

## Seminar Report

# Ageing Populations and New Opportunities for Businesses in Europe and Japan

15 March 2012





## Summary

On Thursday, 15 March the challenges posed, and business opportunities created, by the fact that the populations of the EU and Japan are ageing were addressed by a wide-ranging discussion. The event was divided into three sessions – on ageing populations and economic competitiveness, on ageing and employment and on ageing and innovation.

Ambassador Maruyama from the Japanese Mission to the EU opened the event. It was co-organised by the Employers' Group of the European Economic & Social Committee, by the EU-Japan Centre for Industrial Cooperation and by the EU Institute in Japan, Kansai and chaired by both **Henri Malosse** (President of the EESC Employers' Group) and **Eve Päärendson** (Vice-President of the EESC Employers' Group and President of the EESC Contact Group on Japan).

## Seminar Outline

- **Date:** Thursday, 15 March 2012, 09:00 – 13:00
- **Place:** EESC, 2 rue Van Maerlant, Brussels (Belgium)
- **Organised by:** European Economic & Social Committee (EESC), EU-Japan Centre for Industrial Cooperation and the EU Institute in Japan, Kansai

- **Programme:**

09:00 **Welcome**

Mr Henri Malosse, President of the EESC Employers' Group

Ambassador Norio Maruyama, the Mission of Japan to the EU

09:15 **Panel 1 – Ageing Population and Economic Competitiveness**

Professor Masahiko Yoshii, The President of the EU Institute in Japan, Kansai, Graduate School of Economics, Kobe University:

*“Japanese Lost two decades and their effect on the Japanese aging society”*

Mr Fabrice Lorillon, Head of AXA Brussels Office: *“The Challenges of Ageing in Japan and Europe from the Perspective of the Insurance Sector”*

Associate Professor Tomo Nishimura, Kwansai Gakuin University: *“What are the factors of the gap between desired and actual fertility? A comparative study of four developed countries”* (U.S., France, Japan, South Korea)

10:10 **General discussion**

10:20 **Panel 2 – Ageing and Employment**

Professor Naoki Mitani, Graduate School of Economics, Kobe University:

*“Employment policies for older workers and labour demand”*

Associate Professor Yuki Sekine, Graduate School of Law, Kobe University:

*“Managing Japan's Ageing Workforce: Legal Aspects”*

Mr Arie Vos, Co-Founder, Intercultural Guidance: *“Ageing workforce:*

*Comparison of Japanese and Western (European) management styles and attitudes”*

Ms Rebekah Smith, Senior Advisor, Social Affairs, BUSINESSEUROPE:

*“Solidarity between generations?”*

Mr Jasper van Loo, CEDEFOP:

*“How active ageing can address future demographic trends and upcoming skill needs?”*

Mrs Laure Batut, Member of the EESC:

*“Digital Europe: inclusion of ageing population”*

Associate Professor Miki Kohara, Osaka School of International Public Policy, Osaka University: *“Health and work environment”*

Ms Sarah Dekkiche, CSR Europe: *“The Business Contribution to Active Ageing”*

11:50 **General discussion**

12:00 **Panel 3 – Ageing and Innovation**

Ms Ilaria Savoini, Senior Adviser, Social affairs, EuroCommerce:

*“Companies benefitting from the need to keep elderly people in their workforce”*

Mr Alan Vella, Tourism Policy Development Unit, DG Enterprise and Industry:

*“Opportunities for the European economy from ageing tourists”*

**Company presentations:**

Mr Pasi Nissinen, CEO, ViWell Ltd: *“ICT solutions for elderly people”*

Mr Paulo Barros Vale, Member of the EESC Employers’ Group: *“Ageing actively”*

Ms Nikki Simpson, Marketing Manager, Care Innovations Ltd:

*“ICT services for ageing, disease management and assistive technologies”*

Mr Georgi Stoev, Member of the EESC Employers’ Group:

*“Cooperation of European and Japanese companies on providing innovative products and services for promoting active ageing”*

Mr Brendan Burns, Member of the EESC Employers’ Group: *“Can robots be nurses?”*

12:50 **Closing remarks**

Ms Eve Päärendson, Vice-President of the EESC Employers’ Group,  
President of the EESC Japan Contact Group

13:00 End of the conference

□ **Photographs:**



## Major issues discussed

The seminar covered a broad range of ageing-population-related issues – from explanations as to why populations aged (and Japan’s in particular), through the need to enable older people to continue working longer, to descriptions of services and business opportunities created by ageing populations. Many speakers emphasised the need for intergenerational solidarity and argued that rather than just focussing on the challenges posed by an ageing workforce, the business opportunities it creates should be seized.



