

COMBATING AGE DISCRIMINATION IN THE WORKFORCE: EUROPEAN EXPERIENCE

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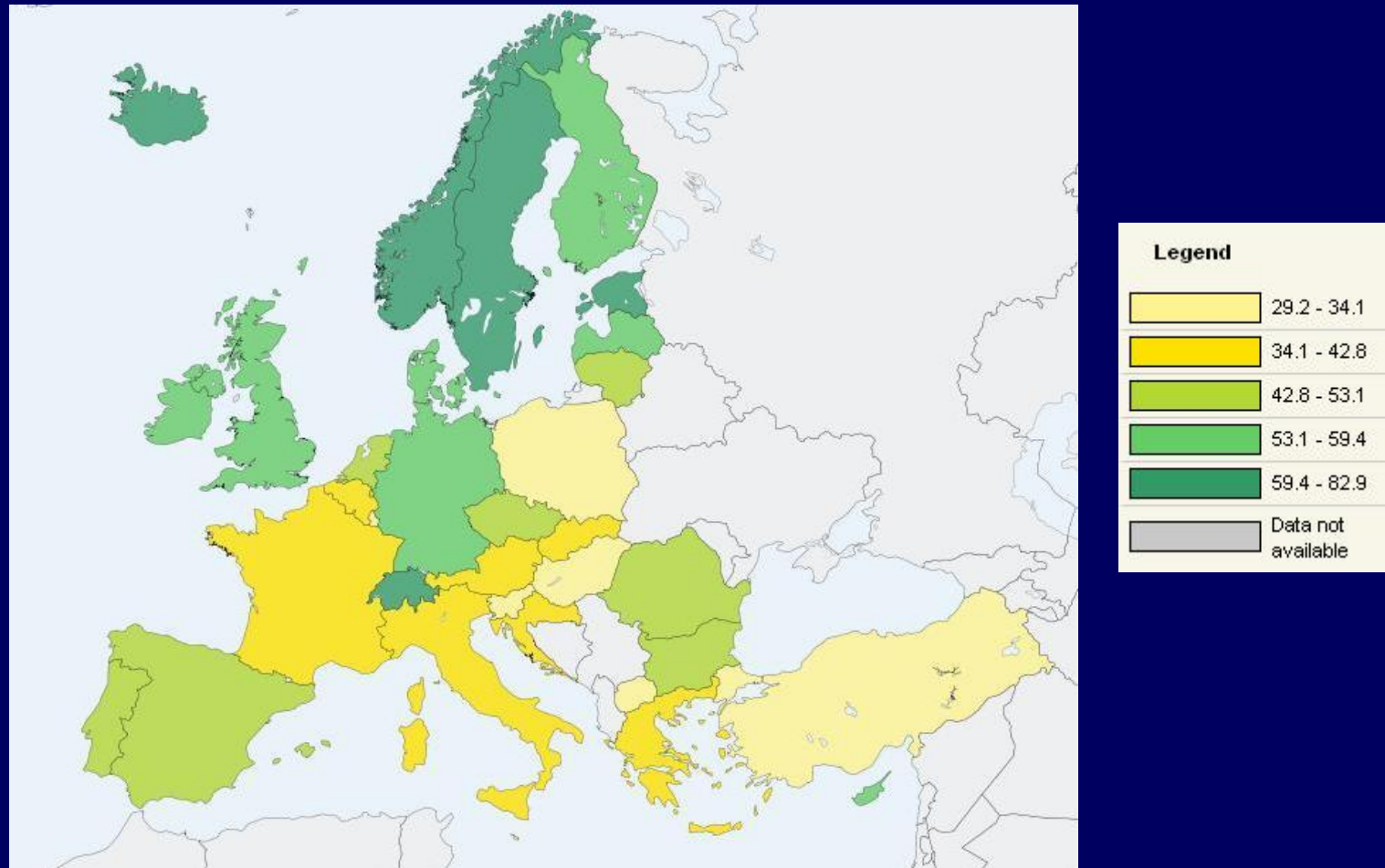
Symposium on Combating Age Discrimination in the Workforce: What
Works and What Doesn't?

IFA Congress, 6 May 2010

COMBATING AGE DISCRIMINATION IN THE WORKFORCE: EUROPEAN EXPERIENCE

- Recent Employment Trends: Decline Reversed
- What Works?
- The Barriers That Remain

EMPLOYMENT RATE OF OLDER WORKERS IN EUROPE



EMPLOYMENT RATE OF OLDER WORKERS IN EUROPE (55-64)

| | 1997 | 1999 | 2001 | 2003 | 2005 | 2007 | 2008 |
|-------------|------|------|------|------|------|------|------|
| Denmark | 51.7 | 54.5 | 58.0 | 60.2 | 59.5 | 58.6 | 57.0 |
| Germany | 38.1 | 37.8 | 37.9 | 39.9 | 45.4 | 51.5 | 53.8 |
| Ireland | 40.4 | 43.7 | 46.8 | 49.0 | 51.6 | 53.8 | 53.7 |
| Greece | 41.0 | 39.3 | 38.2 | 41.3 | 41.6 | 42.4 | 42.8 |
| Spain | 34.1 | 35.0 | 39.2 | 40.7 | 43.1 | 44.6 | 45.6 |
| France | 29.0 | 28.8 | 31.9 | 37.0 | 38.5 | 38.2 | 38.2 |
| Hungary | 17.7 | 19.4 | 23.5 | 28.9 | 33.0 | 33.1 | 33.4 |
| Netherlands | 32.0 | 36.4 | 39.6 | 44.3 | 46.1 | 50.9 | 53.0 |
| Poland | 33.9 | 31.9 | 27.4 | 26.9 | 27.2 | 29.7 | 31.6 |
| Portugal | 48.5 | 50.1 | 51.4 | 51.6 | 50.5 | 50.9 | 50.8 |
| Finland | 35.6 | 39.0 | 45.7 | 49.6 | 52.7 | 55.0 | 56.5 |
| Sweden | 62.6 | 63.9 | 66.7 | 68.6 | 69.4 | 70.0 | 70.1 |
| UK | 48.3 | 49.6 | 52.2 | 55.4 | 56.8 | 57.4 | 58.0 |
| EU27 | 36.2 | 36.5 | 37.7 | 40.0 | 42.3 | 44.6 | 45.6 |
| US | 57.2 | 57.7 | 58.6 | 59.9 | 60.8 | 61.8 | 62.1 |
| Japan | 64.2 | 63.4 | 62.0 | 62.1 | 63.9 | 66.1 | 66.3 |

