



# Employment and labour market policies for an ageing workforce and initiatives at the workplace

## National overview report: Belgium

*Part I*

*Part II*

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# Part I

## 1. Main characteristics of the evolution of the company case studies over the last decade (expansion, narrowing, extension, abandonment)

We revisited 7 of the 11 Belgian cases that were described in the portfolio “Combating age barriers in employment: a European portfolio of good practices”. Some of the cases were replaced with new best practices (Daikin and Proviron). These companies were chosen because of the proven success of the initiatives they have taken during the last five years.

Nine cases were described: 5 cases in the industrial sector (‘Daikin’, ‘Proviron’, ‘Barco’, ‘Bekaert’ and ‘Campine’), 2 cases in the commercial services sector (‘SBB’ and ‘T-interim’) and 2 cases in the sector of health services (‘De Klink’ and ‘De Berkjes’). Small sized (number of employees) as well as medium sized and big sized organisations were included.

The cases in the health sector were added to the portfolio 10 years ago because of their training efforts and policy, their flexible working hours (De Klink), and their individual coaching style (De Berkjes). In both organisations, there was an expansion of services and the number of staff members increased during the last decade. This was also possible because of the introduction of ‘rimpeldagen’ (‘wrinkle days’, a collective agreement in the sector stipulates that from 2002 on, additional paid leave is granted to employees older than 45). This leave of absence is compensated by employee replacement. The original initiatives are still on going in the two organisations.

One of the cases in the commercial services sector, the temporary staff agency T-interim, is somehow atypical. The temporary staff agencies are in total one of the biggest ‘employers’ in Belgium. They were originally added to the portfolio because of their efforts to change the attitude with their clients (the companies and temporary staff candidates) towards older workers and their employment possibilities. When we revisited the sector 10 years later, we noticed that only recently the efforts towards the group of older temporary workers are intensified. An advertising campaign (Vedior), the development of a consultant methodology towards older candidate workers (Randstad), a specialised in house office at Daikin (Creyf’s) and the formation of an Office 45+ (t-interim).

SBB Services was added to the portfolio 10 years ago because of their efforts to diminish the workload for older employees and to find the most suitable function (job rotation and mutation). 10 Years later, we find that the job rotation and job transfer policy isn’t ongoing anymore. This is mostly because of the organisational restructuring process: the organisation now is small with less job rotation opportunities. Now, problems with employability for older employees are solved by part time work possibilities (with income loss).

The industrial companies we revisited (Barco, Bekaert and Campine) were originally added to the portfolio because of their initiatives concerning ergonomics, job design and prevention (Campine and Bekaert), flexible working practices (Bekaert and Barco) and efforts towards changing attitudes within the organisation (Barco).

After revisiting the companies, we noticed that Campine hadn’t fulfilled its planned initiatives on ergonomics towards older employees; working in Campine is still very hard work. Campine now is selected as good practice because of their informal and implicit policy towards older workers; the atmosphere between young and old is very good in Campine, older workers are often mentors for younger workers.

Barco restructured some of its divisions in 2004. Therefore some blue-collar workers were transferred or were pensioned. Barco is added to the best practices-list again because of their still ongoing efforts concerning offering flexible working practices and creating openness around the ‘end of career’-topic. But mostly the training efforts and policy (to increase employability throughout the career) are a well-developed (during the last decade) initiative in Barco.

Bekaert has continued its efforts towards older workers during the last decade. The system of ‘double placement’ is not applied anymore but less drastic solutions were explored: job rotation and change of job content. Knowledge recording and knowledge transfer initiatives were taken during the last decade. A more age-minded staff policy was discussed and a lot of initiatives were formulated during the last couple of years (training, part time work, skill pooling,).

Two new best-practices were added, Proviron and Daikin. Proviron is known for its well-developed age-minded personnel policy. During the last couple of years, initiatives concerning knowledge recording and knowledge transfer were developed in Proviron.

