

# EMPLOYERS PRACTICES FOR ACTIVE AGEING

27 September 2012,  
Brussels, Belgium

*“Living longer - working better”*

Donald Storrie  
European Foundation for the Improvement of Living and Working Conditions

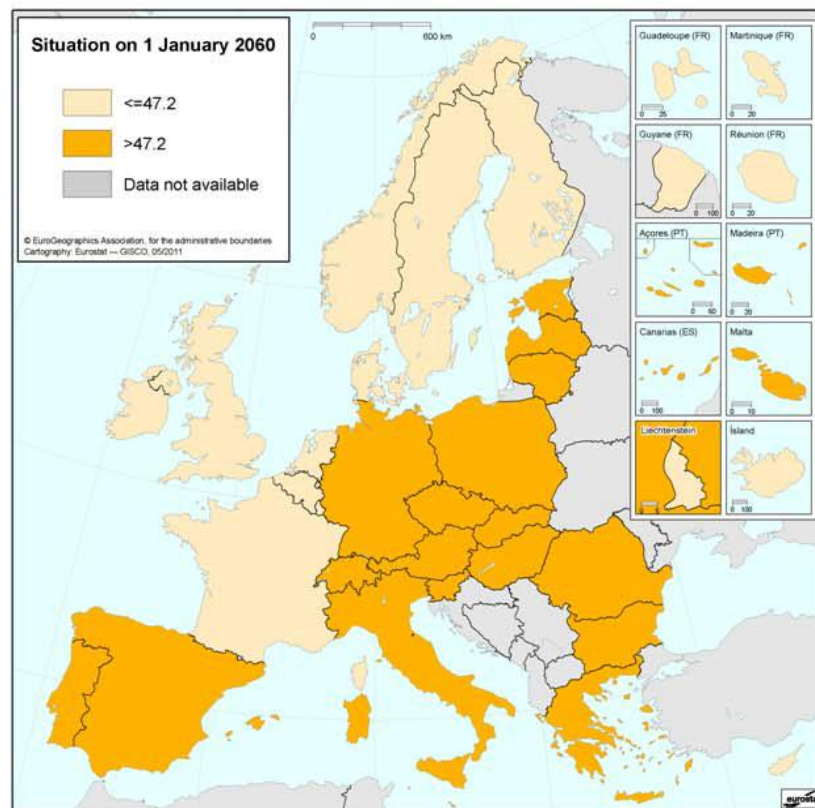
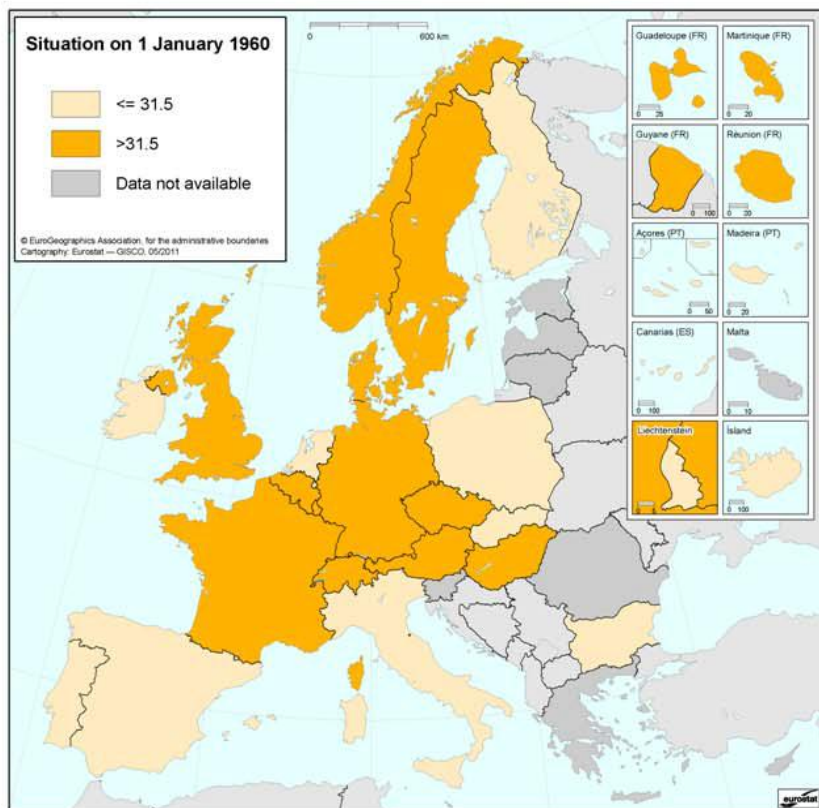