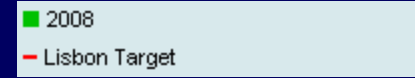
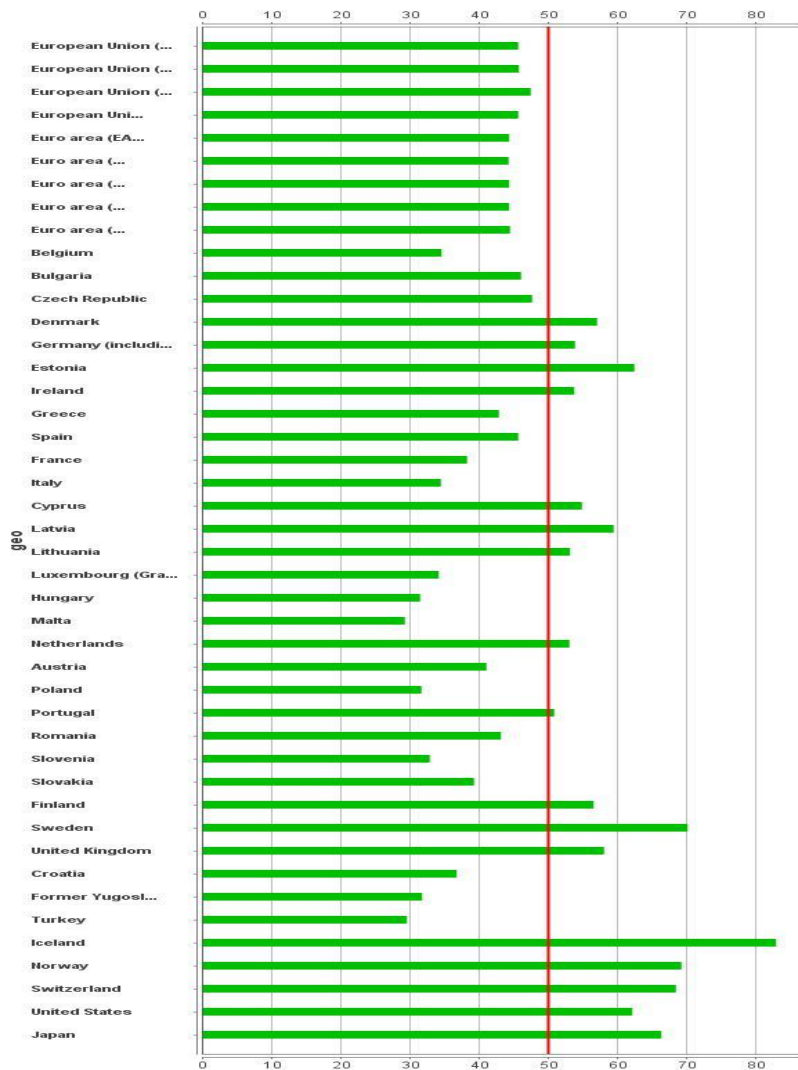
EMPLOYMENT RATE OF OLDER MEN (55-64)

| | 1997 | 1999 | 2001 | 2003 | 2005 | 2007 | 2008 |
|-------------|------|------|------|------|------|------|------|
| Denmark | 62.7 | 62.6 | 65.5 | 67.3 | 65.6 | 64.9 | 64.3 |
| Germany | 47.5 | 46.8 | 46.5 | 48.2 | 53.5 | 59.7 | 61.8 |
| Ireland | 58.9 | 61.7 | 64.6 | 64.6 | 65.7 | 67.9 | 66.1 |
| Greece | 59.1 | 55.7 | 55.3 | 58.7 | 58.8 | 59.1 | 59.1 |
| Spain | 51.2 | 52.2 | 57.7 | 59.2 | 59.7 | 60.0 | 60.9 |
| France | 33.2 | 32.3 | 36.2 | 40.9 | 41.5 | 40.4 | 40.5 |
| Hungary | 27.0 | 29.7 | 34.1 | 37.8 | 40.6 | 41.7 | 38.5 |
| Netherlands | 44.3 | 49.6 | 51.1 | 56.7 | 56.0 | 61.5 | 63.7 |
| Poland | 43.1 | 40.6 | 35.6 | 35.2 | 35.9 | 41.4 | 44.1 |
| Portugal | 63.2 | 61.4 | 61.6 | 62.1 | 58.1 | 58.6 | 58.5 |
| Finland | 38.1 | 40.1 | 46.6 | 51.0 | 52.8 | 55.1 | 57.1 |
| Sweden | 65.1 | 67.3 | 69.4 | 70.8 | 72.0 | 72.9 | 73.4 |
| UK | 58.4 | 59.7 | 61.7 | 64.8 | 65.9 | 66.3 | 67.3 |
| EU27 | 47.1 | 46.9 | 47.7 | 49.9 | 51.6 | 53.9 | 55.0 |
| US | 65.5 | 66.1 | 66.0 | 65.6 | 67.0 | 67.4 | 67.7 |
| Japan | 80.9 | 79.5 | 77.5 | 77.4 | 78.9 | 81.5 | 81.4 |

EMPLOYMENT RATE OF OLDER WOMEN (55-64)

