

# **Greece: The role of governments and social partners in keeping older workers in the labour market**

Disclaimer: This information is made available as a service to the public but has not been edited by the European Foundation for the Improvement of Living and Working Conditions. The content is the responsibility of the authors.

In Greece, the issue of keeping older workers in the labour market has been characterised by the absence of concrete and integrated policies and strategies. From time to time a few legislative measures have been introduced, some of them being of a conflicting nature and lacking a strategic approach. The lack of such policies together with the significant increase in the numbers of elderly people and the decrease of Greek population, result a significant risk for the sustainability of the social security and pensions. Furthermore, after 2010 a major reform of the social security and pensions system is underway with raising the retirement age, cutting the amount of pensions and establishing counter-incentives for early retirement.

## **Background**

The ageing workforce is a demographic process that can cause problems related to the sustainability of the welfare regimes and more specifically to the maintenance of the pension systems. On the labour market side, the aforementioned process can have damaging implications for the reproduction of skills and for the availability of the necessary workforce with different impacts in the various economic activities. Therefore, a shrinking working age population risks acting as a drag on economic growth through labour and skills shortages. Moreover, the projections of the 2012 [Ageing report](#) suggests that there will be a considerable increase in employment rates for older persons across the EU-27 during the next half a century.

In this context the EU has recognised the importance of the ageing challenge for many years and has developed policy in several areas. Active ageing features as part of the flagship policy 'Europe 2020'.

Active ageing recognises that if people are to work for a longer period of time, then they will need to be in good physical and mental health, with access to more flexible working arrangements, healthy workplaces, lifelong learning and retirement schemes. In this regard, the attention might go beyond the older group of workers including middle age workers, for example. In order to address the abovementioned challenges, policy measures at national level are needed to promote working conditions that can help keeping workers in the labour market for longer in their lifetime. The content and aims of these policies may vary from country to country because of the particular situation of the different EU countries as regards life-expectancy, ageing, economic and sectoral structure and budgetary aspects.

The role of social partners is essential in this context, as they are key actors in shaping and improving working conditions in the various sectors. Some sectors are characterised by more strenuous jobs, adding to the challenge of keeping older workers in employment longer. Moreover, it is important to examine if and how recent changes (increasing statutory retirement age, economic crisis, technological change, and sectoral and production changes) have impacted on the nature of the policies for improving the quality of work of older workers.

In this framework, earlier case study research by Eurofound identified examples of companies with practices intended to develop a sustainable workforce through adequate working conditions that facilitate keeping older workers in employment and at the same time making possible the presence of the necessary skills in companies. However, given the recent socioeconomic changes and lack of updated comparative information, further research is needed in order to map strategies and measures at national level, as well as to assess certain initiatives from governments, social partners and social dialogue with the aim to improve quality of work in order to keep longer workers in the labour market.

## **National active ageing policies**

The participation of older workers in the labour market is strongly conditioned by the national policy environment, in particular by the pension system framework, employment legislation, wage policies, occupational and wider health care provisions, active labour market policies as well as the availability of education and training.

In the recent years most Member States have put policy emphasis on reforming their pension systems and restricting access to early retirement and other early exit routes, which had become popular during the 1970s and 80s as ways to address youth unemployment and challenges of restructuring. As a result of these reforms, leaving the labour market early has become much more costly for individuals.

In addition, many countries are considering – or have already implemented – an increase in the statutory retirement age, partly to take account of the rise in healthy life expectancy and the changing nature of jobs (less physically demanding), but also – and particularly in the current economic climate – to ensure the long-term viability of their public pension systems in the context of increasing pressure on public budgets.

It is also important to note that pre-retirement pensions, which are contra-intuitive to the above outlined EU policy objectives, are still commonly used in a number of EU countries (including also as a result of the crisis), although they have been rendered significantly less attractive to older workers themselves as well as companies. Similarly, the possibilities of part-time career breaks or partial retirement, intended to stimulate workers' return to a labour market or their retention on a reduced hours basis have in many countries been used as a first step towards early retirement.

Consequently, while the Member States' policies emphasis has been on foreclosing avenues towards early retirement and raising of the retirement age, The number of governmental initiatives which have been taken to improve quality of work and to assist older workers in retaining a foothold on the labour market seems to be much smaller. Nevertheless, the measures which have been undertaken include among others:

- Supporting ongoing skills development and validation of existing competences. These measures spring from the recognition that lifelong learning and ongoing skills development are key to supporting sustainable employability not just for older workers, but for the workforce at large (throughout working lives). To make lifelong learning a reality at this scale the current trends demonstrating an under-representation of lower skilled and older workers in continuous learning need to be overcome. Initiatives in this area have been taken both by social partners and national governments. In France, for example, a cross-sectoral social partner agreement from 2006 (later transferred into law), encourages the development of “second half of career interviews”, skills assessments and a better implementation of the individual right to training for workers over 45, while a law from 2005 obliges all companies with more than 300 employees to agree a three-year anticipatory plan on development of competences.
- Awareness raising measures. These include, for example, financial support for initiatives aimed at making the business case for active age management and retaining older workers in the workplace. These measures also include fighting stereotypes about older workers' adaptability and willingness to learn, health issues and the level of absenteeism.
- Member States can also provide support in the development of age management strategies at organisational level (such measures exist in Germany and the Netherlands, among others).
- Active labour market policies, including:
  1. Advice, counselling, guidance, job matching and vocational training measures to update existing skills and upskill older workers active in sectors facing declining demand;
  2. Subsidies for employers offering employment opportunities for older workers. Such subsidies are often time limited and can be tied to commitments to offer longer term employment or training.
- Comprehensive approaches, including measures to support work ability and employability. A number of countries provide financial support for “work ability”

measures, which take a holistic approach to ensuring an individual's employability and work ability throughout working life, incorporating training, occupational health and other measures. The most commonly applied approach is the so called "Work ability index" initially developed in Finland.

- Work organisation related measures, like removing barriers and promoting flexible working. Flexible working time organisation can benefit older workers. Such policies may include regulation developed to promote among older workers flexible work schedules, part-time working, teleworking and easier transition from old (outdated) positions to new tasks, simultaneously improving the employment protection of workers on atypical employment arrangements.

## **Social partners and active ageing**

In recent years awareness of the importance of active age management policies has increased significantly among employers and trade unions in the EU, although the extent to which this has been actively addressed varies.

Just as different countries and regions, also different industry sectors and employers will face divergent age profiles among their staff and therefore varying pressures to take decisive action, although the overall trend towards a declining and ageing workforce is widely recognised as a challenge.

On the whole, social partners' practices with regard to active ageing can include a number of key elements:

- Changing attitudes to older workers within organisations (being age positive);
- Workforce mapping and workforce planning combined with age positive recruitment;
- Training, development and promotion policies as well as succession management;
- Health and safety/ergonomics and job design (the two categories above are sometimes referred to as measures to maintain "work ability");
- Flexible working practices (temporal, geographical as well as functional, including workplace and work process redesign and redeployment; and
- Cross cutting policies including inter-generational learning.

It has to be noted that social partner agreements may cover many of the above areas in a holistic approach to modernise industrial relations. For example some social partners organisations in the Netherlands have recently agreed on a social manifesto aiming to create sustainable employment through focus on developing knowledge, improving working conditions, increasing diversity and availability of individual's choices for all their represented workers including older employees, youth, various education levels, working time arrangements and types of contracts.

Similarly, the social partners in Spain have recently signed a comprehensive active ageing strategy covering the period 2012-2014, which includes elements such as promotion of healthy and secure working conditions through evaluation of risks for older

people and corresponding training and information, enhancing companies' flexibility with regard to working hours to suit older workers needs, re-adapting PES services in improving employability of older workers, fostering experience transfer and fighting age discrimination.

## **Objectives of the assignment**

The main objective of this questionnaire is to describe the **strategies/ policies/measures** developed by the **national governments**, as well as **social dialogue agreements** or **individual initiatives of social partners** (on national or industry level only) that contribute to improve the quality of work and employment conditions of older workers and to create the working conditions that promote longer working life, and therefore to keep older workers in the labour market.

## **1. National background and policy context – the main issues encouraging or preventing the extension of working life in your country**

### **1.1 What are the main barriers in your country for the extension of working Pension systems which continue to encourage, or fail to provide appropriate incentives to delay retirement (including the ongoing use of early retirement systems);**

- Taxation systems which make it difficult to combine the receipt of a wage with that of a (partial) pension;
- Unemployment benefit systems which do not require older workers to be actively seeking work or which restrict their access to active labour market policy measures;
- particularly large sectors (of national importance) that have predominantly outdated skills or predominantly employ older workers who are shortly expected to leave the labour market;
- poor quality of working/employment conditions or prospects of personal development in sectors of national importance that force older workers out of employment (sooner);
- any discrimination or stereotypes regarding older workers that hinder their employment or their re-employment;
- provision in employment protection legislation which discourage the recruitment (or retention) of older workers;
- any other contextual factors constituting barriers to longer and better quality working lives.

In Greece, until recently and before the financial crisis, the probability for someone to become unemployed was relatively decreasing as such person became older due to the existence of a legislative framework protecting employment as well as due to the

existence of high percentages of self-employment in the Greek economy and especially as regards older workers (much higher compared to the percentages of younger workers).

Traditionally, higher percentages of employed older men are found in the sectors of agriculture, industrial production, construction, transportation and commerce, while the main employment sectors for older women are agriculture, commerce, industrial production as well as hotels and restaurants.

