

High-Level International Conference

Towards a Digitalized World of Work: What Future Works for All?

In the context of the International Labour Organization's Centenary

4th Parallel Session

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M. K. Čiurlionio 84, Vilnius, Lithuania



Ministry of Social Security
and Labour of the Republic
of Lithuania

4th Parallel Session: Ageing Europe – how can we address it by embracing new technologies?

Chairperson: Mrs Ella Marlenivna Libanova, Director of the Institute for Demography and Social Studies of the National Academy of Sciences of Ukraine

Participants: heads of delegations of Member States, international institutions

DISCUSSION POINTS:

- *What are the challenges and opportunities emerging from current and future demographic shifts?*
- *How should work be redesigned for an aging workforce? What role does technology play?*
- *What broad measures have proven to be effective in reducing inequalities affecting old age workers?*
- *How can early-life interventions tackle labour market inequalities for aging workers?*

Aim: Across Europe, the working-age population is set to decline notably in a few decades. This poses multiple challenges, from workforce productivity to a strain on social protection systems. The session aims to highlight challenges posed by an ageing workforce, and new strategies to overcome them.

Context: The working-age population (aged 15-64) in Central and Western Europe is projected to decrease significantly in the next few decades. While older workers are likely to face inequalities in accessing labour markets and social protection, they also significantly contribute to the so-called Silver Economy (i.e. the sum of all economic activities that serve the needs of people aged 50 and over). In parts of Eastern Europe this demographic shift is less pronounced, with some countries being able to rely on a considerable youth bulge. Nevertheless, the considerable size of the informal sector, low female participation in the labour market, and low retirement ages might put a strain on the social security system in the long-run.

How should we re-think the world of work in view of an ageing workforce? How must we adapt workplaces to accommodate the needs of older workers, and facilitate access of groups traditionally excluded from the labour market? And what would be the benefits beyond the world of work of better inclusion of older workers?.

An increasing number of older workers want to work longer, especially in professions that are less physically demanding. With increased life expectancy and a gradually extending retirement age, new labour market and demographic scenarios can have positive effects on wellbeing, both physical and mental, while also increasing disposable income. Moreover, there has been an increase in the numbers of people starting their own businesses or mentoring young entrepreneurs in their sixties, where they make use of their commercial experience, personal financial resources and extensive social capital. This is reflected in an overall expansion of the Silver Economy, which is estimated to be valued at €5.7 trillion in the EU by 2025.¹ The Silver Economy can support activity in a widely diverse range of sectors, from tourism, to healthcare, to housing and utilities.

One of the most apparent obstacles to the employment of an older workforce is found in some countries' policies that enforce mandatory retirement at a fixed age. This is sometimes cited as part of efforts to ease high rates of youth unemployment. However, evidence highlights that early retirement

¹ European Commission, The Silver Economy, Brussels, 2018.

has not led to more jobs for youth, and instead suggests that policies promoting the employment of older persons benefit both older and young workers.

Some negative perceptions of older workers constitute another possible barrier to labour market participation and mobility of older workers. A 2012 Eurobarometer survey found that age discrimination was more prevalent in the workplace than in other contexts, with one in five citizens having either personally experienced or witnessed it.² Further, there are situations in which stereotypical views about older workers emerge - for example, perceived physical weakness, or a lower degree of adaptability to new challenges at work, as well as an increased likelihood in incurring health problems.

However, research suggests that an ageing workforce can offer untapped opportunities in a transforming world of work. Research challenges some of the very assumptions at the basis of age-based discrimination. While learning speed might decline with age, experience-based knowledge increases with age. Similarly, while openness to new experiences declines with age, emotional stability, agreeableness and conscientiousness tend to increase.³ A more age-inclusive world of work could thus be beneficial for a wide range of workers, also as a base for peer-learning.

But how can we ensure that workers of all age groups benefit from technological developments? New technological developments can facilitate older workers' participation in the labour market, and can improve their productivity. In this context, policies of "active ageing" have been seeking to encourage the employability of older people, e.g. by improving workplace health and providing more flexible working conditions and retirement options. With the incorporation of state-of-the-art technology such as automation, robotics, and artificial intelligence (AI), jobs that have traditionally been considered physically demanding are increasingly accessible to an ageing workforce.

Active ageing strategies have also focused on providing opportunities for life-long-learning and social engagement of the ageing workforce. Age-friendly technological advancement, improved user-friendliness of services and devices (e.g. intuition-based software design, magnifying screen displays, ergonomics and assisted mobility) can potentially facilitate the way seniors will work in the future. In this context, lifelong learning programmes and strategies are becoming increasingly important, and need to be particularly catered to the needs of older workers.

Beyond the role that technology can play in enhancing older workforce participation, questions arise over the employment status of workers after the retirement age. A growing share of those aged between 65 and 74 is self-employed, often on a part-time basis.⁴ Limited access to social security for self-employed in some countries can imply lower protection against possible reductions in their income. This is a particular disincentive to older workers who have not yet reached retirement age. How then to tackle the social and income inequality experienced by older workers, as well as their inclusion in the informal labour market?

Finally, research suggests that inequalities in health affect inequalities in labour market outcomes, and vice versa. At all ages, men and women in difficult health conditions work less and earn less when they work, with the gap widening with age. This is largely due to higher risk of job loss for people in poor health. At the same time, unequal access to the labour market can impact on one's health, as longer periods of unemployment can hinder one's access to healthcare and aggravate physical and mental health risks. Unhealthy or hazardous workplaces can also have long-term effects on one's work life and determine inequalities in the workplace.

Promoting healthy ageing in the workplace, and enhancing job quality could pay a triple dividend - (i) better, healthier and longer working lives for individuals; (ii) more productive workers for firms; and

² European Commission, Special Eurobarometer 393 – Age discrimination in Europe in 2012, Brussels, 2012.

³ Baltes, P. B., Reuter-Lorenz, P. A., & Rösler, F. (Eds.). (2006). *Lifespan development and the brain: The perspective of biocultural co-constructivism*. New York, NY, US: Cambridge University Press.

⁴ ILOSTAT

(iii) a lower financial burden on social protection systems. Finally, long-term labour mobilisation of women can be encouraged through provision of childcare and elderly care, as well as diverse contractual options beyond standard part-time work.