| | 1997 | 1999 | 2001 | 2003 | 2005 | 2007 | 2008 |
|-------------|------|------|------|------|------|------|------|
| Denmark | 40.3 | 45.8 | 49.7 | 52.9 | 53.5 | 52.4 | 49.8 |
| Germany | 28.7 | 28.8 | 29.4 | 31.6 | 37.5 | 43.6 | 46.1 |
| Ireland | 21.6 | 25.6 | 28.7 | 33.1 | 37.3 | 39.6 | 41.1 |
| Greece | 24.6 | 24.4 | 22.9 | 25.5 | 25.8 | 26.9 | 27.5 |
| Spain | 18.0 | 18.9 | 21.7 | 23.3 | 22.4 | 30.0 | 31.1 |
| France | 25.0 | 25.4 | 27.8 | 33.3 | 35.7 | 36.0 | 36.0 |
| Hungary | 10.3 | 11.3 | 14.9 | 21.8 | 26.7 | 26.2 | 25.7 |
| Netherlands | 19.9 | 23.1 | 28.0 | 31.8 | 35.2 | 40.1 | 42.2 |
| Poland | 26.1 | 24.5 | 20.4 | 19.8 | 19.7 | 19.4 | 20.7 |
| Portugal | 36.1 | 40.3 | 40.3 | 42.4 | 43.7 | 44.0 | 43.9 |
| Finland | 33.3 | 38.0 | 45.0 | 48.3 | 52.7 | 55.0 | 55.8 |
| Sweden | 60.4 | 60.7 | 64.0 | 66.3 | 66.7 | 67.0 | 66.7 |
| UK | 38.5 | 39.9 | 43.0 | 46.3 | 48.0 | 48.9 | 49.0 |
| EU27 | 26.1 | 26.7 | 28.2 | 30.7 | 33.6 | 35.9 | 36.8 |
| US | 49.5 | 50.1 | 51.7 | 54.5 | 55.1 | 56.6 | 57.0 |
| Japan | 48.4 | 48.2 | 47.3 | 47.5 | 49.4 | 51.2 | 51.7 |

EMPLOYMENT RATE OF OLDER WORKERS



COMBATING AGE DISCRIMINATION IN THE WORKFORCE: EUROPEAN EXPERIENCE

WHAT WORKS?

➤ Macro Level

- Demand
- Policies: national, international

➤ Meso Level

- New Organisational Approaches

THE NEW POLICY PARADIGM: 'ACTIVE AGEING'

- From Mid-1990s in Europe
- General Activation Plus Specific Older Worker Focus
- Variation in Adoption by Member States
- Common Agreement from 1998 (OCM)
- Equal Treatment Directive 2000
- Lisbon and Stockholm Targets 2000, 2001
- Community Action Plan to Combat Discrimination 2001-6

IMPLEMENTATION OF THE PARADIGM

| MEASURES, POLICIES | Austria | Belgium | Denmark | Finland | France | Germany | Greece | Ireland | Italy | Luxembourg | Netherlands | Portugal | Spain | Sweden | UK | Switzerland |
|---|----------|----------|----------|----------|----------|---------|--------|---------|----------|------------|-------------|----------|-------|----------|----------|-------------|
| PENSIONS | | | | | | | | | | | | | | | | |
| 1. Increase retirement age /contributory period | X | X | | X | X | | X | | X | | | X | | X | X | X |
| 2. More links between contributions and benefits | X | | | X | X | | X | | X | | X | X | X | X | X | X |
| 3. Flexibility of retirement age | X | X | X | X | X | X | | | X | | X | X | X | X | | X |
| 4. Gradual retirement | X | X | X | X | X | X | | | X | X | X | | X | X | | |
| 5. Development of occupational pensions | X | X | X | X | X | X | X | X | X | | X | X | X | X | X | X |
| 6. Cumulation of earnings and benefits | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X |
| WORK EXIT | | | | | | | | | | | | | | | | |
| 7. Reducing disability benefit access | | | X | X | | X | | | | | X | | | X | | X |
| 8. Reducing early retirement access | X | X | X | X | X | X | | | | | X | | X | X | X | |
| 9. Reducing unemployment benefit access | X | X | | X | X | X | | | | | X | | | | X | X |
| EMPLOYMENT +55 | | | | | | | | | | | | | | | | |
| 10. Incentive for continuing training | X | X | X | X | X | | X | | | | | | | | X | |
| 11. Reintegrate unemployed +50 | X | X | X | X | X | | X | X | | X | X | | | X | X | |
| 12. Encourage part-time work age 55-65 | X | X | X | X | X | X | | | X | X | X | | X | X | X | |
| 13. Employment subsidies reduction of social contributions | X | X | X | | X | | X | | X | X | X | | X | X | X | X |
| 14. Anti-age discrimination legislation | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X |
| 15. Information / education campaigns | | X | X | X | | X | | | | | X | | | X | X | |

Notes: Reference is made of recent (not before 1996) measures. Importance of measure is illustrated by the bold character of X.

IMPLEMENTATION OF THE PARADIGM

GERMANY

- 50 Plus – They Can Do It
- Wage Subsidies
- Promotion of Self-employment
- Job Creation
- Partial Retirement Schemes
- Penalising Early Retirement
- Raising Statutory Pension Age