Daikin is a special case because of the creation of the ‘50+-pool’: a group of specially recruited older temporary workers works at Daikin during the seasonal peaks. They are trained to work at Daikin on a structural base (each year during the seasonal rush).

## **2. What are the main impacts of measures/initiatives at the company level (e.g. benefits to older workers and benefits to employers, any unintended consequences)?**

The different measures and initiatives can be categorised as:

- Flexible working practices: Daikin, De Klink, Barco, Proviron, Bekaert, SBB
- Training and development initiatives, knowledge recording and knowledge transfer: Bekaert, Proviron, De Berkjes, Barco
- Exit policy: all cases
- Attitude towards older workers: Campine, Proviron, Daikin
- Job recruitment: Proviron

### **Flexible working practices**

Offering flexible working practices for older workers allows them sometimes to stay at work longer. Some people choose to work part time when they feel not able to keep up with their job requirements anymore. Other companies provide the opportunity for job rotation, in some cases even demotion. The experience is that when demotion is a possibility, when there is openness about it and when it is not stigmatising, it can be a solution for some older workers to keep on working longer. Job rotation is more preferable than demotion, but sometimes (in small organisations), there isn’t a possibility to rotate at the same functional level.

Daikin offers temporary work for older workers; the experience is that this offer is an answer to the needs of this age group. They don’t need or don’t wish to work on a full time base anymore.

To avoid burnout at a higher age (or to find staff in the health care sector), some organisations offer a lot of flexibility towards all their personnel (not only towards older workers). They try to develop a system of work organisation that allows people to combine work and family life in the best possible way during each stage of life.

### **Training and development initiatives**

Training efforts have been expanded in the different cases during the last decade. The experience is that it is necessary to invest in training and development, to avoid lack of competence in the organisation and to increase the employability of staff members. More and more efforts are being made towards the older staff members, to motivate them to follow training as well and to keep up their competences.

Some organisations anticipate the leaving of older staff members during the next years, by developing systems for knowledge recording and knowledge transfer. The experience is that a lot of people benefit from these initiatives: older workers feel more respected for their tacit knowledge and everybody benefits from knowledge transfer.

### **Attitude towards older workers**

By starting specific or non-specific actions towards (older) employees, it can be noticed that the attitude towards older employees sometimes shifts

### **Job recruitment**

#### *Proviron*

But age will never be a selection criterion. For example, recently, a 58-years old employee was hired for a specific project in a team and the experience was that therefore the quality of work of the whole team improved drastically. Because of cases like this, the age-minded staff policy is not only a vision or a principle, but is also very visible.

### **3. Driving forces for implementing good practice at the company level (Please make special reference to the influence of public policy, e.g. legislation or financial incentives, and collective agreements – at national, sector or company level – if applicable)**

At this moment (October 2005), the government and social partners in Belgium are discussing the need to reform the early retirement possibilities. The atmosphere concerning the topic is loaded at this moment. Trade unions fear that early retirement schemes will be reformed. The Canada-Dry system at this moment is permitted. It is possible that also the Canada-Dry system will be discouraged in the future.

This on going discussion at governmental level also has its impact on the situation in a lot of the companies. Because it is still uncertain if and what changes will be implemented, people choose at this moment for early retirement. They fear that if they do not do it now, they will lose their rights.

Other companies are anticipating that people will be able and willing to work longer in the future. Therefore, they are developing initiatives concerning age-minded personnel and organisation policies.

During the past decade, Belgium encountered different waves of protest from the sector of health care. The pay in the sector was rather low, the working conditions were hard (with continuous shifts, heavy physical tasks, etc.). A Flemish inter-sectoral agreement 2000–2005 for the social-profit was negotiated in this period. In the agreement, specific measures for the group of older workers were included.

A collective agreement in the sector stipulates that from 2002 on, additional paid leave is granted to employees older than 45. This leave of absence is compensated by employee replacement.

The experience is that this new collective agreement led sometimes to more organisational planning efforts for the management in the health care sector. But in both cases we visited, it had been possible (after a period of transition) to hire more staff members and to diminish the workload for older staff members.