However, under the circumstances currently prevailing, Greek economy suffers from a deep economic depression and especially high levels of unemployment (22.6% according to the latest data of the Hellenic Statistical Agency ([ELSTAT](#)) for the first quarter of 2012). This situation has also affected older workers.

Furthermore, according to ELSTAT statistics (2<sup>nd</sup> semester 2011), although the unemployment rate of older workers aged 55-64, (7,8%) is lower than the national average rate (16,3%), there is a significant increase of unemployment of older workers as compared to the year 2008. Comparing the unemployment rates for the specific age group between 2008 – 2011, the increase is approximately 150% (17.824 unemployed in 2008 and 45.997 in 2011).

As concerns the unemployment of older men, this is mainly established in sectors substantially affected by the depression such as: construction, industrial production and commerce as well as in persons with low educational level (primary education). On the contrary, in the agricultural sector there is a remarkable increase of employment of older workers in 2011 (24,8%) as compared to 2008 (22,8%). Also, it is worthy to note that almost the 50% of the employed persons in the ages 55-64 are self-employed with or without personnel.

The characteristic differentiating older unemployed persons from other unemployed persons is the fact that their reemployment is deemed almost impossible. This is due to the fact that older workers in principle “cost” more for the employers as concerns the level of their wages and social security contributions. Therefore in cases of recruiting new personnel the employers prefer young people with lower wages. According to the ELSTAT employment reports 2010 and 2011, there is finding showing that from the unemployed persons that managed to find a new job, the age group of 55-64 represents only the 3,3% in the year 2010 (3.227 out of 98.251), and 3,7% in the year 2011 (5.830 out of 165.800)

In addition to the general situation described above, the following are deemed as the main impediments related to the extension of the working life:

- The operation of the **pension system** in general, before its reform in 2010, which facilitated and permitted in several cases retirement from work and premature pensioning even after relatively few years of employment as regards some categories of workers, mainly but not exclusively those employed in the public sector and in the wider public sector, such as women with underage children,

- persons employed in the public security services and the armed forces, workers employed in hazardous occupations, premature farmer's pensioning, premature pensioning of workers in privatized undertakings etc.
- However during the last 2 years, due also to the requirements set out in the Memorandum towards the International Monetary Fund (IMF) and the European Union ([EU](#)), a broad reform of the pension system has been undertaken with the following main characteristics: increase of the age limit for receiving full pension to 65 years, substantial decrease of the amount of paid pensions and establishment of counter-incentives for premature pensioning. The result of this reform, however, was that a substantial number of workers aged 55 and above face employment uncertainty, are afraid that their social security and pension rights may be regulated in a more disadvantageous manner in the future and that they may probably lose pension rights and remunerations and are impelled to prematurely retire from their work, utilizing advantageous transitional provisions.
  - However, notwithstanding the establishment of increased pension age limits both in the private and public sector, the commitment of the Greek Government under the Memorandum for a drastic decrease of personnel in the public sector led in 2011 to the implementation of the so-called "employment reserve" program. The implementation of this program resulted to the general retirement from work and pensioning off of a large number of public servants who either fully fulfilled the conditions for pensioning or had almost fulfilled such conditions. Such workers would receive for one (1) year 60% of the remunerations they would receive in case they were still normally employed.
  - The **high taxation** applicable to employed pensioners in conjunction with high unemployment percentages and lack of employment positions are counter-incentives for continuance of the employment and impel persons entitled to apply for pension to stop working or to work under undeclared employment schemes.
  - The **lack of established flexibilities** and of advantageous employment terms and conditions for older workers (e.g. flexible or decreased working hours) and the general lack of respective regulations at the individual enterprise level.
  - The **lack of incentives** for enterprises/employers employing older workers.
  - The **lack of opportunities** for the acquisition of new skills, in order to address the despecialization of older workers as well as the lack of measures focusing on the provision of lifelong education and learning to such workers, in order to adapt their knowledge and skills and continue their active working life.
  - Lack of **established alternative employment forms** for older workers which may be pensioners but are still interested in an active working life (e.g. work at social utility sectors/fields) including provisions for social security and health insurance coverage of such persons.

## 1.2 In general, what are the main existing policies and other contextual elements contributing to the extension of working life?

### Working conditions related aspects Social and labour market aspects

- Flexible pension systems which significantly reward extending working lives;

- Taxation systems which encourage working longer (for example in combination with a partial pension)
- Well developed care systems (for child or elder care) which limit demand on older workers to take up such roles;
- Active labour market policy measures which effectively encourage the recruitment of older workers (including subsidies).
- Any other contextual factors constituting contributing to longer and better quality working lives.

### **Elements contributing to the extension of working life? a) Working conditions related aspects b) Social and labour market aspects**

- Flexible pension systems which significantly reward extending working lives;
- Taxation systems which encourage working longer (for example in combination with a partial pension)
- Well developed care systems (for child or elder care) which limit demand on older workers to take up such roles;
- Active labour market policy measures which effectively encourage the recruitment of older workers (including subsidies).
- Any other contextual factors constituting contributing to longer and better quality working lives.