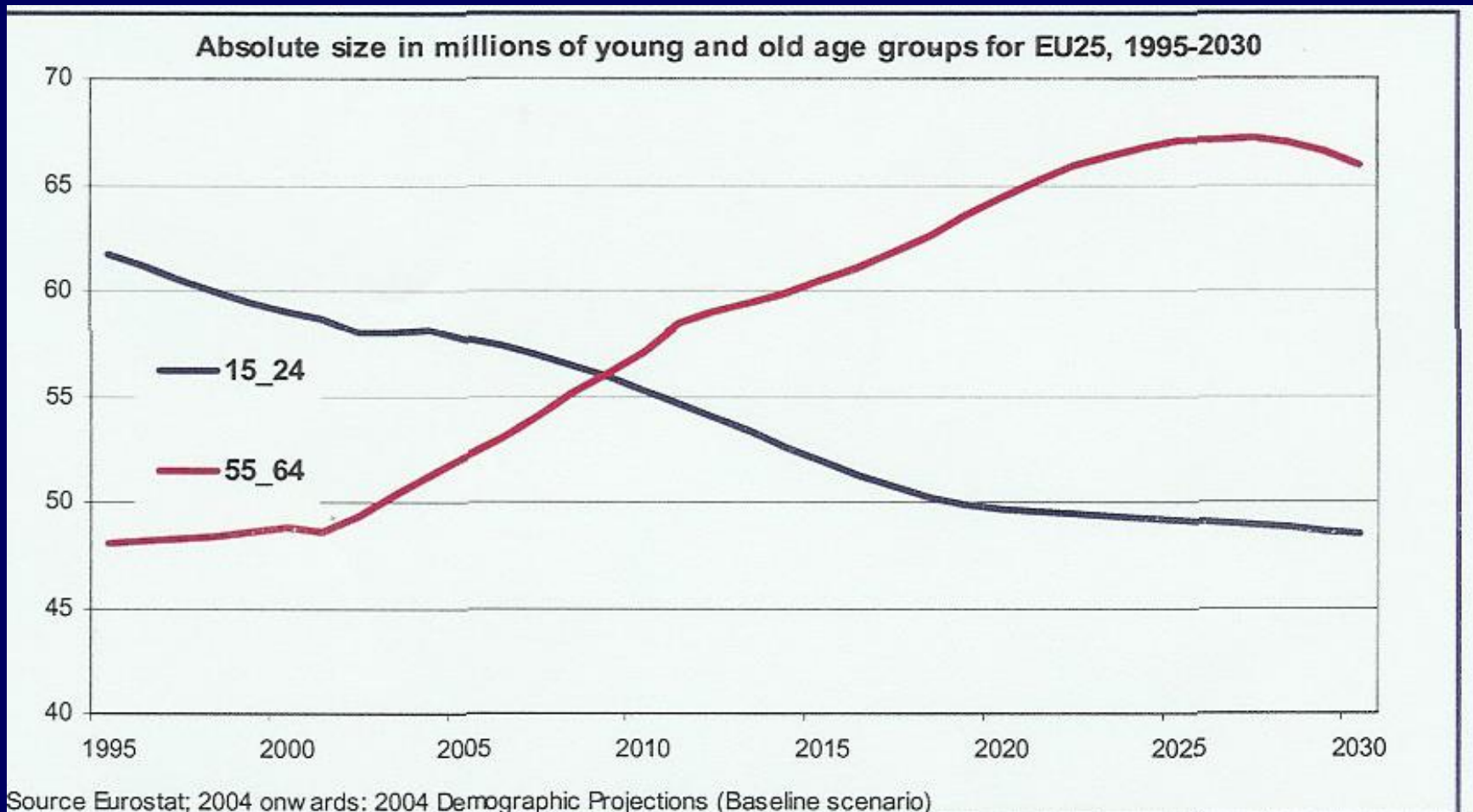
UK

- Age Positive
- New Deal 50+
- Pathways to Work
- Vocational Training
- Raising Statutory Pension Age
(Equalisation of Pension Ages)

KEY ECONOMIC DRIVERS OF POLICY CHANGE

- Apocalyptic Interpretation of Demography (Ageism in Policy Community)
- Shrinkage of the Labour Force: 12% 2025-2050
- Cost of Pensions, Health and Long-term Care Associated with Longevity

SIZE OF THE YOUNGEST (15-24) AND OLDEST (55-64) WORKING AGE GROUPS



RETIREMENT EXPECTANCY

| | Average Age of Exit | | Life Expectancy at 65 | | Retirement Expectancy | |
|-------------|---------------------|-------|-----------------------|-------|-----------------------|-------|
| | Men | Women | Men | Women | Men | Women |
| Denmark | 61.9 | 59.8 | 15.4 | 18.3 | 18.5 | 23.5 |
| France | 58.9 | 58.8 | 16.9 | 21.3 | 23.0 | 27.6 |
| Germany | 61.1 | 60.3 | 16.0 | 19.6 | 19.9 | 24.3 |
| Italy | 60.2 | 59.7 | 16.5 | 20.4 | 21.3 | 25.7 |
| Netherlands | 62.9 | 61.6 | 15.5 | 19.3 | 17.7 | 22.7 |
| Sweden | 63.4 | 63.1 | 16.9 | 20.0 | 18.5 | 21.9 |
| UK | 62.7 | 61.9 | 15.7 | 18.9 | 18.0 | 22.0 |

Index of replacement of the working age population (Age group 15-24 as % of age group 55-64) 2000

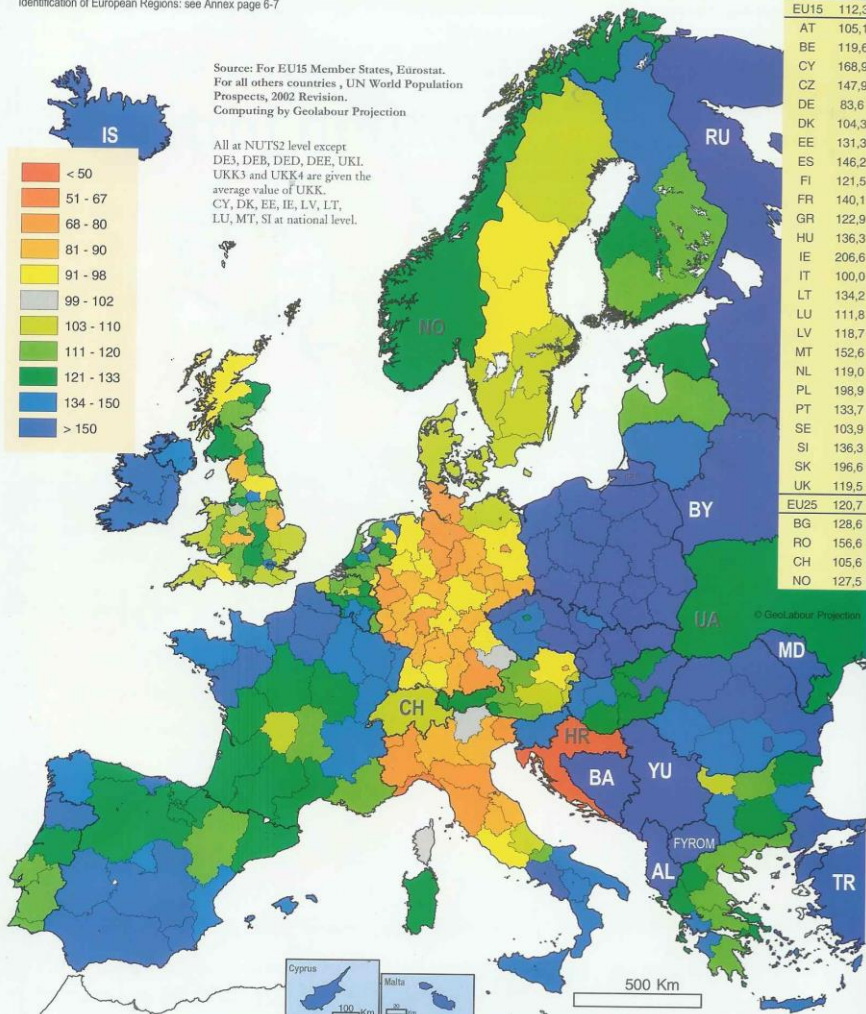
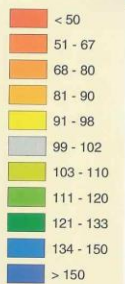
Map EU 16a