### **Age structure**

Some of the important driving forces are the problems organisations are anticipating or experiencing because of the age structure of their personnel: knowledge loss, vacancies who will not be easily filled, medical problems because of the work, ...

#### **4. Which characteristics of particularly successful measures/policies can you provide? (Please provide short exemplary description of individual cases)**

##### **Win-win situation**

When there is a win-win situation for management, employees and older employees, initiatives are more successful.

##### *Daikin*

The reason why the 50+-pool is so successful is that it meets the wishes of the organisation and the wishes of the target group: it is a win-win-situation. A lot of the older unemployed want to be active. But it is very hard for them to find a new job. The organisation is looking for structural temporary staff for a couple of months every year. The organisation is looking for people who they can rely on each year and is willing to invest in their training.

##### *Barco*

One of the most attractive elements about working at Barco NV, is the well-developed training policy. A great part of the white-collar workers (mostly engineers and technically skilled) choose Barco because of the widely known training opportunities and programs. Barco has chosen a preventive approach to avoid that people cannot keep up with their job requirements after a while. Therefore, employees are motivated and challenged to follow different training programs. The key note of the training policy is to offer a broad training program. Employees therefore come in contact with a lot of technical knowledge and skills, which aren't directly connected to their job of the moment. The experience with this (broad) training policy is that it prevents early burnout and that employees are prepared to future changes in job content. Another (side) effect is that it stimulates the creativity of the employees: people tend to think and search for solutions apart from their present job, their common daily knowledge and skills.

##### *Proviron*

The Knowledge Pool 50+ started with one of the supervisors who had been released from his former function for this project. His major task was to map the tacit, implicit and explicit knowledge of people. Next, he translated the gathered knowledge and information in courses that can be used for training programs for other, young employees. This way, knowledge (implicit and explicit knowledge about certain functions) was recorded for the next generation of employees and at the same time, training modules to transfer this specific knowledge were developed. The first experience was very successful. The person in question was very motivated and very driven for his project. The project was in first instance restricted to one production process that took place in the different production units. Because of the successful first experience, it didn't take much effort to find some other volunteers to broaden the project. These volunteers aren't released from their former function but they combine the new task with their old function. They don't receive any extra pay for this extra task. But they are motivated because they can learn a lot and they are respected for their extra work by management and colleagues.

##### **HR-manager**

The experience is that the driven force between all the initiatives is very important. In most of the cases, this is the Human Resources Manager. Their attitude towards older staff members is very important.

##### *Proviron*

Because the HR-department and management are very open towards the personnel and their representatives, there is a mutual relationship based on respect between employees and management. Individual cases are handled the best way possible, a social solution is searched for the problems that can occur. If an internal solution isn't possible, everybody is entitled to follow outplacement coaching.

## Funding

Throughout the cases we noticed that some of the experiments, initiatives were explored with external fundings (The European Social Fund).

### *Proviron*

Proviron participated in the Knowledge pool 50+-project of the Chamber of Commerce of West-Flanders (co-funded by ESF). Four companies in the region of West-Flanders agreed to join the project. Other partners were the provincial industrial academy and Randstad Interim (a temporary work agency). All partners expressed their willingness to invest in the transfer of knowledge of their experienced staff and to develop an age-minded staff policy. The project's objective is to record and pass on the experience and know-how of employees. Knowledge pool 50+ was developed for the target group with the most experience and on-the-job knowledge: the group of older workers.

Other measures could be taken because of the subsidies provided by the Belgian or Flemish government.

### *De Klink*

A collective agreement in the sector stipulates that from 2002 on, additional paid leave is granted to employees older than 45. This leave of absence is compensated by employee replacement.

## Social Dialogue and organisational culture

### *Campine*

We would like to point at the special culture and atmosphere in Campine NV and Campine Recycling NV. In Campine NV, different generations of the same family are at work. Grandfather has worked in Campine NV and is now a member of the retired association. Father, uncle and sons are still working in Campine NV. Among other things, the family ties are an important reason why there is a lot of respect for older workers in Campine NV. Also, different generations of migrant workers are working in Campine NV. It is noticed that among migrant workers there's a lot more respect for older colleagues.