In Greece, also due to the financial crisis, a substantial reform of the pension system has occurred in 2010 as a result of the respective commitments undertaken by the Greek Government under the Memorandum and the credit support program towards the International Monetary Fund (IMF) and the European Union (EU). In this context Law 3845/2010 passed in May 2010 as a result of the commitment of the Government for the reform of the pension system and having as its declared goal to ensure the sustainability of such system.

The main reforms specified under Law 3845/10 are: a) the introduction of a uniform pension age limit at 65 until December 2015; b) the increase of the required pension age for women in the public sector at 65, gradually commencing on 1/1/2011 and completed until December 2013; c) establishment of an automatic adjustment mechanism linking pension age with any increase of life expectancy as applicable in the year of pensioning; d) calculation of the amount of the pension based on remunerations received during the entire working life; e) increase of the minimum contribution period from 37 to 40 years until 2015; f) restricted use of premature retirement before 60 even for workers employed in hazardous occupations but also for those having completed 40 years of employment; g) reduction by 6% per year for those retiring at the ages between 60 to 65 after less than 40 years of payment of social security contributions. The same legislation includes a general commitment of the Government to take more measures by means of presidential decrees preventing the dismissal of older workers who have reached the pre-pensioning stage, regardless whether such dismissals are individual or group dismissals.



After the aforementioned measures the most fundamental law of the social security reform passed in July 2010 (Law 3863/10) while during the entire three-year period individual legislative provisions have been established and several regulatory decisions have been issued the main characteristic of which is the reduction of the amount of the pensions.

As regards the extension of the working life, certain legislative interventions have been noted, which, however, are of piecemeal nature and aim to facilitate the extension of working life either by providing incentives to workers or by preventing premature pensioning.

In this context, the main legislative interventions are the following:

- **Increase of pensions granted after 35 years of employment (Law 3863/10):** Increase of the amount of the pension for those workers of the private sector opting to continue working after the age of 60 and after having completed 35 years of contribution payment. This increase amounts to 2.5% for each additional contribution payment year from the 35<sup>th</sup> to the 37<sup>th</sup> year and to 3.5% for each additional full year of contribution payment after the 37<sup>th</sup> year to the 40<sup>th</sup> year (cf. also point 2.4) This provision was introduced in 2010, but so far there is no any available data on the number of people having done use of this regulation.
- **Participation of the employer in the social security contributions of dismissed older workers (Law 3863/10):** Measures were adopted preventing the dismissal of workers who have reached the pre-pensioning stage and a “counter-incentive” has been established for the dismissal of older workers who are about to retire, insofar as their placement in an employment position is not possible. In particular the right of “*self-insurance*” has been granted. In case of termination of the employment contract of a worker aged 55-64, regardless whether such dismissal is individual or part of a group dismissal, and insofar as such worker remains unemployed, he/she is entitled to self-insurance. This right is exercised within two months from the dismissal of the worker and includes the payment of a percentage of the social security contributions for 3 years by the employer, such percentage amounting to: a) 50% as regards insured workers aged 55-60 and b) 80% as regards insured workers aged 60-65. The remaining costs of their self-insurance (a percentage of 50% and 20% respectively) is paid through the Employment and Professional Training Account ([LAEK](#)) during the period in which the employer who has terminated the employment contract is obliged to participate in the payment of such contributions.
- **Prevention of premature retirement in enterprises of the broader public sector (Law 3863/10):** A previous statutory provision (Law 1256/82) was abolished, according to which “virtual” (“virtual” means years of no actual work and missing for retirement and for which the employee has the right to pay by himself the social security contribution in order to acknowledge them as years of work) employment years were acknowledged to workers retiring under voluntary retirement programs (retirement upon increased compensation) from enterprises

of the broader public sector, resulting to the establishment of a right for premature pensioning or increase of the amount of the pension in favour of such workers.

- **Participation of the employer in the social security contributions of dismissed older workers (Law 3863/10):** Measures were adopted preventing the dismissal of workers who have reached the pre-pensioning stage and a “counter-incentive” has been established for the dismissal of older workers who are about to retire, insofar as their placement in an employment position is not possible. In particular the right of “*self-insurance*” has been granted. In case of termination of the employment contract of a worker aged 55-64, regardless whether such dismissal is individual or part of a group dismissal, and insofar as such worker remains unemployed, he/she is entitled to self-insurance. This right is exercised within two months from the dismissal of the worker and includes the payment of a percentage of the social security contributions for 3 years by the employer, such percentage amounting to: a) 50% as regards insured workers aged 55-60 and b) 80% as regards insured workers aged 60-65. The remaining costs of their self-insurance (a percentage of 50% and 20% respectively) is paid through the Employment and Professional Training Account ([LAEK](#)) during the period in which the employer who has terminated the employment contract is obliged to participate in the payment of such contributions.
- **Prevention of premature retirement in enterprises of the broader public sector (Law 3863/10):** A previous statutory provision (Law 1256/82) was abolished, according to which “virtual” employment years (“virtual” means years of no actual work and missing for retirement and for which the employee has the right to pay by himself the social security contribution in order to acknowledge them as years of work) were acknowledged to workers retiring under voluntary retirement programs (retirement upon increased compensation) from enterprises of the broader public sector, resulting to the establishment of a right for premature pensioning or increase of the amount of the pension in favour of such workers.

