



European Economic and Social Committee

ECO/186
**The economic and
budgetary impact of
ageing populations**

Brussels, 14 March 2007

OPINION
of the
European Economic and Social Committee
on the
Economic and budgetary impact of ageing populations
(exploratory opinion)

On 16 May 2006 the European Commission decided to consult the European Economic and Social Committee, under Article 262 of the Treaty establishing the European Community, on the

Economic and budgetary impact of ageing populations
(exploratory opinion).

The Section for Economic and Monetary Union and Economic and Social Cohesion, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 23 February 2007. The rapporteur was Ms Florio.

At its 434th plenary session, held on 14 and 15 March 2007 (meeting of 14 March), the European Economic and Social Committee adopted the following opinion by 109 votes to none with two abstentions.

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1. Conclusions and recommendations

1.1 The present exploratory EESC opinion comes in response to a letter from the Vice-President of the European Commission, Ms Margot Wallström, but it also takes account of opinions presented over the last few years embodying the thoughts, analyses and proposals which the Committee has drawn up on these questions.

Labour market

1.2 The EESC believes that the Lisbon objectives regarding demographic policies should be pursued. On account of the rapid demographic changes on the labour market, measures are urgently needed to tackle the ensuing issues:

- increasing the employment rate among the segment of workers aged over 50 in both employment and self-employment, if possible;
- promoting instruments that encourage older unemployed workers to retrain and re-enter employment, so that they can be sure of a decent pension;
- preventing the over-50s who wish to continuing working from being pushed out of the labour market.

- 1.3 The removal of older workers from their jobs must be discouraged – indeed, greater attention should be given to employing older workers in the productive cycle.
- 1.4 Jobs should match each individual's training and vocational experience, with no age discrimination. The EESC therefore calls upon all the Member States to transpose and apply the directive on equal treatment in employment and occupation (2000/78/EC).
- 1.5 Better organisation of work requires an assessment of the type of work carried out (hazardous, strenuous or repetitive work).

Lifelong learning

- 1.6 Lifelong learning programmes are the key to making more effective use of over-50 workers both within and outside companies. Instances of best practice should therefore be disseminated and monitored, as envisaged in the annual monitoring reports presented by the European social partners.
- 1.7 A policy supporting high-quality employment would guide and train generations of citizens throughout their working lives. This entails a proactive role for the social partners and all the relevant economic and social players at local, national and European levels.

Towards a pact between the generations

- 1.8 Research and innovation are a key investment for both future generations and today's Europeans. Consequently, young people must be encouraged to take up science courses at university, and conditions conducive to employment in the technological and research fields must be created. The European Union must catch up with other countries, such as China and India, which have made huge strides forward in these sectors in recent years.
- 1.9 Investing in disadvantaged areas helps young people not to move away, and to become an instrument for developing and regenerating local areas.
- 1.10 2007 – the Year of Equal Opportunities – should concentrate on determining how to strike a proper work-life balance, so that decisions on parenthood are not determined by unstable or difficult circumstances, or by families having to face alone the costs – which are not purely economic – of bringing up children.

Women and the labour market in the EU

- 1.11 The EESC believes that the use of important directives, for example on parental leave, should be encouraged, and childcare and care services for the elderly should be guaranteed; the pay gap between men and women should be rapidly closed, and unstable and short-term employment should be combated, as these are the causes of poverty among many women in

Europe. Incentives should also be devised that encourage men to assume a greater share of family responsibilities. For women, having children and working should not be seen as opposites, and every measure should therefore be taken to ensure that mothers can successfully combine childcare with their working lives.

- 1.12 In business too, measures must be adopted ensuring that women enjoy access to managerial posts.

The role and weight of immigration in the light of demographic changes

- 1.13 Immigration is one of the necessary responses to the challenge of an ageing population. Holistic integration and employment policies can serve as motors for growth and development. Immigrants' skills, vocational experience and educational qualifications should be harnessed.

Sustainability of EU welfare systems

- 1.14 The sustainability of the welfare system needs to be guaranteed with a series of measures which do not penalise its final objective, as defined in the EU treaties (Article 2). It is therefore necessary, firstly, to ensure its sustainability and, secondly, to pursue the objectives of universality and fairness which underpin the European social model.
- 1.15 Social services of general interest should be guaranteed and upheld on account of their function, as should social economy actors. Voluntary associations in which the elderly are active perform an important social function and should be supported and put to effective use.