### *Barco*

During the last years, there have been some individual cases in Barco of people who were not able to keep up any longer. Barco created a certain policy to cope with these cases. These cases are called 'beacons', examples for other (older) workers. It is important for Barco to create some openness around this topic. Problems can be discussed with the human resources manager. Most of the time the direct chef draws the attention from the personnel manager to possible problems. When there is a problem with older white-collar workers, Barco seeks a valuable alternative. Sometimes this alternative is situated within the company (flexible working hours, part time work, mutation, demotion), sometimes outside the company (outplacement). The trade unionists always are informed about the ongoing cases and the search for solutions. It is considered important that the proposed solution has added value for the person in question as well as for the organisation. Because of the openness and the very constructive approach, Barco expects that people will come forward with problems they are encountering, before it is too late and a positive solution isn't always possible anymore.

## 5. Which key lessons can be drawn from implementing measures and initiatives cases (e.g. role of actors, main reasons for success or failure, innovative features)

The most important lesson is that the role of the social partners, of the work council and of the trade union is very important in each organisation to create a basis for actions and instruments concerning age management. The active public debate and the debate on governmental level have their influence on the ongoing and current issues at organisational level. The role of the different actors is therefore very important.

To make the implementation of different measures concerning age management successful, an individual and custom-made approach towards older employees seems important. It is important to replace prejudices and stereotypes with knowledge by experience. Therefore it is important to make the employment of older workers in the organisation a success story.

But not only specific measures towards individual older workers are important. Creating a working environment and working conditions that allow people to be able to and willing to work longer, is also important. Therefore, a plea for a 'course of life'-management style is raising. This 'course of life' management provides the necessary flexibility for all workers, depending on the needs they have in different phases of life: parental leave, part time work with career possibilities,...

As already mentioned, creating a win-win situation for everybody working in the organisation, is an important key to success.

A manifest policy (out in the open) seems better than a more latent, implicit policy. Spending explicit attention to the problems, strengths and weaknesses of older workers, and actively searching for the best solution for everybody, seems to improve the feelings of job security for all personnel.

## **6. What are future issues concerning age-management raised at company level? (problems not resolved in individual companies so far, challenges faced etc.)**

In most of the cases, employers, employees and their representatives are waiting for the results of the 'end of career' debate (see part 2 (the Generation Pact')). Trade unionists are not very optimistic about the outcome of this debate at governmental level (with the social partners). They fear that early retirement schemes will be changed. It is not possible to review the cases without taking the ongoing debate into consideration. Most of the future issues are depending on the outcome of this debate in most companies.

As employers announced, the necessity of developing age management initiatives shall be stronger when early retirement schemes would change in the near future and when alternatives for early retirement (like Canada Dry and full time 'time credit' systems) are discouraged.

We notice that most of the actions towards older workers are directed towards the present ageing workforce within a company. Only very few initiatives are developed to improve the selection and recruitment of older staff members, probably a challenge to face in the future.

# Part II

## I. Perception of demographic/labour market issues in national policy over the last decade and development of national policy concerning an ageing workforce (employment policies incl. legislation, pension reform etc. and influences of EU-policies/programmes)

## II. Relevant actions of social partners and other key actors: Policies and practices

The activity rate and the employment rate in Belgium (in general and for those older than 50) is low (compared to the average employment rate in Europe). Belgium has subscribed the goals set during the summit in Lissabon, to aim at an average employment rate of 70% in 2010, and an employment rate of 50% for people aged 55 and older. In 2001, approximately one quarter of the people aged 55 and older, is at work in Belgium.

