

SOLUTIONS TO FACILITATE THE EMPLOYMENT OF AGEING WORKERS . THE SWISS EXPERIENCE AND PROPOSED ACTIONS IN HUNGARY



**National Confederation of Workers Councils
National Association of Entrepreneurs and Employers
Travail.Suisse**

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Introduction

In our publication we are examining the reasons for the low activity rate of the elderly (over 55 years of age), which is extremely low in Hungary in a European comparison. Furthermore, we make recommendations as to the ways of improving the current situation. Though over the past few years, the rate of employment of the elderly in Hungary has improved to some extent, but **it is still considerably lagging behind the European average**. The ageing population and migration processes typical mostly of young people, i.e. employment abroad, necessitates the further improvement of the economic activity of the elderly population.

When analysing the current situation and making recommendations as regards the improvement of the employment situation of the elderly, we focused on **Swiss experiences**, which are far more favourable than Hungarian ones, we studied the Swiss practices very closely. We highlight the major reasons for the favourable Swiss and unfavourable Hungarian indicators. We are making efforts to distinguish between factors which are derived from the specificities of the two countries and those which in our assumptions might be useful when identifying ways to improve the situation in Hungary. In our work, unique and invaluable assistance was provided through the financial and moral support of the **“Twinning and Partnership Block Grant”** established in the framework of the Swiss-Hungarian Cooperation Programme.

With the recommendations, however, **we do not consider the project as being closed**, the project provided a lot of new ideas and triggered fruitful thinking in the partner organisations. The National Federation of Workers’ Councils **wishes to keep this issue on the agenda** at national tripartite and bipartite reconciliation fora, the same applies to the implementation of the recommendations. For this purpose the organisation is ready to cooperate with the government and employer partners. The NFWC’s own members will make efforts **at workplaces** to improve the working conditions of the elderly workers to help them retain and improve their working capacity.

1. Summary of the implementation of the project

The work programme was implemented by **the consortium of 3 organisations**, the National Federation of Workers' Councils (Hungarian trade union partner), the National Association of Entrepreneurs and Employers (Hungarian employer partner) and Travail.Suisse (Swiss trade union partner). The cooperation of employers' and workers' organisations promoted a **diverse, multidimensional screening** of all the factors influencing the employment of the elderly **to reach balanced conclusions** and identify the tasks **for all the actors** in the world of work.

In the course of the exploration of the problem we organised **focus group consultations** to collect information **from employers and trade union representatives** concerning the Hungarian practices and obstacles in the way of employing elderly people. To these consultations we invited **the HR specialists of Swiss companies** active in Hungary.

The collection of data was supplemented with a questionnaire-based survey covering 170 enterprises, the survey focused on the considerations of the employers when employing people over 55.

A valuable opportunity for gathering first-hand experience was provided by the **study trip to Switzerland**, in the course of which we had the opportunity to learn about the institutional system influencing the employment of the elderly, the most recent government measures, good practices at work, the new initiatives of employers' and workers' representative organisations and motivations behind these initiatives. Visits to various institutes and workplaces were always supplemented with local consultations, which provided an opportunity for us to raise questions related to personal experience.

After the Swiss study trip, the experts of the consortium members had a **2-day working meeting** in Budapest to discuss the experiences of the focus group meetings, the Swiss study trip and the conclusions. The **representatives of the Hungarian labour administration** and the **Swiss experts** also participated at the working meeting, which transformed the bilateral dialogue into a **tripartite international discussion**. Government representatives gave an account of the measures taken to improve the unfavourable indicators in Hungary of the employment of the elderly and encountered those ideas which were raised during the focus group meetings and the Swiss experience, which would be worth considering when planning future measures.

The conclusions of the working meeting and the **initial proposals** resulting from them on how to improve the Hungarian practices were presented **at 7 regional conferences mostly to employers in the SME sector**, which employs the largest number of workers.

These regional conferences opened the eyes of the audience to information, mostly demographic and relating labour market processes, which are less known by the public and the consequences of which might come as unexpected. **At the same time, at these conferences we tested the initial recommendations and listened to the participants' opinions on the feasibility of the proposed measures.**

After processing the experiences gained at regional conferences and after discussing the questionnaire-based survey amongst employers in the framework of the focus group meeting, we fine-tuned and supplemented the recommendations for social partners.

To present these recommendations and discuss the issues in the background we organised the **final conference**, which provided an opportunity for presentations, as well as for the audience to voice their opinions.

In the course of implementing the project, we paid attention to the **publicity** of major events and informing the public of them. We found this indispensable because after studying the Swiss experience, we came to realise **how important it is to combat prejudices concerning the working capacity of the elderly**. It is an area where public media and publicity can do a lot. After the international consultation and the final conference we held a press conference concerning the main message and conclusions of the events. At the press conference we were glad to see the interest of leading news channels and their precise rendering of the reports in later programmes. One of the TV channels dedicated two thematic programmes to the implementation of the project, the lessons learned and experiences gathered from it.

News and reports of the events received priority attention **on the websites of the project partners**. The final recommendations were put on the website of the National Federation of Workers' Councils, which **opened a debate amongst its members** on the recommendations, through which thousands of members interested had the opportunity to learn about these expert recommendations and comment on them.

2. The major characteristics of the employment situation in Switzerland and Hungary with special focus on the situation of the elderly

Switzerland is a beautiful and rich country when seen from Hungary. Behind impressive economic indicators, we find a consensus-based decision-making practice and a lot of diligent work.

The crisis also hit the strong Swiss economy, economic growth declined, but to a smaller degree than in developed countries on average and much less than that of the vulnerable Hungarian economy. The economic situation in the euro-area in 2013 still slowed down the Swiss growth rate, but in 2014 GDP growth is expected to reach 2%. Growth is prevented or slowed down by the strong Swiss franc and the slow development of European countries; however, this is partly counterbalanced by the more dynamic domestic demand.

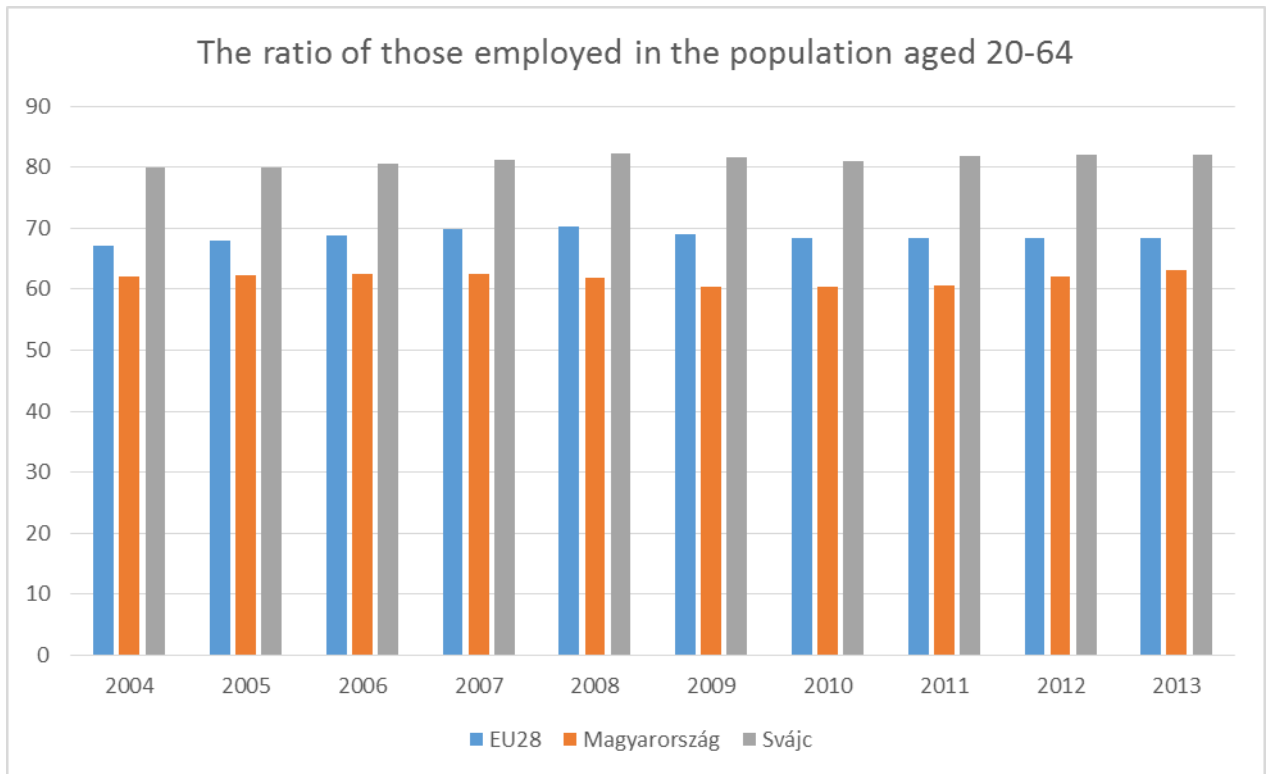
With respect to general welfare, Switzerland has reached high levels. It belongs to the most developed OECD countries. The income of an ordinary household in Switzerland amounts to 30,600 US dollars annually, which is higher than the OECD average (23,044 dollars).

The country is characterised by a high employment rate, low unemployment rate and high wages. High efficiency results from the flexible labour market, the decentralised wage agreements and the relatively low level of job security. The focus is on active labour market policies and employment services are characterised by result-orientedness based on performance assessment.

In the age group of 20-64 the rate of employment is 82.1% (in Hungary 63.2%), the Swiss indicator is nearly 12 percentage points higher than the EU28 average (68.4%), the difference

in favour of Switzerland is even bigger in the context of the employment of women. The components of the high employment rate are the following: the increasing employment rate of women (2000: 51.3%, 2011: 69.6%), new jobs in the service sector and the high number of part-time jobs.

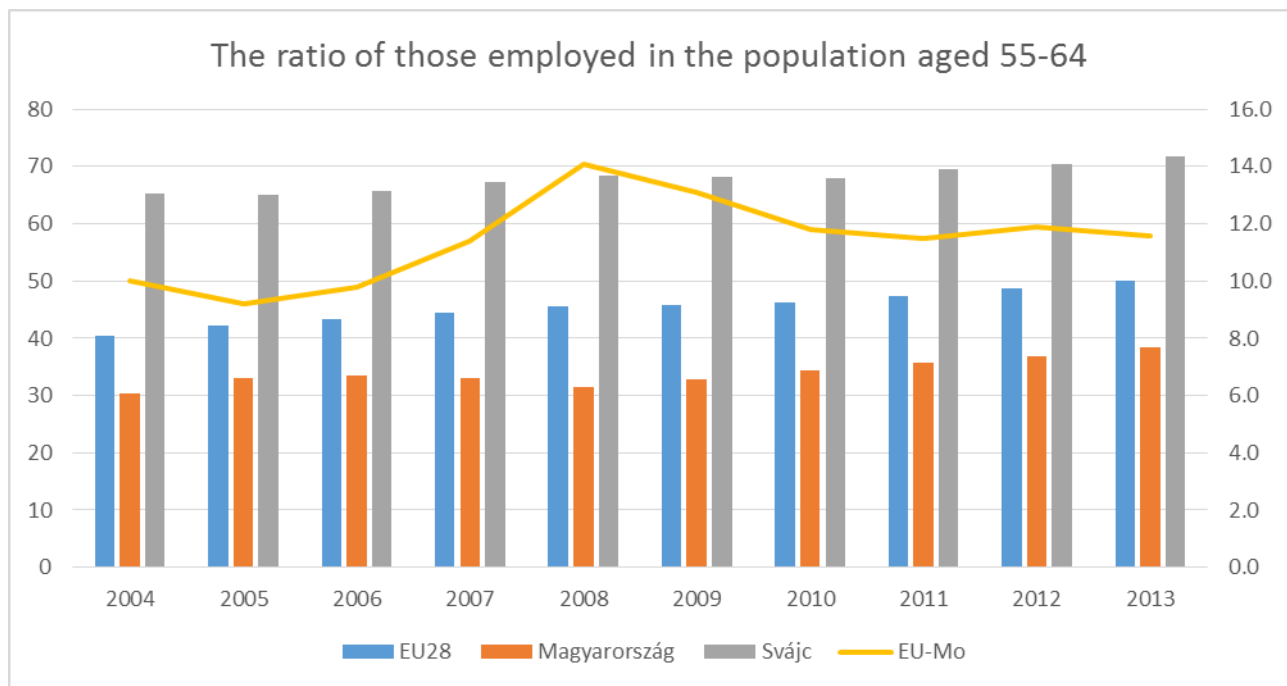
Figure 1: Employment rate in OECD countries 2004-2013 (Source: EUROSTAT)



EU 28 Hungary Switzerland

Migrant workers have a significant role in employment. Their rate is 23.5% in the total population, the second highest in Europe after Luxembourg. Consequently, the ratio of immigrants is also high in the context of employment, nearly 25%, furthermore the activity rate of foreign migrants is 75% and not only in the low prestige jobs (as in several places in Western Europe), but also in managerial positions and in the area of research and development. Though the level of qualification of foreigners arriving in Switzerland has been increasing permanently since 1990, foreign workers' average monthly wage is less than that of the Swiss and the rate of unemployment is also higher amongst them.

Within the total active population, the **number of the elderly** is on the increase: in 2000 it was 15.2%, in 2010: 17.5%, in 2020: it is expected to reach 20% and in 2025 it will reach 22%. The employment rate of the elderly (55-64 years of age) is also high and on the increase. In 2013 it was over 70% (in Hungary the same indicator is about 50%).



EU 28 Hungary Switzerland Difference of EU28 and HU

The yellow line shows the difference between the EU 28 average and the Hungarian data (the advantage of the EU 28 rate of employment) in percentages (see the vertical scale on the right). (Source: EUROSTAT)

The sectors employing the highest number of elderly workers in Switzerland are transport, logistics, scientific research, catering, food industry, social and health care and financial services. Traditionally agriculture and forestry, construction and public services (health care, education), entertainment and households are large employers. As opposed to this, the rate of employment of the elderly in the manufacturing industry has declined to some extent.

Taking a look at the data according to **the size of businesses**, large companies employ more elderly people than SMEs. In the SME sector, the breakdown of the businesses is more extreme; there are companies which employ a high number of elderly people and there are some small companies where no elderly people are employed at all.

