



# eSangathan Newsletter N° 1

## Last minute

[Collaboration@Work Report 2006 \(.pdf, 5.59 MB\)](#) the report on new working environments and practices illustrates development towards new information and communication technology to support working environments and processes. It gives a view in the working environment, in Europe and in the world (October 2006).

[ICTs in FP7: new site launched](#) A new site has been launched on CORDIS focusing on the ICT research to be funded under the Seventh Framework Programme (November 2006).

FP7 - Challenge 7: ICT for Independent Living and eInclusion

Call-1 & Call-2 Information days in Brussels on January 15-16, 2007

## Editorial

The idea of the eSangathan project hit us during a working session in India where we discovered an interesting practice towards the ageing workforce. Indeed, a great number of large corporations and state services find it normal to continue to work with former employees when they retire. The retired employees are in many cases organised in a structured way and their former employers continue to take advantage of their accumulated knowledge and wisdom. Watching the cumulative difficulties encountered by the European 50+ workers to remain integrated in the labour market, made us dream of a different world for the European-ageing workforce for who is has become very difficult to remain part of the active worklife in a great number of countries. At the same time, the particularity of the European demographics raises a major issue about the pensions. Most of the European 50+ is also knowledgeable, willing to work and capable of sharing experience and good practices to turn national companies more competitive. However, this potential is simply wasted in most EU-countries. In addition, we think that well adapted ICT tools should be enablers and facilitate such a new approach of keeping the aged workers as part of the labour market while increasing their quality of life by an easier to manage work-life balance. The eSangathan pilots run in Europe and in India will try to demonstrate what is possible and hopefully propose an attractive replicable practice. The members of the project team will create interest groups in each of the participating countries in order to debate this topic with the knowledgeable experts, the social partners, the interested corporations as well as the specific associations who dedicate their actions to this segment of the population.

[Nicole TURBÉ-SUETENS](#)

Project Coordinator

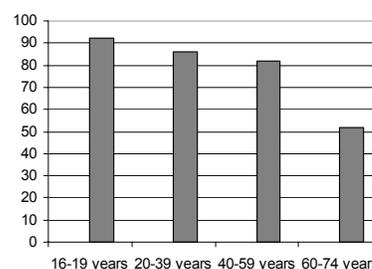
## The situation at a glance in the eSangathan countries

The eSangathan project deals with the situation of the 50+ workers in the six project participating countries. The situation of the ageing workforce in the EU-countries is a well-known crucial issue with a variety of situations depending on the country. A reference publication from the [OECD](#) tells us that “today, more than 4 out of 10 older people in the OECD are unemployed or inactive - nearly double the figure for persons aged 25-49”. The EU-countries involved in the eSangathan project represent the whole spectrum of situations. Of course, the situation in India is very different due to cultural aspects and the way the economy is organised.

### DANEMARK

Even if Denmark is in a better position than many other EU-countries to meet the challenges of population ageing, the OECD said a year ago that [Danes should be encouraged to carry on working](#). Among the recommended measures, one can find the expansion of training opportunities for older and low skilled workers, through a life course perspective. ICT literacy and training opportunities to develop ICT usages become a main issue to enable a larger number of aged Danes to access, or remain part of the labour force before the official age of retirement at 65 despite the fact that Denmark is among the five leading countries in the world with respect to ICT adoption (OECD, 2006). In 2005, more than 50% of the elder population (60-74 years) had access to the Internet from their private home.

Figure 1 - Access to the Internet distributed on age, 2005



Source: Ministry of Science, Technology and Innovation, 2006

Though the rate is high, there is still a gap between the younger part of the Danish population and the elder part with respect to adoption rate. However, there is room for optimism given that the gap has narrowed since 2001. The percentage for elder adoption went from 31% in 2001, to 65% in 2006. The detailed table is available on the website.

One reason for the significant growth in the elderly Internet users can be explained in the effort that the [DaneAge](#) association has made to educate its members to achieve confidence in the new media. The 490.000 members of DaneAge were equipped with a tutorial that provides support to learn fundamental skills in using, the PC, Microsoft applications and in surfing the Internet.

