



A solution for the collapse of the pensions system

We live in an ageing Europe and we must take measures to prevent an escalation of the problems emerging from the worrying statistics. Without a proper response to the demographic challenges, the sustainability of pension system and the economic growth could be severely damaged. The AGE GAP project, led by MGYOSZ in Hungary, co-financed by the European Commission, brings together seven European employers' organisations, including Concordia in Romania, and Hungary, Croatia, Slovenia, Montenegro, North-Macedonia, Slovakia, to study the diverse aspects of intergenerational problems and challenges facing employers and employees at the workplaces.

The aim of the AGE GAP study is to present company best practices, collective agreements and other forms of cooperation between employers and trade unions, which encourage active ageing by intergenerational solutions at the workplace that bring employee engagement.

Romania has five million retirees and the deficit on the labour market will be about 500.000 people by 2023, according to a study commissioned by Concordia Employers Association. Concordia advocates that a key to counterbalance the demographic challenges could be active ageing, a lifelong process, based on inclusive labour market and sustainable employability of individuals.

Ageing population is a general problem in Europe. According to Concordia's Study, the dependency rate in the pensions system is aggravating in Romania – by 2060 there will be one employee-contributor to one retired person. The share of the population aged 65 years or over has increased by 2.8% between 2008 and 2017, according to EU data. Ageing society burdens especially young people of today, who will see greater inequalities and lower pensions in the future.

Inequalities in training, employment and wages begin early on Romanians career and are largely linked to their skills. The life expectancy of skilled men is 8 years longer than unskilled men, according to OECD data, while skilled women live 4,6 years longer than unskilled women. Education level affects their health condition too, low-skilled individuals will have more health problems, thus will be able to work and earn less. A low-skilled woman will earn 17% less than a high-skilled woman during her career due to health issues, whereas a low-skilled man would earn 33% less than a high-skilled man.

Developing a training system that caters for labour market needs is not only the urgent need of employers, but also a basis for individual welfare. In order to decrease social expenditure and labour shortage more and more countries take steps to integrate individuals with reduced capability to work into the labour market. While we are expecting skills gap as well as health to be integration barriers for some of them, there is enough potential to rely upon.

The European social partners have raised the issue of active ageing as a lifelong process in their Autonomous Framework Agreement on "Active ageing and an Inter-generational Approach"¹. The signatory parties (BusinessEurope, SME United, CEEP and ETUC) encourage their members (employers' organizations and trade unions) to study these issues in their respective countries and to make joint steps to raise awareness about the country specific problems regarding active ageing.

More details about the project Bridging the AGE GAP are available [here](#).