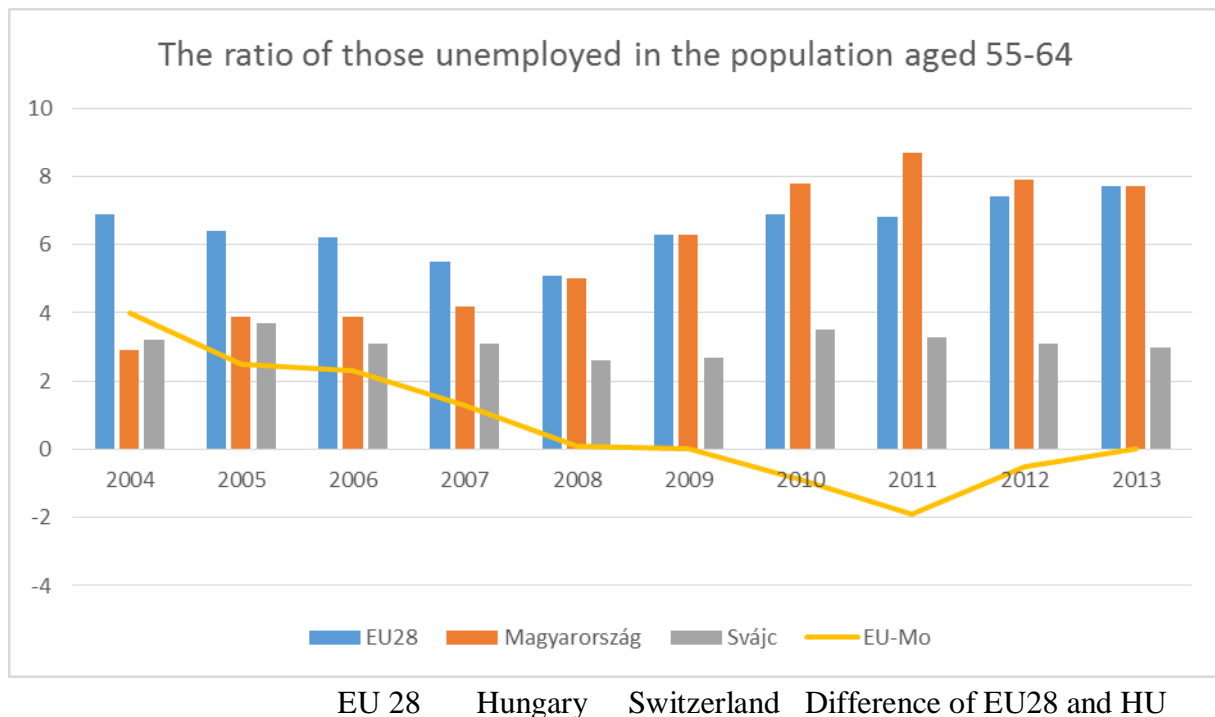
Analysing the data **from the perspective of employment groups**, most elderly people (55-64 years of age) are amongst entrepreneurs and managers. The same applies to truck drivers and the industrial assembly sector, whereas the rate of elderly women is high in manual jobs requiring low qualifications.

Mobility

The high rate of employment of the workers goes together with high mobility indicators in Switzerland. However, mobility significantly decreases as workers are getting older. Whereas in the age group 15-24 the rate of mobility was 28% in a year (those who changed jobs), in the age group of 25-39 the rate is only 10%, and it further declines to 2% in the age group of 55-64. The decline is not only due to the deteriorating willingness of workers to change jobs, but it is also due to employers' attitude towards the recruitment of the elderly.

Unemployment

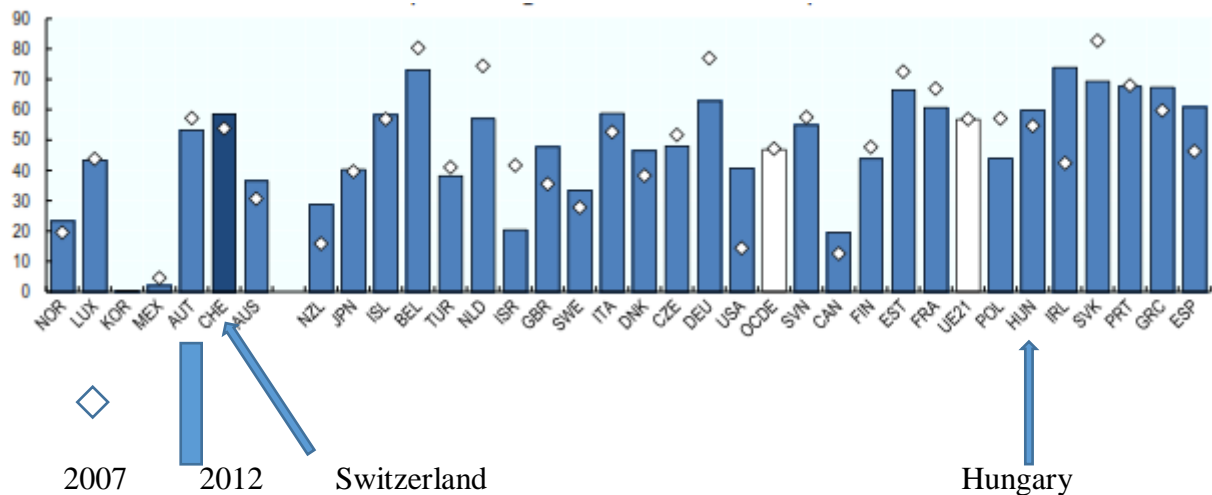
Generally speaking, the rate of unemployment in the age group of 55-64 is lower than the average in the economically active population. This applies to Switzerland and Hungary alike. **However, whereas in Switzerland the rate of unemployment of the elderly is permanently under 4%, in Hungary the rate of unemployment increased in the years after the crisis and stayed at a high level.**



The yellow line shows the difference between the EU 28 average and the Hungarian data in percentages. (Source: EUROSTAT)

We can conclude that in Switzerland the general rate of unemployment is favourable amongst the elderly workers; however, the situation of those made redundant proves to be much more difficult. This indicates that **amongst the elderly unemployed the rate of long-term unemployed - unemployed for more than one year - is 59%, that is the majority can be considered as long-term unemployed. In this respect, Hungary is close to Switzerland** because long-term unemployment shows similar trends in Hungary and in this context the situation has somewhat deteriorated in both countries during 5 years.

The ratio of long-term unemployment in the age group 55-64 between 2007-2012

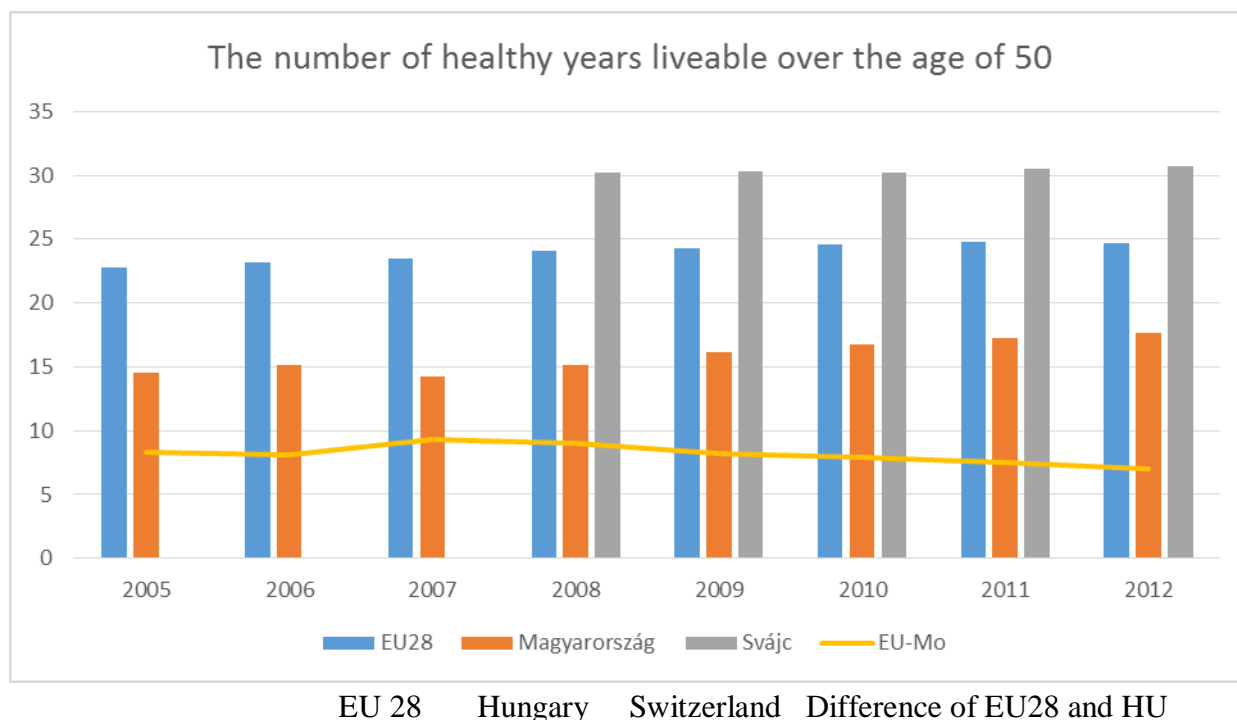


In the case of elderly workers, there are various forms of leaving the labour market (regular retirement at the retirement age, early retirement, disability pension and finally unemployment), therefore in their case the unemployment rate itself does not express properly the degree of somebody being excluded from a job. In this respect, we can have better information if we take into account all those who are not long-term employed, but who have not fully retired. This is a group of people who would work but were forced to go on disability pension or had to request early retirement, work occasionally or seasonally, maybe work on the black market, or are in an inactive status in some other way but would like to join again the group of those who are employed. Such workers would be available for the labour market if the preconditions for their employment were in place: by ensuring proper working conditions (see rehabilitation, facilitated working schedule), training - retraining, etc. If measured this way, “the number of those who are outside the labour market” increased from nearly 4% to nearly 6% in Switzerland (i.e., this is a growth rate of approximately 50%). This growth was mostly due to the increase in the number of the unemployed or those on disability pension. At the same time, the number of those who made use of early retirement schemes declines. Essentially, the decline in the number of those who retired early was transformed partly into an increase in the number of the unemployed and those on disability pension, which reflects the shortcomings of the employment system from the perspective of the elderly generation.

The health condition of the elderly

Switzerland is one of the leading countries in Europe concerning the health condition of the elderly. The number of healthy years predicted at the age of 50 is 22.8 years on average in the case of men, and 22.3 years in the case of women. Switzerland with this indicator is amongst the 3 European countries with the best indicators. In **Hungary** the number of years to be lived in good health and predictable at the age of 50 is 14 in the case of women and 13 in the case of men, which puts Hungary into the group taking the last 3 places on the list. When asked about one’s subjective opinion about their own health condition, 73% of Swiss respondents aged 55-64 answered that they were in a good or very good health condition. In

Hungary only 50% of those aged 55-59 and only 40% of those aged 60-64 replied that they did not have any permanent disease or limited working capacity.



Based on the subjective evaluation of one's own health condition. The yellow line shows the difference between the EU 28 average and the Hungarian data in years. **(Source: EUROSTAT)**

Of course, the generally good health condition does not exclude, mostly in an old age, the changes in working capacity, more specifically its decline. Whereas the demand for care provided for the disabled is on the decline in general, the number of those who make use of these services is increasing in **Switzerland** as well. In 2012 there were **234,800 disabled people** in total making use of nursing services in Switzerland, 60% of these are over 50, 17% are between 50-54, 19% are 55-59 and 21% are over 60.

In Hungary in 2011 in total 767,000 people - 354,000 men and 413,000 women - responded that their presence on the labour market was limited by their health condition. Health problems and incapacity to work are more and more frequent with ageing. **Two-thirds of those who indicated that their working incapacity is limited are between 55 and 64 years of age.** The decisive majority of non-active disabled (628,000 people) live mostly on the social security system. **60.9% (approximately 382,000 people) are paid disability pension or disability benefit**, 19% receive old age pension in their own right or receive pension as a relative, and a further 2–3% were paid other regular benefits. We have no information on the source of income of a large number of non-active disabled, their number is 113,000. According to the assumptions of the Central Statistical Office conducting the survey, their disability or severity of their disability or health condition does not make them eligible for a regular benefit, or they do not meet other requirements of eligibility. Most of them live

together with their families, they are not supported by the society, but presumably by their family members.

3. Solutions to promote the employment of the elderly based on the Swiss experience

The ageing of the population causes increasingly severe problems on the Swiss labour market, which are further aggravated by the restrictions to be introduced in the area of migration. The latter are prescribed for the government by the outcome of a recent referendum “Against Mass Immigration”. However, these problems are different from the labour market processes observed in most European countries, which are characterised by an increasing unemployment amongst the youth and the elderly. In Switzerland, due to the low rate of unemployment and the decreasing labour supply, the problem of labour shortage is getting more and more severe, primarily in jobs requiring vocational qualification and mostly amongst young people. The rate of employment is also high amongst the elderly, but in their cases the problems related to ageing start to appear. If an elderly worker is made redundant, **it is increasingly difficult for him or her to find a new job**. This - as we have seen before - is reflected in the fact that the number of the long-term unemployed is increasing in the age group of the elderly (by long-term unemployment we mean unemployment for longer than 1 year).

Therefore, **in Switzerland** there are two reasons why **focusing on elderly workers** and targeted programmes for them is very important:

- Currently, the rate of long-term unemployed is high amongst these people, especially in certain sectors and jobs (low qualified jobs in industry, agriculture and services). The high rate of long-term unemployment results in social problems and **might bring about income poverty, which will persist after one retires**.
- It is also predictable that labour shortage due to demographic and migration processes will generate - already in the short run - an increasing demand for retaining the elderly generation in jobs, i.e. **the share of the elderly people amongst the working population will permanently increase**. There are significant potentials especially amongst women, as currently the rate of those staying in the household or working part-time is high.

In Hungary the above-mentioned two phenomena are just as persistent as in Switzerland:

- The rate of long-term unemployed amongst those over 55 years of age is around 50%.
- Whereas in 2001 the total number of those aged 55-64 was 509,000 people, by 2011 the number increased to 658,000. **The impact of migration** in Hungary is different inasmuch as the problem is not caused by obstacles to immigration but **the growing trend of emigration**, which (together with the low birth rate) results in the disappearance of the young generation.

Therefore, we can conclude that in both countries the improvement of employment conditions is important not only due to the need to reduce long-term unemployment, its incidence and duration, but also **to make employment attractive** for the elderly and to **make employers aware** of the fact that the number of the elderly workers will need to increase in the future amongst their staff by necessity.

Pre-retirement or early retirement is the most frequent form of becoming inactive before reaching the retirement age in Switzerland, **the disability pension** is less frequent.

Provisionally and temporarily **the unemployment benefit** is also a form of benefit, and on a permanent basis **social benefits are provided to support people's living**.