Sustainability of pension systems

- 1.16 The aim of the European Union and the Member States ought to be to ensure an anxiety-free and decent old age, and consequently proper pension systems, for future generations. Supplementary pensions, if required, must be reliable, secure and shielded from unforeseeable fluctuations on the financial markets.
- 1.17 Combating insecure employment means assuring young workers of a decent pension, and necessarily entails reducing late entry into employment.
- 1.18 The sustainability of pension schemes must be analysed bearing in mind a series of complex factors which cannot be reduced to population ageing alone.
- 1.19 In some EU countries, strict measures against evasion of tax and social security contributions must be one of the key objectives in ensuring the sustainability of pension schemes.

The health implications of population ageing

- 1.20 In the health field, an ageing population will principally mean investment in prevention the quality of care, and research, especially into the diseases most frequently affecting the elderly: efforts and study will need to focus on this aspect.
- 1.21 In the light of population ageing, occupational health and safety issues will also assume different dimensions and will undergo changes which should be analysed and assessed carefully.
- 1.22 The EESC is of the view that the EU Member States should, in consultation with the social partners, implement joint programmes to prevent accidents and occupational illness, particularly when age-related. Monitoring and information exchange are important tools.
- 1.23 Older workers must be allowed to choose freely whether to continue working, in the light of the type of work and with an assessment of how much risk, repetitiveness and strenuous labour is involved.
- 1.24 The EESC undertakes to continue analysing, assessing and making proposals with regard to demographic changes, aware of the complexity of this issue which will, in the coming years, demand the participation of all institutional, economic and social actors if the challenge is to be met. In accordance with its Rules of Procedure, the Committee undertakes to follow up on the questions addressed in the present opinion.

2. Introduction

- 2.1 Ms Margot Wallström, Vice-President of the European Commission, has asked the European Economic and Social Committee to draw up an exploratory opinion on the report that the Commission, together with the EU Economic Policy Committee, has recently published on the economic and budgetary impact of ageing populations for all EU Member States¹.
- 2.2 Given the broad scope of this issue and the policies involved, in her request Ms Wallström asked the EESC to concentrate on areas directly or indirectly connected with employment and a number of related aspects, such as health, pension systems and lifelong learning.

¹ Special Report No. 1/2006 *The impact of ageing and public expenditure: projections for the EU25 Member States on pensions, health care, long-term care, education and unemployment transfers (2004-2050)*, Economic Policy Committee and the European Commission (DG ECFIN).

- 2.3 The Dublin Foundation for the Improvement of Living and Working Conditions has carried out many studies addressing the population ageing issue and analysing the impact on European citizens and workers².
- 2.4 A range of factors contribute to an ageing population: falling birth rates and increasing life expectancy, together with the progressive withdrawal from economic activity of the post-war generation and, in the future, of the baby-boom generation of the 1960s³. This latter factor is having, and will continue to have, a direct impact on the population of working age.
- 2.5 According to Eurostat projections⁴, the population of over-65s in EU25 is set to rise from 75 million in 2005 to about 135 million in 2050. Their percentage of the overall EU25 population is expected to reach 30%, with peaks in Spain (36%), Italy (35%), the lowest rates being in Luxembourg (22%) and the Netherlands (23%).
- 2.6 Ageing populations have important social and economic consequences for the Member States, making modernisation of budget and welfare policies a necessity⁵.
- 2.7 The entire economy of a country is affected by ageing: the labour market, productivity, technological innovation and economic growth, since the population's needs and potential inevitably change.

3. Ageing and the labour market

- 3.1 The Lisbon strategy addresses the employment rate of older workers, with an initial goal – still unattained – of a minimum of 50%.
- 3.2 Ageing is reflected firstly in an increase in average age, and secondly in a reduction in the overall number of citizens of working age, as the older generations are not replaced by sufficient numbers of young people. Young people are, moreover, entering the labour market at an ever later stage⁶.

² See, for example, *Employment initiatives for an ageing workforce in the EU15*, available at <http://www.eurofound.europa.eu/publications/htmlfiles/ef0639.htm>.

³ The EESC has previously emphasised the need for research aimed at analysing ageing in the EU; concerning the 7th Framework Programme on Research, see the EESC opinion on *Research needs in the area of demographic change*, OJ C 74 of 23.3.2005, p. 44.

⁴ See http://epp.eurostat.ec.europa.eu/pls/portal/docs/PAGE/PGP_PRD_CAT_PREREL/PGE_CAT_PREREL_YEAR_2006/PGE_CAT_PREREL_YEAR_2006_MONTH_09/3-29092006-EN-BP.PDF.