Identification of European Regions: see Annex page 6-7



Source: For EU15 Member States, Eurostat. For all other countries, UN World Population Prospects, 2002 Revision. Computing by Geolabour Projection

All at NUTS2 level except DE3, DEB, DED, DEE, UK1, UKK3 and UKK4 are given the average value of UKK. CY, DK, EE, IE, LV, LT, LU, MT, SI at national level.



| EU15 | 112,3 |
|------|-------|
| AT | 105,1 |
| BE | 119,6 |
| CY | 168,9 |
| CZ | 147,9 |
| DE | 83,6 |
| DK | 104,3 |
| EE | 131,3 |
| ES | 146,2 |
| FI | 121,5 |
| FR | 140,1 |
| GR | 122,9 |
| HU | 136,3 |
| IE | 206,6 |
| IT | 100,0 |
| LT | 134,2 |
| LU | 111,8 |
| LV | 118,7 |
| MT | 152,6 |
| NL | 119,0 |
| PL | 198,9 |
| PT | 133,7 |
| SE | 103,9 |
| SI | 136,3 |
| SK | 196,6 |
| UK | 119,5 |
| EU25 | 120,7 |
| BG | 128,6 |
| RO | 156,6 |
| CH | 105,6 |
| NO | 127,5 |

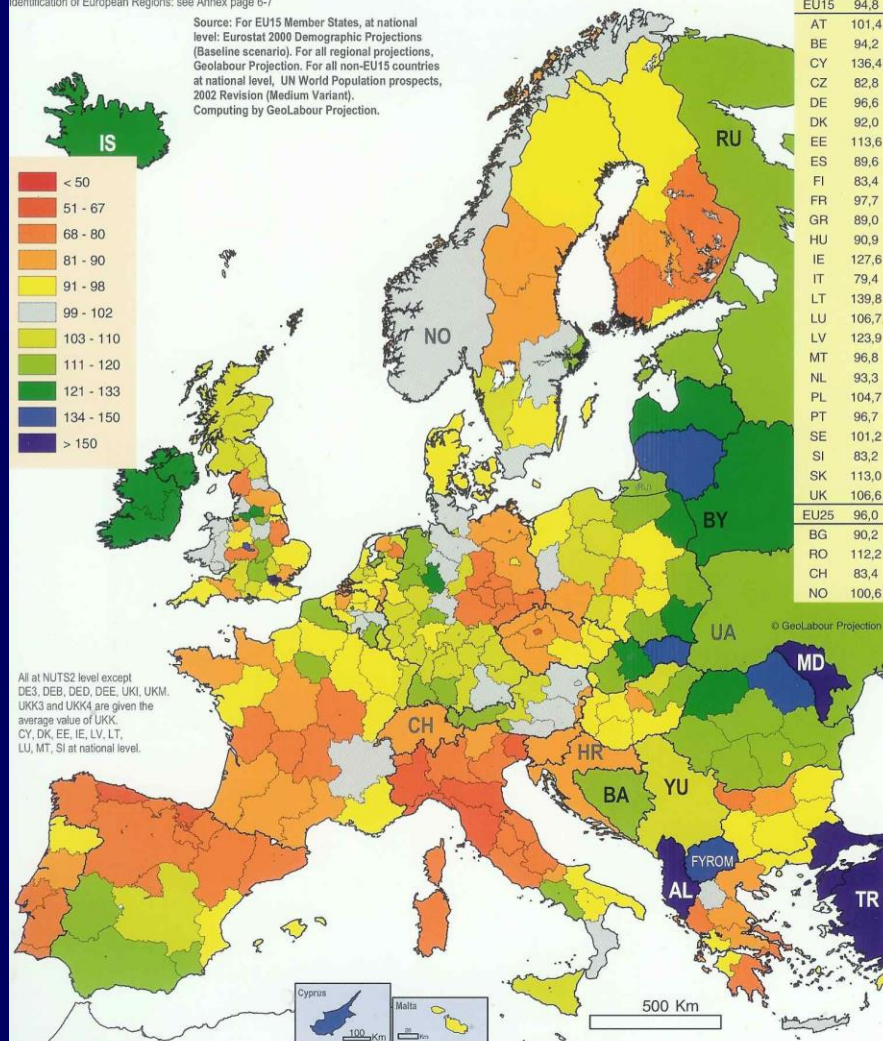
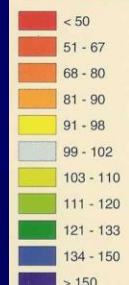


Index of replacement of the working age population (Age group 15-24 as % of age group 55-64) 2010

Map EU 16b

Identification of European Regions: see Annex page 6-7

Source: For EU15 Member States, at national level: Eurostat 2000 Demographic Projections (Baseline scenario). For all regional projections, Geolabour Projection. For all non-EU15 countries at national level, UN World Population Prospects, 2002 Revision (Medium Variant). Computing by GeoLabour Projection.

