Ensuring a society for all ages: promoting quality of life and active ageing

PROMOTING LONGER WORKING LIFE AND MAINTAINING WORK ABILITY

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POPULATION 60+ AS (%) OF TOTAL POPULATION

Source: UN population projections
OLD AGE DEPENDENCY RATIO (POPULATION 60+ AS (%) OF WORKING AGE POPULATION)

Source: ILO Calculations
LABOUR FORCE PARTICIPATION RATE, 60+ (%)
OLD-AGE PENSION BENEFICIARIES AS A PERCENTAGE OF THE POPULATION ABOVE RETIREMENT AGE, LATEST AVAILABLE YEAR

Sources: ILO World Social Security Report, 2011
POLICY RESPONSES:
AN INTEGRATED LIFE CYCLE AND INTERGENERATIONAL PERSPECTIVE

- Promotion of employment and decent work key to meet ageing challenge and to mitigate the effects of ageing on social protection schemes
- Replacement migration
- ILO approach underscores importance of a lifecycle and intergenerational perspective
- Extending working lives and increasing participation rates of older workers is an important policy response.
  - However, a prolongation of working life may not be appropriate for everybody
  - Attitudes towards old age, lifelong learning, working conditions, health and safety at work and adequate working time and work organization during life cycle play major role.
POLICY RESPONSES

1. COMBATTING PREJUDICE AND AGE DISCRIMINATION

- Attitudes and prejudice major obstacle to opening up employment opportunities for older workers
  - EU Eurobarometer Survey (2012): workplace age discrimination most widespread form of discrimination

- Interventions at enterprise level major role to play
  - Importance of proactive approach: Age diversity and age management

- Concrete actions have included awareness campaigns development of tool kits, promotion of good practices and consultation with social partners.
  - Austrian Industry Federation: www.arbeitundalter.at
  - France: Sanction for firms not adopting some action to promote employment of older workers
POLICY RESPONSES

1. COMBATTING PREJUDICE AND AGE DISCRIMINATION (CONT.)

- ILO Discrimination (Employment and Occupation) Convention, 1958 (No. 111)
- ILO Older workers recommendation, 1980 (No. 162): explicit inclusion of age as a form of discrimination
- EU Employment Equality directive (2000/78/EC)
  - Enforcement issues
- But overall increased efforts to enact age discrimination legislation
  - ILO study: Substantive progress made. In 2008 about 30 countries (24 from UNECE) had enacted age discrimination legislation which prohibit direct and indirect age discrimination.
- Legal framework is part of the solution and awareness raising has a role to play
2. ACTIVATING OLDER WORKERS

- Older Workers Recommendation “to ensure that guidance, training and placement services provide older workers with the facilities, advice and assistance they may need”
- Activation policies but question is targeted measures or an all-age mainstreaming approach?
- UK move towards individually tailored support
- Denmark older unemployed no longer exempted from activation measures
- Germany “Perspektive 50plus” -employment pacts for the elderly
- United States: One-Stop Career Centers and the Senior Community Service Employment Program provide job search assistance to older workers
# POLICY RESPONSES

## 3. FOSTERING EMPLOYABILITY

<table>
<thead>
<tr>
<th>Participation in training (employed persons aged 55+)</th>
<th>Austria</th>
<th>Finland</th>
<th>Czech R.</th>
<th>Estonia</th>
<th>Germany</th>
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<tbody>
<tr>
<td>Absolute (% employed 55+)</td>
<td>5.5</td>
<td>9</td>
<td>11.1</td>
<td>17.4</td>
<td>5.3</td>
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<tr>
<td></td>
<td>1.6</td>
<td>4.1</td>
<td>3.9</td>
<td>6.7</td>
<td>1.6</td>
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<tr>
<td>Relative (ratio) to employed (25-54)</td>
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<td>0.58</td>
<td>0.52</td>
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<td>0.53</td>
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<td>0.28</td>
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|                                                      | Greece  | Estonia | Poland   | Hungary  | UK      |
| Absolute (% employed 55+)                           | 0.2     | 1       | 3.9      | 6.7     | 1.5     |
|                                                      | 1.7     | 1       | 0.6      | 11.9    | 0.6     |
| Relative (ratio) to employed (25-54)                 | 0.17    | 0.28    | 0.47     | 0.49    | 0.23    |
|                                                      | 0.28    | 0.26    | 0.22     | 0.53    | 0.68    |

Source: OECD, 2012

- Training participation declines with age and in most countries age gap is relatively high.
Older workers in EU lowest participation in training compared to other age groups

Research shows a mix of factors

- Employers less inclined to pay for training: Research on Netherlands found positive effects of age specific subsidies (Picchio & van Ours, 2011)
- Workers who participated in firm specific training in their early careers retire earlier than workers with general training background (Montizaan et al, 2008)
- Participation in training linked to prior education: In Germany it is not age per se that explains participation in training but rather previous levels of qualifications (Bosch and Schief, 2007)
Measures targeted at improving the employability of older workers as a response to the crisis

- Italy Programme on income and skills support (2009)
- Slovenia integrated package that included training, awareness raising and measures on health and safety (2010)
- Canada’s Targeted initiative for older workers (2009)
  - To ensure that displaced older workers (normally aged 55-64) in small vulnerable communities have access to the training and employment programmes
  - Part of Canada’s Economic Action Plan increased federal funding up to 2014
  - Evaluation found very positive results
  - ILO and OECD presented intervention at G20 Ministerial Meeting, Paris, 2011

Importance of lifelong learning and consistent with life cycle approach
Working time and work organization not only affected by demographic change but also other factors: Linear working life vs more flexible organization of working life

- ILO Older workers’ recommendation provisions on working time and work organisation
- Increasing availability of working time arrangements for older workers, positive step but..
  - ILO research on reduced working hours for older workers finds it may have unintended consequences (Jolivet and Lee, 2004)
  - Research on Austrian old age part time scheme showed negative effect on labour supply of promoting part time work (Graf et al, 2009)
- Before implementing age specific measures, need for detailed assessment and important to note that older worker’s capabilities and preferences are function of past and present
CONCLUDING OBSERVATIONS

ILO Older Workers Recommendation

“Employment problems of older workers should be dealt with in the context of an over-all and well balanced strategy for full employment … due attention being given to all population groups, thereby ensuring that employment problems are not shifted from one group to another”

- Substitution between young and older workers: “lump of labour fallacy”

- Important to address demographic change from a life-cycle and intergenerational perspective

  - Youth un(der)employment serious consequences for future employment opportunities
  - General discussion June 2012 on youth employment

- General discussion June 2013 devoted to demographic change