



# Key policy directions to encourage longer working careers

**Asghar Zaidi**

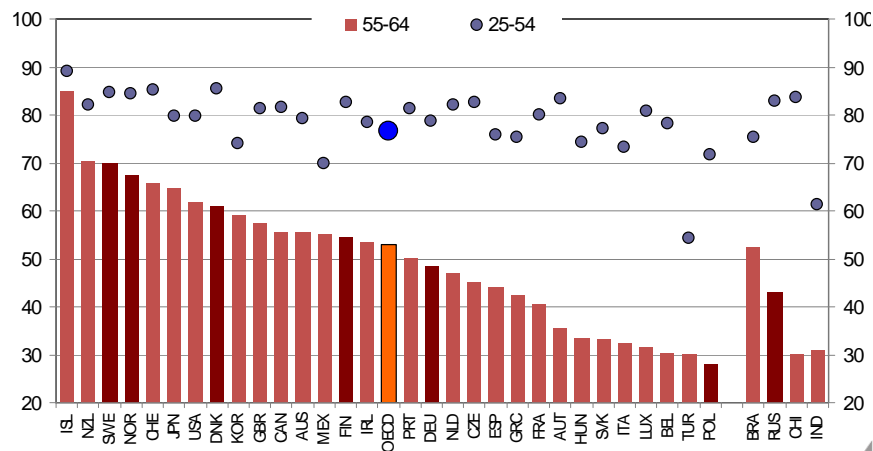
Social Policy Division, OECD

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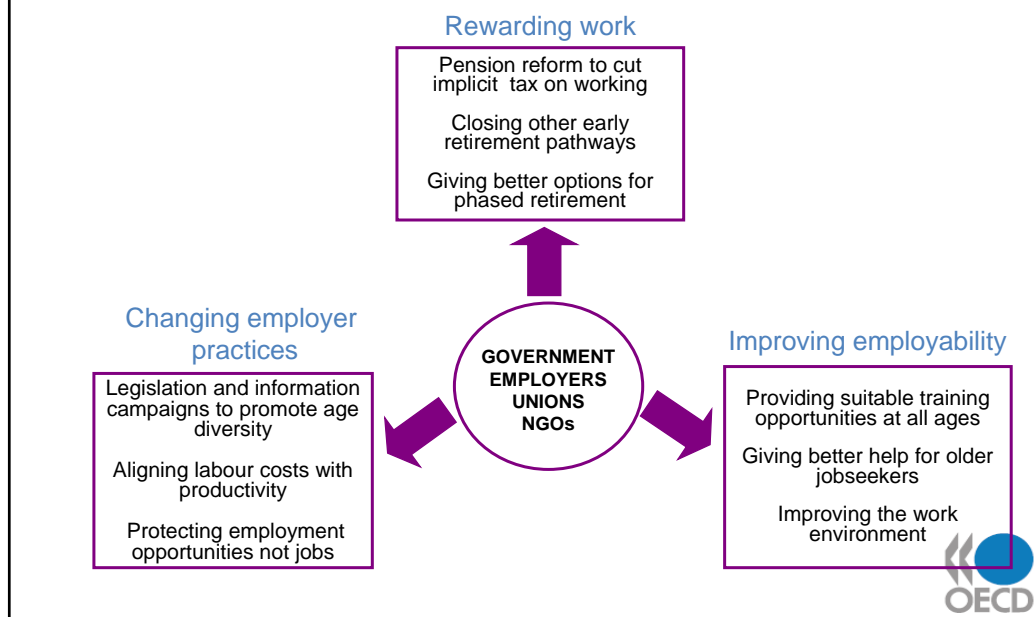
European Centre Vienna, Austria