**Mr Henri Malosse, President of the EESC Employers' Group  
& Ambassador Norio Maruyama, the Mission of Japan to the EU**

**Welcome**

**Henri MALOSSE** welcomed participants and began the meeting with a minute's silence to mark the first anniversary of the Triple Tragedy in Japan (11/03/2011) and the Swiss coach crash involving schoolchildren from Belgium and other countries.

**Ambassador MARUYAMA** said that all Japanese people had been victims of the tragedy, but everyone showed 'solidarity' (*kizuna*, 絆) with all generations pulling together to resurrect Japan – a 'rebirth', rather than a reconstruction of what had existed before. He thanked the Europeans for showing solidarity. He welcomed the idea of having a meeting focussing on the positive aspects of ageing populations (employment opportunities rather than the more negative pension reform).

2008 Statistics show Japan will feel the ageing issue more sharply than Europe:

- Life expectancy (2008): EU average = 78.8 (high = 81 in ES), JP = 83 years
- Birth rate: EU average 1.59 (high = 1.36 in DE), JP = 1.37
- Elderly people (>65 year-olds) as % of society: EU average 17.2%, JP = 22.7%.

The last measure is the most important one: by 2030 elderly people will represent 23.7% (1:4 people) in the EU and 31.8% (1:3) in Japan.

To address this, Japan has a double strategy:

- To raise the labour participation rate of 20-64 year-olds (to 80% by 2020). Amendments in 2004 to the Elderly Employment Stabilization Law<sup>1</sup> obliged companies to consider abolishing or raising the mandatory retirement age (MRA) or introduce a 'continued employment' system.
- To reform the pension system (by increasing the pensionable age from 60 in 2006 to 65 in 2013, but this created a gap between the retirement and pension entitlement ages. The 2011 difficult, but necessary, [Definite Plan for the Comprehensive Reform of Social Security and Tax](#) included the ideas of raising the pension age to 68 or 70 and doubling the VAT rate to 10%.

<sup>1</sup> Law No. 103 of 2004, Kampo Gogai, 2004-06-11, No. 124, p. 7

*Panel 1 – Ageing Population and Economic Competitiveness*

**Professor Masahiko Yoshii, The President of the EU Institute in Japan, Kansai, Graduate School of Economics, Kobe University**

**Japanese Lost two decades and their effect on the Japanese aging society**

[In his presentation](#), Masahiko YOSHII, noted that the EU's 'bubble' burst in 2008, but Japan's one ended in 1991 and its current GDP is roughly the same as in 1991 (JPY ¥ 480 trillion, EUR €4.8 trillion). To stimulate the stagnated economy, the Japanese Government introduced fiscal and monetary policies, but in vain. With the growing gap between expenditure and tax revenues, the Japanese Government has had to issue bonds. Ageing is another reason for the growing gap, as social security expenditure has risen 1% p.a. The general government debt now reaches to almost 200% of GDP, which is a very big burden on coming generations. To revitalise the Japanese economy, market deregulations and public sector reforms (e.g. privatisation of the Post and Highways) were also introduced. However, they have not always been sufficient. Japan's competitiveness has suffered – whereas it had the world's highest competitiveness in the early 1990s [it is now ranked 26](#). This will be exacerbated by its ageing and declining population (expected to fall by 27m in 50 years). To implement policies to revitalise further the Japanese economy, more stable and strong government may be needed.

