

Demographic change, age management and competencies in light of the challenges facing the European Gas sector

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Introduction

The average age of European citizens is increasing and this means that in the future there will be less people of working age to support an expanding number of retirees. This has direct implications for the European labour market as there will be a shortage of workers to fill vacancies as older workers retire, which in turn will slow down growth and the region's competitiveness. Although this trend is irreversible, the scale of its impact can be, and must be, lessened. But this will require big changes in societies by individuals, employers, governments and education providers and these changes are needed now. This study seeks to identify how demographic change might impact upon the European gas sector, in terms of the future size, profile and competencies of the gas workforce, and to put forward recommendations for the social partners to limit its negative impact.

The social partners within the European gas sector support the work of the European Commission by undertaking regular social dialogue, through their formalised, cross-industry Social Dialogue Committee. In 2008 the social partners signed their first common declaration on a study carried out by ECOTEC, which examined the impact on employment within the EU25 as a result of the opening of the electricity and gas markets. In addition the social partners have reached an agreement on violence within the sector. This study, focusing on demographic change, forms the latest joint venture between the two parties. This study focuses on the impact of Europe's ageing workforce on skills and competences and, more specifically, the impact on skills of the ageing workforce within the European gas

industry itself. It is clear that changing demographics present governments, companies and trade unions with challenges as well as opportunities. These challenges, if not properly tackled, will grow in significance to such an extent that the competitiveness, and indeed the viability of the European gas sector, will be at risk. On the other hand opportunities exist for gas companies and their workforces to reshape their industry and to ensure its long term survival, at a time when the European Commission and national governments are seeking to support this endeavour. Although it is impossible to predict the future and to precisely gauge the numbers of workers required to replace those retiring, changing sectors, retraining, being recruited or made redundant due to changes in the industry, populations and ageing, it is nevertheless a very good idea to begin discussions ahead of change and to ensure that the social partners within the gas sector are able, to the best of their ability, to play a positive role in supporting the development of the sector and ensuring its long term survival. Obviously, the better prepared the social partners are, the smoother the transition through what will undoubtedly be a fast changing, and sometimes unpredictable, two decades ahead.

Monitoring the age profile, and addressing subsequent shortcomings, of a given sector is important to ensure there is a continual movement between younger people gaining new skills within an emerging career path, and knowledge transfer at the other end of the age spectrum. This will ensure that the sector has a constant flow of adequately trained professionals who then later pass on their knowledge to new recruits entering the sector, completing the cycle. Of course individuals in Europe are aware of the changing nature of work and that a job is rarely for life. However a company which develops people throughout their working life, at any age and at any level within the organisation is better placed to deal with changes in consumer demand by having the necessary skills and flexibility in place to enable them to adapt their business accordingly. An ageing population throws up important issues that need to be thoroughly considered by the social partners. For instance fewer young people entering the labour market will mean that companies will have to compete more to recruit younger workers and, particularly if they then cannot retain them, recruitment and training costs will rise. At the same time as older and more experienced workers retire skills will be lost, and these 'lost knowledge costs' will also tend to reduce company and industry competitiveness.

What this study cannot do is to predict the entire range of skills necessary by all European gas companies, and the measures they need to take to ensure their long

term survival, faced with demographic change, climate change and the future educational attainment of citizens. What this study is able to do is to evaluate the current trends within and without the sector across Europe, and to compare these with the sector's needs so as to offer the social partners some recommendations for implementation to ensure the future success of the sector. The next section of this study will explain the nature of demographics within Europe in greater detail, place this phenomenon within Europe's employment policies and outline its potential impact for European employers and their workforces.

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