However, what do the elders actually use the Internet for? Beyond the traditional tasks such as basic search and e-mail, new communities or portals targeted to elders are becoming an attractive option. This is the case of the [Sen-](#)



[iorinfo.dk](http://iorinfo.dk) portal. The portal provides information particular relevant for elders as well as a community where elders can have their own chat-room, a meeting place for lonely elders, and the possibility to post private home-pages. Still, the elders are lagging behind when it comes to more advanced uses of the Internet as shows the table available on the website. The combination of private initiatives such as the seniorinfo.dk and the DaneAge Associations' teaching programme and governmental ICT policies could turn out to be an ideal mix.

The recently announced overall [policy on IT and telecommunications in Denmark](#) shows the way ... [to read more](#) or contact [Helle Zinner HENRIKSEN](#) and [Leif Bloch RASMUSSEN](#)

## FRANCE

France is one of the European laggards with only 36,8% of the 55-64 at work in 2003 according to the French official source [DARES](#). According to [OECD](#) it is particularly the low skilled population that encounters a high level of difficulties. It became recently a hot topic.

The employment situation in the country is preoccupying with still a high level of unemployment (9,8% in 2006 [quarter 3](#)) where youngsters and older workers encounter real barriers to get employed at a reasonable level of wages. There is a converging view saying that one of the major causes of the ageing workforce unemployment is the early retirement time for a great number of French employees. Indeed the previously cited OECD source mentions that "fewer than half of all wage-earners go straight from employment into retirement; for the rest, pathways include various retirement schemes, unemployment or, to a lesser extent, invalidity". The average age at which workers exit the labour force is low in France (about 59) in relation to [other countries](#). The effective retirement age has plummeted in France over the last 40 years; it was still around 67 in 1960.

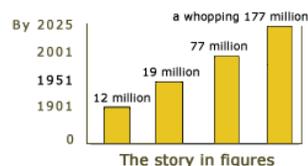
Since the mid-90s the French government has greatly restricted access to public-funded early retirement and in the early 2000, the social partners ended the job replacement allowance and revised aspects of the unemployment benefit system. A further important step was the pension reform of 2003 that directly encourages workers from the private sector to work longer. However, the effects of all those measures and reforms are not yet visible and since 2005, the government is seeking to give fresh impetus to policies promoting employment for the 50+.

The shift on the French labour market becomes urgent to enable the country to maintain the pension system and to face the markets needs. There must be a better valorization and recognition of existing competences and knowledge as well as much more flexibility to liberalise work and entrepreneurship. A wonderful piece of [prospective work](#) was published by the [Conseil d'analyse économique](#) in October 2006...[to read more](#) or contact [Nicole TURBÉ-SUETENS](#)

## INDIA

Ageing Indian population is bringing about never-before social and economic changes to Indian Society. The pace of change is slow and silent and with a danger of getting unnoticed. For Instance, in India the life expectancy has gone up from 20th Century remarkably, as the quality of life has gone up.

Figure 3 - Number of older persons



Source: [HelpAge India](#)

A recent survey conducted by HSBC in their report [The future of retirement](#) shows the India attitude towards retirement. Indians view later life as a time for rest and relaxation where their families care for them. Staying healthy, having a loving family and friends and not having to worry about money are all extremely important to achieving a happy old age for Indians. Indians are less likely to view their later years as a time of worry, probably because they feel they can reliably count on their children and families for support and care. They rarely think they will need to bear their own retirement costs. Nor do they expect the government to pick up the tab. Instead, all generations of Indians feel their children or other family members will bear most of their retirement costs. This may be why there is only a moderate level of planning and preparing for retirement amongst pre-retirees.

If Indians were to choose to work in later life they would prefer to either work part-time or go back and forth between periods of work and leisure. The most important reason for continuing to work would be for the additional income. Indian employers recognise and value the benefits of retaining older workers. The main reason given for not doing more to attract and keep them is that government regulations get in the way.

Corporate India is waking to the high cost of Healthcare, retirement costs as the process of ageing started late 80's. This could have a major impact on company bottom lines. Rapid growth in Telecom, Internet and Broadband services is helping the nation with new opportunities of employment and knowledge management.

Enterprise India today encourages retiree experts to be associated with parent organisation in areas of High Technology, Industry, Government and Military. Several organisations are built on this basis of office consultancy services to parent organisation. Most of the retiree experts form part of a society to facilitate activities.