## 2. Policies promoting prolongation of working life through the improvement of quality of work

### 2.1 Developing skills (Training, lifelong learning)

- Measures / policies / agreements to improve in-work training provision.
- Measures / policies / agreements to validate existing competencies and skills.
- Other relevant measures (i.e. promotion of intergenerational skills exchange)
- Others related to this area (i.e. a general initiative in this area)

No special legislative framework and/or focused education actions for older workers, provided on a permanent and regular basis, exist in Greece.

The existing legislative framework for lifelong learning passed in 2010 (Law 3879/10) and its main objectives among others are the improvement of knowledge, skills and abilities within the framework of an individual, social aspect and/or an aspect related to

employment. The aforementioned Law prescribes the establishment and operation of [KEE \(Adult Education Centres\)](http://kee.ideke.edu.gr/) (<http://kee.ideke.edu.gr/>), by the Ministry of Education throughout Greece, which shall provide lifelong learning in various technological and non-thematic subjects. All adults are entitled to participate in such programs and no special provisions for the participation of older workers have been established.

Furthermore, the professional training is provided to older workers in the broad context of intra-enterprise training schemes implemented by the enterprises themselves and financed either by own funds of such enterprises or by the special Employment and Professional Training Account (LAEK) maintained by means of the contributions of both workers and employers. The LAEK account has been created in 2002 pursuant to the national collective labour agreement.

As regards older unemployed persons, they may receive professional training at accredited Professional Training Centres (KEK), which usually implement training programs financed by European funds.. These programmes are implemented in the context of the Operational Programme “Development of Human Resources” for the period 2007-2013 and especially within the thematic priority for the facilitation of access in the labour market. The projects are referring among other things in the continuing vocational training of unemployed and based on a targeted approach according to sectoral or occupational needs of the labour market as well as on age target groups. The unemployed people of older ages are one of the main target groups in participating by priority in the programmes; nevertheless there is no reference on the specific potential number of beneficiaries. The operational programme is co-funded by the European Social Fund (ESF) and it’s total budget amounts for 1.624.419.502 Euros. These kind of actions are taking place in the general context of the active labour market policies promoted by the EU employment policies,

Finally, as regards formal education, "second chance schools" were established pursuant to Law 2525/97, providing to adults the opportunity to complete mandatory education and to acquire a degree equivalent to the secondary school degree.

Focused training actions for older workers are occasionally developed by local Municipalities (Municipality of Byron) or by individual organizations (NGO: [50plus Hellas](#)), which are active in relation to this age group. This organization is member of the European NGO “AGE Platform Europe”, which has 125 affiliated organisations in the 27 E.U. member-states

Its mission is to support the rights of the aged people (up to 50 years old), through providing information and influencing the public policies, to promote the improvement of health and life quality of the aged people, to increase their active role in employment and society etc.

Some of its basic activities include: a) providing relative information and news for people over 50 through the web site ([www.50plus.gr](http://www.50plus.gr)), issuing studies, organizing seminars, lectures and scientific meetings, b) providing support to the aged people as concerns

equal treatment and combating discriminations in employment, in lifelong learning and training, in learning and using information and communication technologies (ICT), c) promoting better health and quality life for people over 50.

The organisation is not funded by the state and it's resources are mainly coming from EU funded projects and sponsors. One of the current projects it's the training of 180 persons over 50 in information technologies.

## **2.2 Health and safety and health promotion**

- Measures / policies / agreements to improve health and safety in the workplace (which go beyond basic legislative requirements)
- Measures / policies / agreements to assist in the adaptation of workplaces for (older) workers with limited physical or psychological work capacity, including rehabilitation after incapacity/sickness and integration in the workplace for older workers.
- Measures / policies / agreements aimed at overall health promotion in the workplace
- Other relevant measures (i.e. a general initiative in this area)

As regards health no official policies or measures fostering health and security of older workers exist; however, the general statutory provisions for the protection of all workers apply.

In individual cases and on initiative of enterprises special terms and conditions in relation to health and safety of older workers may be secured; however, respective data is not available

Some companies for example provide additional insurance benefits through private personal or collective insurance contracts.

Also another measure of horizontal character (for all ages) is the legal obligation for companies employing more than 50 persons to collaborate with an "occupational doctor", who visits the company periodically and examines the employees. In this sense, large companies provide a type of preventive medical care to people regardless the age.