**Mr Fabrice Lorillon, Head of AXA Brussels Office**

**The Challenges of Ageing in Japan and Europe from the Perspective of the Insurance Sector**

Fabrice LORILLON [began his presentation](#) noting that in almost all countries, life expectancy is rising by 3 months/year although there is some debate as to whether this trend will continue. The major reason for the ageing population is the declining mortality of elderly people, particularly of elderly women (in the mid-C19<sup>th</sup> it had been increasing life expectancy of young women that had been a decisive factor in determining population changes). Worldwide, in 2010, there were 500m people aged 65 or over. By 2050, that will triple, representing 1:6 people. The trend in emerging markets occurs 4x faster than that in mature markets. Another factor is the gap in life expectancies between men and women (it varies by age group). A convergence is unlikely, as the gap exists in all OECD countries and is increasing in all countries (except the Anglo-Saxon ones). Japan's population began declining in 2005, over 65s now constitute more than 1:5 of the population with the 'baby boomers' retiring and its falling fertility rate<sup>2</sup>. Calculated at birth, the countries with the longest life expectancy in the world are JP, then FR. Calculated when aged 65 the Japanese have the 3<sup>rd</sup> longest life expectancy (after DK and FR). Although FR has Europe's highest birth rate its population is *still* ageing. There is a strong correlation between wealth and longevity – the higher a country's GDP/capita, the higher the *healthy* life expectancy will be.

Whereas in most countries, older people become more risk adverse for their investments, in Japan they *increase* the risk as they age, making its elderly people (big savers and risk-friendly) attractive to the insurance market. Increasing longevity is unsustainable for public finances – 3:4 elderly French people are dependent upon care services that can cost €3,000/month. This creates business opportunities for the healthcare, labour, tourism and financial services sectors. SMEs are better placed to take advantage of such opportunities, so ageing populations can benefit firms by being a driver of innovation, whilst simultaneously posing staff-related problems that can be tackled by innovative solutions to retain elderly people in work and increase their productivity. It is in public policy's interest to incentivise investments in training elderly people and in encouraging innovation. An extra year of *healthy* life expectancy increases the wealth of the whole society and so has a virtuous impact on job creation. The insurance companies' business model is based on mutualisation and intergenerational solidarity. Unlike banks, they focus on the long-term and invest in long-term

<sup>2</sup> The Japanese Ministry of Health, Labour and Welfare defines 'total fertility rate' as the "sum of the live birth rates by age for women aged 15 to 49; the number of children born to a woman over the course of her lifetime on the assumption that she delivers babies at the live birth rate by age in that year". Source: [http://www1.mhlw.go.jp/english/wp\\_5/vol1/p2c5s1.html](http://www1.mhlw.go.jp/english/wp_5/vol1/p2c5s1.html). For the purposes of this report, 'fertility' will mean that, not the "ability to conceive children" (its more common meaning in English).

assets. Together the insurance and pension industries can ensure intergenerational solidarity and the development of care services thereby reducing pressure on public healthcare and accelerating the expansion of personal services. They support reforms such as [Solvency II](#) and [IORP II](#).

**Associate Professor Tomo Nishimura, Kwasei Gakuin University**

**What are the factors of the gap between desired and actual fertility?**

**A comparative study of four developed countries (U.S., France, Japan, South Korea)**

**Tomo NISHIMURA** [began her presentation](#) by stating that only that morning, the Japanese Government had cut child maintenance to c. €50/month. Costs directly related to children have an important impact on the fertility rate. More developed countries have lower fertility rates partly because people want fewer children (e.g. in DE) and partly because they find it harder to have their desired number (in US, FR, JP & KR). Fertility rates are rising in FR and declining in KR. A study of couples showed that whilst the number of children desired did not vary much between country and sex (from 2.3 for KR men to 2.7 for FR men), actual numbers for couples in their 40s showed considerable discrepancies (from 1.8 for JP women to 2.5 for US men). The lowest levels in Professor Nishimura's 'achievement rate of fertility'<sup>3</sup> index were for JP men and women and for KR men. Although many factors affect the achievement rate, the cost of raising children is was the commonest answer. In all cases, household income had a positive effect (the higher the income, the higher the achievement rate). Whilst in some countries there was a positive correlation between the average age of the children and the direct costs of the children, in some countries it was negative. In JP and KR the age at the time of first marriage also had a negative impact. Children's education is very expensive and is also a factor. Whilst the working of spouses had a positive impact for US and JP women, the precarious hours of men were a negative influence. In conclusion, if fertility rates are to improve in JP and KR either costs associated with children must be reduced or other measures must be taken.