Due to the large geography of India, workforce is build from all corners of the country and individual prefers to settle

down in their home areas ...[to read more](#)  
or contact [Chitresh MARKANDA](#)

## SWEDEN

### Strong labour market with 56 000 new jobs in September!

A strong upturn on the Swedish labour market continues in practically all parts of the country. The amount of vacancies has increased in a pace not seen for several decades. Furthermore, the premonitory signs are on low levels and the unemployment decreases continuously. In September, the rate of unemployment was 4,2%. In September 56.000 new vacancies were announced. This implies increases in most branches but foremost within transports and engineering industry. Of all unemployed searching for a job at [Arbetsförmedlingen](#) (the public unemployment office in Sweden), 67 000 got one.

Figure 4 - Unemployed people who got a job in January - Sept. 2006

	Women	Men	Total
Total	32 284	26 178	58 462
50+	5 627	4 979	10 606

Figure 5 - Unemployed people in Sweden - September 30, 2006

	Women	Men	Total
Total	94 033	103 231	197 264
50+	19 988	25 430	45 428

Source: [AMS](#)

Of those who got a job during this period, 18% are 50+. This lower share can be a sign pointing in a direction that the ageing workforce has larger difficulties in getting a job related to a younger workforce. It can also be a sign that younger people are more willing to accept temporary jobs and deputyship. Moreover, they have probably a tendency of being far more mobile and flexible on the labour market as commented by Lars Sjöström, from the Labour Market Council. With a positive upswing on the labour market in the autumn of 2006, it is hard to depict any specific problems with getting jobs for the 50+, called "ageing work force". The public debate does not bring this group up on the agenda; but this may change over time if more companies like Ericsson decide to recruit only -35 as it is now the case. Then, the ageing workforce will be less likely to be defined as 50+; but more as 40+ just as in some other European countries.

Dagens Nyheter -one of Sweden's largest daily papers- published on October 31, 2006 a survey based on 5.500 interviews of 55+ individuals on the Standard of Living for seniors. This article states that their view on senior's welfare is diversified. Today, Sweden has the highest employment rate among aging workforce in EU-25. The country is leading the way towards higher age of retirement and a better balance between the demographic development and the rights of pensions. Interviews with individuals in this survey show that few seniors are interested in working after the age of 65. One major reason for this opinion is the "working environment".

[Arbetsstorget](#) and [Resurspoolen](#) are two EU-supported projects tackling the Southern region of Sweden and supporting an

ageing workforce towards occupation and employment for the one, and working with unemployed higher-educated and academic people for the other....[to read more](#)  
or contact [Martina Sophia BACH](#)

## THE NETHERLANDS

Holland is one of the densest populated areas in the world. 35% of the Dutch population is 40-65 years old. The grey pressure; the relation between the amount of 65+ people compared to those so called "productive" age groups of 20-64 year is very high : 23%. Dutch life expectation in 2010 is foreseen to be 77,5 years for males and 81,5 year for females. There is however in the Netherlands a difference of 12 years in mortality risk between 'white collar' (office workers) and 'blue collar' (hand) workers. This is a high difference comparing to European figures. The proportion of the Dutch population with paid work is relatively high, compared to international standards (73%). However, the Dutch are world leader in part time jobs. The relative amount of high-educated persons in the age class of 55-64 years is growing faster than the amount of high-educated youngsters. This is one of the effects of an ageing society. In 2005, 56% of the high-educated persons of 55 to 64 were at work, compared to the global average of 40%. Figures that are more detailed are available on the [website](#).



Figure 6 - 50+ entrepreneurs

The 5,4% unemployment rate in the Netherlands has gone down and last years more youngsters got a job. The older people are; the more persons are getting unemployed. Hardly any 55+ finds a new job after losing one. As a consequence, the amount of 50+ who are starting their own company has increased rapidly since 2002. In 2005, almost 12% of the people who started their own company were 50+.

Source : Kvk

Research done among the "not-working 55+" reservoir, shows that only 6% wants to work for 12 hours or more. Should this group work full time, this would theoretically increase the amount of 55+ in the labour force to 128.000. However, 2/3 of this group wants only a part time job, due to working conditions, job stress and family affairs. That would mean that the [labour participation](#) of the 55+ could rise from 40% to 46%. These outcomes are fitting in the trend in the Netherlands that Dutch people rather would like to receive fewer wages, than more stress. Some Meta organisations are therefore even warning not to focus too much on economic growth, but on mental health.

