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Engagement – including the elderly’s participation in work and working life

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Preface

This paper is linked to the topic ‘Engagement – including the elderly’s participation in work and working life’, which is part of the programme ‘Demographic Change, Equality and Wellbeing’, initiated by Joint Programming Initiative – “More Years – Better lives” (JPI MYBL).

In line with the assignment from the Norwegian Research Council (NRC), which has funded the project, the aim of this paper is to summarise international research on older people’s participation in work and working life, and to outline how their participation is influenced by demographic change, as well as how their participation may, in turn, influence demographic change. The paper’s focus is limited to participation in paid work, although it also touches upon the question of how prolonged participation in the labour market may influence the extent to which older people participate in voluntary work, caring and other activities outside working life.

The review of literature and knowledge in the field is mainly based on earlier reviews and comparative studies. Information has also been collected from a selected group of stakeholders and researchers from within the JPI countries.

The paper is written by Tove Midtsundstad, except section 3 (page 16-17) which is written by Anne Inga Hilsen, who has collected and summarised the inputs and proposals from stakeholders and partners.

The paper was finished in July 2018 and presented at a working conference in Venice 4th of October 2018. The goal of the working conference was to assist the JPI MYBL in identifying priorities for future work.

18. January 2019

Tove Midtsundstad
Project manager

1 Introduction

The aim of the programme ‘Demographic Change, Equality and Wellbeing’, initiated by Joint Programming Initiative (JPI), is:

“to better understand what can be done, in the context of demographic change, to promote a society in which the distribution of resources and opportunities is more equal, and which promotes the wellbeing of all its people”.

This paper, which focuses on older workers’ participation in the labour market, is linked to the topic ‘Engagement – including the elderly’s participation in work and working life’. In line with the assignment from the Norwegian Research Council (NRC), the aim of this policy paper is to summarise international research on older people’s participation in work and working life, and to outline how their participation is influenced by demographic change, as well as how their participation may, in turn, influence demographic change. In consultation with the NRC and JPI, the paper’s focus has been limited to participation in paid work, although it also touches upon the question of how prolonged participation in the labour market may influence the extent to which older people participate in voluntary work, caring and other activities outside working life.

The review of literature and knowledge in the field is mainly based on earlier reviews and comparative studies. In addition, the paper’s descriptions and proposals are based on relevant findings from reports and statistics published by the UN, OECD and Eurofound. In order to pinpoint the main knowledge gaps in the field and identify relevant future research needs, information has also been collected from a selected group of stakeholders and researchers from within the JPI countries.

2 Demographic changes

Over the last two decades, the ageing of the population in Europe and the industrialised world has been high on policy agendas. This has led to several policy reforms intended to lengthen working careers such as reforms to pension systems as well as reforms of labour market regulations and labour market policy. These policy reforms and changes seem to have been a success, since employment rates among older workers have increased in most industrialised countries. It is also well known that demographic changes have influenced not only the policy in the field, but also older people's labour market behaviour.

However, these changes in policy and resulting increased employment rates among older workers also have other outcomes: they influence the earning distribution among older workers, which may in turn have an impact on social equality between generations, as well as between groups of older people, both in the short and long term. They may also have an impact on workplaces and working life more generally, including working conditions, wage levels, the prevalence of irregular work etc. In addition, they may affect older people's health and activity outside the labour market. These are all factors that impact wellbeing, and the distribution of resources and opportunities.

The paper first describes the main policy measures chosen by governments to promote longer working careers and increased participation in the labour market. Then an overview is given of the changes observed in older workers' participation rates and patterns, and in late career trajectories in recent decades. Thereafter, findings on the consequences of the policy implemented, in terms of changes to older people's earnings and income, health and wellbeing, and activities outside the labour market are summarised. The summary includes a discussion of how these changes may, in turn, influence demographic changes, and is followed by a summing-up of contributions from stakeholders and other researchers. Finally, the paper points to what appear to be the main knowledge gaps and research needs in the field.