⁵ See also the European Central Bank's recent article of 13 October 2006 on population ageing (in the ECB's October 2006 Bulletin, p. 49 onward – available at <http://www.ecb.int/pub/pdf/mobu/mb200610en.pdf>).

⁶ See the European Commission's recent Communication on *The demographic future of Europe – from challenge to opportunity*, COM(2006) 571.

- 3.3 The labour market is particularly susceptible to the influence of population ageing. The implications are such that measures are urgently needed to deal with issues including:
- increasing the employment rate among the segment of workers aged over 50 in paid employment and not blocking their entry into self-employment;
 - promoting instruments that encourage older unemployed workers to re-enter employment (including retraining), so that they can be sure of a decent pension;
 - preventing the over-50s who wish to continuing working from being pushed out of the labour market;
 - facilitating young people's entry into the labour market, with regular employment contracts contributing to continuity and to a better working life.
- 3.4 The effects of population ageing affect not only workers, but also entrepreneurs. As one generation replaces another, means must be provided to facilitate the hand-over of businesses, especially in the SME field. A progressive rise in the average age of entrepreneurs has also been noted, with direct and indirect implications for innovation, the capital market and, more broadly, on the entire industrial fabric of Europe. An older population of entrepreneurs means that many have already retired or are on the point of doing so, without fresh generations of younger entrepreneurs to replace them. A shrinking number of entrepreneurs means a shrinking number of businesses and, consequently, a smaller number of jobs.
- 3.5 The removal of older workers, not only from industry but also from the tertiary sector, is ever more worrying. The difficulty of fitting into a new work environment, the handicap of having vocational experience from perhaps one or only a small number of jobs, and the discrimination from which older workers unquestionably suffer when seeking new employment, are factors which affect all European workers.
- 3.6 Greater attention should be given to employing older workers in the productive cycle: in some sectors, their experience generates qualitatively higher productivity. In the business sector too, purely age-related assessments should be abandoned in favour of an appreciation of actual skills. The European directives banning any form of discrimination (2000/43/EC and 2000/78/EC) should be brought to in this area and monitored.
- 3.7 All workers should have jobs which match their training and skills as closely as possible: this would pave the way for higher productivity which would, at least in part, offset the negative effects of an ageing population⁷.

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In this regard, see the recent EESC opinion on *Quality of working life, productivity and employment in the context of globalisation and demographic challenges*, OJ C 318 of 23.12.2006, p. 157.

3.8 Active policies to support the employment of older workers must, in any case, take account of the type of work carried out: hazardous, strenuous or repetitive areas of work require targeted analysis and must involve a greater degree of personal choice on the part of workers⁸.

4. **Lifelong learning**

4.1 One of the specific objectives set in order to increase the employment rate of older workers is to implement efficient and effective lifelong learning programmes, through exchanges of best practice between the 27 EU Member States and a permanent dialogue with the social partners, as called for by numerous European institutions⁹.

4.2 Guidelines on lifelong learning have been laid down year after year since the Luxembourg summit (1997), in the form of the European Employment Strategy (EES). On each occasion, emphasis has been laid on the importance of the employability of older workers – and, consequently, of their further vocational training – in tackling the problems raised by an ageing population.

4.3 The expression *lifelong learning* is used for all significant learning activity aimed at enhancing capacities, knowledge and skills. Such activities should therefore be seen as being relevant to the entire working life, since the loss of occupational skills and updating has the most serious effects precisely on older workers.

4.4 The EESC, for its part, has highlighted the intergenerational imbalances in terms of technological knowledge and acquisition of various skills¹⁰.

4.5 In-house training is an effective instrument in boosting worker adaptability. Some Member States (United Kingdom, Spain, Portugal, Netherlands and Austria) have, to varying degrees, encouraged in-house training and refresher courses by means of tax incentives and exemptions.

4.6 As part of the Lisbon strategy, importance has been attached to efficient training methods and systems which effectively meet labour market requirements as a key component in a knowledge-based economy, which was one of the objectives of the summit in Portugal.

⁸ See EESC opinion CESE 92/2007 on *Promoting decent work for all*.

⁹ See the *Framework of actions for the lifelong learning development of competencies and qualifications*, signed by the ETUC, UNICE and CEEP.

¹⁰ See, for example, the recent EESC opinions on *Key competences for lifelong learning*, OJ C 195 of 18.8.2006, p. 109, and on *Relations between the generations*, OJ C 157 of 28.6.2005, p. 150.