## **2.3 Work organisation related measures: flexible working time, career development and horizontal mobility**

- Measures / policies / agreements to support temporal working time flexibility (flexible work schedules, part-time / reduced hours working in the run up retirement, time banks, etc.).
- Measures / policies / agreements to support geographical flexibility (home working or teleworking policies).
- Measures / policies / agreements to support functional flexibility (to achieve greater flexibility in who does what and how – for example to enable workers no

- longer able to do their former job to adapt to carry out new tasks). This could also mean mobility between companies.
- Measures / policies / agreements to support career development beyond 50+
- Other relevant measures related to work organisation (i.e. a general initiative in this area)
- As regards flexibility, no official policies or measures fostering such arrangements to accommodate the needs of older workers exist.

It is noted, however, that during the last two years, extensive modifications to private sector employment relations have been established and implemented which aim to facilitate flexibility at a horizontal level in order to improve competitiveness. Such provisions include without limitation: facilitation of special employment forms (contracts for work and labour or service provision contracts), rotation work upon an unilateral decision of the employer, facilitation of the transformation of full-time employment to part-time employment, reduction of the costs and abolition of various restrictions in relation to dismissals etc.; however, none of these measures is regarded as having contributed to the extension of the working life of older workers. This paragraph aims to explain that in the last 3 years in Greece has taken place a very extensive legislative reform in facilitating the horizontal and without any limitations flexibility at workplace in the name of competitiveness in general; and this overflexibility has not any positive effects in promoting active ageing / extending the working life of older workers.

As regards exclusively the public sector, both in the narrower and broader sense, optional part-time employment has been established under Law 3986/2011. This law provides for the option to reduce working hours (working hours per day or working days per week) up to 50% and for up to five years under a respective reduction of the remuneration; the period of part-time employment is calculated as employment time in relation to the establishment of pension rights. This law is applicable to all workers, regardless of their age group. This specific regulation of the Law 3986/11 for optional and agreed reduction of the working hours refers exclusively to the public sector, has an horizontal character (all ages) and does not focus specifically on older workers. Also the law is very recent and there is not any evaluation on its results. On the contrary, in the private sector have been passed different legislative measures that have as a central aim to facilitate work flexibility giving employers a right to do this unilaterally.

Furthermore, in individual cases and on initiative of enterprises, special treatment and working hour flexibility arrangements for older workers have been agreed under individual agreements with older workers; however, respective data is not available and this is not a general practice.

According to relevant report («Integrated Systems of Managing Active Ageing») some companies give priority or opportunities to older workers to choose the working hours (for example evening working hours in commercial stores). (<http://www.empeiria-dp.gr/stud.htm>)

Also according to a survey on managing active ageing (2006) made the Greek Network for the Corporate Social Responsibility in its 27 member companies, the following findings are mentioned: 3 companies implement corporate policies in promoting part-time work, 4 companies encourage the extension of working life until the 65 years and 7 companies employee as freelancers retired employees ( <http://www.empeiria-dp.gr/stud.htm>)

## **2.4 Initiatives related to socio-cultural change**

- Measures / policies / agreements to change “early exit culture”
- Measures / policies / agreements to promote the value of older workers in terms of performance, competencies and experience
- Other policies related to promoting changes of attitudes in the society and or in an specific sector about the value of older workers
- Other (i.e. a general initiative in this area)

Recently, Law 3863/2010 on the new social security system specifies incentives for the continuance of employment in the private sector. According to this law, the amount of the pension is increased using a specific method for those selecting to continue to work after their 60th birthday and provided that they have also been already employed for 35 years. In this case, their pension is increased by 2.5% for each additional contribution payment year from the 35<sup>th</sup> to the 37<sup>th</sup> employment year and by 3.5% for the 38<sup>th</sup> to the 40<sup>th</sup> employment year. This provision was introduced in 2010, but so far there is no any available data on the number of people having done use of this regulation.

## **2.5 Returning to work for unemployed older people**

- Policies to improve access to the labour market, especially when 50+ workers are unemployed.
- Others (i.e. a general initiative in this area)
- In the context of active employment policies, Law 3845/2010 provided for the option to hire unemployed persons approaching pension age or aged 55 to 64 in the public sector for a specific amount of time through Employment Promotion Companies (EPA) and the financing of their hiring by the Labour force Employment Organisation ([OAED](#)).
- In implementation of the aforementioned provision, a focused financial support program for enterprises belonging to Local Government Organizations (Municipalities and Regions) has been approved and implemented since the end of year 2011 for the employment of 5.000 unemployed persons aged 55-64 (former workers and long-term unemployed persons). This program has been incorporated in the Operational Program “Human Resources Development” and is financed by the European Social Fund (ESF) and implemented under the supervision of the National Employment Organization (OAED). The financial support amounts to 25 euro per day of full employment and the period of employment is set to 27 months.