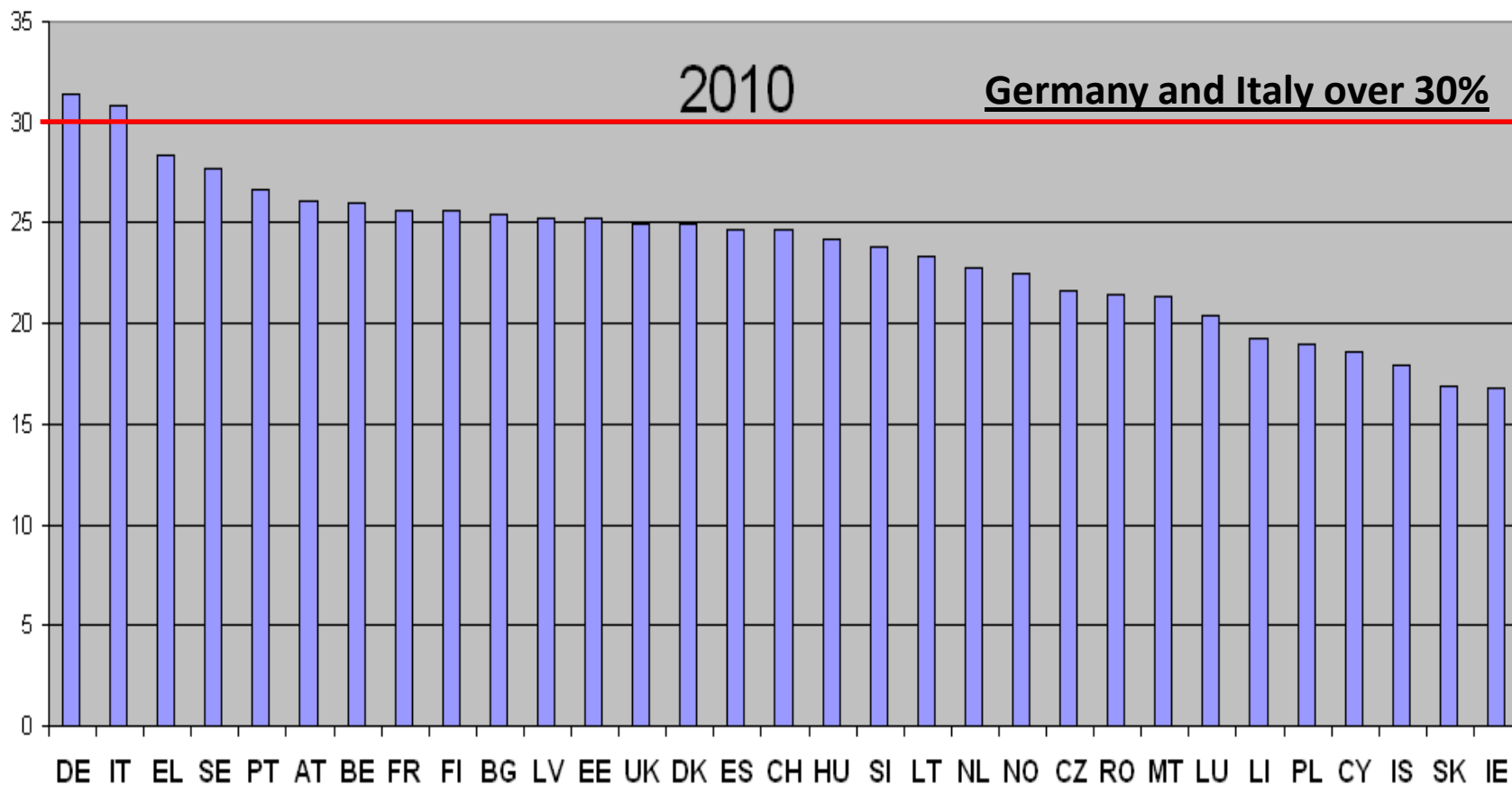
# During 100 years Europe becomes 16 years older