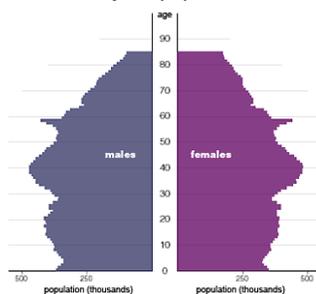
ICT literacy of that age group has increased over the last years. A [Heliview](#) survey among 1700 households found out that in 2006, 2/3 of the families with a cost winner of 50 years or older is online at home, compared to 1/6 in 2005. The recent law on financial issues related to [eworking situations](#) makes eworking at home more attractive for both em-

ployer and employee, by compensating telephone, internet and broadband if it is more than 10% for work or business use. This also includes the increasing possibilities of virtual working like meetings by telephone and video. As stated before, the 55+ in the Netherlands are enjoying the internet. Pro-rata though, they are less benefiting from the eworking utilities than younger workers. The goal of the eSangathan-project is to include eworking with collaborative tools also for productive aging workforces...[to read more](#) or contact [Marianne ZIEKEMEYER](#)

## UNITED KINGDOM

The UK has a growing population characterised in mid-2005 by approximately one in five people aged under 16 and one in six people who are 65+. The UK has an ageing population resulting from declines both in fertility rates and in the mortality rate. Until the mid-1990s, this natural increase was the main driver of population growth and since the late 1990s, net international migration into the UK from abroad has been an increasingly important factor in population change. More details on the figures are available [online](#).

FIGURE 7 -Mid-year population estimates



Source: Office for National Statistics, General Register Office for Scotland and Northern Ireland Statistics and Research Agency.

The ageing workforce is a real preoccupation in the UK and strong regulations are implemented since October 2006. James Purnell, Minister for Pension Reform, said: "We are working with employers to remove compulsory retirement ages and adopt flexible approaches. We recognise that we have an ageing population, with many older people who want the choice to continue working rather than retire. Older workers have a lower rate of absenteeism and are better motivated. We believe that this has a positive impact for businesses that can benefit from a more flexible workforce with a wider range of skills and abilities". Part of it, flexibility is introduced in the UK economy, even relating to ageing work-

forces as explained on the [Age Positive](#) website.

Why is an ageing workforce of such major practical and strategic importance? It is one of the top five global challenges of the 21st century. By 2030, half the UK population will be 50+, and one-third 60+. At the same time, the number of younger workers entering the labour force each year will have significantly reduced. These demographic changes, together with forthcoming age discrimination legislation across Europe, requires employers to address the need to retain older workers in suitable occupations says the [British Occupational Health Research Foundation](#).

The Age Regulations introduce a new national Default Retirement Age of 65 for both men and women. An employer can lawfully set a retirement age at 65 or above, but can only set a lower retirement age if there is an objective justification. For more information, read the AgePositive [reports](#).

## Two illustrative testimonials

Choosing to continue working past state pension age, 68-year-old Jan Lloyd works in the emergency medical unit at Dorset County Hospital. Jan retired when she was 59, but she missed her job so much that she reapplied. "They had no qualms about taking me back at 60. I just applied and got the job. I see no reason why I should not work. Having something I am interested in and feeling I can still give something back to society makes me want to carry on working."

Tesco says: "Nearly 16% of our workforce is 50+. Having listened to a number of staff that were reaching retirement age and did not want to give up work, we have made it possible for people to continue working beyond pension age."

The situation is evolving quickly in the UK. Government, administrations and businesses are taking care of the problems involved by an ageing workforce that will be a majority of their population by 2030...[to read more](#) or contact [Miguel MEMBRADO](#)

## Still a long way to go for "Social Europe"...

This quick snapshot demonstrates how a common demographic challenge is handled in various ways in 5 EU-countries. This probably results from the lack of a strong political and/or social European direction. Strikingly, the countries which today are generating fear and anxiety in the European labour market will be facing the same demographic challenge in a few years and will be learning from our findings.

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## Useful links:

- @ [OECD](#) search on ageing workforce
- @ [Ageing Workforce blog](#)
- @ [Research on eInclusion](#) on Europe's Thematic Portal
- @ [eInclusion@eu](#) project
- @ [IST Conference 2006](#) - ICT and Ageing