**General discussion**

Two points were raised during the Q&A discussion:

- *Javier DELGADO RIVERA (Journalist): What role will migrant labour play in Japan and will the Government loosen its immigration policy?* Currently only highly-skilled workers, some Chinese workers, some graduates and Brazilian nationals with an ancestral link to Japan are accepted. Low-skilled workers are not yet accepted, although this should be considered for the future. (NISHIMURA)
- *Viliam PÁLENÍK (EESC): What would be the potential of exporting insurance services to new markets (such as RU and CN)?* It is essential that insurance services and long-term care can be exported, as pay-as-you-go and capitalisation schemes run only in one country will have the same result – they will be dependent upon the growth of the domestic economy for any growth. By investing in other markets, they can benefit from other opportunities. East European countries have more advanced pension schemes – based on 3 'pillars' (part capitalisation, certain freedom of investment for operators and as broad an investment base as possible to ensure economic efficiency). (LORILLON)

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<sup>3</sup> Achievement rate of fertility = actual number of children ÷ desired number of children.

## *Panel 2 – Ageing and Employment*

**Professor Naoki Mitani, Graduate School of Economics, Kobe University**

### **Employment policies for older workers and labour demand**

Naoki MITANI [began his presentation](#) explaining that the rapid ageing in Japan's population is caused both by the low fertility rate and by the increase in life expectancy. The old-age dependency ratio is rising rapidly. Between 2006 and 2030 the workforce will fall by 10m. Because it would not be possible to accept 10m immigrants, the role immigrant labour can play in compensating for this is minor. Japan has the highest level of participation of older workers (particularly males) in the workforce of all OECD countries. However, this is not due to its relatively low average replacement ratio. Instead, other factors such as a high work ethic could explain this as there is no lack of potential workers on the labour supply side. The challenge is to raise demand for older workers. Japan has never adopted the European 1980s' early retirement policies to boost youth employment – instead it encouraged life-long employment.

The Japanese Government has tried to stimulate demand for older workers: between 1976 and 2004 a series of reforms initially established a statutory employment rate for older workers (over 55s), then raised the MRA and in 2004 made firms choose between abolishing the age (3% of firms), raising it to 65 (15%) or introducing 'continued employment' (85%). Where a management-worker agreement exists, a continued employment system will be deemed to exist. This does not mean that *any* worker who wants continued employment can have it – the companies can choose to whom they wish to offer it and generally the worker will receive a 30-40% reduction in income. A balance between a worker's wages and his/her total contribution during his/her employment with the firm is necessary. A continued employment scheme is cheaper for the firm than changing the whole wage system for its entire workforce. The Government is now proposing to require companies to offer continued employment to *all* workers who wish it – a change supported by trade unions but opposed by employers.

Two points were raised during the Q&A discussion:

- *Georgi STOEV (EESC): With the rejection of the life-long employment system, where are post-retirement age workers employed?* Generally, workers continue in the same jobs, but may work fewer hours or days, for example.
- *Hiromasa KUBO (EU Institute in Japan & Kobe University): Is there a difference between the productivity of younger and older workers?* It is hard to assess as the requirements and skills they will need depend upon their jobs – generally, productivity is probably higher among older workers in jobs to which they are accustomed, but higher in younger workers working in newer industries.

**Associate Professor Yuki Sekine, Graduate School of Law, Kobe University**

### **Managing Japan's Ageing Workforce: Legal Aspects**

Yuki SEKINE [began her presentation](#) identifying 3 characteristics of the elderly workforce:

- They tend to remain in work for a long time (Japan had no early retirement policy).
- They tend to be very healthy (thanks to efficient healthcare and insurance systems).
- They tend to be quite wealthy (with high savings that they are willing to invest).