Median age 39.8 in 2010

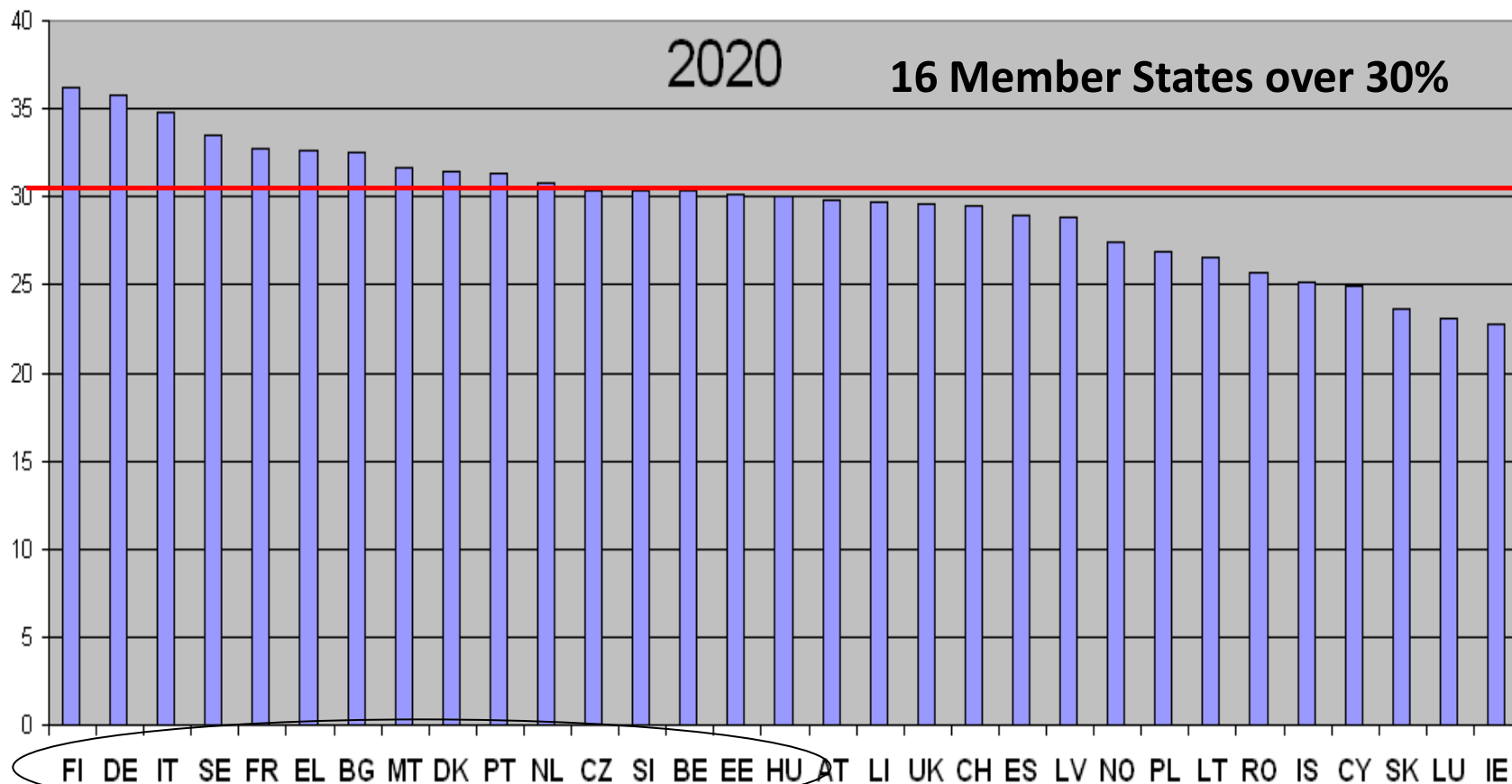
Median age 31.5 in 1960

Median age 47.2 in 2060

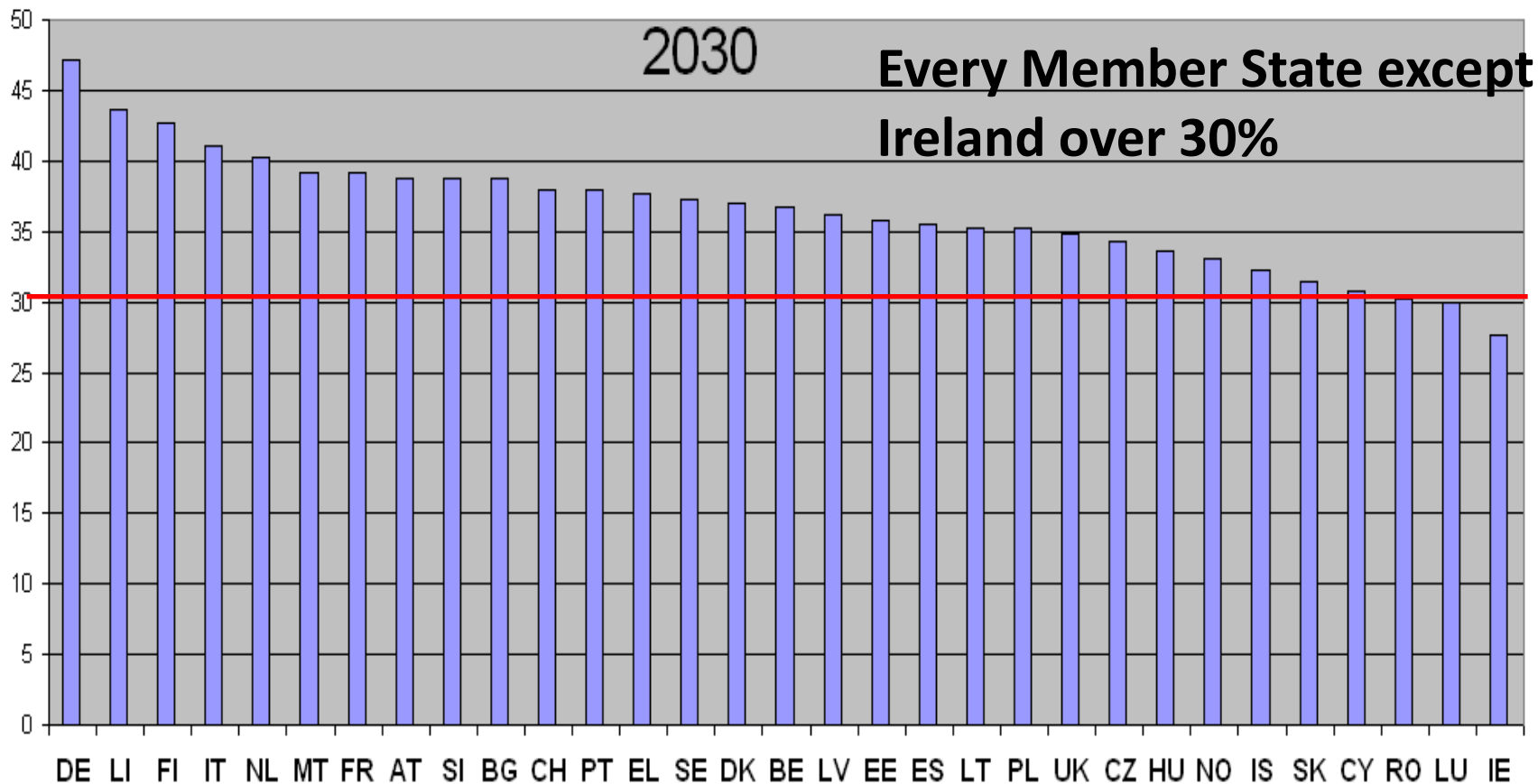




# Old age dependency ratio



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# Demographic ageing

- The demographics of the old-age dependency ratio prognoses are credible.
- A “no other change” scenario leads to appreciably lower GDP/capita with significant financial & distributional consequences.
- Labour productivity, immigration &  