2.1 Policy to promote active ageing

In response to demographic changes caused by reduced birth rates and increased life expectancy, governments in industrialised countries have passed and implemented a whole range of different policy reforms to ensure the future sustainability of their economy. Almost all countries have reformed their pension systems to increase the labour market participation of older people. Several countries have increased statutory pension ages, linked retirement age to life expectancy or introduced actuarially-neutral pension systems to make it more financially favourable to prolong working careers. A number have removed or restricted early retirement options, moved from wage indexation to price indexation, and/or strengthened the relationship between years of contribution and benefit level (cf. OECD, 2017; Naegele & Bauknecht, 2015; Kohli & Arza, 2011).

In addition to reforms to pensions systems, several countries have encouraged companies and organisations to implement an active ageing policy in accordance

with EU guidelines and proposals. However, the measures chosen by governments to promote a more age-friendly policy and practice, both in working life and society as a whole, vary considerably. Most countries have chosen to promote an active ageing policy through information campaigns and circulating examples of so-called ‘good’ or ‘best’ practice. This policy has to some degree changed employers’ attitudes towards older workers and increased the prevalence of age-friendly policy (van Dalen et al., 2009; Naegele & Bauknecht, 2015). However, the effect on the labour market participation of older workers is unclear (Poulsen et al., 2017; Hilsen & Midtsundstad, 2015).

A few countries have, in addition, introduced new legislation and incentives to make it more favourable for employers to retain and recruit older workers, including: reducing taxes or introducing subsidies for employing older employees; making it easier to hire on a temporary basis; introducing or strengthening anti-discrimination laws; and raising or even removing upper age limits for employee dismissal (Naegele & Bauknecht, 2015).

So far, the pension reforms seem to have resulted in the desired increase in participation rates. Whether companies’ different retention programmes have contributed to delaying retirement is harder to say, although studies have shown that some of the measures offered have reduced the probability of early retirement (Poulsen et al., 2017; Naegele & Bauknecht, 2015). The effects of other strategies and practices are, however, diverse and/or uncertain, partly due to methodological difficulties in measuring whether the chosen policy and practice have actually had the expected impact on older workers’ participation or not.

2.2 Changing patterns of participation

Employment rates among both men and women aged 55–64 have increased steadily over the last 20 years (cf. table 1). The increase is, first and foremost, related to the fact that younger cohorts are healthier and better educated than older generations, but can also be related to changes in pension systems and labour market policy.

The share of older people working beyond 65 has also increased considerably in most western countries since the beginning of the millennium, although there are huge differences between countries (cf. table 1). It may also increase further in the years to come. According to the 2012 Eurobarometer (cited in Scherger, 2015), a third of EU citizens said in 2012 that they would like to continue working after they reach the age when they can draw an old age pension (varying from 16% in Slovenia to 57% in Denmark).

In most countries, it is mostly those in higher socioeconomic groups and the self-employed who continue to work beyond statutory retirement age (Duboise & Anderson, 2012). The share continuing working is also higher among men than women, although widows or divorced women more often continue working than men on average. It is also interesting to note that the share of working pensioners in many countries seems to be high both at the lower and higher ends of the income scale (although the share is lowest among those with the lowest income) (Lain, 2015). This pattern is observed in Norway too, where the majority of those working beyond the age of 67 (the former statutory pension age) are manual workers, academics or self-employed (Nielsen & Midtsundstad, 2016). The reason for prolonging careers among low-income and high-income groups respectively, are, however, different. While low-income groups mostly state that they continue to work out of financial need,

high-income groups more often state that they work because they want to do something useful, or because they enjoy their work tasks or just appreciate the social environment at work (Duboise & Anderson, 2012). Among the poorest, however, health problems or a lack of relevant skills are given as reasons for not working (Lain, 2015; Hokema & Lux, 2015; Midtsundstad, 2005; Midtsundstad & Nielsen, 2013). Hence, avoiding poverty is an important factor explaining work beyond retirement, although the poorest often lack the ability as well as the opportunity to increase their income by working longer. In addition, those who work to avoid poverty often work under the worst conditions (Lain, 2011).