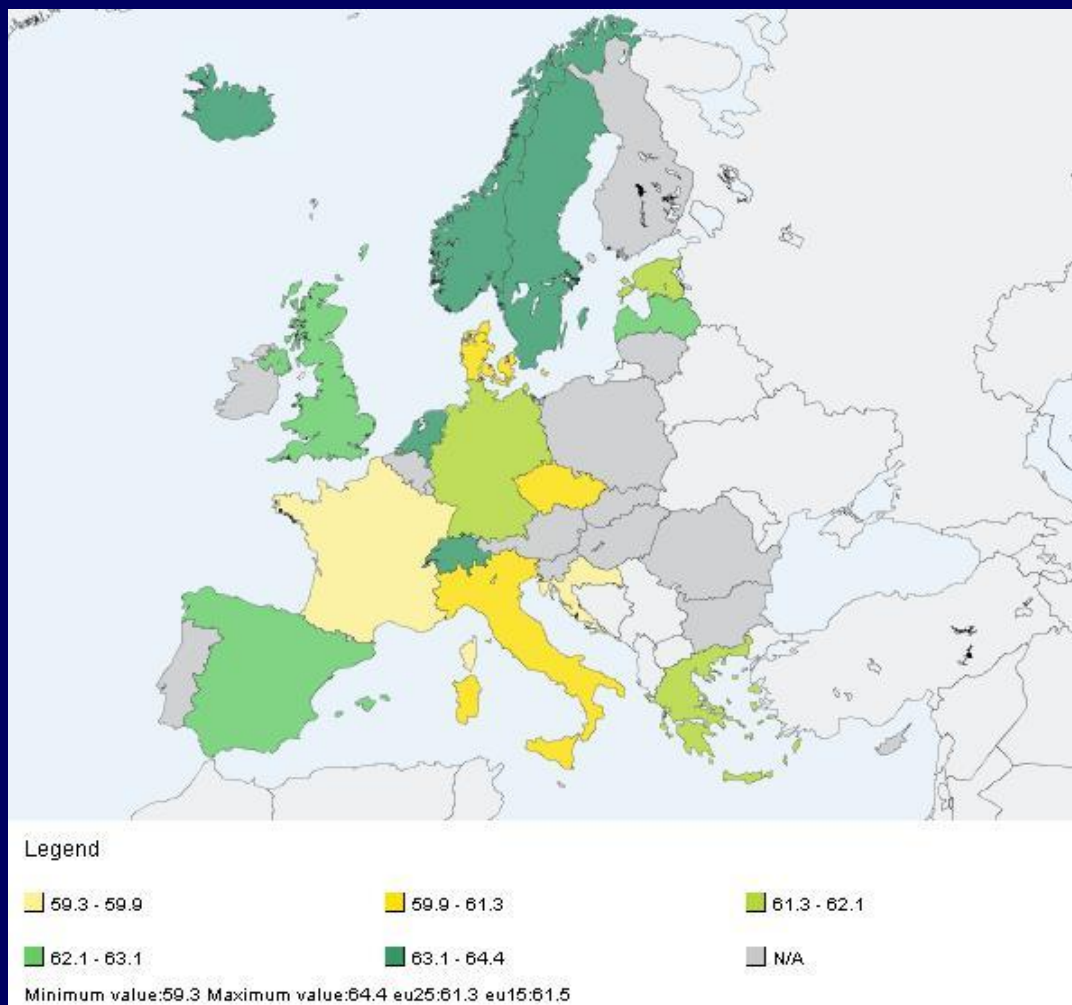


| EU15 | 94,8 |
|------|-------|
| AT | 101,4 |
| BE | 94,2 |
| CY | 136,4 |
| CZ | 82,8 |
| DE | 96,6 |
| DK | 92,0 |
| EE | 113,6 |
| ES | 89,6 |
| FI | 83,4 |
| FR | 97,7 |
| GR | 89,0 |
| HU | 90,9 |
| IE | 127,6 |
| IT | 79,4 |
| LT | 139,8 |
| LU | 106,7 |
| LV | 123,9 |
| MT | 96,8 |
| NL | 93,3 |
| PL | 104,7 |
| PT | 96,7 |
| SE | 101,2 |
| SI | 83,2 |
| SK | 113,0 |
| UK | 106,6 |
| EU25 | 96,0 |
| BG | 90,2 |
| RO | 112,2 |
| CH | 83,4 |
| NO | 100,6 |

All at NUTS2 level except DE3, DEB, DED, DEE, UK1, UKK3 and UKK4 are given the average value of UKK. CY, DK, EE, IE, LV, LT, LU, MT, SI at national level.

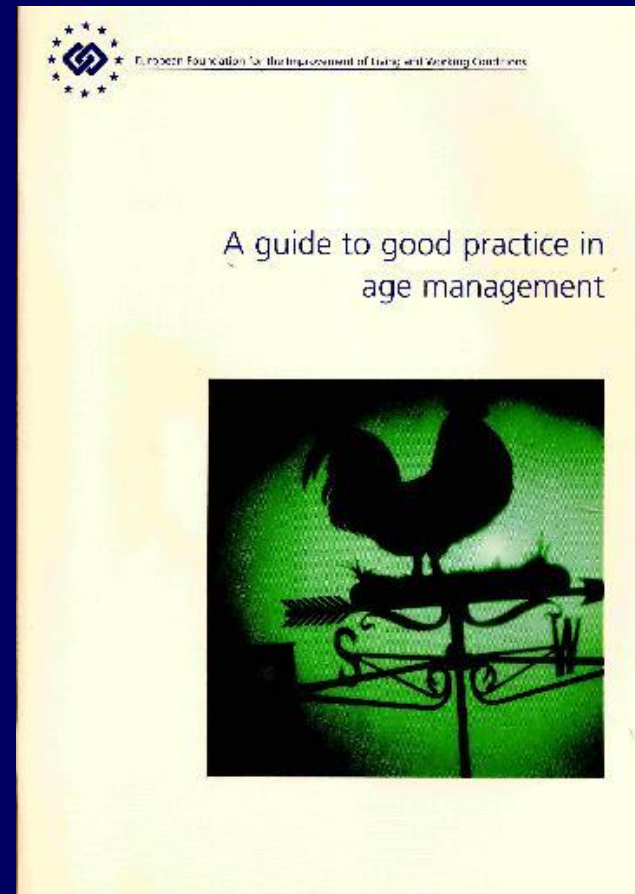
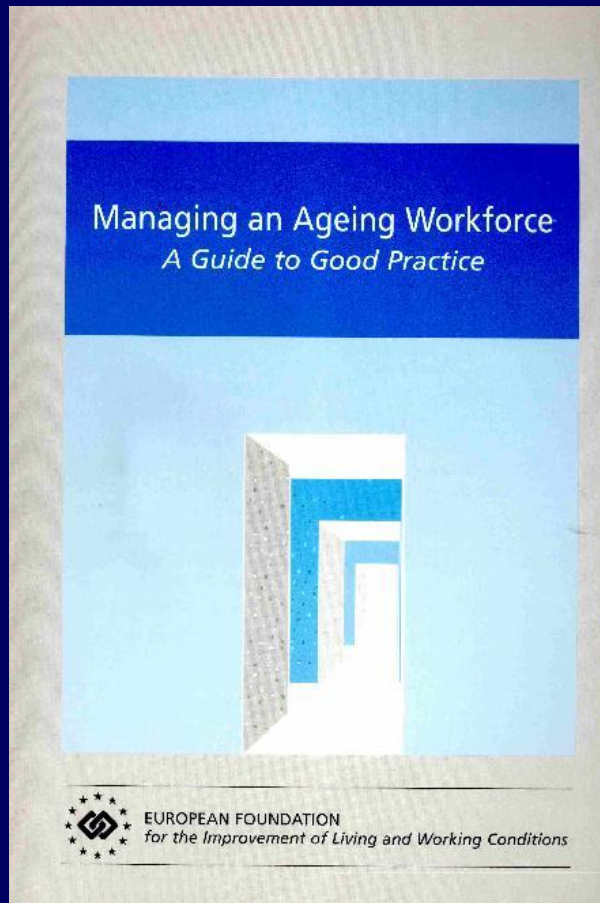