Table 1: *Employment rate for the age group 50–64 years, (Belgium, EU3 (The Netherlands, France and Germany), EU15; 2001)*

	Belgium	EU3	EU15
Total	40,4	50,3	50,6
50-54 years old	63,6	74,9	71,2
55-59 years old	38,4	54,9	52,8
60-64 years old	11,5	17,6	23,4

Source: *NIS EAK, Eurostat LFS (Steunpunt WAV)*

Typical for the Belgian labour market is the phenomenon of very compressed careers. The high level of education (people tend to study long) combined with the possibility to retire early, cause the late entrance in and the early withdrawal out of active professional life. Belgian people are very active between the age of 25 and 55 (with employment rates of 90% for men and 74% for women). Therefore, the period that people actively contribute to the social security system, is rather short; the retirement period is long. The average actual pension age in Belgium is 58 years for men and 56 years for women (in 1950, the average actual pension age for men was 65 years). The official retirement age is set at the age of 65 (equal for men and women in 2009).

Because of the dropping birth rate, the increase in life expectancy and the babyboomers approaching the retirement age, the pressure on the social security system is growing; fewer people paying taxes, more people receiving public benefits and an increasing demand for health and care services. Projections, based on the existing demographic trends, show that the dependency ratio will continue to increase in the future: in 2015 1 out of 5 Belgians will be older than 65, in 2050 1 out of 3 Belgians will be older than 65. Today, 3 working people are paying for the pension of 2 elderly people. In 2030, 2 working people will be paying for 3 retired people. Therefore, increasing participation of older workers in the labour market may relieve the burden of an ageing population.

### Early retirement

The low employment rate of older workers is mainly determined by the well-established early retirement culture. Early retirement schemes were introduced in the past (during a period of high youth unemployment) to create jobs for young people. Also the possibility of collective early retirement schemes was introduced to avoid social disasters by organisational restructuring.

The ‘Canada Dry’ practice is also presumed to be wide spread in Belgium (no exact statistics are available); older workers are dismissed, he/she becomes dependent from the unemployment benefits and receives a supplement paid by the former employer.

Because of the possibility to retire early, people can make choices at the end of their career; they can choose to retire, to work part time (to retire part time) or to stay at work full time. The choice people make, depends on various factors (financial and non-financial): their well being, their career path, their employment possibilities, their environment, their financial situation, ... Also, the findings are that employers are reluctant to recruit and employ older workers.

Causes of the limited participation of people aged 55 and older, can be divided in push and pull factors.

Push factors are negative elements that encourage people to retire early e.g. working conditions, career perspectives, health, employers decisions,.... Pull factors are positive elements that make early retirement attractive, e.g. early retirement schemes, free time, autonomy, .... (Shultz, Morton, & Weckerle, 1998).

To diminish early retirement, actions on different levels and by different actors, are possible (individual level, organisational level, sectoral level, governmental level).

We hereby focus on actions and actors on the macro-level.

### **Labour market policies**

During the last decade, a global plan for the integration of older workers in the labour market was missing. There were some initiatives focusing on the labour supply side (activating older unemployed; where older unemployed in the past were exempted from the obligation to look for work, now older unemployed still need to be active on and available for the labour market). There were some stimulating measures towards the labour demand side (reduction of hiring costs for older workers).

Also, attention has been given to the improvement of working conditions and to the stimulation of life long learning initiatives. Specific measures were taken for the group of older workers: the installation of 'time credit' formulas (allowing people to reduce their working hours). Very specific measures were taken for the older workers in the non-profit sector (older workers can reduce their working time without income loss).

The early retirement schemes have been maintained during the last decade.

### **The Generation Pact**

Just recently, the Belgian government and the social partners discussed an extensive plan to ensure the financing of the social security system in the future.

The atmosphere in Belgium during the negotiations of this 'Generation Pact' was tense. There were demonstrations, national strikes, organised by the trade unions. The main issue was the fear that early retirement schemes would be less accessible in the future.

Right until this moment, there is still some protest against the announced measures in the Generation Pact. The government is now (November 2005) discussing the actual implementing orders of the different measures.

The name 'Generation Pact' is chosen because of the focus on the solidarity between generations. Pensions, unemployment benefits, other benefits,... are paid by the taxes the government receives from the working group.