Table 1 Employment rates by age (55-59, 60-64 and 65+) in JPI member countries 2000 and 2017.

	55-59		60-64		65+	
	2000	2017	2000	2017	2000	2017
Austria	44.3	74.2	12.4	28.2	2.7	4.8
Belgium	42.2	70.8	12.4	29.3	1.5	2.5
Canada	62.7	75.7	36.2	55.0	6.0	14.2
Denmark	76.8	83.5	34.4	58.8	2.5	7.4
Finland	66.3	82.1	24.9	53.7	3.7	10.8
France	58.8	77.2	14.5	31.2	1.3	3.1
Germany	65.9	82.6	21.6	60.8	2.7	7.0
Israel	60.5	75.1	41.1	62.7	9.2	21.2
Italy	38.7	67.7	19.2	41.5	3.3	4.4
Netherlands	54.8	78.4	19.1	59.6	3.2	7.7
Norway	78.3	81.0	54.5	65.0	11.1	18.6
Poland	41.0	66.6	22.3	34.4	8.0	5.5
Slovenia	32.9	68.9	14.4	21.6	8.4	4.0
Spain	51.4	72.2	29.3	44.7	1.6	2.1
Sweden	82.1	88.8	52.6	72.1	10.3	17.5
Switzerland	79.4	84.9	48.4	63.3	9.5	12.0
UK	66.3	77.0	38.2	54.1	5.3	10.2

Source: OECD (2018).

In addition to increased participation rates among older people, the boundaries between working life and retirement are now more blurred (Scherger, 2015). Older people are opting for a more flexible transition into retirement than before, by combining a pension with continued work either full or part time (at pre- and post-pension age) or working for a number of years after pension age without drawing their pension (pension deferral). The flexible transition might also entail a change of employer, employment status (employed/self-employed), occupation, working arrangement (hours worked) or employment contract (permanent/causal/temporary). Some restart working after a period of inactivity while others simply continue in the same job as before. In addition, some choose 'bridge employment', which often involves a shift away from the primary career path (Parry & Wilson, 2014). Although such flexible work arrangements are favourable for employers, they may also increase older workers' income insecurity in old age.

2.3 Effects on health, income, volunteering and other activities

When solely focusing on employment rates among older people, the policy to promote longer working careers in order to reduce future public spending on old age pensions seems to have been effective. It is also clear that people who are healthy and have less strenuous work tasks – and thus are capable of working longer – (often those with high education in high-income jobs) benefit from the new systems: they have both better opportunities to prolong their working careers than before and can, in most cases, expect a higher annual old age pension than previous generations when they finally decide to withdraw from the labour market.

There are, however, some unexpected and unfortunate results (for some) of the chosen policy that have become more visible over the years, such as the increased income inequality among older people. Some researchers have also questioned the fairness of the new policy (Scherger, 2015), and the possible negative effects of prolonging working careers on voluntary work and health in old age.

The main argument used to defend the comprehensive pension system reforms is that more people have to work longer in order to carry the financial burden of an ageing population. This argument rests on the assumption that most older people today are better educated, healthier and live longer than earlier generations, and thus capable of working longer. In 2002, Walker (2002: 137) described productive ageing as ‘good for everyone’. Over a decade later, van Dyk (2015: 291) finds this ‘simple win-win narrative’ to be challenged by empirical evidence: ‘the productivity claim is not just problematic with regard to political implications, but it falls short of the real lives of older persons’.

Although the average life expectancy at age 60 is rising among men as well as women (see Table 2) and is expected to rise further in the years to come, the increase in life expectancy is unevenly distributed among socioeconomic groups and between countries (especially the number of years they can expect to live without major health problems) (Luijben et al. 2013). For example, life expectancy is lower amongst individuals with lower levels of education (OECD Health at a Glance 2017). On average among 25 OECD countries people with the highest level of education can expect to live around six years longer than people with the lowest level of education at age 30 (53 versus 48 years) (James, Devaux & Sassi, 2017). White-collar workers also live longer than blue-collar workers on average (Dubois & Anderson, 2012). In addition, the life expectancy gap appears to be increasing, especially the number of years one can expect to live without major health problems (Lis, 2018).

