Improving working conditions of older workers
- Romania’s case -

Health and wellbeing for older workers
- strategies and initiatives -

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not much information available concerning the situation of older employees in the EU’s New Member States

Information is quasi-absent on the roles and opportunities of public and private actors with regard to active ageing, or on workplace practices in these countries

a rapidly changing reality
  – post-communism
  – structural reform
  – global crisis
  – neoliberal measures
I1. Demographic trends and labour market developments

- ageing patterns and demographic trends
- employment opportunities for older workers
- participation in the labor market of older workers
- health and wellbeing
- training and life-long learning activities
- retirement
I2. Ageing patterns

• ageing patterns place a burden on younger workers through increased dependency ratios
• labor force participation rates for older workers depend greatly on the economic support available to them, and the law on retirement
• gender differences and age-specific differences are significant
### 13. Demographic ageing

**Table 2.1 The rate of demographic ageing (shares of males and females aged 50+ as percentage of total male and female population), 1980-2030**

|                | Males 50+ |          |          |          |          |          | Females 50+ |          |          |          |          |          |          |          |          |          |          |          |          |
|----------------|-----------|----------|----------|----------|----------|----------|-------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Algeria        | 28        | 30       | 32       | 34       | 37       | 43       | 30          | 33       | 37       | 41       | 44       |          |          |          |          |          |          |          |
| Russia         | 21        | 22       | 25       | 30       | 33       | 35       | 24          | 25       | 28       | 33       | 36       |          |          |          |          |          |          |          |
| Czech R.       | 26        | 24       | 29       | 34       | 38       | 46       | 32          | 31       | 35       | 40       | 44       |          |          |          |          |          |          |          |
| Estonia        | 22        | 24       | 26       | 30       | 34       | 38       | 33          | 34       | 36       | 40       | 43       |          |          |          |          |          |          |          |
| Hungary        | 27        | 27       | 28       | 33       | 35       | 42       | 33          | 34       | 36       | 41       | 43       |          |          |          |          |          |          |          |
| Latvia         | 23        | 25       | 27       | 31       | 35       | 39       | 34          | 35       | 38       | 42       | 45       |          |          |          |          |          |          |          |
| Lithuania      | 21        | 23       | 25       | 29       | 35       | 40       | 29          | 32       | 33       | 38       | 43       |          |          |          |          |          |          |          |
| Poland         | 23        | 23       | 28       | 34       | 37       | 40       | 24          | 27       | 33       | 38       | 40       |          |          |          |          |          |          |          |
| Portugal       | 21        | 22       | 24       | 31       | 34       | 39       | 27          | 28       | 30       | 37       | 40       |          |          |          |          |          |          |          |
| Romania        | 23        | 26       | 27       | 30       | 33       | 39       | 27          | 30       | 32       | 35       | 38       |          |          |          |          |          |          |          |
| Slovakia       | 19        | 23       | 23       | 29       | 33       | 37       | 31          | 33       | 33       | 38       | 42       |          |          |          |          |          |          |          |
| Slovenia       | 22        | 21       | 23       | 29       | 33       | 40       | 26          | 27       | 29       | 35       | 39       |          |          |          |          |          |          |          |
| Norway         | 22        | 25       | 28       | 36       | 41       | 47       | 29          | 32       | 34       | 41       | 47       |          |          |          |          |          |          |          |
| Sweden         | 12        | 13       | 15       | 18       | 22       | 28       | 14          | 15       | 16       | 20       | 24       |          |          |          |          |          |          |          |
| Finland        | 22        | 26       | 26       | 30       | 33       | 39       | 34          | 36       | 36       | 39       | 43       |          |          |          |          |          |          |          |
## 14. A comparison (to be updated)

<table>
<thead>
<tr>
<th>Country</th>
<th>Older Worker Value</th>
<th>Skills</th>
<th>Compensation Choices</th>
<th>Labor Shortages</th>
<th>Worker Mobility</th>
<th>Role of Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>Offshore Standard</td>
<td>Varies by Occupation</td>
<td>Self-Employment Options</td>
<td>No (based on global view)</td>
<td>Dependent on Wealth</td>
<td>Supplemental Programs</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Worker-Defined</td>
<td>Younger Worker Advantage</td>
<td>High Leisure Cost Standards</td>
<td>No Consensus</td>
<td>Limited by Leisure Focus</td>
<td>Government Partnerships</td>
</tr>
<tr>
<td>Japan</td>
<td>Society-wide</td>
<td>Changes at Retirement Age</td>
<td>Minimum Wage</td>
<td>No (job numbers falling)</td>
<td>None Visible</td>
<td>Observer</td>
</tr>
<tr>
<td>Romania</td>
<td>Two Distinct Paths</td>
<td>Emigrants vs. State Workers</td>
<td>No jobs offered</td>
<td>Yes (forecasted)</td>
<td>Limited by Incentives</td>
<td>LifeLong Learning Programs</td>
</tr>
<tr>
<td>Australia</td>
<td>Experience-Based</td>
<td>Service Sector</td>
<td>Little Difference</td>
<td>Yes (ongoing)</td>
<td>High for Contracts</td>
<td>Limited Player</td>
</tr>
</tbody>
</table>
January 1, 2007 - hailed as just the beginning of an economic success story, but... the crisis came.