The ageing population creates challenges for the social security system – rising demand for old age pensions, medical care and personal care (*kaigo hoken*, 介護保険). Since 2000, private personal care businesses have been permitted to provide services. Japan has a 'pay-as-you-go' public pension system into which workers aged over 20 must contribute. Japanese people rely increasingly on insurance trusts, firms and complementary pensions. The [2001 Defined Benefit Corporate Pension Law](#) made trust fund trustees liable. Case law is still being developed. In addition to the mandatory contributions to the basic pensions, people can have private company pensions and/or individual pensions – creating a business opportunity for pension providers. Complementary insurance is becoming more popular as the public healthcare system may not offer treatment using the latest

technology. It, together with personal care services and old age pension are providing business opportunities. When someone over the MRA is re-employed, (s)he may take a substantial cut in salary (up to 50%), until (s)he attains the age at which (s)he can take a pension, this gap in earnings can be partly compensated by unemployment insurance or by receiving part of the pension early. Japan's human resource (HR) management has been based on seniority and age. Whether to ban age discrimination at work has been an issue since the 1990s. Although many labour law academics consider such a ban as unrealistic, it may still be introduced (with some limitations). Professor SEKINE cited three examples of case law that have enforced the obligation of retaining workers up to the age of 65.

### **Mr Arie Vos, Co-Founder, Intercultural Guidance**

#### **Ageing workforce: Comparison of Japanese & Western (European) management styles & attitudes**

Arie VOS explained that before a government can raise the retirement age, consideration must be given to the culture and attitudes that prevail in that country. Most Europeans wrongly believe that older workers cost more, are more resistant to change and have higher rates of absenteeism. The minimal HR management prevalent in Europe in the 1980s gave way, first to 'competency management' and then to 'talent management' (focussing on nurturing younger workers). Public authorities should encourage life-long learning and should tackle a lack of concern in industry about older workers leaving. Line managers need training to overcome resistance to change. With the level of diversity in the EU, it is hard to compare JP and the EU. Whilst JP attaches considerable importance to the 'community' and to 'team work', Europe focuses more on the performance of the individual worker than that of the team. Citing the [Hofstede model](#)<sup>4</sup>, Mr VOS said that JP tended to show high 'masculinity', respect for the elderly and had the highest proportion of workers aged c. 65 in jobs. It is not easy to bring workers from different generations and cultures together, but firms that do can be very successful as their workforce can have a similar profile as their customers. With the adoption of new technology, older workers tend to lose out. They should be redeployed (into customer care or mentoring younger workers, for example). In short, merely changing laws is insufficient – attitudes must also be changed.

### **Ms Rebekah Smith, Senior Advisor, Social Affairs, BUSINESSEUROPE**

#### **Solidarity between generations?**

Rebekah SMITH said that demographic change was having an impact on both the pension and labour models. The recent [Commission White Paper on pensions](#)<sup>5</sup> acknowledges that pension reform entails challenges and consequences. In the EU, on average, pensions account for 10% of GDP (but this can be as high as 15%). The economic crisis has aggravated the problems caused by demographic change. Ensuring solidarity between generations is vital. We are already experiencing a shortage of skilled workers, but this will get more acute as skills lost as the next generation of older workers retires. Encouraging older workers to stay working is not about choosing between old and young. There is clear evidence, accepted by the Commission that older workers do not take jobs from younger workers – instead Member-States with the highest rates of older workers also have the highest rates of younger workers. In [Putting Europe to Work](#), BUSINESSEUROPE says problems must be address at both Member-State and EU level. The right labour market conditions, taxes and incentives are needed if older people are to stay in work or return to work. Employers have a key role to play and they and workers should adopt a new 'whole professional life' approach (from someone starting work to retiring). Different people 'age' at different rates and so adaptability of firms and workers is necessary. According to the Commission White Paper, people aged over 65 have income rates 94% that of the whole population. If the pension system is to be sustainable, the key challenge will be to ensure that incomes continue to be high for future generations of retirees. If

<sup>4</sup> On the diversity of ageing management ageing, he recommended "Servant Leadership Across Cultures" by, *i.a.*, Fons Trompenaars

<sup>5</sup> See <http://ec.europa.eu/social/main.jsp?catId=752&langId=en> for the Commission's policy on pensions

not, benefits will decrease and/or contributions will be higher – neither will promote intergenerational solidarity. Raising retirement ages is a good start, but more needs to be done. Even if it is politically hard, it must be done. The financial crisis has helped persuade governments to raise retirement ages. BUSINESS EUROPE and its Social Partners (CEEP and UEAPME) have created the [Age management policies in enterprises in Europe](#) project to share best practice (public sector and private sector organisations are involved). Updating and upgrading skills will be addressed by the Social Dialogue in future.