Table 2 Life expectancy at age 60 in JPI member countries 2000-2015.

	Male life expectancy at age 60			Female life expectancy at age 60		
	2000-2005	2005-2010	2010-2015	2000-2005	2005-2010	2010-2015
Austria	20.26	21.16	21.78	24.23	25.01	25.54
Belgium	19.83	20.85	21.60	24.14	24.88	25.41
Canada	21.07	22.16	23.08	24.75	25.55	26.17
Denmark	19.28	20.28	21.42	22.54	23.37	24.43
Finland	19.77	20.77	21.61	24.27	25.33	25.82
France	20.79	21.88	22.88	25.85	26.79	27.32
Germany	19.82	20.79	21.39	24.02	24.69	25.09
Israel	21.28	22.36	23.05	23.96	24.87	25.56
Italy	20.93	21.95	22.65	25.27	26.00	26.46
Netherlands	19.71	21.02	21.99	23.71	24.65	25.38
Norway	20.52	21.58	22.45	24.31	25.03	25.58
Poland	17.04	17.76	18.67	22.10	22.90	23.70
Slovenia	18.06	19.60	20.89	23.21	24.28	25.23
Spain	20.79	21.73	22.68	25.47	26.33	27.15
Sweden	21.06	21.93	22.71	24.52	25.09	25.59
Switzerland	21.44	22.51	23.25	25.43	26.20	26.60
UK	20.03	21.34	22.43	23.37	24.34	25.18

Source: UN, Department of Economic and Social Affairs, Population Division (2017)

There are a multitude of explanations for the life expectancy gap between socio-economic groups, ranging from differences in living conditions in childhood, different income and living conditions later in life, differences in working careers and working conditions, and differences in lifestyle throughout the life course. However, differences in working conditions still explain a significant proportion of health problems in old age that may lead to disability and early retirement. While the share of employees reporting to have physically-demanding work tasks is decreasing due to technological development and automation of work processes, there are still a considerable number of employees who report having a demanding work situation and state that they are being exposed to work conditions known to be a health risk (Poulson et al., 2017). Moreover, some of those entering their sixties today have been exposed to working environments earlier in their career that might lead to health problems later in life. After all, ill health is found to be an important reason for early retirement in most Western European countries (Radl, 2012; Hasselhorn & Apt, 2015; Poulson et al., 2017).

There is, therefore, increasing recognition among policy-makers that the ability of individuals to work into older age may depend on some form of re-education and job mobility. Individuals may need to move jobs because they find themselves out of work, or because the work they do is no longer suitable for them. However, the availability of new employment for older workers is dependent upon employers finding positions for older unemployed workers and workers with health problems.

Furthermore, not all older people who want or need to continue working for financial reasons will find a suitable job. Older workers who have been dismissed or outside the labour market for a period may find it difficult to secure employment. In addition, demand for older workers often decreases in times of rapid technological change and efficiency improvements (Andreev, 2016). Several studies have also found that people in poor health are more likely to become unemployed in the first place, and to remain unemployed (Korpi, 2001; Virtanen et al., 2013, Schuring et al., 2007). Adding to this, Tøge and Blekesaune (2015) found that older workers who became unemployed experienced a drop in self-rated health.

A large share of older workers also lacks the skills that are necessary to fully function in today's labour markets. Although lifelong learning has been on the political agenda for decades, older employees participate to a lesser degree than younger employees in learning and training activities which could strengthen their position on the labour market (Blossfeld et al., 2014). Hence, they also miss other positive outcomes that might follow from continued education and learning, such as higher earnings, upward occupational mobility, and improved health and self-esteem, all effects documented to be the results of participating in lifelong learning (Meyers et al., 2014; Field, 2012) – although the effects vary considerable between countries (Blossfeld et al., 2014). There is also a social gradient in today's participation pattern in adult education and learning, which, according to Blossfeld et al. (2014), increases rather than reduces social inequality over the life course.