*Meeting the challenge of ageing will require more older people to work*



## Key policy directions OECD countries are taking to encourage working longer



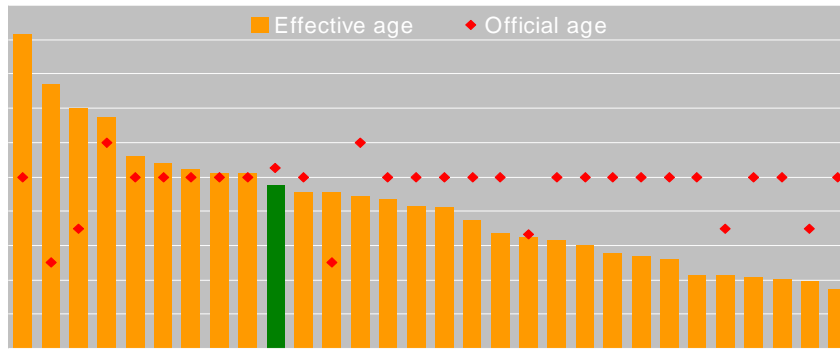
## 1. Rewarding work

- ❑ Where early-retirement pathways have been heavily used, notably in Europe, a number of reforms have taken place:
  - ✓ Access to formal early retirement restricted or closed (e.g. Austria, Belgium, France)
  - ✓ Tighter qualifying conditions for other pathways such as disability benefits (e.g. Denmark, Netherlands, UK) and unemployment benefits (e.g. Austria, Finland, Netherlands)
  - ✓ (also) Higher pension eligibility age for men and women (e.g. Denmark, Germany, Italy, UK)
- ❑ Country experience shows that, unless reform is comprehensive, risk of substitution between early- retirement pathways
  - ✓ The phasing out of formal early retirement schemes in Belgium and France has been offset by a rise in the number of older unemployed exempt from active job search
  - ✓ Disability benefits still a major early-retirement pathway in many OECD countries

## Rewarding work (cont.)

- Consequently, effective retirement age still well below official retirement age in many countries

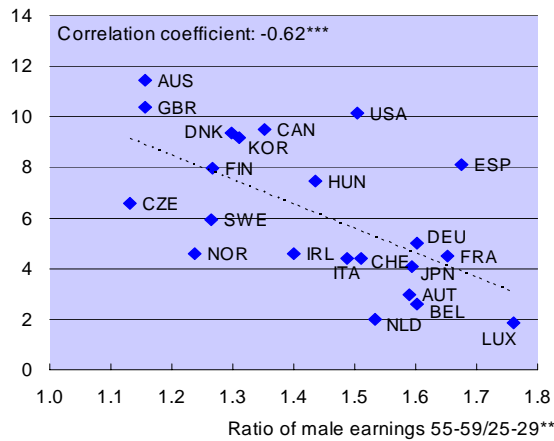
Effective age of retirement for men and the official age, 2000-2005



## 2. Change employer attitudes

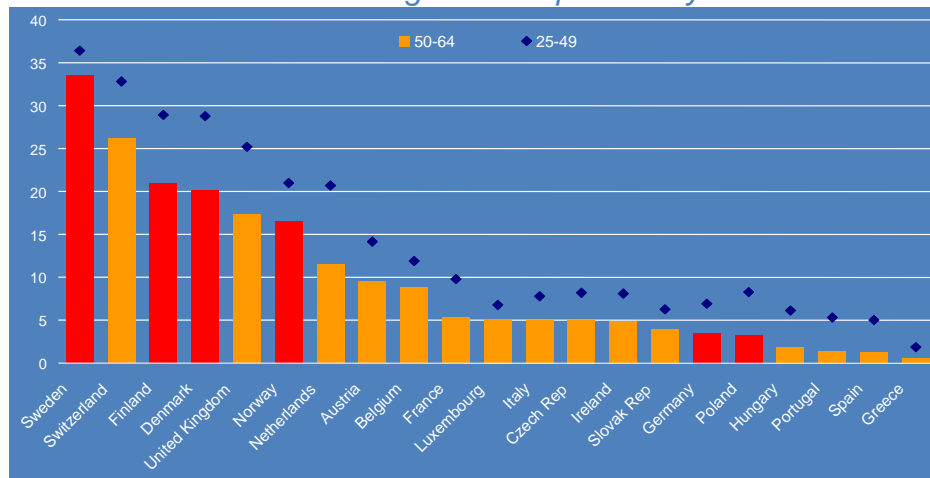
Negative employer attitudes but also labour costs that rise with age faster than productivity

Hiring rate of men 50-64 (%)\*



### 3. Lack of employability

Percentage of employees in age group who received job-related training over the previous year



### Tackling early retirement

- Closing off exit routes is necessary. Much progress has been made.
- To go further requires changes in the labour market
- Many of these changes are beyond the control of government – need to be tougher on unions and employers



## Further information

- [www.oecd.org/els/social/ageing/PAG](http://www.oecd.org/els/social/ageing/PAG)
- e-mail: [Asghar.Zaidi@oecd.org](mailto:Asghar.Zaidi@oecd.org)
- telephone: +33 1 45 24 1738

[www.monitoringRIS.org](http://www.monitoringRIS.org)

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