

OLDER EMPLOYEES – A NEGLECTED SOURCE OF WORKERS

Two longer-term demographic trends can be observed in the Western industrialized countries. Birth rates are declining and the life expectancy of the population is rising. As a consequence, the age profile of the population of working age is shifting towards older people. The practice of satisfying the need for workers with younger people will therefore come up against limits in the near future. Many companies are already lamenting the lack of trained employees. Greater utilization of the potential represented by older employees could offer a solution.

Figure 1 shows the degree to which persons aged between 55 and 64 are still working. It can be seen that in Italy, Belgium and Austria fewer than 30 percent of this age group were still employed in 2001. Older people are also very largely excluded from working life in France, Germany, Greece and Spain. On the other hand, in Norway, Switzerland, Sweden, Japan and New Zealand, over 60 percent of those in this age group were still in gainful employment.

In Germany, Spain and France, however, it is not only the rate of employment among older people that is relatively low. At the same time, the unemployment rate among older persons of working age is among the highest in all industrialized countries. The German figure of 11.2 percent in 2001 heads the list by a wide margin (cf. Fig. 2). The high unemployment rates of older workers make it clear that in a number of industrialized countries the attitude of companies to this age group as well as the relevant labour market regulations place major obstacles in the way of employing older people.

A first step towards integrating older people more strongly into working life would be to reduce incentives to early retirement again. Early retirement is practiced widely in many countries, although a reorientation has been observed in recent years, as shown by steps to raise the pensionable age. Nevertheless, early retirement continues to be considerably encouraged. Parts of the population continue to see early retirement as a suitable way of reducing unemployment. This was shown again only recently by the proposal of the Hartz Commission in Germany to introduce a bridging system for older employees. However, concepts of this kind take us in the wrong direction.

In addition to reducing incentives to early retirement, employment for older people should be actively promoted. One way of doing this would be to cut back seniority privileges in the remuneration of employees. Wage subsidies might also facilitate the hiring of older workers.

Figure 1

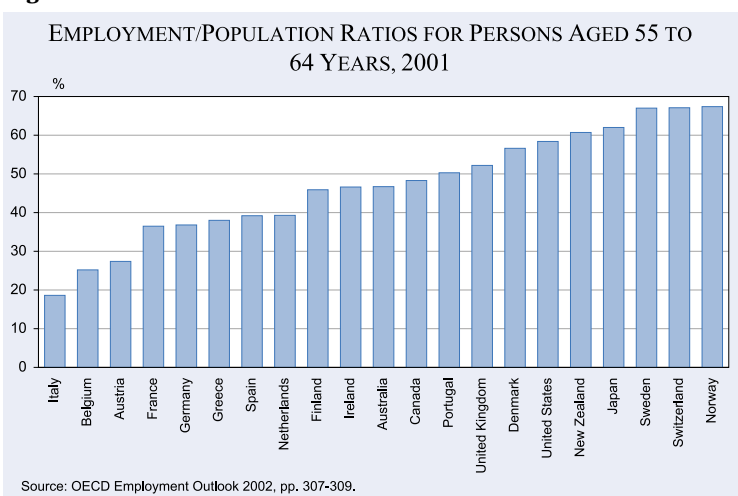
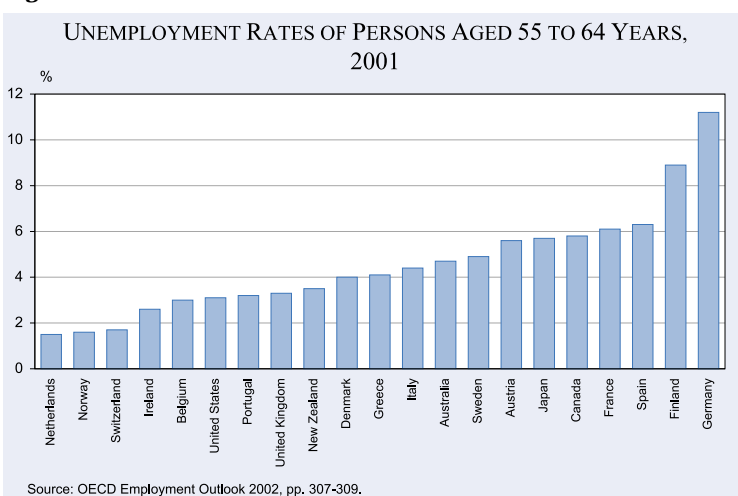


Figure 2



A third approach could be to increase the participation of older workers in continued education. The over-50s play almost no part in further education programmes in many countries. Greater inclusion in qualification programmes could increase the productivity of older employees and improve their chances of obtaining employment.

W.O.