The current version of the Generation Pact, implies four major groups of measures: more young people at work, more older people at work, less taxes on labour and a stronger social security system. We hereby focus on the measures to keep older people at work.

The most important measure is that the right to retire early still exists, but conditions were added. In the past, early retirement was generally possible from the age of 58 (with exceptions). In the future, the general rule will be that early retirement will only be possible at the age of 60. Several transitional arrangements were included. Also, the seniority criteria will be adapted.

The increase of the early retirement age does not count for everybody. In the future, early retirement schemes will be dependent from the job quality; in some sectors and for some functions (where the work is hard and difficult) it will be more possible to retire early than in other sectors and jobs. At this moment, the discussion (sometimes quite, sometimes through demonstrations) is on going which jobs and sectors will be enlisted as severe, hard work).

The Canada Dry' practices will be discouraged. But also the 'time credit' formulas will be discouraged in the near future. Alternatives for early retirement will be in general discouraged by the formulated package of measures.

There are also some encouraging measures to stay at work longer. People aged 62 and older who are willing to stay at work, will receive a bonus on top of their legal pension. When older workers change jobs from a difficult, severe function to a less difficult function, they will be temporarily compensated for their income loss. When people are retired, the possibility to work and gain an extra income will be less rigid.

Early retirement schemes will still be a possibility for people who lose their job because of an organisational restructuring process. But instead of going on early retirement immediately, people are now obliged to follow an intense job searching path.

Some actions were announced to encourage older unemployed. The right to outplacement by dismissal is generalised when people are older than 45. There is a bonus for older unemployed who start working again.

A few actions were announced towards the employers. They will be encouraged to develop diversity management and age management in their organisations. They will be obliged to monitor the age structure in their organisations, to develop initiatives concerning monitoring the presence of all age groups and to report about it in the work council. All actors will be sensitized about the existing prejudices towards older workers.

The government announces some experiments concerning the primary and the secondary working conditions (and a possible trade off between them). The hypothesis is that employers are reluctant to hire older employees because they are expensive, but that older employees are not so attached to the seniority wages but more to extra days off, more job quality,....

Extra efforts concerning education and training were announced, for all age groups with special attention for the older workers (and older unemployed). Older workers are entitled to some sort of career guidance.

### **III. Status of the issue of older workers in current policy and public debates – identification of future issues**

As already mentioned, at this moment the Belgian government is in the middle of refining the different measures announced in the Generation Pact. The debate is still ongoing on different issues included in the Generation Pact and on missing elements which should be included in the Generation pact (as trade unions declare).

The actions announced and performed by the trade union mainly focus on the proposed changes in the early retirement schemes (and in their alternatives).

Some sources are indicating that the announced measures will not be enough to reach the goal as set by the summit in Lissabon or the goals as set by the government (to create a strong economy and to ensure the existence of the social security system). Further debate will follow.

Other future issue will be the responsibility of employers, social partners and government to create a working environment and working conditions that allow people to stay at work for a longer period of time. Therefore, a plea for a 'course of life'-management is raising. This 'course of life' management provides the necessary flexibility for all workers, depending on the needs they have in different phases of life: parental leave, part time work with career possibilities,...

It may be because of this missing integrated policy that the debates and guidelines issued do not consistently influence or improve working conditions for the elderly, who continue to leave employment, if they can, as early as possible.

## **Notes**

(1)OCDE,(2003). "Aging and employment policies Spain". Paris.

(2)Walker, A. (2002). "A strategy for active aging". In International Social Security Review. Vol. 55. 1. 121–139.

(3) Ministerio de Trabajo y Asuntos Sociales, (2005) "Informe de estrategia de España en relación con el futuro del sistema de pensiones". Madrid. (page 34)

(4) Commission, (2004) "Communication. Increasing the employment of older workers and delaying the exit from the labour market". Brussels.

(5) Ministerio del Trabajo, (2005). Op Cit. (page 33).

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