Aggregate labour input =  
= Emp rate \* working life \* average hours.

# How to make up the labour shortfall?

- More immigration
  - not enough! And do “we” want it?
- Higher fertility
  - too late!
- Longer working hours – self defeating?
- Higher productivity – a cop out!



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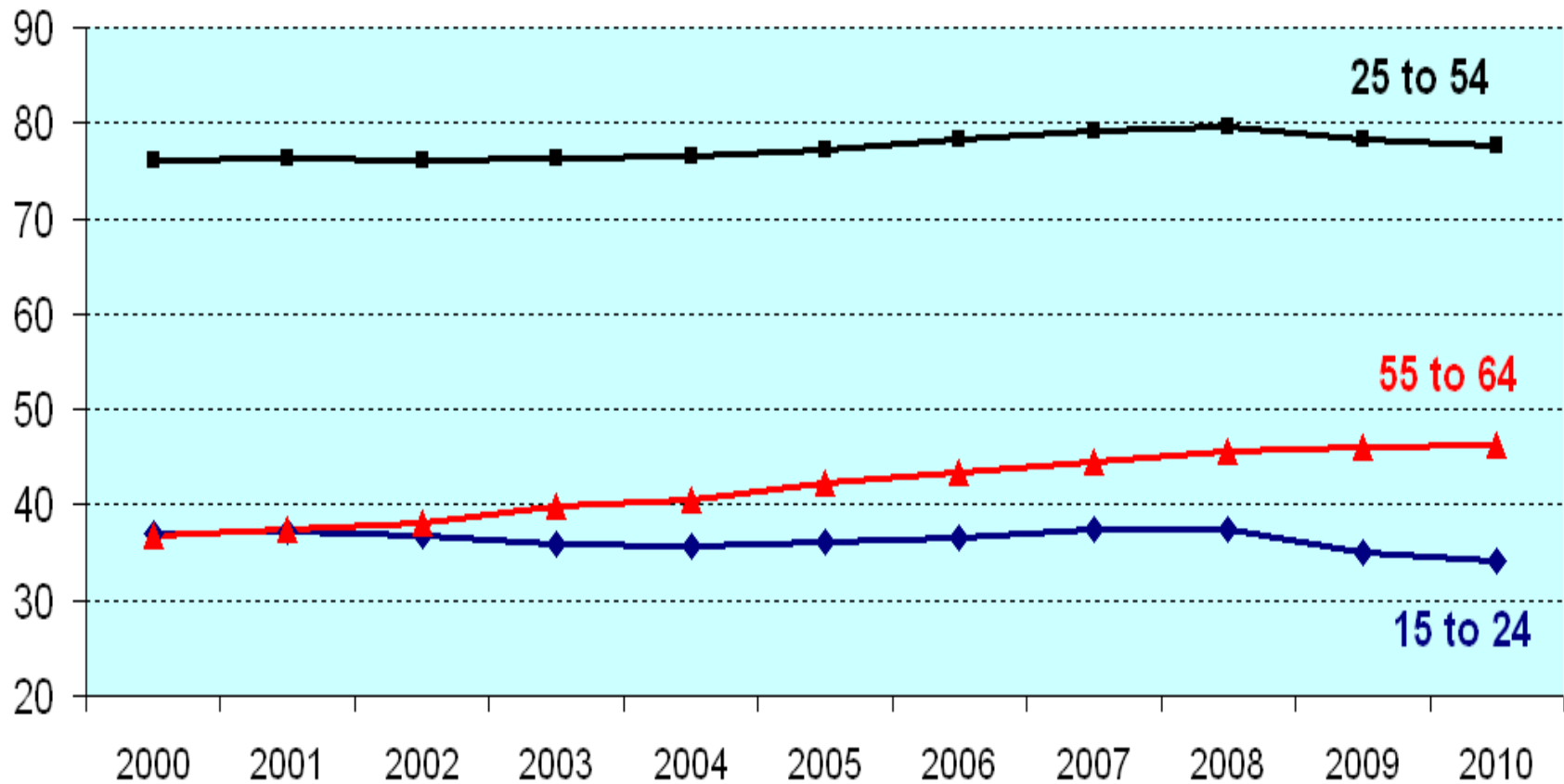
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**More active & inclusive employment policy**  
**and work longer!**