4.7 Removing obstacles to the employment of older workers means anticipating the effects of demographic change.

5. **Towards a pact between the generations**

5.1 In 2004, the EESC strongly advocated supporting a pact between the generations in order to provide European citizens with sufficient renewal of the generations on the labour market, a welfare state adjusted to reflect the new demographic conditions in Europe, and European legislation promoting employment policies, vocational retraining and closer links between the education system and business¹¹.

5.2 Policies in support of "good" employment must in any case also be geared to helping young people to enter the job market, by accompanying them throughout their working lives¹², without creating a "digital gap" between young workers and their older colleagues who intend to remain at work.

5.3 In its opinion, the EESC identified the challenge of "facilitating the development in the future of more consultation on a major issue, where coordinated, ongoing action from a wide range of players and the continuity of a constructive plan are necessary and short-term interests must not be allowed to prevail. A new pact between the generations needs to take shape step by step across the EU".

5.4 Research and innovation are fields in which investment is inevitably required if future generations of Europeans are to be assured future well-being and a satisfactory, sustainable quality of life. It is therefore also important to take account of the average age of European researchers and scientists, and of the need to bring young people into these key sectors.

5.5 The lack of adequate investment in research throughout Europe – which is still lagging far behind the Lisbon strategy targets – prevents young researchers, who are often compelled to work on an extremely insecure basis, from building a future and a career in the field of scientific and technological research. The higher average age of scientists in Europe compared to other world powers points to future danger. In India and China, for example, the number of graduates in scientific subjects is increasing, to such an extent that 60% of researchers and scientists in the USA come from these two countries. In many European countries, in contrast, university science departments have witnessed a definite fall in the number of new students over recent years.

¹¹ See the EESC opinion on *Relations between the generations*, OJ C 157 of 28.6.2005, p. 150.

¹² See, for example, the Communication from the European Commission COM(2003) 728 final on *Improving quality in work: a review of recent progress*.

- 5.6 Population ageing also has a direct impact on regional cohesion: young people tend to leave certain areas to seek work in others which can offer better living and working conditions. This widens the gap between regions with a more developed economy and those where impoverishment and ageing are accelerating¹³.
- 5.7 The work-life balance is a pillar of the European social model. The rising average age of the European population poses the problem of how to boost the birth rate. This is to be understood purely in terms of offering all couples the opportunity to have children, without necessarily having to give up work or drastically cut the family's standard of living – which can, all too often, fall to levels close to the poverty line. Young people today are typically affected by unstable employment conditions incapable of providing them with any security for their futures: consequently, they are tending to have fewer children or none at all.
- 5.8 In order to achieve the aim of a progressive rise in the birth rate, all social, health and education services (pre-school, medical assistance, preventive health care, financial support, etc.) should be reinforced, improved and brought into line with current demographic conditions in the EU countries.

6. Female employment and the birth rate

- 6.1 In 2005, the female employment rate in the EU25 stood at 56.3%. The problem is less acute in the northern European countries, but more pressing in the Mediterranean countries. But even women who do work find it difficult to shape a career enabling them to build up significant welfare contributions. Women at work are effectively confronted with a series of difficulties:
- women are currently the worst affected by insecure and short-term employment, economic instability and, more broadly, often by poverty;
 - the pay gap remains a very damaging factor in almost all EU countries (an average of 24% less for the same work);
 - the inadequacy of child-care services and care arrangements for the elderly continues to oblige primarily women to sacrifice their careers so they can devote more time to caring for family members;
 - major directives, for example on parental leave, are not treated seriously enough and women must still choose between having children and having a career;

¹³ See the ESPON (European Spatial Planning Observation Network) briefing, available at http://www.espon.eu/mmp/online/website/content/publications/98/855/file_1500/espon-briefing2.pdf, and the ESPON briefing *Diversity within the European Territory*, November 2004, pp. 6-7, available at http://www.espon.eu/mmp/online/website/content/publications/98/100/file_326/esponbriefing1_16.11.2004-final.pdf.

- female employment and childbirth should not be seen as incompatible: examples should be sought from the best practices of those countries whose tax systems enable women to get back into the labour market more easily after the birth of their children, without being penalised in career or pay terms. It should also be emphasised that incentives for men to share in the responsibilities of having children remain insufficient.

6.2 The Commission¹⁴ rightly considers that the decline in the size of the working-age population may be partly offset by a series of measures including, in the short term, rising female participation in the labour market. The cultural changes which, over recent decades, have made it possible for women to work and become independent, are reflected in inter-generational differences in female employment rates. In Europe, young women have a greater presence in working life than do middle-aged women.