AVERAGE AGE OF LABOUR MARKET EXIT, 2008



NEW ORGANISATIONAL APPROACHES

EUROPEAN RESEARCH ON AGE MANAGEMENT



DIMENSIONS OF AGE MANAGEMENT

- Job Recruitment
- Learning, Training and Lifelong Learning
- Career Development
- Flexible Working Time
- Health Protection and Promotion, including Work Place Design
- Redeployment
- Employment Exit and the Transition to Retirement
- Comprehensive Approaches

JOB RECRUITMENT

Good practice means ensuring that older workers have either equal or special access to the available jobs and that potential applicants are not discriminated against either directly or indirectly.

Examples:

- Encouraging age diversity in recruitment.
- Specially qualified interview personnel (age awareness training).
- Selection process focussed on skills, competencies and experience, not age.
- Close cooperation with local recruitment agencies.
- Good knowledge of public support programmes.
- Explicitly targeting older applicants who are unemployed, threatened by redundancy or already in involuntary early retirement.
- Advertisement campaigns to encourage older applicants.

PRECONDITIONS FOR SUSTAINABLE GOOD PRACTICE

- Age Awareness
- Careful Planning and Implementation
- Improvement of Working Conditions
- Cooperation of all Personnel in Organisation
- Continuous Communication
- Monitoring
- Evaluation and Assessment

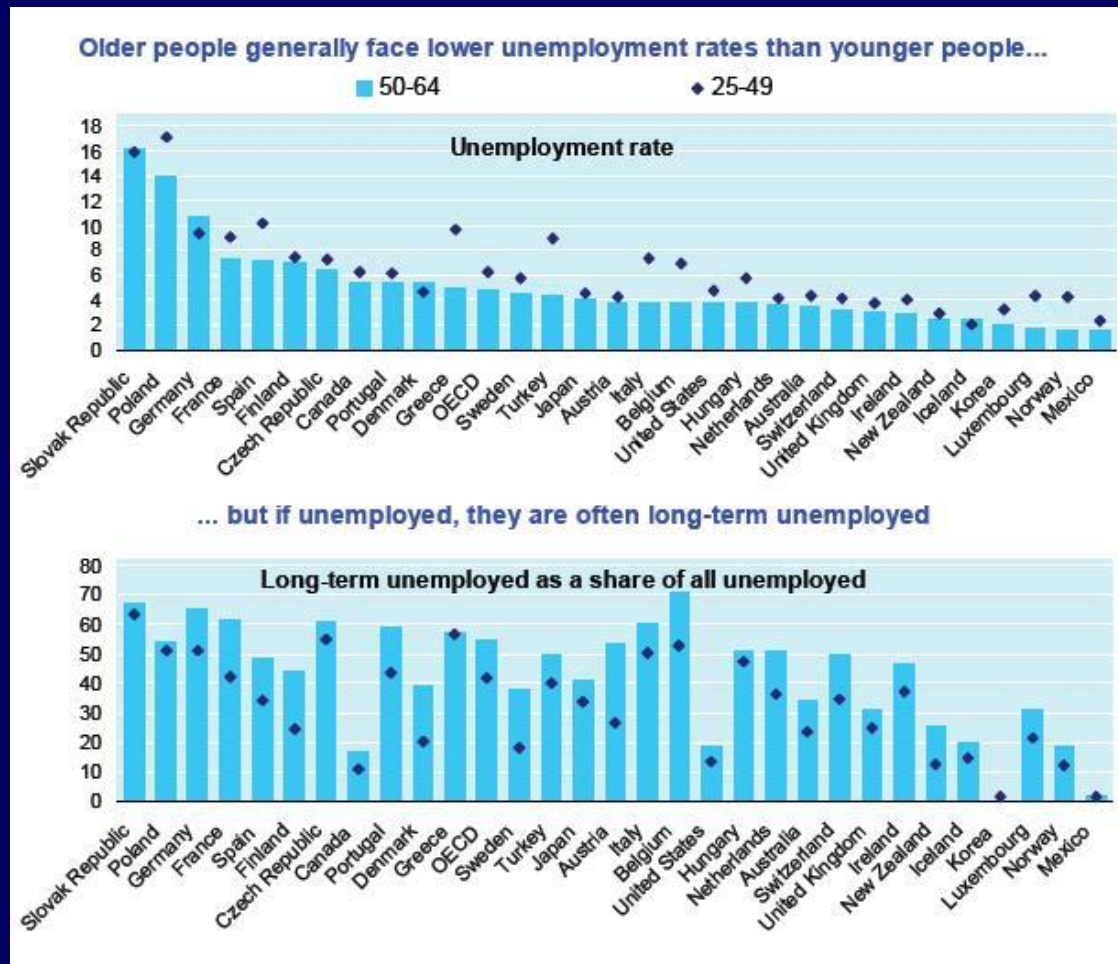
AN INTEGRATED AGE MANAGEMENT STRATEGY

- Emphasis on the Prevention of Age-related Work Problems (rather than reactive problem solving)
- Focus on the Entire Working Life, Not Just Older Workers
- Ensure a Joined-up Approach: all relevant dimensions and actors
- Changing Attitudes Within Organisations and in Society to Promote Age Diversity
- Ensuring Short-term Remedial Help for Older Workers with Health Problems or Skill Deficits
- Conducting Regular Strategic Evaluations of Age Management Policies

THE BARRIERS THAT REMAIN

- Economic Recession
- Macro-level Policy Timidity
- Meso-level Organisational Inertia
- Micro-level Older Worker Ambivalence