### **Mr Jasper van Loo, CEDEFOP**

#### **How active ageing can address future demographic trends and upcoming skill needs?**

**Jasper VAN LOO** began his presentation predicting that structural change would continue for the next decade: whilst the primary sector is likely to lose 2m jobs, there will be increases in employment levels in services (up 6m) distribution and transport and non-marketed services. Workers in all sectors (except for the primary sector) will age (the age of workers in the construction sector, for example, is likely to rise 20%). Widespread ageing will lead to skill obsolescence. A CEFEDOP study will analyse workers' attitudes to issues such as whether they feel they have gained/lost skills during their career. Initial results show that older workers tend to suffer more than younger workers and lower-skilled workers suffer more than higher-skilled ones. As [another CEFEDOP study](#) shows, if a worker develops skills throughout his/her career, (s)he can mitigate the risks of skill obsolescence. But rather than just *learning* new skills it is important that they are *used*. Diversity should be recognised as should previous experiences (so-called 'hidden capacities'). Good guidance and counselling can be beneficial.

### **Mrs Laure Batut, Member of the EESC**

#### **Digital Europe: inclusion of ageing population**

[In her presentation](#), **Laure BATUT** noted that women largely entered the European workforce in the 1970s. Although they live longer, they are often paid and trained less than men and receive lower pensions on retirement. No single definition exists for what constitutes 'active ageing'. 'Senior citizens' can be divided into 'active seniors' (in work), 'inactive' ones (in terms of gainful employment) and 'dependent' ones, although there might be some overlap between the divisions. Each category can present business opportunities. Whilst ICT can provide solutions, both hardware and software should be better adapted to the needs of older people to ensure that they feel confident about using it (e.g. for online purchases). Access must be affordable. If basic skills acquired at the start of a career, are fine-tuned throughout the career it may not be necessary for older people to acquire new skills from scratch. ICT should not just be seen as a method for providing life-long learning. It should, for example, empower older people to work. Future generations of elderly people should be taught ICT skills from a young age so they will be skilled users once they are older and do not need to rely on the access to ICT support services they would have had when they were working. The EESC has supported the Commission's call<sup>6</sup> for a 'European Skills Passport' that would record what an individual has learnt throughout his/her career.

Knowledge needs to flow in both directions – as well as learning from older people, younger people can teach them (e.g. ICT skills). Women may find it harder to remain in the labour market if they lack ICT skills (arising from career breaks or a perception that ICT is 'masculine'). There are plenty of business opportunities to develop software, adapted hardware, etc. ICT can also help 'dependent people' – e.g. robots can provide e-nursing or telemedicine services (complementing, not replacing human help), transportation or be used in smart housing. The EESC is concerned that a two-track society (returning to the C19<sup>th</sup> in which only the rich/men have access to, and use, technology) must be avoided. Ms BATUT ended with a worrying statistic – the life expectancy of the poorest people in DE is *falling* (from 77.5 in 2001 to 75.5 in 2010). For *everyone* in the EU, old age should be

<sup>6</sup> Commission call in [COM\(2011\) 568 final of 20/09/2011](#), EESC Opinion in [SOC/395 of 15/03/2011](#)

‘philosophically’ rich – business and the public authorities can help ensure this. Solidarity is essential – the current economic crisis should not be seen as the model for the future – instead we must agree what old age should mean and ensure it is ‘pleasant’.

**Associate Professor Miki Kohara, Osaka School of International Public Policy, Osaka University**

**Health and work environment**

[In her presentation](#), Miki KOHARA noted that whilst it is accepted that health affects participation in the workforce, it is more debatable whether workforce participation affects health, although she would argue working conditions can affect health: a survey showed that in Italy there is less social support at work and health levels are lower (the opposite to conditions in CH). A survey of pre-MRA (i.e. current) and past workers of an anonymous Japanese company identified that money and health were the main anxieties people had for the future. c.50% people continued to work after reaching the MRA. Reasons cited for wanting to work included for money, for better health and because they had nothing to do at home. Respondents felt they should have done more to save money, keep healthy and have a hobby. Retired respondents felt they had not done enough to acquire ICT skills before retiring and felt they had greater ‘life satisfaction’ if they were working. ‘Retirement preparation’ courses run by companies (e.g. briefings on asset management, or post-retirement working) are useful. In summary: in Japan, many older people wish to continue to work; pension and health are important factors. There is a perception that, by working, people remain healthy and happy. Retired people often wish they had prepared better for their retirement – preparation and pre-retirement courses can help.