According to the survey conducted in this matter, **early inactivity (before reaching the retirement age)** is due to the following: declined health condition, limited working capacity, tough working conditions, restructuring of the company, joblessness due to collective redundancy. A large number of women also added that **increased family burdens, obligations (caring for elderly parents, relatives)** and the favourable income-generating capacity of the spouse/partner are also amongst the reasons.

Therefore, when analysing the factors impacting on the employment of the elderly, we need to take into account the following:

- employers' demand for elderly workers, employment chances
- retirement, conditions of early retirement, its legal regulation and financial attractiveness,
- the working capacity, health condition and working conditions of the elderly,
- the functioning of an institutional system to promote the retention of working capacity, the recovery of changed working capacity and its improvement (benefits for those with a limited working capacity, and rehabilitation services)
- reasons for unemployment, the volume and structure of unemployment,
- the functioning of the institutional system to combat unemployment (unemployment benefit and services to reintegrate the unemployed into the labour market)

Employers' demand for elderly workers

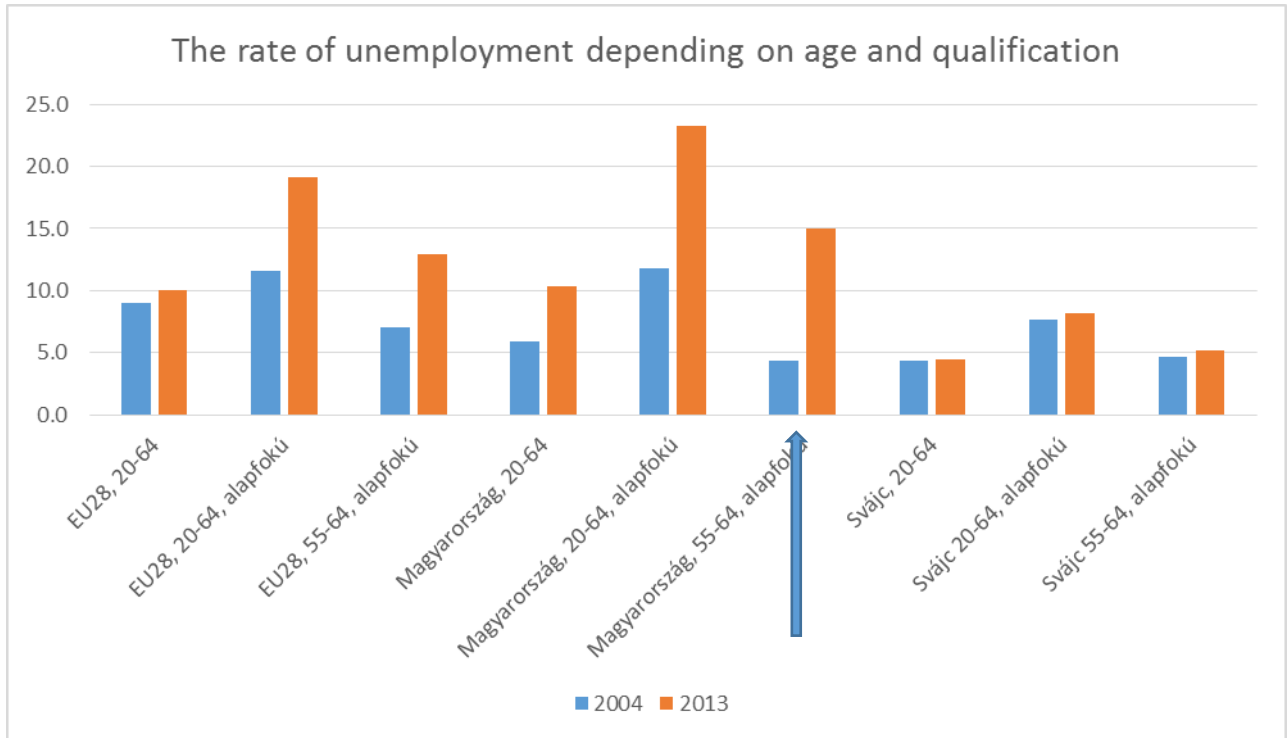
For the time being, the Swiss employment practice is very well characterised by the fact that vacant positions **are filled with young rather than elderly workers, more specifically the rate of young people (aged 25-54) employed to fill a vacant position is twice as high as that of the elderly**. At the same time, important is the fact that in the case of redundancies, there is no discrimination at the expense of the older generation, i.e. in the case of redundancies the number of the elderly is not significantly higher than the number of young workers made redundant.

Unfortunately, in Hungary elderly workers suffer from multiple discrimination when employment decisions are made. Young people have twice as good chances as the elderly (aged 55-64) in the context of recruitment. The difference is due to the fact that in Hungary the elderly worker's chance to be **redundant** is also twice as strong as that of the young generation. It means double negative discrimination even though in Hungary **equal treatment** is enshrined in law, whereas in Switzerland there is no such legislative provision.

The main reasons for less preference given to the elderly, according to the survey of Swiss companies, are the high labour cost relative to the declining performance, the insufficient/outdated qualification, the upgrading of which does not provide a return on investment, the worse health condition and lower level of motivation (limited career opportunities).

Age plays a role in employment chances as well, which is demonstrated by the fact that according to Swiss model calculations **the chances are determined most strongly by the age**, the impact of this factor is stronger than the impact of gender, qualification or occupation.

Taking all this into account, as the graph below shows, **the elderly age and the low level of qualification are two factors resulting in multiple disadvantages** from the perspective of employment and/or unemployment.



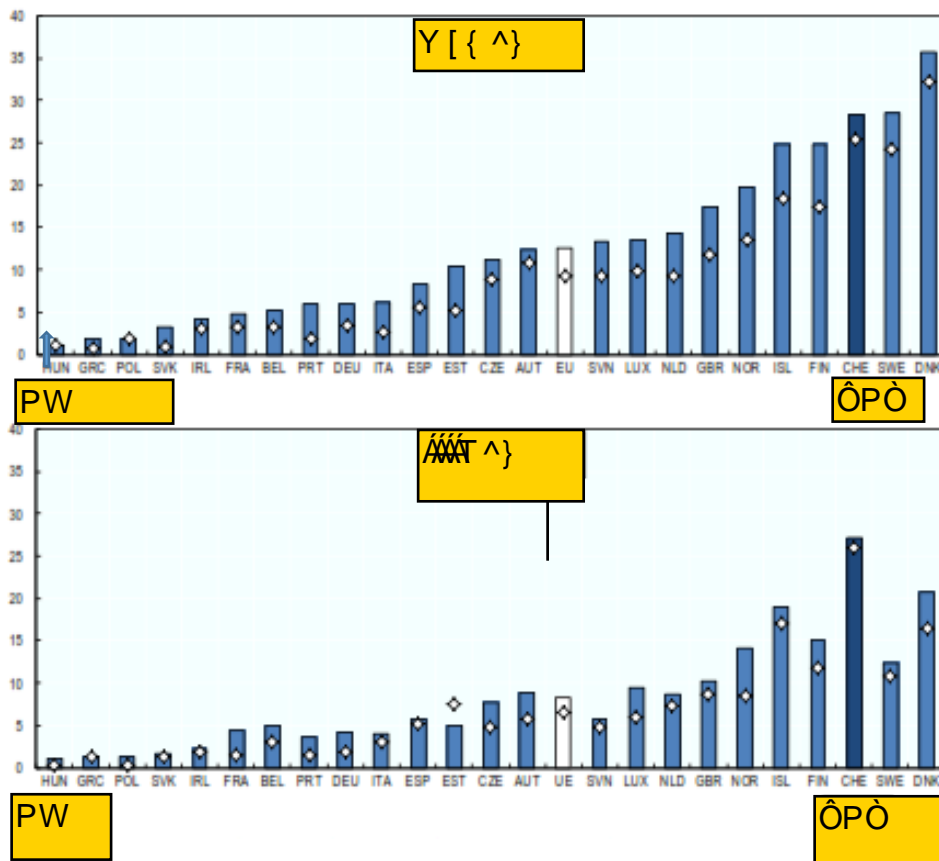
(Source: EUROSTAT)

According to the figure, in Hungary over the past 10 years the rate of unemployment amongst the elderly with no qualification increased by 3.5 fold. The 15% is under the EU average, but it is three times as high as the Swiss indicator.

Therefore, in increasing employers' demand for the elderly, a key role is attributed to increasing the level of qualification and its permanent upgrading.

The next graph shows the tasks to be done in Hungary in this respect.

The number of those attending courses beside work 2012 (EUROSTAT)



The figure clearly shows that in Switzerland the shortcomings in qualifications **are very frequently remedied by attending courses while working**, and more women than men do this. This factor must have an outstanding role in the low unemployment rate of the elderly. However, in Europe Hungary is the last one on the list of the countries in terms of the number of people attending courses while working, which specifically worsens the chance of an elderly worker with outdated knowledge to find a job and to improve his or her competitiveness on the labour market.

According to Swiss experience **the willingness to participate in formal education (course resulting in certificates, degrees) while working declines as one ages**. Whereas 23% of those aged 25-34 study and work at the same time, the rate is only 8% in the age group of 35-54 and further declines to 1.2% in the age group of 55-64. As opposed to this, in terms of participating in non-formal courses guaranteeing no degree or qualification, there is no significant difference between age groups. Such non-formal trainings, courses are, e.g., the courses organised and implemented by the employer (28% of the courses), and courses organised by private training institutions (16%), non-formal courses organised and implemented by professional associations, unions, with no degree or certificate at the end of the course (16%). The elderly typically participate in such non-formal trainings in the following fields: keeping healthy, lifestyle, informatics, personality development, arts. Since the **return** on investments in terms of the courses financed by the employers is lower in the case of the elderly because the duration of their employment is shorter due to their age, **employers are not motivated enough** to train, retrain their elderly workers. This, however, can be balanced or counterbalanced with state incentives and the provision of funding.

The formal qualification level of the elderly can be increased by a specific method, which is also applied in Switzerland, namely **by issuing a certificate evidencing the formal recognition of a longer work experience**. In certain professions, this type of professional qualification has been recognised by the Swiss Act on Vocational Training since 2004; however, it is not catching on very fast due to the professional opposition of certain professional chambers and the rather complicated procedure to provide evidence is also an obstacle.

A favourable development is **that age is taken into account** to an increasing degree in human resources management, including recruitment and working time schedule, age-friendly employment forms, working conditions, internal human resource development (training, career development), health development and health and fitness programmes, the transfer of the work experience.

In 2013 the **Association of Swiss Employers** took an initiative to improve the labour market situation of those over 45 years of age. Within this initiative, good practices and new solutions are exchanged between employers at regular intervals, HR managers, HR consultants and researchers participate in the programme.

The organisations and institutions of the public sector are forerunners in paying due attention to age, predominantly health service providers, industrial organisations applying traditional technologies and the education and training institutions. The **actual ageing of the population** in certain sectors largely promote the awareness raising in this respect.

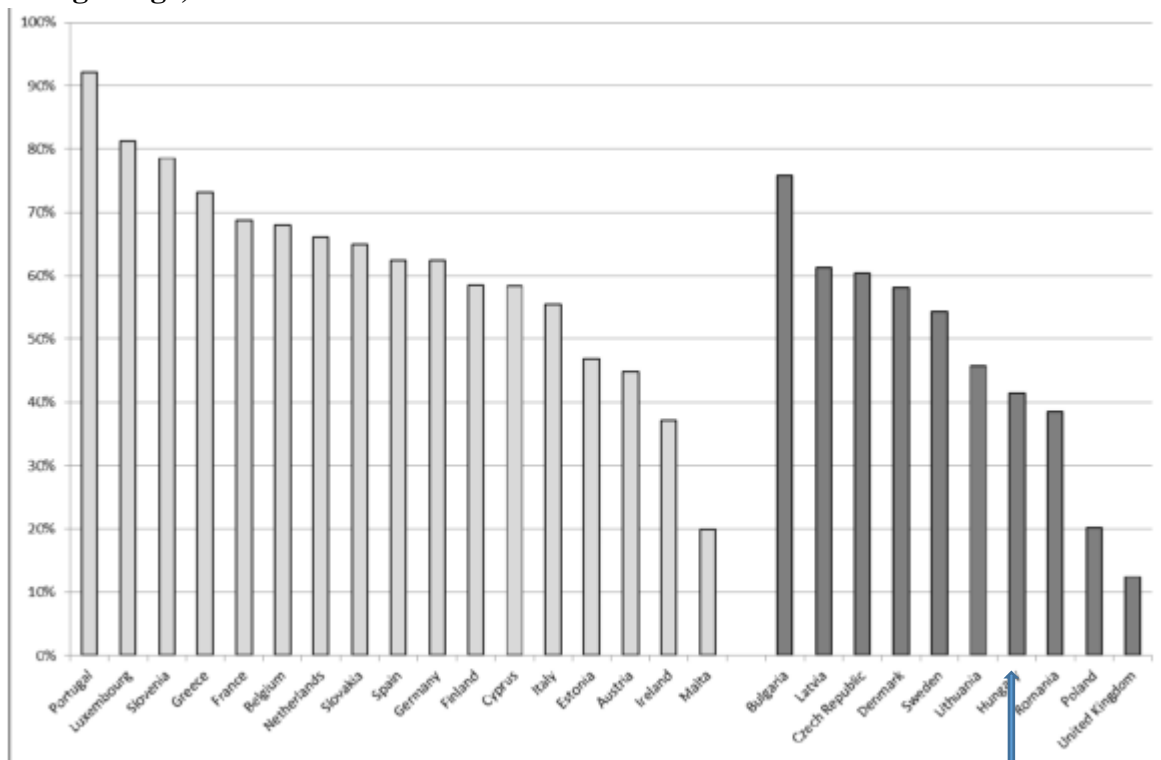
Employers highly appreciate reliability, experience, considerateness, problem solving capacity, the knowledge of corporate processes and good relationship with clients, which are all qualities typical of the elderly workers. **Some employers undertake voluntarily (in collective agreements) not to dismiss people certain years before they reach the retirement age.**

The system of unemployment benefits

Pecuniary provisions for the unemployed

The unemployment benefit in Switzerland is around **70-80%** of the previous wage on average. This replacement rate is much higher than the European average and extremely high compared to the **33%** replacement rate in Hungary. If the unemployed person is offered a vacant position where the wage is 70% of his previous wage, the unemployed person is obliged to take that position. Related to this, surveys proved that elderly workers take jobs that are much worse paid than their previous job was. This is much more typical of the elderly than young workers. When assessing the appropriateness or adequateness of a job, it is not only the appropriate wage but the age- and health- related features that also matter, with mental health amongst them.

The ratio of the average unemployment benefit to the previous net average wage, 2010



Source: Social Policy Indicator Database (SPIN).

Hungary

Of course, the amount of the unemployment benefit is not the only factor to motivate the unemployed. A more important role might be played by **active supporting instruments**, their range of choice and availability, the participation in using this and the strict enforcement of the obligation to actively seek a job.