- Furthermore OAED (Labour Force Employment Organization), through the program titled “financial support to enterprises for the employment of unemployed persons approaching pension age” which was implemented in the year 2008 and financed enterprises to hire unemployed persons approaching pension age (2.500 persons benefited). The funds originated from [LAEK](#) (Employment and Professional Training Account), to which the respective contributions/deductions of workers and employers are remitted and which is administered by OAED.

## 2.6 Comprehensive programmes

- Initiatives covering various aspects for the improvement of quality of work in order to contribute to longer working lives.
- Programmes combining working conditions, labour market and welfare aspects.

Since September 2011 the “employment coupon” (“**ergosimo**”) is implemented pursuant to Law 3863/2010, offering the opportunity for payment of remunerations and deduction of social security contributions to persons occasionally employed at the residence (for example: household assistants, maids, housekeepers, domestic helpers) of one or more employers. This provision is of general nature and may be utilized by older workers who are employed on an occasional basis. This provision was introduced in 2011. This provision was introduced in 2011. The 20% of the workers’ payment is given to the public social security institution of the private sector (IKA) to cover insurance health and retirement. The calculation of the days of insurance per month is calculated on a pro rata basis according to the minimum national wage.

Another initiative not directly linked to the working life of older workers is the program titled ‘Help at Home’. The program offers care services at home for elderly people, who are dependent family members of unemployed persons or persons threatened by unemployment. Its objective is the enhancement of employability and the equal participation in the labour market. Also, improves the life quality of older workers. The “Help at Home” is implemented at the level of the Municipalities throughout the Country since 2005 and financed by the European Social Fund (ESF). This program offers to older citizens nursing services provided by nurses at home, consultation and psychological support, provided by social workers, and family help and companionship, provided by family helpers.

During the European Year for Active Aging and Solidarity between Generations (2012), the Non-Governmental Organization “Centre of Caring for f Family and Child” ([KMOP](#)) provides to older people in eight Municipalities in Greece the program “Help at Home”, in an effort to improve life quality for third age persons, to address their constantly increasing needs, as well as to protect their inalienable right to live independently.



### **3. Views of Social Partners on the role of working conditions for keeping older workers in the labour market**

The employer and workers organizations have made substantial efforts within the framework of the collective negotiations and general collective agreements to establish the pension rights of older workers who are unable to find a job or do not fulfill the requirements for retirement.

In particular, under the national collective labour agreement (EGSEE) 2000-2001, they agreed to propose to the government to pass a respective legislative provision ensuring the coverage by LAEK of remaining social security contributions of long-term unemployed persons approaching pension age.

Also, under the national collective labour agreement (EGSEE) 2002-2003, they have undertaken to examine whether LAEK could cover the social security contributions of long-term unemployed aged over 65, who only lack some days of insurance time in order to establish a right to full pension, since due to their age their reemployment in employment positions is very difficult. Furthermore, they agreed to promote joint actions in favour of older persons such as: a) their participation as a matter of priority in all intra-enterprise training-respecialization programs and b) the establishment of incentives for their introduction to new employment position programs (in case they have been fired) and to programs addressing long-term unemployment.

In implementation of the aforementioned agreements the respective actions were carried out by OAED as mentioned above.

Moreover, a substantial intervention in the field of active ageing with the participation of social partners was the implementation of the program under EQUAL II, titled “innovative approaches to the implementation of social dialogue-The case of Active Ageing management.”

The duration of project was from May 2005 until March 2009 and it's total budget amounted for 1.275. 202 Euros.

The coordinator of the program was the Financial and Social Committee ([OKE](#)) and the following social partners participated in it: Employment Institute, General Confederation of Greek Workers ([INE GSEE](#)), Financial and Industrial Research Institute ([I.O.V.E.](#)), Greek Industries Association ([S.E.V.](#)), National Confederation of Greek Commerce ([E.S.E.E.](#)), General Confederation of Professionals, Handicraft Entrepreneurs and Merchants of Greece ([G.S.E.V.E.E.](#)) etc. In this context, a dialogue commenced for the first time between employers and workers in relation to active ageing, the problems related to active ageing were listed, a methodology was developed and tools were created for managing active ageing at the enterprise level. The target group received support



through consulting, training and guidance applications while an Observatory has been established for promoting social dialogue in relation to active ageing.

The beneficiaries were 274 people (140 men and 134 women).

Among the activities implemented were 2 distance learning seminars on:

- Development of horizontal qualifications for employees in SMEs or unemployed over 50, who would like to reenter in the labour market
- Preparation of employees over 50 for changing job content or job specialization in the industrial sector

One of the results of the project was the compilation of an action plan for the adjustment of charters and/or human resources management minutes to active ageing. [http://www.empeiria-dp.gr/stud/4\\_1el.pdf](http://www.empeiria-dp.gr/stud/4_1el.pdf)

Within the framework of the specific project the organisations of employers and workers developed and exchanged views and opinions on the issue.

