ENCOURAGING LONGER WORKING LIFE AND ABILITY TO WORK

Stefano Scarpetta
Director of Employment, Labour and Social Affairs
OECD
THE CHALLENGES
Population ageing is accelerating

Number of people aged 65+ per 100 people of working-age (20-64)

Inequality has increased across cohorts, especially at younger ages.

Income Gini index by cohort and age group

Source: OECD (2017) - Preventing Ageing Unequally based on Luxembourg Income Study data.
The age gradient in employment rates differs substantially across countries

Employment rates of workers aged 55-59, 60-64 and 65-69

The lower the education level, the lower the employment rate of older workers

Employment rates of population aged 55-64 by education level

Source: OECD (2017) - Preventing Ageing Unequally based on OECD Education Database data.
Older workers receive less training than adult workers but training opportunities vary considerably across countries.

**Participation rate in formal and non-formal training in the last four weeks, 2016**

(\% of employed people)

Source: Eurostat Database.
Older people generally have poorer digital skills than younger people, but there are large variations across countries.

**Prior computer experience and passed the ICT core test** (% of persons)

**Good ability to use computers and solve problems** (% of persons)

*Note: Belgium refers to Flanders only.*

*Source: Survey of Adult Skills (PIAAC), 2012 and 2014.*
Cohort effects in employment rate by gender, OECD average

Note: The chart displays the average estimated cohort effects across countries from a specification which for each country includes age and cohort effects. The graph uses the cohort series based on a reference age of 50-54 years old.
Source: OECD (2017) - Preventing Ageing Unequally based on Luxembourg Income Study data.
POLICIES NEEDED TO ENCOURAGE LONGER WORKING LIFE AND ABILITY TO WORK
OECD Recommendation on Ageing and Employment Policies
Improving job opportunities at all ages through supply-side and demand-side measures

PILLAR 1
Rewarding work and later retirement

PILLAR 2
Encouraging employers to retain and hire older workers

PILLAR 3
Promoting employability throughout working lives

the OECD Recommendation of the Council on Ageing and Employment Policies
1. Encouraging employers to retain and hire older workers

Tackling age discrimination
- Screening of vacancy ads: Netherlands
- Age-blind aptitude tests: France
- Guidelines and audit tools: Ireland

Aligning wages with productivity
- New Pay System in public sector: Finland
- Action Plan for public sector wages: Croatia
- Seniority wage rises removed in CB agreements: Germany

Age management advice
- PES counselling for employers: Austria
- Promoting mid-career plans: UK
- Training for HRM staff and managers: Finland
2. Facilitating labour mobility

- **Helping older jobseekers**
  - Intensive counselling and Employment Pacts in the regions: Germany
  - System of integrated services for long-term unemployed: Lithuania
  - PES testing of remaining work ability: Estonia

- **Facilitating self-employment**
  - Some EU countries helping the older unemployed become self-employed
  - The Dutch experience suggests that these programs can be effective
  - But risk of low job quality for those becoming self-employed out of necessity
3. Taking a life course perspective: Promoting training and skills recognition

**Training throughout careers**
- New adult VET program for low qualified adults aged 30-50: Finland
- Training subsidies for SMEs for low-skilled & workers aged 45+: Germany

**Improving digital skills**
- Digital skills of older workers are often poor or risk becoming outdated
- Campaign to promote digital skills of older people: Greece

**Skills recognition**
- Validation of Acquired Experience (VAE) is especially valuable for older workers
- New VAE initiatives in Netherlands and Portugal
4. Taking a life course perspective: Promoting better job quality

**Improving working conditions (1)**
- Financial support for enterprises to improve job quality for workers aged 45+: Belgium
- IFit2Work counselling service: Austria
- “Prevention Self-help Kits” with financial assistance for enterprises and a “Senior Starter Kit”: Denmark

**Improving working conditions (2)**
- Initiative New Quality of work (INQA): Germany
- Range of measures to prevent women leave working life early, especially in the healthcare sector: Sweden

**Helping to combine work and care**
- Work-life balance initiative under the European Pillar of Social Rights: EU
- Right to flexible working for carers: UK
- Right to unpaid leave for carers: Lithuania
There is a growing number of initiatives to promote a more inclusive, late-career labour market: more quality jobs and less long-term unemployment and poverty, particularly among women.

Some good practices among employers in age management and flexible working arrangements exist but their implementation remains poor, in particular in SMEs.

Promoting the employability of workers throughout their working lives and strengthening employment opportunities at an older age remain crucial policy objectives.
Related OECD work

Forthcoming: Preventing Ageing Unequally
Mid-October 2017!

stefano.scarpetta@oecd.org
www.oecd.org/els
Twitter: @OECD_Social