**Ms Sarah Dekkiche, CSR Europe**

**The Business Contribution to Active Ageing**

Sarah DEKKICHE’s [presentation](#) outlined [The Business contribution to Active Ageing](#) project managed by CSR Europe, GDF Suez, Intel and AGE Platform Europe. Active ageing creates both challenges (dealing with an ageing workforce) and opportunities for companies. Companies must prepare for a fall of 30m in their workforce when the ‘baby boomers’ retire. 68% of firms responding to a CSR Europe survey have not adapted their HR structures, yet. Although there will be business opportunities created by the 60% increase in the number of consumers aged 55+, only 1/3 of respondents had factored this into their product and service range. CSR Europe’s 1-year project will address skill retention (and avoidance of obsolescence), management and the empowering of older workers. Ms DEKKICHE identified examples of best practice: Randstad’s efforts to abolish stereotypes; BASF’s [Generations@Work](#) programme; GDF Suez’s coaching and mentoring project; and [Volkswagen’s volunteering project](#).

**Q & A – Open debate**

One point was raised during the Q&A discussion:

- *Xavier VERBOVEN (EESC): Does Japanese case law / legislation exist to give protection in cases of mass redundancies (e.g. business restructuring)? Does collective bargaining exist? Case law and legislation on economic redundancies exists, but not specifically address older workers. Mass redundancies are only legal if 4 conditions are fulfilled: workers’ representatives are consulted; there must be a real economic/business reason; the choice of people to lay off must be objective (if it is, the firm can choose who to lay off – but a firm could not simply pick people because they are aged over 55) and the advantages gained by the firm must not be disproportionately large. (SEKINE)*
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### *Panel 3 – Ageing and Innovation*

#### **Ms Ilaria Savoini, Senior Adviser, Social affairs, EuroCommerce**

##### **Companies benefitting from the need to keep elderly people in their workforce**

[In her presentation](#), **Ilaria SAVOINI** explained that EuroCommerce began addressing demographic change in its [Social Dialogue with UNI-Europa](#) in 2002 and it will be the priority issue for the 2012/13 dialogue. In 2002, it called for: older workers to be allowed to remain in the job market for longer, whilst simultaneously promoting job opportunities for younger workers; for an age-neutral approach and for more training. EuroCommerce is a signatory to the [Manifesto for an Age-Friendly European Union by 2020](#). Ms SAVOINI cited several examples of ‘best practice’ support for older workers: Tesco’s ‘Regeneration Partnership’ programme; Carrefour’s ‘Passeport Senior’; Kika Leiner’s mentoring programme and Rewe Group’s ‘Fit for longer at the workplace’ programme.

#### **Mr Alan Vella, Tourism Policy Development Unit, DG Enterprise and Industry**

##### **Opportunities for the European economy from ageing tourists**

**Alan VELLA** presented the [European Commission’s Calypso programme](#) to promote social tourism. Initially a [3-year activity](#) (2009-11), it targeted older people, young people, the disabled and families with special circumstances. The [2010 tourism Communication](#) noted that by encouraging tourism in low seasons: employment can be enhanced, the tourist season can be extended, European ‘citizenship’ is strengthened and economic activity and growth can be generated. The 2009-11 work programme identified that returns on investment in tourism can be 2:3. A [new Calypso programme](#) will have calls for proposals (from both the public and private sector) to promote low-season tourism and transnational exchanges between European countries together with a pilot project to encourage low-season flows between Europe and third countries (making use of spare airline and accommodation capacity). Through the Commission’s involvement, a transnational aspect is assured, EU delegations (equivalent of embassies) can assist and the image of Europe can be strengthened. Older travellers are a specific market – they generally have money and the time to travel (including during low season).