In general, the share of long-term unemployed among unemployed older workers is high. According to Dubois & Anderson (2012), contributing factors are, beside a lack of formal educational qualifications and skill-based technological change, age discrimination in recruitment behaviour. In Norway, employers hesitate to recruit workers when they are over the age of 58.6 (on average), and employers claim that they want experienced employees, but not older workers (Dalen, 2016). According to a study by Solem (2015), a majority of managers in Norway, especially in the private sector, seem to hesitate to call in applicants because of their age alone. Solem suggests that the degree of market exposure and the pressure for productivity growth may be contributing factors, as well as the fact that ageing is often conceived of as harmful to growth.

According to a representative survey by Midtsundstad (2014), about half of all Norwegian personnel managers regard employees over the age of 62 as more expensive to employ than younger workers. The same managers were also asked to evaluate the consequences of a five-year increase in their staff's average age on the company's productivity, competence, labour costs, sickness absence rate and use of new technology. Almost two out of three managers associated the ageing of staff with increased labour costs. One in four expected that the use of new technology would decrease with the increase in average age. Meanwhile, 42 percent predicted that overall competence would increase. One in five expected the sickness absence rate to increase and productivity to decrease. A study by Conen et al. (2012) also found that a combination of tenure-linked wages and employment protection rules increased the probability that employers perceive a widening labour cost–productivity gap due to the ageing of their workforce. They also found that the expected labour cost–productivity gap negatively affected both the recruitment and retention of older workers. Adding to this, a Swedish study (Ahmed et al., 2004) finds that age discrimination may be a bigger problem than ethnic discrimination in recruitment processes. Thus, the extension of working lives is to a large degree influenced by employers' attitudes,

and hence willingness to retain and/or re-integrate older workers into the labour market.

Given this backdrop, it seems doubtful that all older workers have the opportunity to prolong their working careers. Research shows that there are still groups of older people that strive to or are unable to compensate reduced pension benefits by working longer, due to a combination of health problems, lack of relevant skills and poor working conditions (Lain, 2015; Hokema & Lux, 2015). A study by Radl (2012) also shows that social class strongly influences the retirement processes, especially the risk of involuntary retirement. He also found that employment constraints (push factors) and economic incentives (pull factors) affect workers in different class positions in markedly different ways. Hence, for many older workers in lower socioeconomic positions, the change in policy over the last decades seems to have worsened both their possibility of retiring early and the financial benefits they finally receive when retiring, which in turn has forced many to prolong their working careers, despite health problems and a poor work environment, in order to receive an acceptable income (Scherger, 2015).

Impact on the distribution of income among older people

The rise in the demographic dependency ratio (the ratio of young and elderly people to working people) presents a challenge to pension sustainability. In order to meet this challenge, most countries have adjusted pensions benefits and/or retirement ages in line with increasing life expectancy. Hence, when living longer, older workers are expected to work longer.

However, although the number of years one can expect to live beyond age 60 differ between men and women, and between different socioeconomic groups, it is common to link the rise of pensionable ages to cohorts' average life expectancies. The consequence, as stated by Dubois & Anderson (2012: 20), is that:

“pension transfer can thus imply a net transfer of resources from groups with low life expectancy to groups with high life expectancy: from poor to rich, from men to women and from those in low-quality jobs or long-term unemployment to those in high-quality employment.”

Replacement rates are expected to decrease considerably between 2008 and 2048 in most EU Member Countries (European Commission 2012a, 2012b; Määttä et al. 2014; OECD 2017). The majority of older workers are able to compensate reductions in pension benefits by working longer. However, this is, as described earlier in this paper, not the case for many low-income, low-educated groups with health problems. The expected long-term consequence of adjusting pension benefits and/or increasing pension ages to average life expectancy is therefore increasing income inequality among older people, leading to increasing gaps in wellbeing, resources and opportunities in old age.

