

QUEEN'S INTERNATIONAL INSTITUTE OF SOCIAL POLICY

SOCIAL POLICY IN AN AGING SOCIETY:

THE MULTIPLE CHALLENGES OF DEMOGRAPHIC CHANGE

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Population aging, the labour market and income for the elderly

The challenge of labour force ageing

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The challenge of labour force ageing

Issues for consideration

Labour force contraction and workforce ageing

The promotion of “active ageing”

Personnel management issues

The health of an older workforce

What still need to be addressed?

The challenge of labour force ageing

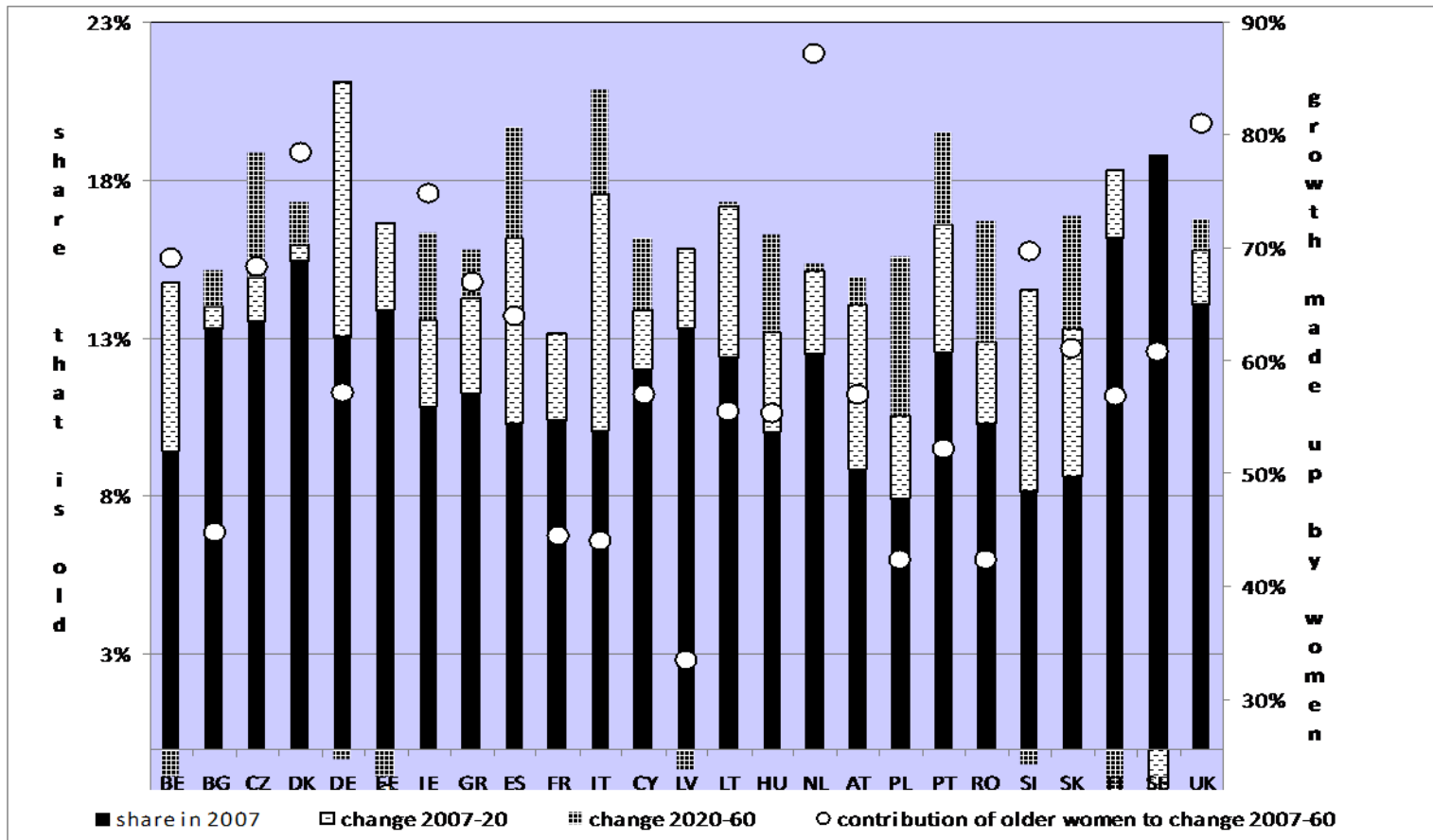
Labour force contraction and workforce ageing

What is happening with the (European) labour force

- end of rapid growth (post-war to end of century)
 - women, young people, immigrants
- stabilisation and even decline (17/27 by 2060)
 - peak at 2020; DK, EE at 2010; SW, UK at 2050
- contribution of older people to meeting Lisbon “targets” (50% emp. rate for 55-64 yr-olds)
 - more older and more older women
 - more post-pension-age