6.3 Increasing female participation in the labour market is unquestionably a positive sign of social progress, although according to statistical analyses, including recent ones, it is not yet sufficient. Moreover, it is essential that this growth lead to the real application of equal working conditions and pay with men, as well as protection of women against abuse and discrimination at work and in society. Employment differences between men and women also exist among entrepreneurs: there is a glaring discrepancy between the numbers of businessmen and businesswomen. The Member States and the European Union must therefore strengthen what tools they already have and adopt new ones in order to facilitate and safeguard female employment.

7. **The role and weight of immigration in the light of demographic changes**

7.1 Immigration into the EU is growing constantly. The vast difference between economies and standards of living inside Europe and the developing countries outside Europe is driving migration towards our, richer countries. Immigration must not be seen as a threat but rather as a phenomenon which, if comprehensive policies are implemented, can represent a potential factor for growth, development and integration.

7.2 Given the general ageing of the population and a declining working population, migrant workers perform tasks in the EU which effectively match the production, economic and social needs of the host countries. Employment and integration policies must be geared to allocating human resources, including immigrants, as effectively as possible by making best possible use of their skills, vocational experience and qualifications¹⁵.

¹⁴ European Commission, Directorate-General for Economic and Financial Affairs, Economic Papers, Number 236, 2005, *The economic impact of ageing populations in the EU25 Member States*.

¹⁵ See the EESC opinion on *Immigration, integration and employment*, OJ C 80 of 30.3.2004, p. 92.

7.3 The Commission itself argues that immigration could be a positive factor in labour market adjustment¹⁶. Moreover, as long as immigrant workers are employed within the official economy, their tax and social security payments contribute to welfare systems, and they therefore constitute a major new element in the European labour market of the next few years. Neither should the vital economic support provided by their remittances to their families be overlooked: these often constitute their sole source of economic support. For these reasons, better integration of immigrants is an essential objective for EU Member States¹⁷.

7.4 The need to be brought into the official economy does not concern immigrant workers alone: population ageing raises issues such as combating unregistered and insecure work on the agenda as a matter of urgency, if national economies are to be put on a sounder and more sustainable footing.

8. Sustainability of EU welfare systems

8.1 The European Commission states, in a range of documents, that public debt must be substantially, progressively and continuously brought under control or reduced if sustainability of public finances in the Member States is to be achieved. Efficient allocation of resources – without repercussions for the quality or universality of public services – is necessary for this purpose.

8.2 Demographic changes – which are raising concern about the sustainability of the welfare state – are the main reason why the various social protection funding systems in the EU Member States must, each in its own, specific way, operate efficiently, fairly and transparently to serve their citizens.

8.3 The EESC emphasises that social services of general interest, and the social economy actors, have an important function in supplementing support for families and the elderly. The importance of their work needs to be recognised, and such bodies should be supported on the basis of agreed requirements, since they perform a socially useful role.

8.4 The European Union can perform an important function in this respect: the Lisbon strategy (integration of social, economic and employment policies) introduced an unprecedented, innovative approach, and one of its instruments, the open method of coordination, can be seen as one of the most interesting innovations in Community policy in recent years. This instrument has unfortunately been underused and often underestimated, at the same time as the Community legislative instrument has been abandoned. The European social model is a

¹⁶ See footnote 14.

¹⁷ See, in this regard, the recent EESC opinion on *Immigration in the EU and integration policies: cooperation between regional and local governments and civil society organisations*, OJ C 318 of 23.12.2006, p. 128.

goal which unfortunately remains far from being fulfilled – but is certainly not an obstacle to be sacrificed for the sake of the internal market.

- 8.5 In some European countries, especially those facing macro phenomena such as the rising average age of the population, funding for welfare and pension systems is jeopardised by evasion of tax and social security contributions. Any project to overhaul welfare and health systems and employment possibilities must include measures to combat tax evasion and avoidance which represent the primary threat to sustainable national budgets.
- 8.6 The EESC therefore wishes to draw attention to the importance, in seeking solutions and changes in line with demographic developments, of combating evasion of tax and social security contributions, as well as the falling number of taxpayers.