Health consequences of delayed retirement

Although many researchers and politicians underline the health-promoting aspects of work and claim that working longer helps to delay physical and cognitive ageing, the research evidence is still scarce, and recent studies provide mixed findings (Matthews & Nazroo, 2015). According to the review of literature in Matthews & Nazroo (2015), the results of current studies are inconclusive. Some groups may benefit financially, physically, psychologically and socially from working longer, however, this

is not the case for all older workers. The effects depend to a large degree on individual resources (health, competence and wealth), as well as career, job and workplace characteristics (number of years in employment, how demanding the current and earlier jobs is/were) over the life course. Thus, there is both a cumulative advantage and disadvantage of working longer.

When investigating the health effects of continued working based on data from the English Longitudinal Study of Ageing, Matthews & Nazroo (2015) found that those in favourable occupations might see benefits from prolonging their working career, while those who are forced (economically) to prolong their careers in jobs with poor working conditions are likely to experience a deterioration in health, especially in mental wellbeing. Coe et al. (2012) found a negative relationship between retirement and the rate of decline in cognitive functioning. Adding to this, a longitudinal study by Westerlund et al. (2010) among French employees in the railway sector found that those retiring early (in their fifties) reported to have better physical health after retiring than those who continue working. Likewise, Syse et al. (2016) found, when comparing differences in health and wellbeing between those retiring and those continuing working after the age of 62 in Norway, that continuing working did not necessarily result in health gains for all groups studied.

Furthermore, Matthew and Nazroo (2015) found that involuntary retirement due to redundancy and dismissal, or illness (their own or another's) increased the probability of depression, which is in line with findings from earlier research (Buxton et al., 2005; Butterworth et al., 2006; van Solingen & Henkens, 2007). The same was true for those with lower levels of wealth in retirement. On the other hand, volunteering after retirement seems to have a positive effect on wellbeing among older people (Matthews & Nazroo, 2015). However, volunteering in old age is also unevenly distributed towards those who are younger, wealthier and in better health than the average older individual, thus it rather adds to, than reduces the social inequality in old age.

A review of the literature on the health effects of working longer versus retiring (early) undertaken by Schaap et al. (2018) also finds huge differences between socio-economic groups. The reason seems to be that older peoples' resources, lifestyle and activity outside work also differ, hence it is difficult to separate the possible positive health effects of working longer from other health-promoting activities they may do (or have the opportunity to do).

Consequences for voluntary work, caring and activities outside work

Historically, people in their fifties and sixties (especially women) have been an important resource for their families and societies, taking care of their grandchildren as well as elderly or sick parents and other relatives. With increasing female participation in paid employment over the last 30 to 40 years, this situation has changed considerably. However, research finds that women are still more likely than men to bring their planned retirement forward if their own or their partner's health status changes (Cobb-Clark & Stillman, 2009, cited in Vickerstaff, 2015), and to work part time in order to accommodate caring responsibilities (Slagsvold et al., 2012, cited in Vickerstaff, 2015).

Since life expectancy is increasing, more and more older employees now need to plan for living longer. In addition, they may have one or both parents alive when they themselves are in their sixties and seventies. This reality can impact the ability and willingness of older workers to delay retirement.

However, whether caring for elderly parents is an obligation the individuals and their families have to tackle on their own depends to a large degree on the health and elderly care systems in their country of residence. The demand upon older sons and daughters to take care of their parents, and its possible impact on their labour market participation, can therefore be expected to vary between countries. According to Vickerstaff (2015:5) there is, however, not

“any widespread attention to the impact of caring for elderly parents, on the labour market participation of older workers, although there is increasing awareness that older workers may be part of a sandwich generation with caring responsibilities for both younger and older family members.”

Another problem, underscored by some researchers in some countries, especially in relation to the financial crises of 2008, is an increasing number of adult children (25+) still living or moving back to their elderly parents' home, because of unemployment and financial difficulties (Dubois & Anderson, 2012). The prevalence of such arrangements and the possible consequences they might have on older peoples' financial situation and wellbeing, however, we do not know.