We have seen earlier, though in Switzerland the employment rate of those over 55 is well beyond the average, the employment chance changes if previously the elderly worker lost his or her job. The unemployment benefit system takes this condition into account by providing a **longer disbursement term** for the elderly unemployed. The duration of the disbursement of the benefit depends on age and the length of the insurance relationship. Accordingly, the number of days for which the benefit is paid varies between **400 days (for those aged 55-59) and 640 days (for those over 60 years)**. In Hungary, as we all know, the disbursement period is 90 days, one of the shortest such periods in Europe.

According to experience, the more favourable pecuniary benefit (the higher replacement rate and the extended duration of payment) can promote re-employment, if it motivates those concerned to use the active instruments as soon as possible, and if access to passive (pecuniary) instruments is conditional upon stringent rules. The shortening of the period of disbursement can facilitate re-employment in those employment groups where jobs require higher qualifications.

State labour services

The Swiss labour market authority belongs to the Federal Ministry for the Economy. SECO determines the directions of labour policies, it is responsible for the financing and administration of active labour market programmes, it provides advice, consultancy and monitors the labour-related activities of cantons.

Cantons' labour offices enforce federal legislation and supervise the activity, the economic and financial operation of local labour offices. Local labour offices provide active labour programmes for customers, supervise and assist the beneficiaries in job search.

As a general rule, **one desk officer per 100 job seekers** is employed in local offices.

According to legislative provisions, these consultants **have to conduct one personal interview per month** with their unemployed customers. Over the past few years, most labour offices managed to comply with this provision. The number of monthly encounters varies from canton to canton between 0.8 and 1.6. In times of increasing unemployment cantons receive additional funding in order to increase the number of staff, however, in times of decreasing unemployment, the capacity needs to be reduced.

Labour offices focus on **reducing long-term unemployment**, which is especially high amongst the elderly workers with a strong chance of increasing further with age. Long-term unemployment hits the elderly workers, the unqualified and migrant workers the hardest.

The government has elaborated a clear and numerically quantifiable assessment system to supervise and assess the regional labour offices, the assessment system takes into account the following criteria:

- The average duration of benefitting from the job seeking support
- The rate of long-term unemployed amongst the unemployed
- The number of those not eligible for job seeking benefit (the number of those on social aid)
- The number of recidivists i.e. the number of those unemployed who lose their jobs again within 4 months of being employed.

The above assessment system does not only help evaluate the activities of one office concerned, but it also helps evaluate active labour market instruments in a given region.

In Switzerland, regional labour offices are independent to choose the concrete labour market programmes to run within their financial limits. There are some which place emphasis on the employment of the youth and others which focus on the elderly. In the case of the latter, the main emphasis falls on early intervention to prevent people from becoming long-term unemployed because long-term unemployment has multiple disadvantages and severely worsens the employment opportunities of those concerned. **According to experience related to the age group over 50, the instruments of early intervention are successful**, efficient and to be preferred.

In the case of the elderly, there is no waiting time concerning the so-called active policies, which is otherwise quite frequent. Soon after somebody lost his job, more precisely within 15 days, a personal interview will be held, the abilities tested, there is going to be career planning, a review of one's personal network and methodological assistance provided to activate this social network. For these purposes the elderly are provided at least 15 days of

customised job-seeking consultancy. In addition to this, they participate in a job-seeking training, which is held in small groups and lasts for 20 days.

According to surveys, the most efficient way to find a new job is **to exploit one's personal relations, the social network**. One-third of those successfully employed found a job this way, frequently relying on previous relations in jobs. According to surveys, in the case of the elderly workers, the previous social network can be extremely useful because due to their age, they have a more dense network of personal relations.

For this reason it is very important for the elderly to activate their previous social network in order to find a new job. Personal, tailor-made assistance might be extremely helpful as regards their concrete job seeking techniques. Furthermore, chances for re-employment are higher if job-seekers try to find jobs in areas and sectors other than the sector in which they previously worked.

According to some surveys the main advantage of **age-specific services** is not primarily the shortening of the duration of unemployment, but the **more stable job retention** after a new job was found, these people managed to keep their new job in higher numbers and for longer periods of time. This is achieved by the programme **through improving the sense of reality of the unemployed** concerning the employment chances and wages; it helps them get rid of or avoid illusions as regards job opportunities and wages. A further, additional advantage of this service is that **it improves the emotional and mental condition of job-seekers**, which makes them stronger during the hard times of unemployment. The above efforts are needed because experience shows that the use of active instruments declines in parallel with age.

Training

Labour administration in Switzerland **attaches great importance to training in the case of elderly workers** as regards the use of active instruments. Early retirement should be replaced by training, re-training, even new career building at an elderly age because until the worker reaches the retirement age, he/she has or might have even 15 years for a training or re-retraining, further training. Furthermore, it might be extremely useful in the case of elderly workers to have **the work experience recognised as special qualification** in certain areas. Initial or formal education cannot be provided within the framework of services for the unemployed. At the same time, an exception to this rule can be made if the training is shorter than 21 months, and there is evidence that it contributes to the employability of the unemployed person. **Trainings** provided for those over 50 years of age **typically focus on career orientation**, personality development, IT, language courses and only after this do vocational training or entrepreneurial courses come.

In terms of the labour institutional system, special importance is attached to **permanent contact between desk officers and employers** and the stimulation of the recruitment of the elderly, on the other hand, a permanent cooperation is required between the institutional systems of labour-related areas and social policy, mostly in order to remedy the situation of the long-term unemployed. One of the solutions might be to provide temporary employment opportunities for the long-term unemployed. As opposed to this, their participation in training-re-training measures is more rare. Based on contractual relationships, state labour offices might as well delegate the responsibility of job search to private job agencies.

However, the cooperation between private agencies and labour services is not very frequent: of 130-150 job-seekers only one is put into employment by private agencies.

The employment of disabled elderly workers

Labour offices might apply a number of instruments of a rehabilitation nature and might finance them **during the period while the unemployment benefit is disbursed**: training, further training, adjustment of the workplace, recruitment for a probationary period of 6 months, disbursement of entrepreneurial support. The above-mentioned instruments can be put into two large groups:

- Instruments facilitating early intervention and rehabilitation: adjustment of the workplace, a new job search (adapted to the deteriorated working capacity), career orientation, orientation to change jobs.
- Classic rehabilitation instruments: they are applied if the deterioration of the working capacity of the person is under 50%, and that lasts for at least 6 months. Within this, one direction of rehabilitation is to restore working capacity by retaining the original occupation. The other direction is the facilitation of finding a new occupation, predominantly by providing financial support for training-retraining. During this intervention, those concerned are eligible for disability benefit.

Labour offices immediately inform those coping with health problems of their eligibility for rehabilitation services. Until the eligibility for the disability benefit is established, unemployment benefit is paid for those concerned.

The pension system

An important and decisive factor of the employment of the elderly is the operation of the pension system, more precisely the attractiveness of retirement and the opportunities provided by law for this. The number of years after retirement on the one hand influences those who stay in their jobs or look for jobs, on the other hand it essentially determines the financial demand of the pension system.

Whereas over the recent period the retirement age has been increased, the actual international trend is typically early retirement, whereas in Switzerland the age of people actually retiring has remained relatively high. This was due to the aggregate impact of several measures:

- financial incentive for staying in the job has been strengthened
- obstacles to the employment of those over 50 years of age were dismantled, primarily in the area of job retention.

One of the specificities of Swiss pension provisions is that they allow without any punitive measure **the combination of early retirement and part-time work**. Consequently, on average the actual age when people fully retire is much higher in Switzerland than the international average: men actually retire fully at the age of 66.1 and women at the age of 64.2.

In Switzerland there is a 3-pillar pension system: one pillar is the old-age pension provided by the state, the second pillar is the mandatory supplementary occupational pension insurance and the third pillar is the individual voluntary pension fund, encouraged by the state by providing income tax allowances for those joining such a pension fund.

The first pillar, the state pension fund is supplemented by the federal state from its other tax revenues up to 19.55% of the expenses, in addition to the amounts contributed by employers and workers. The source of its supplementary state contribution is mostly the excise duty on tobacco and alcohol products and tax on gambling. State supplementary contributions make it possible to provide a supplementary payment for those who for various reasons would only be eligible for a pension of an extremely low amount (e.g., due to their shorter employment relationship, or low income, e.g., part-time workers). When establishing the amount of the pension to be paid, in addition to the regular income, the number of the children and their age up to 16, as well as time spent on caring for the elderly parents are taken into account as bonus.

In an international comparison, the most specific one is the 2nd pillar, the corporate, occupational pension fund the use of which is **only mandatory** for workers **earning above a certain wage level**, and serves the purpose of making sure that those retiring **should not suffer a dramatic decline in their incomes** as compared to their active period. The reason is that the targeted replacement rate of 60% can only be ensured by the state pension system for those who had a low income level, but not for those with a higher income level. The insurance funds in the 2nd pillar **are contributed to by employers and workers on a mandatory basis**. Contributions are commensurate with the age of the concerned person, the employer transfers 7%-18% of the gross wage to the fund and the worker also transfers the same rate of his/her gross wage. The importance of the 2nd pillar is shown by the fact that **in this pillar higher amounts are accumulated than in the state pension fund**. The average amount of pension paid from the occupational pension fund was nearly 50% higher than the average pension paid from the state pension fund. The occupational pension contributions are managed by approximately 2000 banks, insurance or sectoral pension fund managers.

The retirement age

In the state pension system, the retirement age for men is 65 and for women 64. The precondition for the payment of the full old-age pension is 44 years of service in the case of men and 43 years of service in the case of women. In the state system, the **minimum age limit** of early retirement is 63 for men and 62 years for women, i.e. people can retire 2 years earlier. It goes without saying that earlier retirement goes together with a lower amount of pension, the reduction is 6.8% on an annual basis.

In the (2nd) occupational, corporate pillar **the age limit for early retirement is 58 years of age**. Of course, early retirement brings about a reduced amount of pension. Occupational, corporate pension funds very frequently offer a transitional pension construction for their members until they reach the retirement age to be eligible for old-age pension. In the 2nd pillar, those retiring earlier can work part-time, and one-third of those retiring early do some sort of an income-generating activity, in addition to receiving their pensions.

According to a survey, in the population of 58-64 years of age 26% of men and 16% of women made use of early retirement possibilities based on their eligibility in the second pillar. These are mostly people who can afford this because they had high incomes during their active life times, e.g., working in the financial sector, where approximately 40% of employees retired earlier as opposed to 8% of those working in trade and catering. Most of those men

who stayed in the job after the retirement age were pursuing intellectual, scientific activity, while amongst women, mostly the low qualified stayed in the job, who probably had no choice but continue working due to the low amount of their pensions.

As regards the **planned reform of the pension system to be introduced as of 2020, the broad social debate has already started with the involvement of social partners.** As regards the proposed changes, the government would like to emphasise the following considerations:

- Adjusting the amount of pensions to living costs and reducing wage disparities between pensioners by increasing lower pensions (including pensions paid to part-timers). The necessary funding would come from the 2% increase of the VAT, **should the extension of the employment of the elderly fail to result in excess funding for the reform measures.**
- To ensure the flexibility of transition from work to retirement.

In the state system the uniform age limit for early retirement would be 62 years of age (with the reduced amount of pensions). The deduction from the pension would increase progressively if one retires early, contrary to the current situation, when the deduction is also reduced in a linear manner. At the same time, the pension premium, the excess pension paid for those staying in the job after the retirement age would increase.

- **The system of partial pension to promote gradual retirement** would also be introduced in the first and second pillar of the pension system. The partial pension would be somewhere between 20% and 80% of the full amount of the pension, i.e. in the case of a 80% partial pension the years of service would have to be reduced by 20%.

Some employers and workers in certain sectors established a joint fund to which they contribute in order to supplement or balance the pension loss suffered as a result of early retirement. The sectoral collective agreement in sectors characterised by harsh physical working conditions (construction industry) provides for this as of the age of 62, if the person concerned worked at least 15 years in the industry in the preceding 20 years. Prior to the introduction of this system, many made use of the opportunity of early retirement or left the sector, or possibly they applied for disability pension. Since the introduction of the early retirement pension fund, much more workers have stayed in the construction sector until they reach at least 60 years of age.

Benefits for the disabled

In Switzerland, **the disability insurance** is overseen by the Federal Social Security Office. The responsibilities of regional offices include the determination of the degree of disability, eligibility for rehabilitation and/or benefit and the establishment of the amount of the benefit, periodical review and the selection of the mode of rehabilitation.

The following are eligible for the benefit provided for the disabled: those whose working capacity cannot be rehabilitated or restored and the reduction of the working capacity is at least 40%. Full benefit is provided for those who lose at least 70% of their working capacity, under this threshold the amount of the benefit gradually decreases. The benefit has a threshold and a ceiling and depends on the wage received in the previous job. In the area of rehabilitation **the importance of the age** is also evidenced by the fact that according to Swiss

statistical data, **amongst those with reduced working capacity, rehabilitation is the most successful in the age group of 45-65.**

The priority tasks of dealing with those with reduced working capacity are as follows: **the early recognition of the reduction in the working capacity** extending the use of active instruments, promoting the incentives which encourage people to make use of these instruments and prioritising the rehabilitation and re-integration of those with a mental disability. The importance of the early recognition of the problem was due to the statistical data, which showed that those who received the new disability pension **had not been employed for two years on average when received the disability pension, but they had been living on unemployment benefit or social aid.** An outstandingly important instrument of the early detection of the problem is the infrastructure of **the voluntary notification system** and promotion of its use. The authority recommends that **the person concerned, the family, the employer, the physician or the social security organisation should make a notification, if the absence or care given to the person for health reasons reaches 30 days in a given year.**

The introduction of the early warning system in 2008 significantly contributed to the improved performance of the rehabilitation system. Since the measure was introduced, the number of notifications related to those in employment relationship has increased by 8% from 60% to 68%. At the same time, an unfavourable experience is that **only 25% of the notifications are made by employers.**

Figure: New disability pensions and retraining measures, Switzerland 2002-2012

In 2012 the participation rate of those over 50 in rehabilitation/ integration programmes was 19% whereas 56% of all the beneficiaries were in this age group. Concerning the rehabilitation measures, higher age is an obstacle because there is a shorter active period to ensure the return on investments.

The law **entrusts regional offices dealing with disability insurance with the task of job finding** and also provide staff for this function. Thus, to facilitate the job search of the disabled **specific job agencies operate**, which provide consultancy and rehabilitation services for workers whose working capacity changed or declined but who can be rehabilitated. From the perspective of successful rehabilitation, it is important to ensure the close and permanent cooperation of the state labour market institutional system and rehabilitation offices, social security agency and the departments of municipalities which establish the social benefit. This cooperation results in an accumulated inter-institutional knowledge, which can be used **to prevent referring clients to various individual state authorities.**

Accident insurance

The institution of accident insurance is supervised by social partners. This insurance institution (SUVA) insures half of the total Swiss population against occupational accidents and diseases.

