OECD. (2006). Germany “Perspective 50 Plus” - Employment Pacts for Older Workers in the Regions. [Online] Available at: <https://www.oecd.org/cfe/leed/37729545.pdf> [Accessed 3 June 2024]

⁷³ OECD. (2009). Germany “Perspective 50 Plus” - Employment Pacts for Older Workers in the Regions. [Online] Available at: <https://www.oecd.org/local-forum/database/country-factsheets/germany2.pdf> [Accessed 3 June 2024]