1990’s - Romania’s older work force decreased dramatically as socialist companies shut down and private sector businesses replaced them.

An estimated three million workers emigrated from Romania and still remain outside Romania today – mostly young workers.

Emigrant salaries remain above Romanian salary levels so few incentives exist for such workers to return.
large pool of older workers could be a partial solution to balance a certain level of skills shortage

businesses appear uncertain about the usefulness of older workers

a significant number of older workers want to re-enter the work force but do not have the skills for the available private sector jobs.

recent survey of employers found that while many older workers have
  – more experience and
  – even more job loyalty than younger workers
  – they were less creative
  – less willing to take initiative
  – less willing to learn new skills
  – less productive, and
  – more expensive than younger workers

older workers are skeptical that investments in new skills will be rewarded with private sector jobs
P3. Economy and older worker in Romania (III)

• Government remains focused on:
  – Pension system reform, and
  – ... priorities have changed

• businesses find an ample supply of active younger workers with lower compensation demands

• employment opportunities for many older workers are limited

• Better employment potential in Romania if older worker have private sector work force experience

• the effective retirement age is lower substantially lower, than the statutory retirement age
C1. Education

• proportion of people with a third-level education is lower than the EU average, while the percentage of those with a (post-) secondary education is higher (with the exception of those aged 65 years and over).

• low levels of educational attainment could have a negative impact on a person’s integration into the labor market

• training programs are also not specifically targeted at older workers
C2. Employment

- the employment rate for this category of workers was particularly high in Romania ranging from 7.2% to 15.8% (1990 – 2010)
- in general, a decline in employment rates with increasing age can be observed
- the highest proportions of older employees can be found in the public administration, agriculture, education, health and other services sectors
- early retirement is used as a way of reducing staff level
C3. Social exclusion

unemployed people of pre-retirement age face social exclusion

• National Council for Adult Professional Training is in charge of the promotion of professional training strategies and policies for adults

• National Institute for Medical Evaluation and Recovery of Work Capacity conducts research concerning the evaluation and improvement of work capacity

• 2011, a new law concerning the pension system and other social insurance rights provided for a gradual raising
C4. Lifelong learning

Lifelong learning participation rate

• Romania displays the lowest levels of participation and therefore have the highest risk of (older) people being less attractive to potential employers

• By the end of 2010, about 16% of pensions in Romania (excluding those of farmers) were disability pensions, up from 12% in 1996
Actions aimed at keeping older workers in employment – main directions

• Active and targeted policies (social and economic)
• Quality of jobs for older workers
• Economic incentives for employers and employees
• Improved health and safety
• Better retirement benefit packages
Strategies and institutional framework

• strategies for different sectors, such as
  – a strategy for the prevention and combating of age-related discrimination among young and ageing people

• National Council for Fighting against Discrimination (NCFD) was established by the government to:
  – implement legal regulations in the area of non-discrimination;
  – improve the existing legal framework;
  – and increase awareness of discrimination issues

• Juridical Resource Centre published an anti-discrimination manual for Romanian NGOs
  – outlining the various EU directives and Romanian regulations aimed at combating discrimination (including age discrimination)

• Social dialogue framework
Predictions

• total dependency ratio in 2030 will remain at the level of the year 2000 while the old-age dependency ratio will grow the least of all the analyzed countries
• participation rate will continue declining or, at best, stagnate
• later retirement beyond the statutory age by increasing the replacement rate by a certain percentage up to the fixed maximum or providing bonuses on later retirement
Occupational healthcare and safety

- Occupational healthcare is a focus - Active Employment Policy Measures
- Occupational safety, as well as on the planning and design of ergonomics and job design
- The unemployment insurance contributions of employers are reduced for a 12-month period, in proportion to the number of unemployed people over 45 years of age that they hire
- Employers are subsidized by an amount equal to the minimum gross wage, for the employees that they keep on the payroll for at least two years
- **No special focus on older worker**
Policies and measures

• Policies and measures should focus more specifically on the needs of the target group – as regards both employers and employees
• more research is needed to analyse the situation and requirements of older people in the labor market for their efficient integration into employment
• more in-depth cross-country comparisons
• have few if any such instruments
Conclusions

• enough people with sufficient skills are needed to guarantee production of goods and services
• neglecting the potential of the older workforce will pose a problem for Romania in the long term
• an ageing population and will be soon a problem alongside labor shortages, particularly as younger people still migrate to other European countries in search of higher wages
• **Rewarding older workers for their experience (examples – not policies)**
• **Redeployment of workers to new positions (examples – not policies)**
Thank you

Sorin Dumitrascu, Cartel Alfa - Romania sorin.dumitrascu@fsanp.ro
Cristina Barbu, Cartel Alfa - Romania cristina_barbu170@yahoo.com

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