

## Demographic Development

At the beginning of the 21<sup>st</sup> century there are more people of 60 years of age and more than people under 20 years of age in Baden-Wuerttemberg. The causes of this change of age pattern, which can be observed in nearly all industrial countries and has been observed for a long time, are a steadily increasing life expectancy and a constantly low birth rate. After 2020 this tendency will increase further because of the baby boomers of the 1960s, which will then be entering senior years.

Big challenges for the economy, the job market and the social security systems are the result of this development: future innovations and coming to terms with the associated technical, economical, and social change must be shared by the elderly population more than before. Especially the relation between employed contributors and no longer working beneficiaries of the statutory pension insurance in Germany will change considerably.

Nevertheless, neither the demographic development nor the resulting strains on the social security funds are naturally decreed. There are many possibilities in politics to influence positively the subjacent variables:

- The birth rate doesn't need to remain on a very low level (Baden-Wuerttemberg: 1,37 children; Germany: 1,38 children). In France woman-, family-, and child-friendly politics succeeded in increasing the birth rate significantly from 1,65 children in 1993 to 1,9 children today.
- It is not so much the demographic relation between young and old that is important to the financial foundations of the statutory pension insurance in Germany, but the relation between contributors and beneficiaries. The reduction of unemployment and the enhancement of women's labour force participation improves the relation between contributors and beneficiaries and mitigates the demographic development.
- A convergence of the actual and statutory retirement age, on condition that the companies' willingness to employ elderly people in ageing-appropriate positions increases. If the situation does not change, 100 employed contributors will face 111 beneficiaries in 2050 according to current forecasts. The relation will change to 100 employed contributors facing 85 beneficiaries in 2050 if people work until the age of 65. This would be just three more beneficiaries than today.

Thus the demographic change, which is often exploited as a threat to social rights, is in fact politically shapeable. Above all, however, it mustn't be neglected, even in the face of all demographic considerations, that the creation of value in our national economy is not only determined by the size of the labour force but also their productivity. Due to productivity improvement the previous demographic development could be managed successfully. Tremendous increases in productivity and accompanying wage increases made sure that the material prosperity of all ages and the social system could be improved.

Why shouldn't this be possible in the future?

With a yearly increase in labour productivity from 1,25% to 1,8%, an increase in productivity from 80% to 135% can be expected in Germany until 2050. Whether the working population will be able to pay for the pensions of the older people in the future seems also to depend

essentially on the fair distribution of this productivity improvement in terms of corresponding increases in income.

## **Shaping the demographic development**

The core of the problem is the development of employment and of the distribution of the increasing national product. Herein lie opportunities for the trade unions' starting points in the demographic discussion. Apart from an active employment and tariff policy we have to intensify our endeavours to support our ideas of a humanization of work, the compatibility of family and employment, and an improvement of occupational opportunities of women.

Our main objectives are:

- improved employment opportunities, especially for older people and women
- a healthy, extended continuance in professional life by means of ageing appropriate positions and working conditions as well as health prevention programmes
- age-adjusted working hours and working conditions which also comply with domestic needs (parenting, care of relatives) of the employees, free from discrimination
- constant advancement of qualification through lifelong learning
- improvement of the compatibility of family and employment by means of improved childcare and a family-friendly climate

The point is primarily to create an awareness that models of labour and personnel policy are to be developed based on the following premises:

- Human resource planning may not be short-term and reactive, but must prepare for a future in which there are more older and less younger people.
- The more lifetime passes the more competencies emerge.
- Older people form an underappreciated potential – practice and knowledge of experienced employees must be made use of reasonably and on a long-term basis.
- Handling older employees with consideration, so that they can remain in employment as long as possible.
- Mixed teams, so that transfer of knowledge can be increased between generations.
- Further training opportunities should be provided meeting the demands without age restrictions.
- Personnel should be qualified as broadly as possible, so that it can be deployed flexibly.
- Models of job rotation in order to deploy personnel more flexibly than before in different positions.

Further training and qualification will be of outstanding importance in the future. A sustainable vocational education and qualification offensive requires a systematic demand

analysis in coordination with the employees, the works council and the management and its transformation into an extensive further training programme.

The trade unions refuse decidedly a raising of the statutory retirement age.

### **Humanization of work and ageing-appropriate work**

Since the 1970s the trade unions have urged the question of the humanization of the world of employment. While there were distinct proceedings in this field in the 1980s until the beginning of the 1990s through enriched occupations, decoupling of work cycle and team work, the progression has declined for several years. Countermeasures must be taken against this development, particularly against the background of the future demographic development and the operational prevention.

Works councils have pointed out for years the increasing average age of the working population and the resulting requirements for personnel, employment and qualification policies. Nevertheless, most companies are insufficiently prepared for the demographic change because they adhere to the 'youth craze'.

The demand for ageing-appropriate jobs will increase. Managements and employees will have to abandon their conviction that older people are no longer productive.

The conceptions of a humanization of the world of employment must adjust to this change of labour conditions.

Apart from a constant advancement of qualification and ageing-appropriate workplaces and working conditions, health prevention programmes concerning companies are more necessary than before, so that the ageing employees can remain in employment healthily and efficiently, preferably until the statutory retirement age.

### **Personnel policies of companies in Baden-Wuerttemberg in order to take into account demographic change**

All players on the labour market are insufficiently prepared for the demographic change/ageing of the employees.

It is especially difficult to establish oneself in small companies. Specific personnel policy measures in order to maintain employability of older employees are not very prevalent in operational practice. Partial retirement, followed by the offer of mixed-age teams and the involvement of older people in further training programmes, are the most frequently applied measures according to the DGB's information. The reduction of performance requirements, specific equipment of workplaces and specific supply of further training programmes for older people are of subordinate importance.

It can be stated that large medium-sized enterprises and big firms tend to take more measures than small enterprises. However, in most companies measures are not a long-term concept, but are oriented towards tangible demands of the company in question, f.ex. minimize absenteeism due to illness.

In short, the businesses' intent to take measures is in the first place due to business considerations and aims at the maintenance of competitive position.

The participation rates of older qualified employees in training measures are generally very low. Of course it must be considered that the better trained the employees are, the more receptive toward vocational further training in general and formal further training in particular they are. The participation rates in further training of employees with low qualification and employees with migration background in particular are very low. Older employees are not or only marginally involved in operational learning processes. All in all, older employees are not considered in human resources development. Strategic concepts that consider the qualification of older employees and their learning biographies hardly exist.