SUVA establishes insurance fees (premia and bonuses) not on the basis of age, but on the basis of risks, the risk of falling ill or the risk of accidents. Premia are also connected to this. The main objective of the insurance company is prevention to reduce the loss of working time due to absenteeism.

In order to prevent diseases, illnesses and accidents, the insurance company pursues awareness raising campaigns, organises trainings and finances them, and **it carries out inspections**. At workplaces it endeavours to identify hazards, controls the preventive measures and carries out ex-post checks. It also elaborates guidelines to promote corporate health policies. The insurance company also deals with rehabilitation and finances trainings and re-trainings in this area. It very frequently takes measures in cooperation with the state rehabilitation institution in order to re-institute those into the labour market who suffered from occupational diseases or fell victim to an occupational accident. The insurance company employs workers who fell ill or suffered from an accident and due to this might have lost their jobs without being eligible for the disability benefit. In the course of the re-integration programme, the insured person might receive a job for 3-12 months at the company, or might participate in an on-the-job training for 6-24 months. The insurance company reimburses the wage cost and training costs paid by the employer. **If reinstatement into one's job is successful, the insurance company even pays a premium to the employer.** The employers willing to participate in the re-integration programmes (rehabilitation, e-training) are to be found by the insurance company.

The role of the Labour Inspectorate

Over the past few years, the **control of the risks of occupational diseases** has become increasingly important in the work of the Inspectorate, **more precisely, they deal more and more with risks of diseases at an elderly age**. The locomotor diseases and the appearance of psychological, social risks also constitute significant problems concerning the changed working capacity and early retirement. Locomotor diseases are extremely frequent in catering, in the hotel industry, in the hospital sector and in the food industry. Diseases of a psycho-social origin are typical in every sector of the economy.

In order to increase the efficiency of inspections, **labour inspectors were trained to recognise the symptoms of locomotor disorders or diseases**. Giving over and learning how to use the check list of symptoms proved to be extremely efficient. Most recently, another type of disease came to the fore in the context of inspections: the recognition of **psycho-social disorders**. Guidelines were elaborated and provided for inspectors in this area, as well.

Facilitating the employment of elderly women

The importance of this objective is proved by the very high rate of women amongst part-time workers. Lengthening the working time of women requires the extension of flexible forms of employment (flexible work organisation, job share, teleworking). It is also necessary to establish organised forms of taking care of elderly parents because the size of active population, more specifically the number of women with old parents is increasing, but at the same time, these people, these women are economically active.

Government measures facilitating the employability of elderly workers

In Switzerland, a **government commission was established** to promote the employment of the elderly through multi-faceted long-term measures to attain this objective. In the course of this work, the social security system, occupational health and safety and the institutional system of the labour market were modified:

- The disability and old age pension system have been reformed to a slight degree, making retirement a less attractive option.
- Labour market services were modified with the purpose to make them more compliant with the needs of the elderly, whose number has been increasing amongst job seekers.
- Labour market conditions were improved for the elderly in general terms.
- Awareness raising campaigns are organised on a regular basis in public media in order to shape public opinion.

Most of the above interventions required legislative amendments, as well. Outstandingly successful are interventions making retirement less attractive, and the improvement of labour market services to facilitate the employment of the elderly. The least successful measures were those taken in the business sector to improve the employment conditions of the elderly. The most important lesson to learn is that **in Switzerland they did not only rely on legislative means to increase the activity of the elderly but they tried and found active policies to improve the conditions of employability.** The application of financial and legal means was accompanied by **extending supportive instruments and active labour market instruments as well as the improvement of their efficiency.**

4. The employment practices of employers in Hungary

In order to have the full picture and be objective when analysing employers' employment practices, we decided to conduct a questionnaire-based survey with a large sample involving several companies. We compiled the questionnaire on the basis of the results of a focus group interview carried out with the participation of 15 people. Finally, 175 companies were involved in the survey, of which 69 are owned by Swiss owners and 106 are owned by owners of other nationalities or domestically (Hungarian-owned). In the course of the survey, the main focus was put on the companies' attitude to people over 50 years of age. We were looking for the variables which would provide the answers to the question how to improve the rate of employment of this age group.

Is this the most severe problem?

When doing the research, we came to the conclusion that people over 50 are at a disadvantage only in a very limited number of cases. They do not suffer any discrimination, neither for reason of their age, knowledge or experience. As opposed to this, we also experienced - though it was not in the focus of our research - that employers are reluctant to employ young people. On the basis of preliminary interviews, the reason for this is the lack of understanding between different generations and employers. Due to major differences in attitude and communication, employers tend to move towards less opposition and employ older people.

The data collected also support this finding. When comparing the employment data of different age groups with the ratios relative to the total population, we see that the employment rate of the elderly is higher than their ratio in the total population, whereas in the case of youth, there is a major difference. This in part can be explained by the long duration

of studies, but there are other factors as well, therefore this is going to be the subject of a separate research.

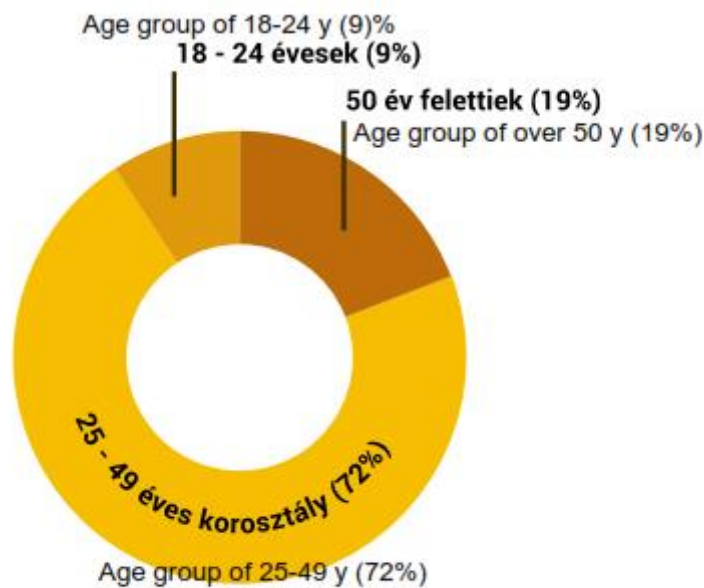


Figure 1
Age groups in employment

18-24 years of age (9%)
Over 50 years of age (19%)
25-49 years of age (72%)

The number of those employed and the ratio of those over 50 showed a weak negative correlation in our sample (-0.23), which means that large employers employ fewer people over 50 years of age. They prefer to work with young people, whereas smaller employers have a preference for the more experienced employees.

Schemes advantageous for companies are lagging behind

In present day Hungary, the rejection of or discrimination against atypical forms of employment are widespread. With respect to the elderly, only an insignificant number of companies apply atypical working time or some other form of employment, in spite of the fact that such atypical forms of employment could yield major savings and would help these companies retain their elderly employees. The proportion of employees who are retired but work at the same time is less than 1%, though 5% of companies would like to keep their colleagues who will retire in 3 years' time.

With regard to young people, the rate of workers who have a study contract is only 0.6%, in spite of the fact that a large number of HR and company directors complained about the lack of qualified workforce. In addition to the study contract, student work is also an available option, i.e. students can be employed through school cooperatives. In this respect, companies show a better performance, more than 1% of the employees are students.

Részmunkaidőben foglalkoztatottak száma (2,4%)



Megváltozott munkaképességűek száma (0,7%)



Nyugdíj mellett foglalkoztatottak száma (0,67%)



Táv munkában foglalkoztatottak száma (0,1%)



Tanuló szerződéses dolgozók létszáma (0,6%)



Diák munkások száma (1,3%)



Figure 2 Schemes advantageous for companies are lagging behind

Distribution of atypical forms of employment relative to the total number of workers

However, a distorting factor might be that 37% of the surveyed companies are the partners of Viapan Group as regards student work, thus the final ratio is likely to be less than 1.3%.

<i>Number of part-time workers (2.4%)</i>
<i>Number of disabled workers (0.7%)</i>
<i>Number of employed pensioners (0.67%)</i>
<i>Number of teleworkers (0.1%)</i>
<i>Number of workers with study contract (0.5%)</i>
<i>Number of student workers (1.3%)</i>

It is obvious that approximately half of the surveyed companies exploit the opportunity of student work. Data show that in these companies the employment rate of young people (18-24 years of age) is nearly twice as high as the average. In those companies where no student work is used, the rate of young employees is 6% on average, whereas in companies that prefer this opportunity, the organisation is much younger and the employment rate of young people is 11%.

The cost efficient forms of employing elderly people and pensioners are rarely used. Only 9% of the companies use telework or home working, though 88% would not be against home-working in certain jobs. They do not find this form of employment less efficient. Company leaders and HR managers complained mostly (46%) of their employees having learning difficulties even with the most simple processes.

As regards the institution of job share, only 3% were aware this form of employment so far. 30% of the respondents find it absolutely impossible to employ two part-time employees in any one full-time position.

Typically, small-sized companies (under 10 employees) do not apply any of the atypical forms of employment. The reason for this is that they do not need it.

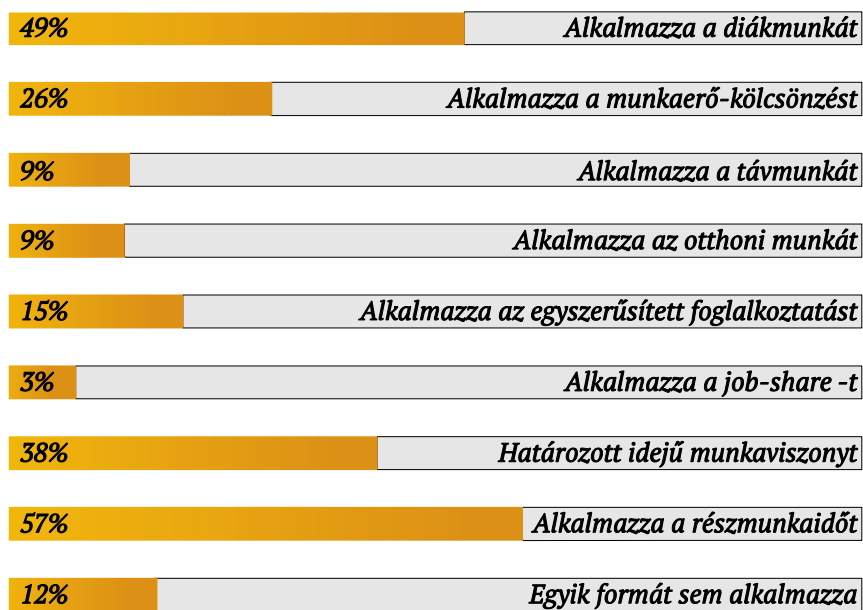


Figure 3 Schemes advantageous for companies are lagging behind

II.

Ratios of companies using atypical forms of employment

in a breakdown according to time

49%	Use student work
26%	Use agency work
9%	Use telework
9%	Use home work
15%	Use simplified employment
3%	Use job share
38%	Use definite employment contracts
57%	Use part-time
12%	Uses none of the forms

They keep relying on the elderly

Companies find it important to provide permanent training for their colleagues: only 12% of the respondents do not provide any training at all, 59% provide funding from their own resources only. Very few apply for project funding to cover the costs (14%) and financing the trainings from the vocational contribution fund is also rare (12%); most of the companies have no information whatsoever on various possibilities. 3% of those surveyed provide the trainings and courses when financed by the Hungarian state or the foreign parent company.

According to respondents, age does not matter as regards participation in training. It is not age, but the position that counts when selecting the participants of trainings. 13% replied that for some reason they do not provide trainings for those over 50 years of age (of this 12% does not provide any training for anybody within the workforce).

As regards training, it is interesting to note that in companies of the ICT and other technological sectors, the ratio of those over 50 is nearly 0. We experienced that these jobs change so fast these days that the elderly are not able to keep pace with the development, they find it difficult to acquire new knowledge, which was not available or was not relevant when they received their professional training.

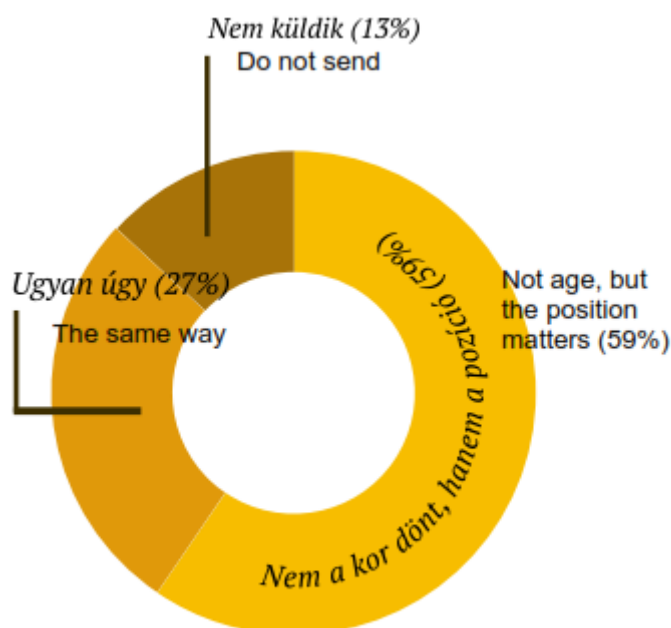


Figure 4 Age is not a disadvantage in the further training
Companies hardly make any difference when training people over 50 years of age and younger generations

(What percentage of workers aged 50+ participate in further training?)

Age might be an advantage or a disadvantage as well

Whereas a large number of companies do not like employing young people, such dislike cannot be experienced with respect to the age group of those over 50. However, certain factors influence the decision. In employers' eyes, the physical condition, mental condition and employment costs are factors that speak against the employment of older employees. Employers find flexibility as a problematic feature. However, experience, loyalty, sharing of knowledge, problem solving skills, management skills, motivation and performance are factors in favour of their employment of people over 50.