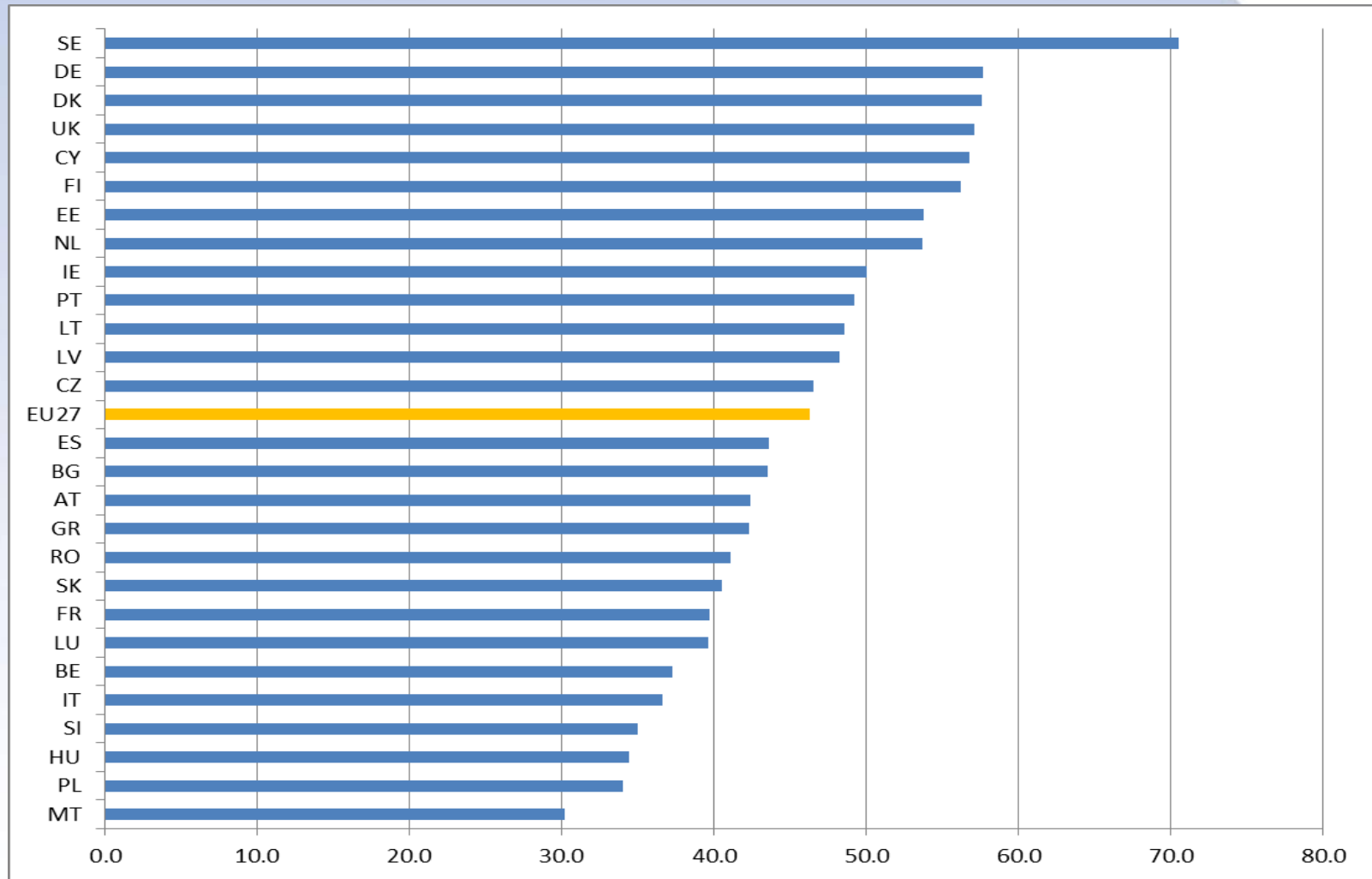


# Employment rates by age 2000-2012

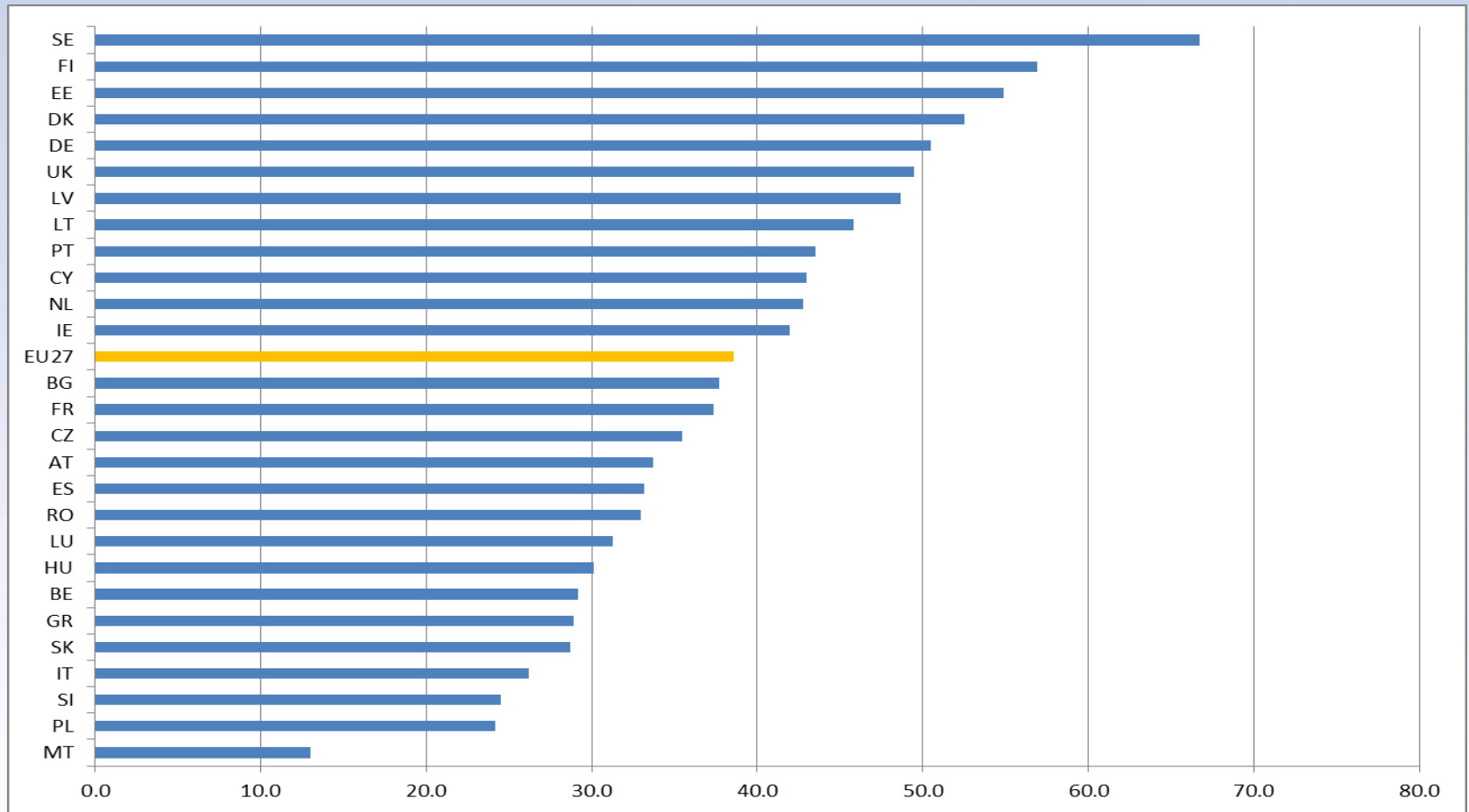


**Source: European Labour Force Survey**

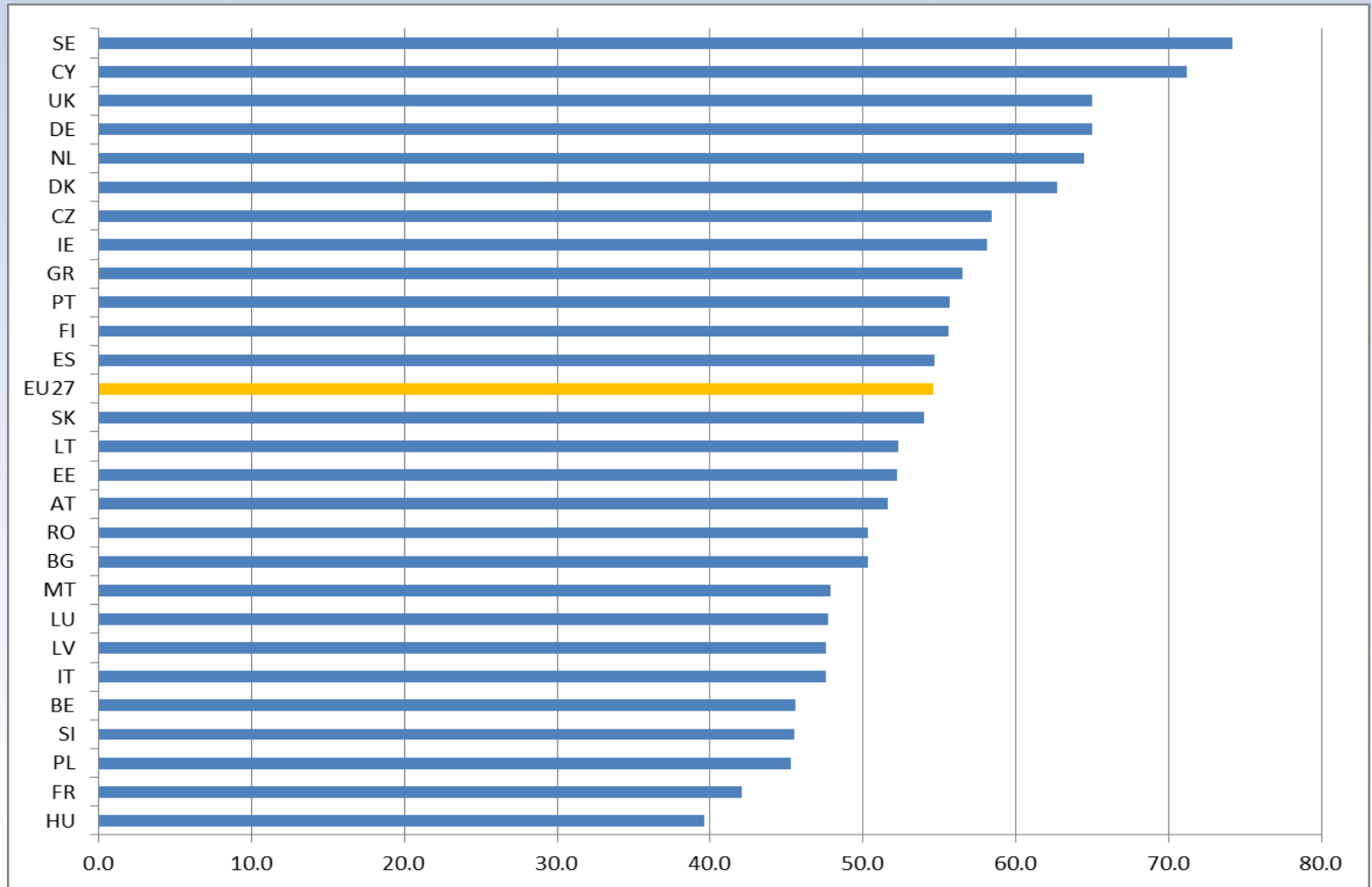
# Employment rate of 55-64 year olds 2010



# Employment rate of 55-64 year old women 2010



# Employment rate of 55-64 year old men 2010



- Pre-pension (55-64)
  - health, care, working time.
  - gender, restructuring (pension and labour market policies and practices)
- Post-pension (65+)
  - intrinsic job quality, perceptions of ageing (financial insecurity)
- Sustainable work throughout working life



- Ageing as a process
- (-) Cognitive mechanics (e.g. processing speed)
  - stimulate intellectual engagement