9. **Pension systems**

- 9.1 Numerous European Commission documents on the sustainability of pension systems focus on the shrinking population of working age and the increase in the number of retired workers, both of which are effects of rising life expectancy.
- 9.2 Over the coming decades, pension systems will need to be capable of guaranteeing future generations a secure and decent old age. This is why, in the first place, the impact of ageing on pension systems cannot be countered only by encouraging the use of supplementary or private pensions: to do so would be a dangerous simplification. Rather, efforts should be devoted to devising effective instruments making such supplementary pension schemes more straightforward, secure and reliable, and to ensuring that they are shielded from unforeseeable fluctuations on the financial markets. Supervision of private pension funds also needs to be stepped up, in order to extend control arrangements and guarantee proper management.
- 9.3 In many EU countries, the current crisis in pension systems is not caused by population ageing alone, but also by the fact that contributions are steadily contracting, with no corresponding increase in resources from elsewhere (e.g. through tackling evasion of tax and social security contributions), while the demand for pensions on the part of citizens continues to rise.
- 9.4 Matters are made still worse by the fact that young people are entering employment ever later, and frequently on insecure and low-paid terms, meaning that they pay lower pension contributions compared to their parents at the same age.
- 9.5 Population ageing may require individuals to stay for longer on the labour market. In some EU Member States in particular, however, it is more urgent to speed up entry into employment and, more broadly, to provide better job opportunities and working conditions early in working life.

- 9.6 The European Commission forecasts an increase in spending on pensions from now until 2050 throughout the EU, with the exception of Austria on account of its pension reforms in 2000. Although only slight increases in expenditure are expected in Italy and Sweden, as their public pension schemes are contributory, very substantial increases are projected in the other countries, rising to 9.7% in Portugal¹⁸.
- 9.7 Consequently, the issue of pension system sustainability cannot be analysed and resolved in isolation. There must be a clear picture of its causes, which are not generated only across European society as a whole, as in the case of widespread population ageing, but also arise from all the differing circumstances concerning the labour market, economic growth and social protection systems in the various EU countries.
- 9.8 The objectives that should be set in order to address the question of pension system sustainability go beyond simply raising the pension age, a measure which, if applied without regard to specific criteria, could prove useless – indeed harmful – for the quality of life of European citizens.
- 9.9 In view of the differences between types of work, including strenuous, repetitive or physically demanding work, the solution to the problem of an ageing population cannot be simply a higher retirement age across the board: working longer will not have the same effect in all occupations, and the difference between the legal pension age and the real age of retirement must be taken into consideration.
- 9.10 Steps to combat job insecurity and undeclared work and to support wage policies, fairer distribution of wealth and more effective social cohesion must be accompanied by an irreversible, gradual and voluntary rise in the retirement age, to be achieved and upheld through permanent dialogue with the social partners and civil society.

10. **Health**

- 10.1 The fact that an increase in the average age of the population leads to an increase in health spending is readily understood. However, forecasting future trends in health expenditure, and predicting which specific areas will require the heaviest investment, over the coming decades, is an extremely complex exercise. It is not possible to predict how much public money will have to be invested in health on the basis of demographic trends alone; health spending also depends on the types of policies it is decided to implement in this field, on advances in medical science, the evolution of diseases and levels of pollution, and on the political and technological choices made in order to contain them.
- 10.2 However, as previously explained, all studies reveal that a situation is rapidly approaching in which people will work longer. Older workers are inevitably at greater risk of illness and

¹⁸ See footnote 1.

physical decline simply because they are older than their colleagues. As the population of older workers is unquestionably set to continue rising, a health system urgently needs to be devised that can implement effective preventive policies in all the EU Member States. Furthermore, workers who have been in long-term precarious employment will find themselves in need when they reach pension age: they will have to be provided for using other forms of collective solidarity, according to the arrangements in each Member State, including for health and welfare. The increase in precarious employment will thus have a direct impact on welfare costs.

- 10.3 If the aim is to keep public spending down to sustainable levels, the EU Member States must pool their efforts to implement care, accident prevention, monitoring and information exchange programmes, in order to forge closer and more effective links between working life and health.
- 10.4 Not all jobs are the same. Workforce ageing is also tied in with the fact that some jobs are more strenuous, risky or repetitive than others: the effects of age vary according to occupation. An older worker cannot perform physically demanding manual functions, but can more easily carry out office-based or mental tasks.
- 10.5 A longer working life consequently entails greater health problems for workers in strenuous occupations. This factor must be taken into account. If future plans revolve around a later retirement age in those sectors where it is possible, then major efforts will have to be made in the field of health care and health and safety at work.

Brussels, 14 March 2007

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of the
European Economic and Social Committee

The Secretary-General
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