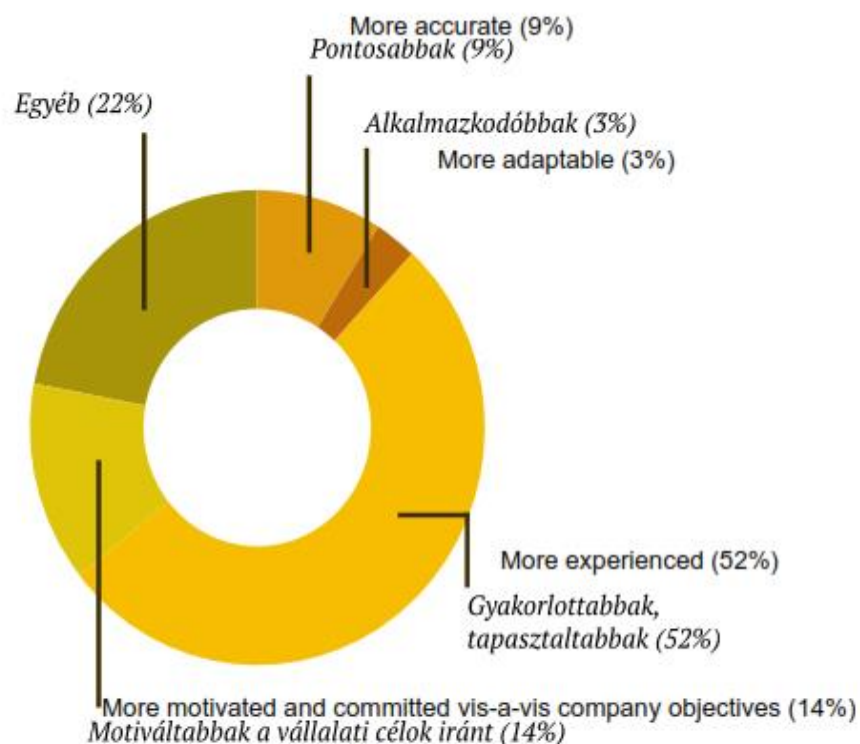
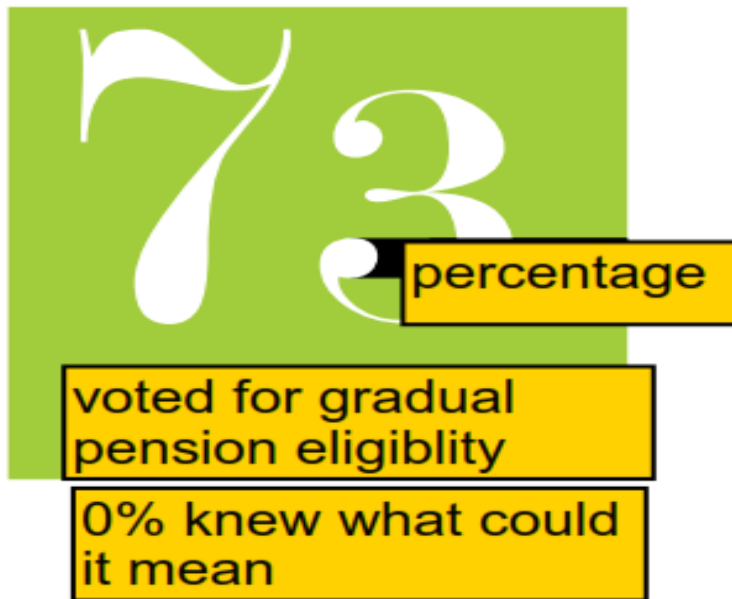


Figure 5 Advantage for over 50
Companies decide in favour of workers over 50 due to their broad practical experience.

One size fits all?

In certain countries of Western Europe, especially in Switzerland, the institution of gradual retirement is a more and more efficiently functioning model. This means that over a certain age, the employee gradually starts to work less and less, and during this period of time, his/her income is made up of his/her pension and wage together in a proper proportion. When reaching the retirement age, the employee fully retires. This model had an appeal for 73% of respondents.



Here we made a trick to validate whether this is an example to follow for us as well.

Due to the fact that it was a survey conducted with interviewers, we had the opportunity to have immediate feedbacks. After the response was given, our colleagues explained to a smaller control panel of 30 people what exactly this concept includes, then they repeated the question. (This scheme assumes or requires certain financial contribution both from the employer and the employee.) After the repeated question, only 20% insisted on their original answer, 80% changed their minds and joined the camp which did not find this scheme attractive.

The level of HR development in Hungarian companies

Viapan Group elaborated a classification system to measure the level of development of HR within an organisation. The basis of the methodology was part of the indicators used by CRANET supplemented with those that on the basis of our experience reflect the importance of HR in the life of an organisation. We integrated certain elements of this methodology into our current survey in order to have the full picture of how human-centred the surveyed companies are.

We note that in this case the opinion of one respondent is reflected.

If we put companies into two dimensions and assess them according to the degree of their human centred attitude and according to how consistently they monitor/measure performance and “return” on investment, then we can categorise them into four groups. Good news: though the exploiters amounted to 37% in the sample, the majority of them are on the verge of falling into the “attractive” category. It would only take them a bit more of attention paid to people.

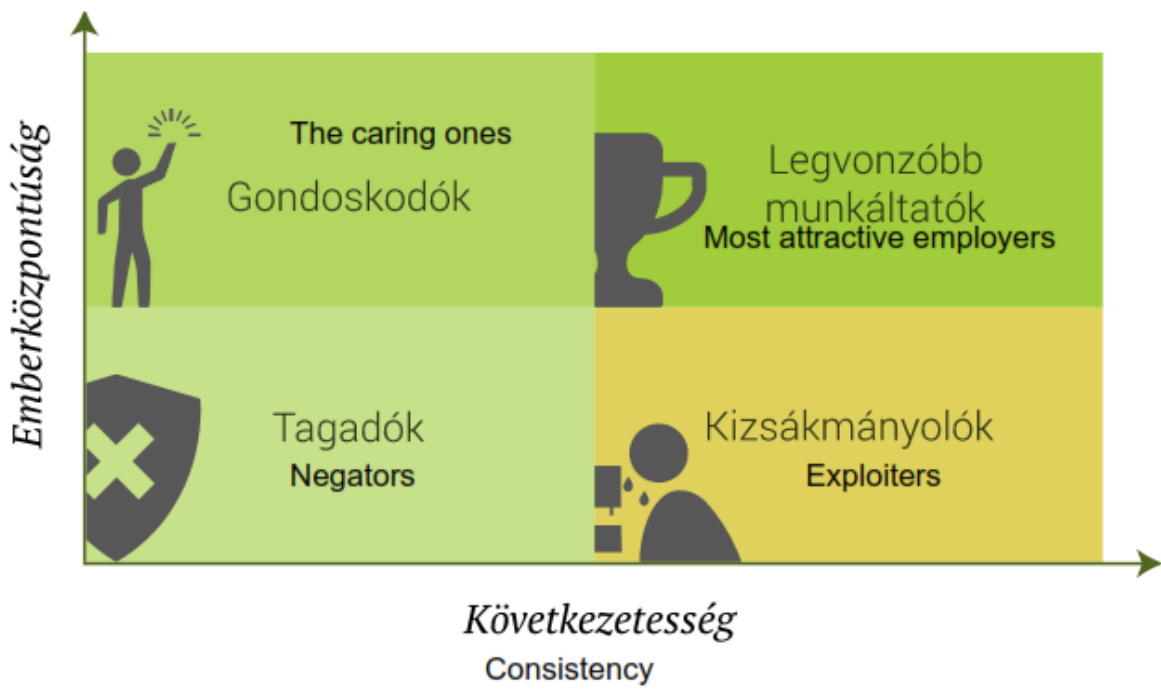


Figure 6 Companies classified according to HR

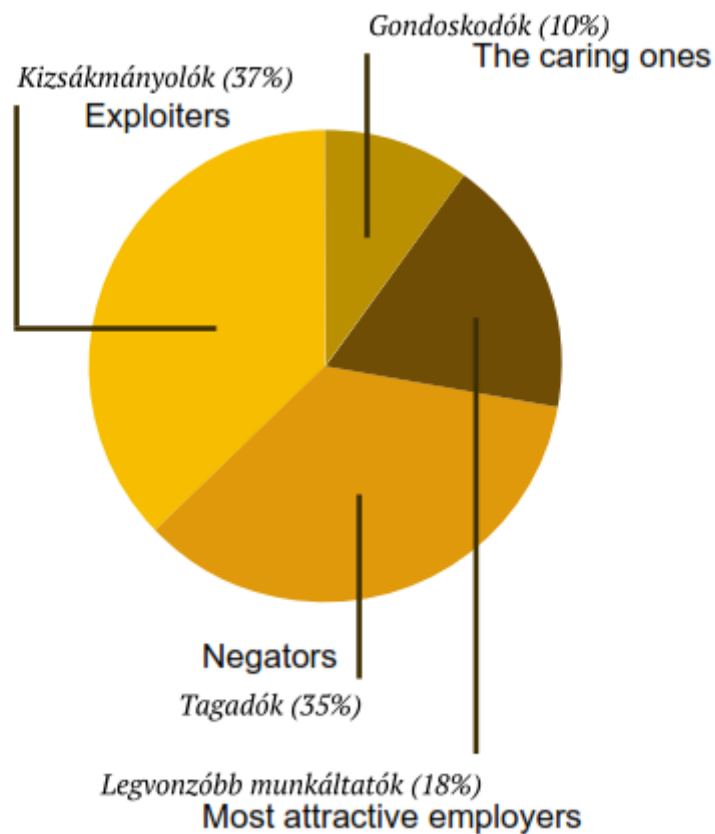


Figure 7 Domestic HR performance in the focus
Distribution of employers in the four segments

Is there any difference between the practices of Swiss- and Hungarian-owned companies?

Analysing the findings of the survey, we scrutinised several variables and checked whether the variables show any correlation to the structure of ownership or Swiss presence in the ownership structure. According to the analysis there is no correlation between the share ownership and attitude of the company towards the elderly.

Conclusion and recommendations of the employer's side

When surveying the employment of the elderly, the most conspicuous was that though every employer is aware of the differences between the younger and the older generation, they do not apply different treatment to generations accordingly. If we would like to see an increase in the rate of employment of those over 50 years of age in Hungary, then this employer attitude needs to be changed. To be really successful, this necessitates a new attitude on the part of the other two social partners, namely employees and the government.

The current practice is that everybody focuses on ways to combat or counterbalance the disadvantages of the ageing generation in the world of work, such as:

- Physical and mental condition
- Adaptability
- Longer time needed for learning
- Inflexibility
- Outdated knowledge
- Fear of new things
- etc.

As opposed to this, we pay too little attention to the advantages of this age group, such as:

- Reliability
- Loyalty
- Experience
- Considerateness
- Endurance
- etc.

The disadvantages could be alleviated with a broad societal cooperation in the framework of long-term programmes, which last for decades and involve various age groups, in addition, major financial investment is necessary. However, the advantages can be exploited already now locally with smaller investment, the only prerequisite for this is the change in attitudes. For example, several employers complain, most typically in the sector of mechanical engineering, that it takes one or two years to train young school-leavers and by the time they become valuable staff, they leave the company. They do it because they receive higher wages

elsewhere or they find a more prestigious company, or because they are looking for adventure and might as well go abroad to find employment. These companies spend large amounts of money for training and retaining young people.

If they managed to change their attitudes and spent their energy on the re-training of metal cutters from an older generation, in return they would have loyal, reliable professionals who can be retained in the long run. No doubt, retraining is more difficult for the reasons explained above and a different attitude or methodology is necessary than in the case of training young people.

The change in attitudes is also necessary in the area of trainings. In the practices of Hungarian employers, there is no difference according to age group between in-company vocational trainings and further trainings. This is what employers say. However, the training methodology or the curriculum is usually tailor-made to meet the needs of the younger generation. Let us think of, for example, e-learning courses or team-building courses, which require considerable physical strength (e.g., paint ball, tours, sport tournaments, competitions, etc.). Because we are used to the need to develop young people, there are no programmes exclusively planned or designed to fit the needs of the older generation. Even if in an indirect manner, but they are still excluded from trainings.

Caring is also important for the elderly generation, it is important to manage to handle, to treat and train them in a way which is appropriate for them. With the help of a patient teacher, instead of e-learning and through team coaching instead of an outdoor training.

There are jobs or areas where employers complain of the lack of the new generation. The elderly are ageing, a given job, a given vocational profession is not attractive to young people any longer or the school system does not provide any training in a given area. With some change in attitude and good training practices, we could ensure or guarantee the next generation or the new people even from the elderly generation who are attracted to old crafts.

Employers and companies are basically motivated by economic interests. The change in attitude can be achieved even in the area of the employment of the elderly if the employer is materially, economically, financially motivated to do it. Companies need to realise that as a result of the ageing population, it is not only the age composition of the employees that changes, but the consumer, their clients will also come from the older generation in increasing numbers. These customers like to be served in shops by people who are closer to them as regards their age, or they like, for example, the customer service of companies to employ people who speak their own language. This is a business opportunity for employers and job opportunities for the elderly.

The main objective of this project and such research should be to draw attention to the need to change and the opportunities that such changes might offer.

5. Adaptable components of the Swiss practice of the employment of the elderly

The longer we live, the longer we have to work. This has already become a practice in Switzerland, which had been preceded by a broad, democratic societal debate; the purpose of which was to find ways of maintaining economic development and growth in the context of the foreseeable ageing of the population. There are two options, one of them is labour supply from external sources, the other option is the increased utilisation of the reserves of the country's own population (increasing employment of women and the elderly). As a result of a series of democratic debates, the country decided to strike a balance between the two options. In the course of the debate, instruments which suitable for the motivation of ageing workers have been put into practice. Currently, the rate of employment of the elderly is high and is expected to further increase. All this is achieved through a multi-faceted, diverse institutional system, which includes much more incentives than constraints. We can take a lot of inspiration from this practice.

The takeover of the **democratic methodology of the debate**. For the purpose of an informed decision, it is extremely important to involve various social strata, groups and organisations representing them in the social dialogue. Discussion fora at institutional level and broad publicity are necessary to ensure that all people concerned can have their voices heard. In the course of this debate questions were raised about the obstacles of the employment of the elderly. Such as:

How can we provide modern knowledge for elderly workers?

How is it possible to preserve or restore the good health condition of the elderly?

How can the society overcome prejudices with respect to the elderly?

How can the institutions of the labour market motivate the employment of older workers?

In Switzerland, the question of demographic ageing has been in the focus of a public debate together with possible solutions. In this debate, all those concerned expressed their views and positions. Such an in-depth debate is time consuming, but results in better, well-informed decisions, as well as in a broad social support of their implementation, as all those concerned had the opportunity to learn about the positions and endeavours of the others.

The network of Hungarian non-governmental organisations is not dense enough and the capacity of NGOs to express and enforce their interests is weak. Establishing and maintaining fora of social dialogue on the questions of demographic ageing and the sustainability of welfare system could develop the practices of the democratic debate and could strengthen the development of non-governmental organisations.