According to [GSEE](#), in order to promote active ageing in a successful way, there is a need to design and implement combined employment policies accompanied by social protection policies and measures. Increasing employment of older workers, also means that an effective functioning of the labour market is achieved, there are available appropriate jobs for older people and motives for remaining at work have been established such as: fair wage – pension treatment, favourable taxation, good working environment (working hours, health and safety etc).

Also, according to the SEV report the main reasons preventing employment of persons aged 55-64 are linked to social security and pension systems, lack of employment flexibility, lack of support to older workers from the labour market and undeclared employment of pensioners. Furthermore, strong incentives for premature retirement and strong counter-incentives exist in the tax legislation for the continuation of the employment of persons who have established their pension rights. In contrast, flexible work conditions for workers aged 55-64 and flexible pensioning permitting continuation of the employment after receipt of the pension along with other conditions, constitutes the proposal of the employers and a suggested subject for the dialogue at the collective negotiations level.

According to ESEE, an additional impediment is lack of life quality of workers, which discourages any extension of the working life. Some of the aspects of such lack of life quality concern health, lifelong education and employment area organization and support services development.

According to GSEVEE, no practices have been noticed for supporting active ageing, except of direct consultations between the worker and the employer, which may lead to

the adoption of certain advantageous regulations for older workers within the framework of a personal relationship.

Furthermore, according to the report of GESASE (General Confederation of Farmer's Associations of Greece), it has been established that 92% of the persons employed in the primary sector are aged 55-64, and are either self-employed persons or helping family members not receiving any remuneration for their work. Since the 1990s premature retirement and the provision of premature retirement incentives is the main trend prevailing in this sector.

In general, it has been established that the social dialogue for active ageing is mainly developed in piecemeal fashion and in the context of management bodies of social security funds as well as of permanent Committees of bilateral or trilateral cooperation concerned with employment and social protection issues and that no specific strategy for active ageing management exists.

## **4. Commentary**

Under the current period of deep economic depression, high unemployment and a labour market actually deregulated in Greece, implementing policies for keeping older workers in the labour market, is quite a difficult task.

At this moment, there is an imperative need for social protection of the unemployed and then effective policies of sustainable economic growth, that will create jobs. There is also a need to implement favourable policies and measures that will enhance the employment opportunities of the aged workforce, secure decent working conditions and their rights at work and strengthen their self-respect as well the respect to them. Finding a job in older ages is more difficult and employment policies must focus on securing the right to work and the right to a decent pension for all. There is also a need for the government and the social partners to agree on a common strategic approach and to take specific and concrete policy measures for older workers, such as providing economic incentives in companies to keep or hire aged workers, to finance their social security contributions, to create a more favourable taxation environment, to promote positive and attractive work flexibilities and preserving or / and improving the social protection of aged workforce.

Nevertheless, the employment policies on the aged workers remain either almost nonexistent or at the best are few and fragmented within a negative economic context, where a real employment strategy is absent.

Penny Georgiadou, Labour Institute of Greek General Confederation of Labour (INE GSEE)

## **Sources**

- Labour Institute of Greek General Confederation of Labour (INE GSEE), Annual Report: Greek Economy and Employment 2012, Athens, 2012
- EQUAL II “DP Experience”, Dimoulas K., Synthetic study analysis of the current situation in the field of age management structure of human resources in the primary, secondary and tertiary sector, INE GSEE, Athens, 2007.
- EQUAL II “DP Experience”, Romanias G., Study - report on a framework of incentives to remain at work for active ageing, INE GSEE, Athens, 2006
- Project AWISE, Vocational Training SA , Ageing workforce in small Enterprises Jurical Survey: Legal framework of the labour relations and the social security – pensions system in Greece, Athens, 2005
- Xirafis A., Ageing in Greece, Athens, 2012
- Triantafillou M., Active ageing: The power of 55 +, Athens, 2010

## Web sites

- <http://www.oke.gr/>
- <http://www.empeiria-dp.gr/stud.htm>
- [http://www.oaed.gr/Pages/SN\\_704.pg](http://www.oaed.gr/Pages/SN_704.pg)
- [http://laek.oaed.gr/\(S\(nwz5yyjly405fcabbu15xi55\)\)/intro.aspx](http://laek.oaed.gr/(S(nwz5yyjly405fcabbu15xi55))/intro.aspx)
- <http://www.ypakp.gr/>
- [http://www.ika.gr/gr/infopages/memos\\_search.cfm](http://www.ika.gr/gr/infopages/memos_search.cfm)
- [http://www.eetaa.gr/enarmonisi/voithia\\_sto\\_spiti\\_2011/index.html](http://www.eetaa.gr/enarmonisi/voithia_sto_spiti_2011/index.html)
- <http://www.kmop.gr/>
- <http://www.50plus.gr/>