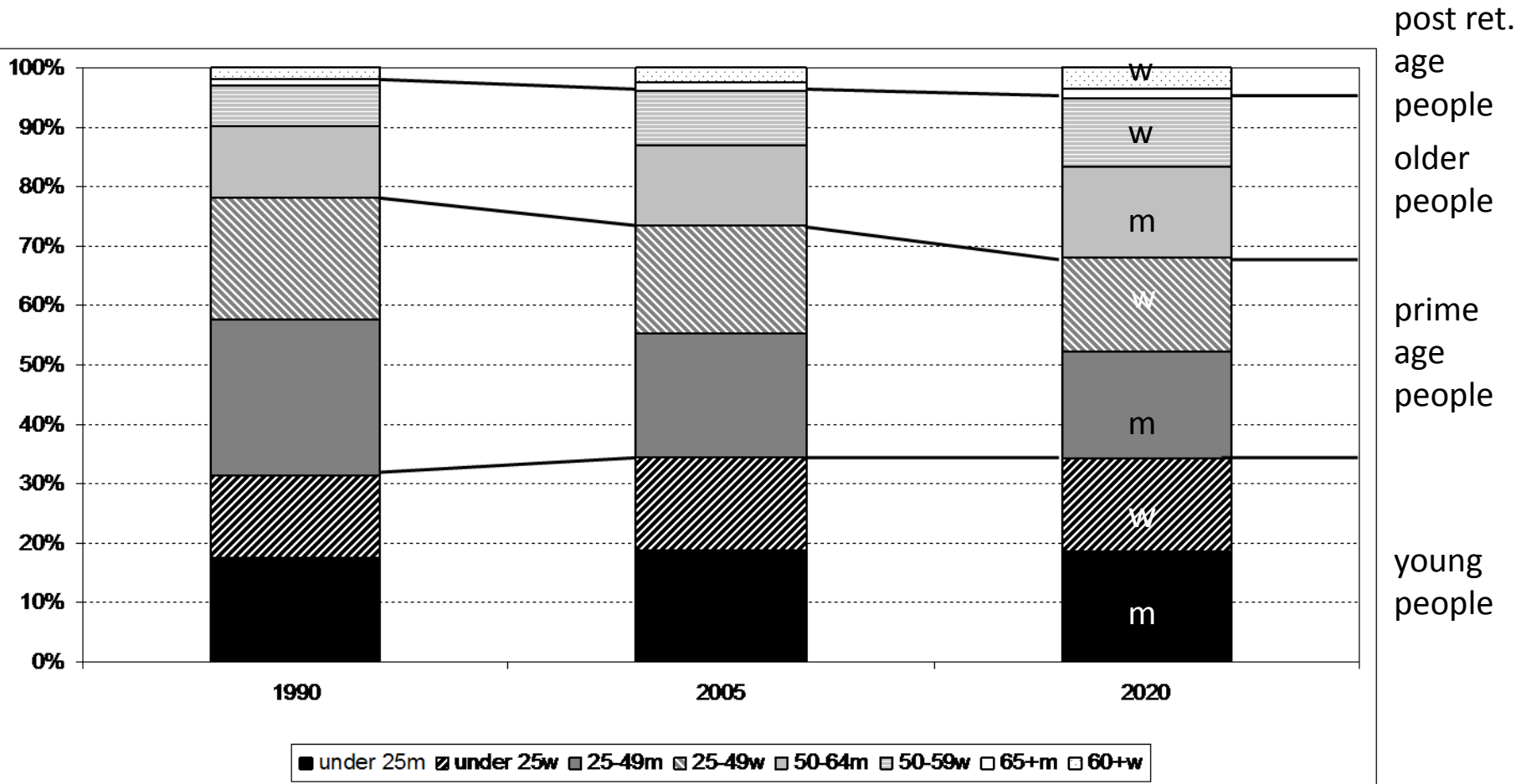
The challenge of labour force ageing

The changing workforce structure – EU



The challenge of labour force ageing

The changing workforce structure – e.g., the UK



The challenge of labour force ageing

The promotion of “active ageing”

The “Lisbon Strategy” and successors

- “guidelines” and “targets” for 2010 and 2020
 - employment rates, age of exit, “disadvantaged groups”
- social inclusion objectives
 - anti-poverty, work as solution

The “Maastricht Strategy” and the “Euro Plus Pact”

- fiscal implications of societal ageing
 - employment to finance social protection
- Green Paper on Pensions
 - lift age of access to retirement pension

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The promotion of “active ageing” (2)

- the fiscal consequences of later retirement

Sensitivity of projections – increase or decrease in expenditure on public pensions, expressed as % of GDP, EU27, 2060

Baseline projection	Impact of ...			
total increase 2007-2060 ^a	achieving higher employment of all ages ^b	achieving higher employment of people 55-64 ^c	achieving higher effective age of exit ^{d*}	failure to enact existing reforms reducing benefit levels ^{e*}
2.4	-0.1	-0.1	-1.8	2.1

* Reference is to change 2008-2060 not 2007-2060.

– and the importance of the “hydraulic effect”

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Personnel management issues

Employers' perceptions of older workers

- productivity differences
 - depends on job and on person and not all one way
 - “skills obsolescence” and implications for “life long learning”
- fallacies about older workers
 - willingness/ability to learn (depends on what learning is/how it occurs)
 - amortisation time (but determined by retirement age and otherwise long)
 - absence (different and not necessarily as disruptive)

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The health of an older workforce

Higher pension age because of increased longevity

- improved mortality \neq reduced morbidity
 - “extension” or “compression” of morbidity

Assumption that older people can work

- morbidity in later working age
 - the inadequacy of conventional measures (ADLs/IADLs)
- life-style induced disease (obesity, type 2 diabetes)
 - implications for cardiovascular and musculoskeletal disorders
- work-related stress
 - invalidity benefit and absence data

The challenge of labour force ageing

What still need to be addressed?

The growth of the “very old” population

- who provides the “informal care” workforce?
 - a further gender dimension
- employment rates of older women and provision of care services
 - the southern European experience
 - employers and the re-organisation of working time
- fiscal implications of providing social care
 - at least as important as pensions