The direct and indirect job creation by the state. To develop the employment of the elderly, first the fundamentals of the economy need to be stabilised and made more dynamic. Economic growth-induced demand for labour force is the fundament, which can ensure that on the labour market there should not be competitive groups looking for vacant positions. If we wish to increase the rate of employment, including the rate of employment of the elderly, jobs need to be created, but not at the expense of young people. **By stimulating economic growth**, dynamising the private sector and strengthening the country's capacity to attract working capital, we have the chance of recovering from economic crisis.

Through jobs created and paid directly by the state, it is easier, faster to help a disadvantaged group and this is a targeted policy. The current hot issue, the much debated **public work scheme** serves this purpose. The objective of the public work scheme is to provide higher wages instead of unemployment

benefit for those who do not find any job, these are mostly low-qualified people and long-term unemployed. In the current situation

- ✓ from a macro-economic point of view it is acceptable because the rate of employment is low, which has a demoralising impact on those who are squeezed out of the labour force and because in the country, mostly in the sector of services, there are several areas, e.g. environmental protection or health care, which are not taken care of, or which are taken care of inappropriately.
- ✓ From a micro-economic point of view, the public work scheme provides or guarantees wages that are higher than the unemployment benefit and according to a good scenario helps people reintegrate into the world of work.

The reason for the current debate is the diversity of solutions applied in the organisation of the public work scheme. The public work scheme should differentiate between various groups of the unemployed according to their professional composition. Simple tasks which have to be carried out in public places are humiliating for those who have higher qualifications, especially because in the countryside, in smaller communities this is all done in front of the community as a whole. For the job seeker, it would be useful to have the opportunity to choose from two or three job options instead of having the right to say yes or no to the single task or opportunity offered to him. If one says no, he/she will risk his/her only source of living. The remuneration of public work is lower than the minimum wage. This has, among others, the message according to which the expectations are not so high in this area, efficiency is not required and this job is not worth more. Currently, there is no way out of the public work scheme and into the open labour market. This should be a food for thought.

In Switzerland, the differences derived from the economic situation might result in different proportions of direct and indirect job creation by the state. The market economy, as we have seen so far, recovered relatively soon from the crisis and in the various sectors currently the demand for labour force is high. This applies not only to simple, semi-skilled jobs, but also to jobs requiring high professional qualification. The rate of unemployment is low, around 4%, but even here there are long-term unemployed, whose employability is rather weak.

For these people Switzerland also provides public work schemes organised and paid by the state, which is called **temporary employment programme**. Their objective is to integrate the long-term unemployed into the labour market fast. Such jobs exist mostly in the area of the public sector and welfare services (child minding, nursing), in environment protection and selective waste disposal. These are offered by state or private foundations (the non-governmental sector) under the supervision of the state labour office (SECO). They drew attention to the fact that the public work schemes should not create a competitive situation for the private and the competitive sector. The compliance with this requirement is monitored by a tripartite body. There are certain programmes run by companies in the competitive sector. The objective of these programmes is to upgrade professional knowledge and the reintroduction of the daily work routine for the long-term unemployed. These programmes usually run from one to six months, and those participating receive wages. If somebody volunteers to participate in a temporary employment programme and the organisers cannot ensure his/her participation, this will also extend his/her right to the unemployment benefit. On average approximately 8,000 people participate in such programmes annually.

The key actors of employment are **employers**. They decide upon recruitment. Currently in Hungary, due to the high rate of unemployment, employers in most areas have the chance to select the best candidates. If we wish to enhance the employment of the elderly, employers need to be stimulated to

do this. The current labour market institutional system in Hungary provides tax allowances and wage support for employers who recruit and employ elderly people.

In Switzerland, they apply other forms of incentives. These should be given a positive consideration in Hungary, as well.

- The sensitivisation of the society for this problem. This helps overcome prejudices. During our study visit to Switzerland, we observed a large-scale programme in the trade union press. The picture of an amiable elderly lady was shown, and the caption said (in capital letters) that she has 26 years, then (in small letters) of professional experience. Next to the photo, there was an article, a story of her efforts to find a job.
- **Flexible job, flexible working time.** The essence of this is that the work organisation also needs to adapt to the changed physical and other conditions of the elderly. The elderly employees - mostly if it is reasonable to keep them in their jobs - are not always capable of doing their jobs under unchanged circumstances. The physical conditions of a human being are deteriorating, mostly in jobs that require physical strength, even if these people have the necessary professional experience. By changing the task, the workplace and shortening the working time or making it flexible, it is possible to make sure that keeping elderly workers in the job will not impose a burden on them.
- Companies have to draw up a separate **age management** plan with respect to the employment of the elderly. Preparing this plan serves the purpose of spreading good practices and solutions and makes sure that these practices will be applied or applicable by other companies, as well. At the same time, such a plan helps long-term human resource planning. Both the Swiss and the Hungarian practice show that companies very rarely take into account the timing of the retirement of the workers and the pace of providing the necessary replacement.
- The **training** of the elderly to guarantee that their knowledge shall be up-to-date. Elderly workers are left out of general training programmes in many cases because they are approaching the retirement age and that is why companies do not enrol them in courses. Later they can be blamed for not having up-to-date knowledge. The situation can be remedied by specific training programmes customised to the needs of the elderly. The mandatory or statutory nature of such programmes is one of the demands of Travail.Suisse trade union federation.
- Exploiting the possibilities of occupational health and safety **in order to preserve one's health condition.** Switzerland is No. 1 of 100 countries in the Age Watch 2013 Index ranking (United Nations Population Fund and Help Age International) concerning the health condition of the elderly, whereas Hungary takes the 57th position in this ranking. The total value of the index is 100, of which Switzerland scored 87.9 whereas Hungary's score was 54.7. It is not only by chance therefore that in Hungary one of the major obstacles to the elderly is their health condition and this research can confirm it. Health is the essential

requirement for somebody to be willing and fit for work at an elderly age. In Hungary there is a well-established network of occupational safety and health; however, this institutional system does not function efficiently. To improve this, to activate the system and to bring its operation in line with the original intentions could help a lot in maintaining the better health condition of the population at large.

Workers can be motivated to work longer in two ways. On the one hand we can force them to do this: by changing the retirement age, abolishing the institution of early retirement or by making its conditions more stringent, by changing the institution of the disability pension. On the other hand, **we can incentivise** them and employers: by better working conditions, by more favourable levels of contributions. In the Hungarian institutional and legislative system we find examples of both types of incentives. The changes of the institutional system of the labour market in 2012 mostly served the purpose of making provisions more stringent. But we also find examples of positive motivation, e.g., the possibility to work and receive old age pension in parallel, or the reduction of the amount of employer's contribution for those employers who employ people over 50 years of age.

In the Swiss model exemplary is the fact that workplaces are also adapted to the new needs of elderly people. This might include workplaces requiring less physical activity, established especially for the elderly, shorter or flexible working time.

The role of the **system of labour institutions** is extremely important to enhance employment, especially the employment of the elderly. This hierarchic institutional system, which covers the whole country, mobilises the total system of active labour market instruments, keeps contact with job seekers and companies. Its performance is also influenced by its inner values and interests. **The efficiency of the activity is determined by the objectives set for the organisations and the related rewards and fines.** In Switzerland, the importance of this has been recognised. Labour offices are assessed on an annual basis and the results of the assessment are made public. The main objective of this assessment is the fast and proper placing of the unemployed into jobs.

In the Hungarian labour institutional system, the motivation-related components should be given priority, the efficiency of the performance should be measured, labour organisations should compete with one another, and their work should be made public. There is a need for a shift from complying with administrative requirements and legislative provisions to result-oriented work.

Prejudices concerning the employment of the elderly also prevail in the Hungarian society. We frequently hear the opinion that their performance is inadequate, they are slow, they do not have an up-to-date knowledge, they do not let young people have a chance. These opinions, these voices are louder in times when there is an oversupply on the labour market and there is a limited number of vacant jobs. We have already mentioned that sensitivising society is one of the solutions to combat prejudices. Another possibility might be the creation and provision of high prestige, voluntary jobs for the elderly. This might provide the opportunity of a gradual retirement for those who are new pensioners.

In Switzerland we have seen several examples of voluntary work. We were impressed with the labour consultancy organisation in the area of voluntary work in Schaffhausen, which was established by means of a local trade union initiative and it has been operating successfully. We have touched upon this issue when analysed the role of the non-governmental sector.

In parallel with the **ageing of the society**, several welfare institutional systems need to be transformed in order to ensure their long-term sustainability. A broad societal debate on the methods of this transformation would be welcome. Various opinions should be backed by calculations, the impacts of the already introduced changes should be analysed and discussed over and over again.

In Switzerland, a broad societal dialogue has been conducted for a long time on the transformation of the pension system along these questions.

What would be the impact of the following measures on society

- Should the pension contribution be higher?
- Should the years of service be longer?
- Should the amount of old age pension be lower?

Labour-related benefits are amongst the highest in Switzerland amongst the OECD countries. The unemployment benefit is high and the disbursement is long (generally 1 year) in addition to the fact that the number of vacant positions makes it possible for the unemployed to find a new job. **Job seekers are protected** and they are not forced to undertake a job for wages that are significantly lower than their previous wages were. The disability pension and the system of social benefits and aids are also extensive. However, in return people are expected to actively cooperate in the area of job search, and participation in further training. **Those not complying with the conditions are heavily fined.** In 2010, 25 percent of registered job seekers (receiving unemployment benefit) were fined for breaking the rules.

The role of the non-governmental sector in enhancing the employment of the elderly

The society of the elderly is just as diverse as that of the middle aged. This fact has to be taken into account when thinking about the further employment of the elderly. To motivate them for active participation in various spheres of society, a diverse toolbox needs to be put in place, various opportunities need to be offered and diverse incentive systems need to be used to approach them. Organisations and groups representing the elderly are well aware of various ways and means of reaching out to people and convincing them to stay active in line with their qualifications, previous active working life and current family and health condition. Therefore, this task needs to be done by two main actors: the employer's organisations and the organisations of the elderly. By "employer" we mean a broad category because we do not only identify these with the market segment of the society. In this case we also call "employer" those organisations who accept civil help, who use the assistance offered by elderly people for free or for only a symbolic amount.

Such organisations include, e.g., museums, friends of theatres, who help with guiding visitors in a few hours per week. Or those who work at conferences, provide organisational assistance, speak languages. Or retired teachers who give some private classes to children. Or those who distribute meals, who take care of elderly people, or who work in senior consultancy bodies, or charitable organisations.

Such initiatives exist in the Hungarian society as well, but much more would be necessary and much more would be needed on both sides. The elderly generation has a better-off layer and what they miss is not a financial reward but some regular and useful activity and its acknowledgement or recognition. On the other hand, society suffers from the lack of resources in several areas, such as health care, education, culture, environmental protection. It is not a solution not to do something because we cannot pay for it.

Voluntary work is a very significant social resource, but making it an everyday practice requires a lot of effort and attention. Its social recognition, social practice needs to be established, it should not be a sort of replacement but the supplement of market processes. It is in non-governmental organisations

doing voluntary work that there is a possibility for the generations to reach out to one another and exchange experience.

Voluntary work has long-standing traditions in Switzerland. Trade unions play an important role in organising voluntary work. During our study visit to Switzerland, we visited two organisations doing voluntary work in the framework of the employment programme for the elderly. One of them was the VETS in Schafhausen, which was established and run by the local trade union.

Schafhausen is the northernmost canton of Switzerland, neighbouring Germany. The living standard is even higher than the Swiss average. The rate of unemployment is under 2%. In spite of this, or for these reasons, in the canton the problems of the unemployed are given a very extensive and permanent attention, there is a high number of voluntary workers in this area, as well.

VETS provides assistance and advice to job seekers on 1,500 occasions annually. This assistance might take the form of teaching people how to find jobs on the internet, how to draw up a proper CV or how to prepare for a job interview. To facilitate the discussions during the study trip, our partners employed a Hungarian interpreter, who said that he or she had also been given assistance when trying to find a job. The rate of elderly job seekers is 30-40%. Trainings are organised for them and the professional courses, the trainings are free of charge. Language trainings are important part of this, because two-thirds of those seeking assistance are emigrant workers who are in need of a language improvement. The office is run by 5 volunteers. The local labour office has an active relationship with VETS and regularly refers job seekers to this office.

Our other encounter with voluntary work was also in Schafhausen, where we had lunch in one of the urban sub-kitchens. This institution is maintained by NGOs and the workers here are volunteers. The kitchen was of course clean and civilised, where a three-course buffet lunch was available for 5 Swiss francs. Those having their meals here were not ashamed of it, and those running it were proud of the atmosphere and the good quality food they provide.

6. Recommendations to promote the employment of ageing workers in Hungary

Based on the various forms of exchange of experience with a wide range of partners, we have formulated recommendations regarding the employment of the elderly. Outstanding of these were the focus group interviews with the representatives of employers and workers, the 5-day study trip to Switzerland, the 2-day workshop with the participation of Swiss and Hungarian experts, practitioners and the final conference on the outcomes of the project.

Recommendations are addressed to social partners, who on the basis of consultations are in the position to do the most in order to improve the labour market opportunities provided for the elderly and increase their rate of employment. Namely:

- legislators, the government and local municipalities
- employers and their associations
- workers and their representative organisations
- non-governmental organisations and public media.

Recommendations for decision makers

/ legislators, government, governmental bodies, municipalities/

The employment of the elderly is justified and made possible by longevity and the improving health condition of the population. The feeling of being useful is important for the elderly but still active population and so is the opportunity to supplement their incomes. It is especially important for Hungarian people because due to the economic transformation in the 1990s and the economic crisis, as well as the extensive black economy, the acquisition of eligibility for old-age pension /40 years of service/ is realistic for many only if they keep being employed at an elderly age. For the above mentioned reasons and due to the extensive grey economy, most Hungarians can expect rather low pensions. Currently, the amount of the average pension is less than 100,000 forints.

The Hungarian government recognising the social importance of the employment of the elderly makes use of various means to encourage or stimulate workers and employers to recruit, employ elderly people.

1. The most efficient instrument which has already been used is the increased retirement age, which increased the previous retirement age, 55 for women and 60 for men to 65 for both men and women. This provision on the increased retirement age is implemented gradually. At present people can retire at the age of 63 on average. Due to this measure, the rate of employment between 45-55 has been improving on a permanent basis. However, the employment rate of those over 55 is alarmingly low in Hungary at present. In addition, the Act on Pensions stimulates the further employment of the pensioners in a progressive manner: those who stay in their jobs after reaching the retirement age and do not request the establishment of their pension are eligible for an incentive pension supplement. At the same time, those who have reached the retirement age can also work further on in addition to receiving their pensions.