- (+) Cognitive pragmatics (e.g. experience knowledge)
- And openness to new experiences versus emotional stability, agreeableness and conscientiousness
- Age management and complementarities
- Matching over the life course



# Sustainable work – evidence from EWCS (i)

## *The bad news is/:*

- Shorter but more intensive working hours
- Limited changes in cognitive content of work and autonomy

## **The good news is:**

- Big decline in perceptions of health and safety risks
- Some more training - especially for older



# Sustainable work – evidence from EWCS (ii)

- ***“Do you think you could do the same job when you are 60?”***
- ***“Yes I think so”***
- Related to all “favourable working conditions” – (but not to long working time) and expected occupations.
- Slightly more Men
- Most important – low exposure to posture and movement related risks and harassment
- 57.1% “yes” in 2000 in and 58.7% in 2010





## **Care of parents or spouse**

- compare with childcare and labour supply
- potential for policy impact

## **Eurofound cases of company initiatives**

- Awareness raising – managers
- Working time & leave
- Information and counselling
- Also for men



- According to Paul Baltes the “young old” (between 65 and 84) have substantial potential for physical and cognitive fitness, retain much of their cognitive capacity, and can develop strategies to cope with the gains and losses of aging
- Significant recent increase of the employment rate for the 65-74 year olds



