

# Adapting to an Ageing Workforce: Europe's Challenge and Opportunity

Europe is undergoing a profound demographic transformation, characterised by increased longevity and extended working lives. This shift presents both a challenge and an opportunity for the labour market, necessitating a multifaceted approach to fully integrate an ageing workforce. As of 2022, the trend is clear: Europeans are not only living longer, with an average increase of 3.1 years more than in 2002, but they are also prolonging their careers, with the average duration of working life reaching 36.5 years, a notable rise from 34.9 years in 2015.



Despite the growing participation of those aged 55 and over in the workforce, they face considerable barriers that must be

overcome to harness the potential of this demographic evolution.

## **Bridging the Gap: Employment for the Older Demographic**

The rise in employment rates among older Europeans signifies progress, yet disparities across the European Union highlight the existence of persistent obstacles. These barriers, rooted in gender disparities, ageism, and the evolving need for skills development, underscore the importance of enhancing working conditions for the ageing population. By tackling these challenges head-on, Europe can unlock the full potential of its older workforce, contributing to a more dynamic and inclusive labour market.

## **Learning from Sweden's Success**

Sweden's approach to integrating older workers stands as a model for the rest of Europe, with employment rates significantly above the EU average. This achievement is due to several factors, including high job satisfaction, a culture that values the contributions of older employees, and pension schemes that offer flexibility. By analysing Sweden's tactics, other Member States can derive valuable lessons on enhancing the engagement and satisfaction of older workers within their own labour markets.

## **Gender Inequality in the Workforce and Retirement**

Despite strides towards gender equality, disparities remain, especially among older workers. Women are more likely to exit the workforce prematurely, resulting in a significant pension gap compared to their male counterparts. This issue is

compounded by factors such as interrupted career paths, limited opportunities for advancement, and caregiving responsibilities. Addressing these challenges requires targeted policies and practices to support women's continuous employment and equitable retirement benefits.

## **Combating Ageism and Enhancing Skills**

Ageism in the workplace poses a significant barrier for older individuals seeking employment or career changes. Additionally, the rapid pace of workplace innovation, particularly in digital technologies, necessitates ongoing learning and skill development for older workers. Member States are responding with initiatives aimed at closing these skills gaps, providing older workers with opportunities to remain competitive and adaptable in a changing labour market.

## **Fostering Lifelong Learning Among Older Workers**

The European Skills Agenda, with its goal of increasing learning activities for adults, underscores the importance of continuous education and training. Countries like Greece and Italy are leading the way, offering programmes that facilitate skill development for older workers, particularly in areas of high demand. These initiatives not only enhance employability but also ensure older workers can contribute meaningfully to workplace innovation and productivity.

## **The Role of the European Pillar of Social Rights**

The European Pillar of Social Rights provides a comprehensive framework for addressing the challenges posed by an ageing

workforce. Through its principles, Member States are encouraged to adopt measures that promote digital literacy, workplace innovation, and intergenerational solidarity. Examples include coding bootcamps tailored for older workers and transitional employment models that allow for knowledge transfer and phased retirement.

## **Navigating Demographic Shifts with the Demography Toolbox**

In response to Europe's demographic shifts, the European Commission introduced the demography toolbox in October 2023, providing Member States with policy options focused on intergenerational justice, non-discrimination, and gender equality. This initiative, alongside financial instruments like the Recovery and Resilience Facility and the European Social Fund, supports Member States in managing the complexities of demographic change

## **The Path Forward: Engaging an Ageing Workforce**

As Europe continues to adapt to its demographic realities, the focus on improving the [working conditions](#) and integration of older workers is paramount. This effort is not only about addressing immediate labour market needs but also about building a more equitable and efficient future. The active engagement of older workers in the labour market requires a comprehensive strategy that includes fostering a workplace culture of learning, promoting policies that ensure gender equality and combating ageism, and leveraging the wisdom and experience of the ageing population for the benefit of all generations.

In summary, Europe's ageing workforce presents a unique set of challenges and opportunities. By embracing innovative

policies, fostering lifelong learning, and promoting inclusivity and equality, Europe can transform these challenges into strengths, ensuring a vibrant, dynamic, and equitable labour market for years to come. The journey towards a more inclusive future is complex and requires concerted efforts from all sectors of society, but with the right approaches and commitments, it is a journey that Europe is well-equipped to undertake.

Should you wish to obtain additional insights, do [find out more about ageing workforce](#).