#### **Company presentations**

- **Mr Pasi Nissinen, CEO, ViWell Ltd: “ICT solutions for elderly people”**  
[In an audio address](#), **Pasi NISSINEN** explained that ViWell Ltd provides outsourcing for video conferences and has a specialist healthcare division used by healthcare and welfare organisations. Tele-medicine has several advantages: it allows specialists to make a preliminary diagnosis as the end-users (e.g. patients) have a touch-screen in their own homes; data information (e.g. heart-rates, ECG statistics and blood-pressure) can be transferred; end-users do not need to travel (reducing hospital costs and enabling them to stay at home) and it allows greater social interaction (the service can be used to contact family members, peers etc. who can connect to it using a normal computer).
- **Mr Paulo Barros Vale, Member of the EESC Employers’ Group: “Ageing actively”**  
**Paulo BARROS VALE** described the experiences of a volunteer sports club he is involved with: the club decided to attract back former members thereby raising membership levels, enable older members to be physically active, increase the use of its facilities and strengthen intergenerational ties. It therefore plans to renovate infrastructure to create a sports academy for ‘seniors’ on one site and a housing project (including sports facilities) for older people.
- **Ms Nikki Simpson, Marketing Manager, Care Innovations Ltd:**  
*“ICT services for ageing, disease management and assistive technologies”*  
**Nikki SIMPSON** presented examples of technology with care-related applications. In 2000, 600m people were aged over 60. By 2015, this will double to 1.2bn and will rise to 4bn by 2050. Technology, [demonstrated in a video](#), will allow people to remain in their homes and have their

health monitored rather than having to become in-patients (thereby saving money and keeping the people where they would prefer to be). Many OECD countries have failed to amend their healthcare structures to take account of rapid healthcare changes (e.g. the transition from ‘acute’ to ‘long-term’ of many conditions). Examples of products include falling prevention devices (using sensors and algorithms to learn a patient’s typical behaviour and alert healthcare workers to any strange behaviour) and telemedicine products connecting rural patients with health-workers.

- *Mr Georgi Stoev, Member of the EESC Employers’ Group:*

*“Cooperation of European and Japanese companies on providing innovative products and services for promoting active ageing”*

**Georgi STOEV** felt the key themes highlighted by all speakers were ‘life satisfaction’, ‘motivation after retirement’ and ‘quality of life’. A 2011 study showed that the later people take retirement the shorter their life expectancy. [FP7](#) and [Horizon 2020](#) are examples of European projects open to non-Member-States (including Japan).

- *Mr Brendan Burns, Member of the EESC Employers’ Group: “Can robots be nurses?”*

**Brendan BURNS** began his presentation considering how robot technology has developed (including becoming smaller). The £400m [Forth Valley Royal Hospital](#) is an example of a hospital of the future – for the first time a hospital has been designed with [robotic systems as part of the design](#) (rather than adding them later), this can help fight against infection and cross-contamination. Other hospitals already use automated systems to assist doctors: e.g. Glasgow Royal Infirmary has successfully trialled the use of robots in knee surgery thereby reducing stays and recovery times (potentially from days to hours) – using information from sensors, the robots guide the surgeon where to cut and resist them if they try to make an incision elsewhere. A smaller incision means recovery times can be reduced. Before robots can be used visibly in treatment (e.g. in wards), patients must learn not to fear them (films have tended to portray robots as dangerous). Younger generations may prove to be more tolerant.

### **Ms Eve Päärendson, Vice President of the EESC Employers’ Group, President of the EESC Japan Contact Group**

#### **Closing remarks**

In her summary, **Eve PÄÄRENDSON** identified ‘ageing population’ and ‘falling birth rates’ as the two biggest challenges facing both Europe and Japan. By living longer and postponing our retirements new challenges arise. Stereotypical views about older workers must be overcome. If careers are to be extended, mindsets must change, firms must support the older workers and intergenerational solidarity is needed. Europe currently relies increasingly on migrant labour – instead participation rates of all age groups must be improved. Companies need to learn how to manage better diverse teams. In 20 years, the average person in Europe will be aged c.50 – this will bring about societal change. Ageing populations will, however, create business opportunities for smart projects (e.g. in ICT, healthcare, nutrition, etc.). With luck, today’s event might foster closer EU-Japan cooperation on ageing issues between companies and also between academics.



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