The situation of those who retired earlier than the official retirement age is different: in their cases, there are limits to earning incomes on top of their pensions. If the income of the person concerned exceeds the ceiling, he/she will lose the total amount of his/her

pension, which is a major disincentive concerning the employment of those who already receive pension, so-called “service” pensioners (previously employed by the armed forces).

In the context of those who started to receive pensions at a younger age than the official retirement age /the social benefit according to new provisions/, **the amendment of the provisions should be considered in a way to make it possible to stimulate employment. Such amendment could be, for example, the lifting of the income ceiling, possibly together with a higher tax imposed upon the amount over the ceiling.**

2. At the same time, **the mandatory retirement of public employees and civil servants** prescribed by law can also be considered as a government measure running counter to the employment of the elderly generation. The reasonability of this measure is all the more questionable because the administrative restriction, the administrative prohibition of the employment of these people with the highest qualifications generated severe labour shortages, e.g., in the health sector. Though the legislator’s intentions cannot be debated, e.g., to promote the employment of the youth, these measures are obstacles to the employment of the elderly. **We suggest that the Government should consider the amendment of these rules.**
3. According to Hungarian labour provisions, the **dismissal of elderly workers during the years prior to their retirement has been made difficult**, which is a form of protection for the elderly. Such rules were introduced as a result of the recognition that re-employment or finding new jobs after dismissal is difficult at this age. However, at the same time, this protective rule makes it difficult for the elderly workers to find new employment because employers are reluctant to recruit elderly workers due to the fact that their dismissal is difficult and/or rather expensive should a dismissal be necessary due to the workers not being able to meet the requirements in the job. Therefore, we recommend that labour provisions should be amended in a way which links the protection of the employed elderly worker to the **number of years spent at a given workplace** prior to the retirement age. This would continue to provide protection for the workers working for a certain employer, without putting an obstacle in the way of recruiting new elderly workers.
4. Similar obstacles for employers are established in the context of the public sector and civil servants and related areas falling under the mentioned legislation due to the fact that in these areas **wages are commensurate with vocational qualification and the years of service**. The higher the qualification and the longer the years of service, the higher the wages. This provision provides a certain promotion system and encourages workers to stay in the profession. However, it stimulates budgetary organisations always grappling with financial problems **to replace elderly workers with younger ones and not to recruit older workers who would have to be put into a higher wage category**. Amending the wage categories relating to the number of years of service could stimulate the employment of the elderly in the public sector. Therefore, we recommend that the government should amend the wage tariffs accordingly. Such a change would also be justified by the fact that after a certain period of time spent in a certain job, the work performance does not increase proportionately, therefore the permanent increase of the multipliers (wage coefficient) cannot really be justified professionally.

5. The average time necessary for the re-employment of people who are made redundant over 55 years of age is significantly higher than that for the younger generation. Taking this fact into consideration, the state institutional system to promote re-employment could be improved in several regards.
- It is justified to extend the time allocated for the elderly to seek jobs and being paid unemployment benefit. The unemployment benefit **should be payable for at least 6 months** for those over 55. If the worker concerned does not accept the job offered to him/her though it would be in line with his/her qualification, profession and the customary wage, then the disbursement of the benefit could be suspended or terminated.
 - In labour offices, a permanently available **specialised tailor-made service should be provided to promote the employment of the elderly**. State employment services should in a targeted manner support the employment of the elderly workers, e.g., designating certain days when services are provided exclusively for those over 50, by designating a desk officer, representing elderly workers to deal with his/her peers. The labour administration should organise or support job fairs where senior workers are being looked for into certain jobs. A closer cooperation between state and private job agencies should be forged (exchange of data, exchange of experience), we suggest that the database of the employers employing larger number of elderly workers should also be established. Furthermore, it would be necessary to establish a training package, which prepares elderly workers for the modern techniques of job seeking and recruitment.
 - When changing jobs or finding new employment in a new profession, an obstacle for the elderly is that they do not have work experience relating to their new job. Therefore, **the traineeship system and the relating employer's support** (which is a new form of employment introduced for young people) should be extended to cover those who changed jobs at an elderly age.
 - **In the public sector, in companies owned by the state or the municipality, employers should present an example to follow** as regards the employment of the elderly. They should make efforts to employ elderly workers in order for the ratio of the elderly at these workplaces to reach at least the ratio of this age group within the economically active population and should as well ensure the necessary "elderly friendly" working conditions and working environment.
 - A further obstacle to the employment of the elderly is the shortage of jobs, therefore the support provided for job creation also provides assistance in this area. Creating jobs suitable for elderly workers and the **governmental incentives provided for the elderly to establish their own businesses** could as well be an option, a realistic option for a number of elderly workers.
 - A further responsibility of the government is to control and prohibit discriminative practices concerning the employment of the elderly. Though currently job advertisements do not include specific age-related requirements, most of them refer in one way or another to age. We recommend that **the Equal Treatment Authority should pay increased attention to discriminative advertisements**.

- **The strategic partnership agreements concluded between the government and employers** should include commitments concerning the employment of workers in a disadvantaged labour market position (including the elderly) and social responsibility in this respect should be given attention in such agreements.
6. In most countries the length of schooling increases /covers 13-17 years/, **we are accumulating more and more knowledge during our formal education, then through work experience.** It would be reasonable to make a better use of this accumulated knowledge, which in the phase of formal education as well costs considerable amounts. The exclusion of the elderly from the labour market results in severe loss of knowledge, waste of resources, which must be prevented.

On the other hand, it is not enough to start preparing for employment at an elderly age. If the worker during his/her active life did not participate in trainings necessary for his/her work and has work experience only with one or two employers, other potential employers have good reasons to assume that such a worker is not familiar with modern techniques, technologies and materials. Therefore, the Government should promote and support with working time allowances and financial incentives **the mandatory regular further training related to the given profession, this would apply to both intellectual and physical workers** and would make it possible for them to learn about new technique, technologies, materials, working methods or customers or methods of customer service. In certain areas, e.g., in the health sector, such programmes of further training are regular, however, in several other professional areas there is no such mandatory training, which due to the outdated knowledge makes it more difficult for the elderly to find jobs. The employment of the elderly can be promoted by lifelong training programmes, which rely on work experience and take into account the differences in the learning process in the case of different age groups. The exchange of experience in the framework of the project confirmed that a major obstacle to employing the elderly is the lack or insufficient knowledge in IT and foreign languages.

7. A very important factor which negatively influences the extension of the employment of the elderly is health condition. Whereas in certain European countries, healthy life expectancy at birth is well over the retirement age, in Hungary this is only 54, i.e. ends 10 years earlier than the retirement age. Therefore, in Hungary in spite of the improving health condition of the population, ageing goes together with diseases relatively early, but this should not be this way. **Government measures are necessary to close the gap between the health condition of the elderly in Hungary and in European countries with the best indicators,** and to combat the occupational hazards, which also cause deteriorating changed working capacity:
- to increase the number of labour inspections and **strengthen the professional competences of inspectors in the area of occupational health,**
 - **after collective redundancies,** intensifying the inspection activity of the Inspectorate at the workplaces concerned to inspect work intensity, the length of working time and the observation of rules concerning periods of rest,
 - establishing a **differentiated system for employer's social security contribution and contribution to the sick pay** depending on the health and accident hazards of workplaces,

- involving occupational health service providers **in the work carrying out public health checks and occupation-related health checks, the organisation and implementation of health programmes at work.**
8. The **introduction of a more flexible and gradual opportunity to retire and being employed** in the case of the elderly workers should also promote their employment as it does in Switzerland. For this purpose, prior to the retirement age, elderly workers could be offered part-time employment in combination with partial pension. This would also alleviate the conflict of interest between the generations.
 9. As it is clear from the list of the measures recommended for the Government, the promotion of the employment of the elderly is the joint task of various policy areas and consequently of various governmental organisations: training, health care, economic development, employment, regional development, labour inspection, social protection, social security, legislation. On this basis and taking into account the Swiss example, **we recommend that an inter-ministerial government commission** should be set up in order to coordinate and implement the tasks. The government commission should also involve social partners, i.e. the delegates of employers and workers organisations.

Recommendations for employers

10. The majority of employers when recruiting new staff employ people under 30 years of age and maximum 40, because they are planning in the long run. In reality the mobility of younger workers is higher, therefore it is more reasonable to employ elderly workers because the elderly have stronger links to their workplaces and very frequently they can be relied on much better than young workers. Companies can achieve the best results if the age composition, age structure within the company is balanced, if experience is paired with the dynamism and mobility of young people and the knowledge of traditional and new methods are both present within the organisation. Therefore, it is advisable for employers to supplement their HR planning activity with demographic planning, the monitoring of the age structure of their staff, exerting an active influence on it and planning of replacement.
11. According to general experience, working groups with a more varied age structure are more successful /the combination of experience and youthful dynamism/. In current practices, employers rarely pay any attention to establishing working groups with a varied age composition. Establishing the organisational forms of cooperation between generations and making use of the resulting advantages are tasks for employers. The organised forms of transferring work experience are the most efficient if they provide appropriate employment security for the members of the older generation, who train younger colleagues and pass on their work experience.
12. Very frequently staff selection is done by specialised HR companies employing predominantly young people, or selection is done by young HR managers. This is not favourable from the perspective of the employment of the elderly. Therefore, it

is reasonable to apply objective selection criteria where the personal prejudices do not place such a significant role. In the case of elderly job seekers combating managerial prejudices can be achieved by making recruitment procedures more objective.

13. The role of employers is of decisive importance from the perspective of the workers who should do valuable jobs. Working conditions are important for all generations, but they might be of decisive importance in the case of the elderly who have special difficulties coping with physical pressure. Therefore, **elderly-friendly workplaces are very important to be established**: taking into account aspects of ergonomics, elderly-friendly working time organisation and atypical forms of employment. **There are good employer's practices**. In certain companies, specific work stations are established for elderly workers with reduced working capacity: sitting workstations and easier working time organisation. Previously, good workplace practice was **to put the elderly into jobs that require less physical strength**: e.g., quality controller, receptionist, cleaner, manual warehouse keeper, etc. Today, frequently the case is opposite, young people are put into such jobs, maybe because they can be paid less and they are eligible for less benefits (holidays, redundancy pay, notice period). **Employers should return to the previous, i.e. good practices**.
14. The role of employers is also very important in order to provide permanent support for the improvement of the working capacity, the organisation of trainings and keeping healthy.
15. Sometimes redundancies have to be made by employers for economic reasons. In such cases, special attention should be paid to the selection of more mobile, younger workers to be made redundant because finding new employment for them is easier, they encounter less prejudices; on the other hand, in the case of the elderly workers the eligibility for the pension might as well be jeopardised after long-term unemployment, or at least it influences very negatively the amount of the pension.

Recommendations for trade unions representing workers and non-governmental organisations

16. Trade unions should permanently monitor and make sure that workers should not be put into a disadvantaged situation due to their ages. That is why they have to promote and initiate age group-based planning and **the balanced employment of workers in various age groups**. They have to take a very strong stand against the discrimination against the elderly, they might as well request the intervention of the Equal Treatment Authority.
17. An important factor influencing the subjective perception of the elderly of their jobs is **the human treatment, the tone of the communication** on the part of the management and a higher sensitivity in this area. The trade union should demand that the management should show respect for workers, should use proper tone and ensure the dignity of workers at workplace. Customers, clients, i.e. the public

should also pay attention to how the employer behaves with his staff, including the elderly and the working conditions provided for them.

18. Trade unions and occupational health and safety representatives elected by the workers should demand a **careful assessment of occupational health and accident hazards at work**, they should pay specific attention to eliminating working conditions which damage the working capacity, or should it be not possible, they should make sure that protective equipment is used. **They should make efforts to avoid working time schedule which is exhaustive**, instead of overtime excess staff should be employed and ergonomics must play a special role. **They should be attentive as regards absenteeism**. If somebody is on sick leave for longer than 30 days a year, he/she should be advised to have a proper examination of possible links between his or her deteriorated health condition and his/her job or working conditions and working environment. The trade union should pay special attention to **checking the possible occupational diseases of workers dismissed for reasons of health, or dismissed after long employment relationship** and attention should be paid to the necessary health check. **In their advocacy activities trade unions should rely more on the professional opinion and involvement of occupational health services.**
19. Though technical development cannot and must not be halted, trade unions should insist on solutions whereby **technological development is used for replacing workers in jobs requiring physical strength and ensure quality instead of technological development being used to replace human workforce** (see, e.g., jobs lost in retail trade due to the extended use of self-service cash desks). Trade unions themselves can permanently monitor job creation possibilities in their own environment and also incentivise employers to make investments into job creation.
20. Though state organisations have better possibilities to run job seeking services, trade unions should also establish services which can be used to promote the upgrading of the knowledge of workers or help the acquisition of new job seeking techniques. **Trade unions themselves can also help with finding employment because today personal relations, references play a significant role in employment.**

Recommendations for those who are the most concerned, i.e. workers over 50 years of age

21. No matter how old we are, **we should make sure that our good health condition is maintained** with healthy lifestyle and physical activity. Our physical appearance is the first impression on the employer, therefore we should make sure that we make a favourable impression at the job interview.
22. **We should improve our working capacity by trainings, self-training** to be employable and to make a good impression on employers. We should acquire diverse knowledge, qualification, we should make efforts to be irreplaceable. We should participate in programmes to extend or upgrade our knowledge, we should develop our language and IT competences.
23. **We should take care of our social relations for employment purposes, as well**, because finding a job is predominantly promoted by acquaintances, friends. If we

are jobless, we should not sit idle, we should seize the opportunities to learn about vacant positions. We should acquire new recruitment techniques to be prepared in the process of job seeking.

24. **Let us be open to young people and changes**, let us make efforts to have good family, friendly, and workplace relations with the younger generations. Let us get rid of our prejudices concerning young people, let us only give them advice when they ask for it, let us not be patronising or educational.

Recommendations for the public media and non-governmental organisations

24. **Elderly age is not a shame or a merit, it is a natural state**, which most people would like to reach and the majority of the society experiences. Ideally, this fact would determine the attitude to elderly workers over 50 years of age. This purpose would very well be served by **popularising employers who employ successful, high performing, physical and intellectual elderly workers**. They should be presented in the media as an example to follow.
Such campaigns should focus on facts which are advantageous when employing the elderly, for example, rich work experience, stronger links to the workplace, reliability. Attention should be drawn to the fact that an increasing part of customers come from the elderly generation and if products and services are not designed together with these customers, those products and services will not be marketable.
25. In order to build relations between the elderly, **more community programmes should be organised with the participation of NGOs and municipalities** to prevent these people from becoming lonely and forlorn.
26. Combating social prejudices, shaping a positive public opinion and last but not least increasing the self-esteem of the elderly - with pensioners among them - could be promoted **by increasing the participation of the elderly in voluntary (charitable) activities**. Non-governmental organisations should treat this age group as a priority target group.