UNEMPLOYMENT AMONG OLDER WORKERS



Source: OECD, 2006

POLICY TIMIDITY

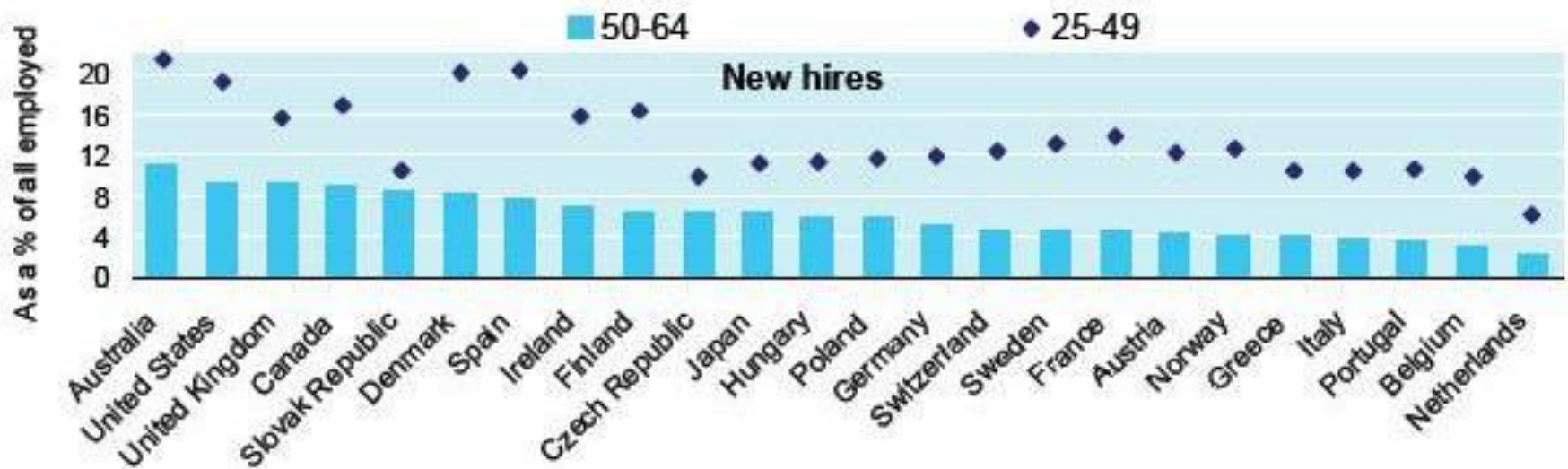
- 'Active Ageing' = The LCD
- Get-out Clauses in Age-discrimination Legislation
 - France: 'differential treatment based on age does not constitute discrimination when it is objectively and reasonably justified.'
 - UK: employer's right to refuse request to work beyond statutory pension ages
- Mandatory Retirement in Most Countries

ORGANISATIONAL INERTIA

- Diversity a Minority Pursuit
- Initiatives Tend to be Short-term, minimal not comprehensive
- Little by Way of Preventative Action
- Hiring Preference for Younger Workers

HIRING OF OLDER WORKERS

The hiring rate of older workers varies considerably across countries, but it is always much lower than for younger workers



Source: OECD, 2006

EMPLOYERS AND OLDER WORKERS - AUSTRIA

| INDUSTRY | RECRUIT OLDER WORKERS | | RETAIN OLDER WORKERS | |
|--------------------------|-----------------------|-----------|----------------------|-----------|
| | Yes | No | Yes | No |
| Agriculture, etc | 28 | 72 | 10 | 90 |
| Construction | 20 | 75 | 7 | 88 |
| Electricity, Gas, Water | 15 | 84 | 18 | 79 |
| Finance, Insurance, etc | 9 | 90 | 12 | 86 |
| Manufacturing | 25 | 74 | 16 | 82 |
| Mining | 16 | 84 | 10 | 90 |
| Public & Social | 26 | 70 | 16 | 82 |
| Restaurants & Hotels | 13 | 87 | 4 | 95 |
| Transport, Communication | 21 | 78 | 17 | 82 |
| Wholesale & Retail | 14 | 83 | 77 | 4 |
| Total | 21 | 77 | 14 | 84 |

EMPLOYERS AND OLDER WORKERS - FRANCE

| INDUSTRY | RECRUIT OLDER WORKERS | | RETAIN OLDER WORKERS | |
|--------------------------|-----------------------|----------|----------------------|----------|
| | Yes | No | Yes | No |
| Agriculture, etc | 98 | 0 | 93 | 2 |
| Construction | 89 | 3 | 94 | 3 |
| Electricity, Gas, Water | 85 | 8 | 99 | 0 |
| Finance, Insurance, etc | 91 | 4 | 83 | 7 |
| Manufacturing | 98 | 0 | 92 | 2 |
| Mining | 90 | 4 | 85 | 6 |
| Public & Social | 88 | 2 | 80 | 9 |
| Restaurants & Hotels | 93 | 3 | 87 | 7 |
| Transport, Communication | 85 | 3 | 91 | 5 |
| Wholesale & Retail | 96 | 1 | 92 | 3 |
| Total | 92 | 2 | 87 | 5 |

OLDER WORKER AMBIVALENCE

| | Employed Below SPA | | |
|-----------------|--------------------|-------|-----|
| Plan to retire: | Men | Women | All |
| Before SPA | 32 | 8 | 21 |
| At SPA | 42 | 25 | 34 |
| After SPA | 24 | 64 | 42 |
| DK | 3 | 3 | 3 |

Source: Smeaton et al, 2009

OLDER WORKER AMBIVALENCE

| Reason for Planning to Retire After SPA | All |
|--|------------|
| Can't Afford to Retire Earlier | 51 |
| Enjoy Working | 23 |
| Savings/Pension not High Enough | 13 |
| Other | 31 |

Source: Smeaton et al, 2009

Multiple Response Options

OVERCOMING THE BARRIERS

- Prevention Across the Working Life: Working Hours and Conditions
- Promotion of Employability: Education, Skills
- Promotion of Flexibility in Later Working Lives
- Targeted Training and Incentives for Older Workers
- Employer and Public Education on Diversity
- Sharing Good Practice

→ AN INTEGRATED AGE MANAGEMENT STRATEGY

AGE MANAGEMENT IN PRACTICE

Workers' Employability

- Educational qualifications and skills
- Ability to work in teams
- Ability to work autonomously
- Continuing training, lifelong learning
- Flexibility and mobility

Work Environment

- Age awareness
- Flexible work organisation
- Flexible working time
- Diversity (equal opportunities)
- Career planning, promotion
- Continuing training
- Healthy and safe working conditions