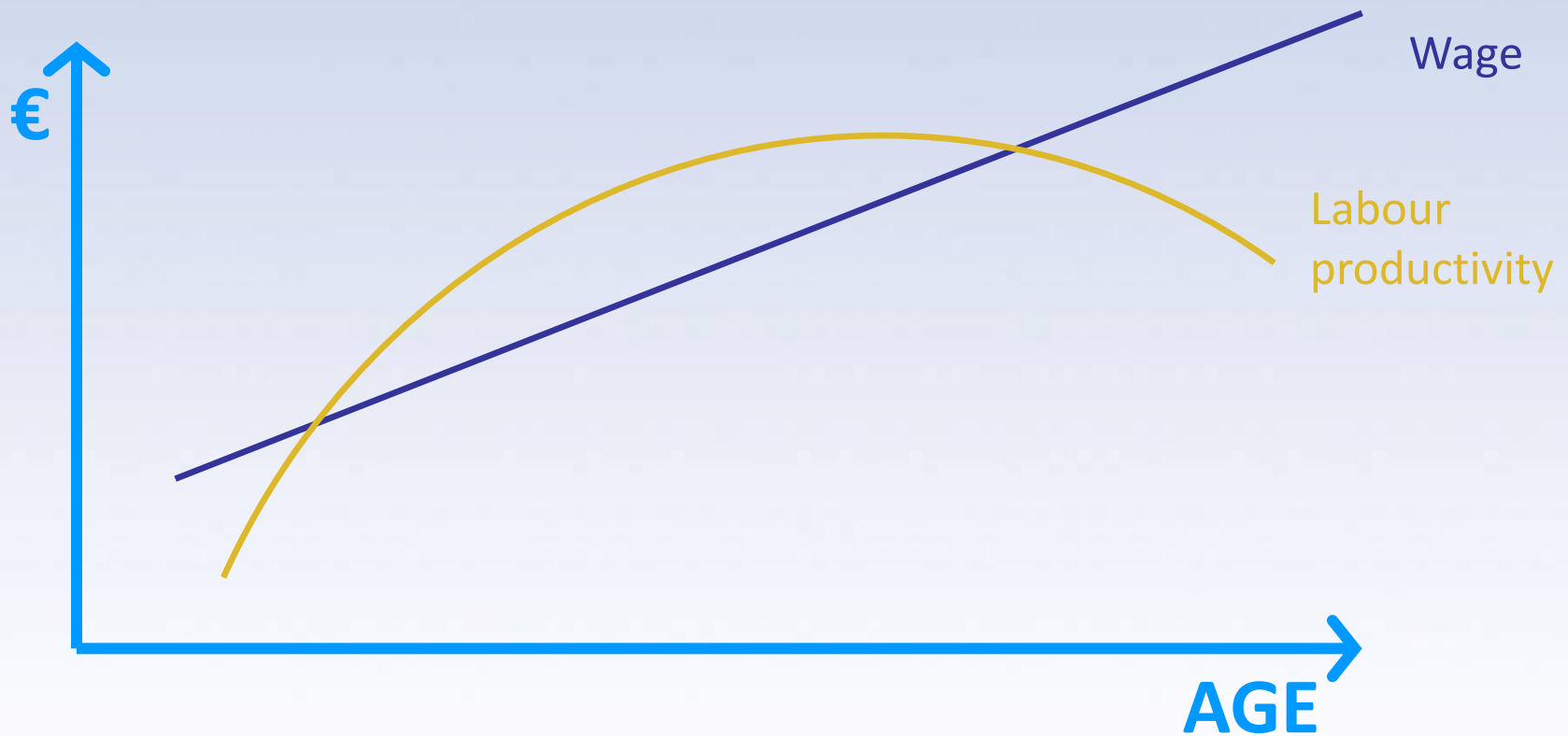
# Employment rate of the 65+ 8.9% in 2005 up to 10.8% 2011

- 65-69 10.8% UK 20%, F 4%
  - 70-74 5.3 %
  - 75+ 1.2%
1. Financial reasons - but intrinsic factors in quality of work are more important than for younger
  2. Continuation of career or new start
  3. Eurofound case studies – many cases of negative perceptions
- Company initiatives to address these 3 points

- With older labour force more older workers will bear costs of labour market adjustment
- No macro evidence that “job sacrifice” by the old benefits the young.
- If wages > productivity for older workers – higher unit labour costs
- Institutionalisation of early pensions of the 1970s and 1980s.
- Eurofound cases suggest -less common in the recent recession



# A stylised graph of wage, productivity and age



# Why employment rates for older workers will continue to increase

- Labour shortages
- Continual decline in physically demanding work
- Continual improvement in health
- Future cohorts will be better educated (& LLL)
- More (older) women will be employed
- Relatively more old workers will reduce relative wage
- Learning about caring – See Eurofound research
- Policy? pension reform etc?