Grandparenting may also affect people's availability for work as well as their desire to continue working (Vickerstaff, 2015). However, the research published to date has not pointed to any differences in attitudes to retiring early between grandparents who look after grandchildren and those who do not, and grandparents are not less likely to care for grandchildren when rates of employment are higher and access to formal child care easier (Vickerstaff, 2015). However, in countries with an insufficient system for maternity leave and without affordable child care, grandparents, especially grandmothers, are an important childcare resource, and, in many cases, a prerequisite for their daughters' (and sons) ability to continue working. A consequence of increased labour market participation among older employees in these countries, especially grandmothers, might then, in some cases, be deferred child births or even reduced birth rates in the younger generations.

3 Contributions from stakeholders and partners

A total of 7 contributions were received: 2 European (Austria, Netherlands) and 5 Norwegian (Skills Norway (Kompetanse Norge), The Norwegian Labour and Welfare administration (NAV), Statens seniorråd, The Norwegian Confederation of Trade Unions (LO) and Centre for Senior Policy (SSP)).

1 Within your area of expertise, where do you see the biggest challenges to the elderly's participation in work and working life in the years to come?

Due to the transition from a service to a knowledge society and the crowding-out of low qualified workers, a low education level among older workers constitutes an obstacle to older unemployed workers finding a job in many European countries. Concerns regarding competence, lifelong learning and mobility in the labour market are thus expressed in both the Norwegian and European contributions. In other words: How do we tackle the challenge of the lower education level of older workers, which is as an obstacle to being hired in case of unemployment, looking to extend one's working career?

Lifelong learning is often portrayed as the key to staying active in the labour market. However, there appears to be a lack of consciousness of its importance among employers and employees. How, therefore, do we make sure that lifelong learning is recognised by employers and employees as an important pathway to sustained labour market activity?

Both the Norwegian and the European contributions also share concerns regarding the pension system, discrimination legislation and re-retirement (i.e. return to work after a period outside the labour market due to retirement or unemployment). This is already important topics in some European countries such as the UK, where people with low pension incomes may struggle to make ends meet. In many countries, opportunities for older employees to return to the labour market from retirement are lacking.

Age-discrimination in recruitment may also hinder return to work for older workers who lose their job or become unemployed for a period. Again, this is about a combination of the mind-set of employers and structural factors.

The OECD's 'Pensions at a glance 2017' report points to structural changes in the pension system and steadily rising statutory retirement age combined with increased longevity as a challenge. 'Live longer, work longer' might be a policy ideal, but the practical and structural challenges are numerous.

2 On which topics do we need more research to address these challenges?

- Efficient ways to prevent age discrimination in companies
- Efficient ways to establish lifelong learning
- Alignment of the labour market and the pension system
- The sustainability of a steadily-rising statutory retirement age
- Employment opportunities taking the needs of older employees into account
- Re-retirement
- Establishing life-course policies

Motivation for change and new learning among older workers is not sufficiently understood. Why are older workers less involved in lifelong learning and what would it take to change this trend?

We can also look at how to increase opportunities for mobility among older workers. While there is fairly extensive research on pension systems and statutory retirement age, there is less research on employers' motivation to hire older workers and what can be done to increase this.

Several stakeholders also point to the need for practical knowledge of what works and how to facilitate necessary changes at the company level, in particular by changing the attitudes and practices of both employers and older workers.

4 Knowledge gaps and research needs

Due to demographical changes over the last decades, most governments have changed their policy in order to make it more difficult for older workers to leave the labour market early and more beneficial to continue working. This policy has led to increased participation rates and given older people the possibility to prolong their working careers. Although increased pensions ages and more actuarially-neutral pensions have made it easier and more beneficial for older workers to continue working, it has also pushed some older workers to continue working in order to make ends meet. However, not all older workers have the opportunity to prolong their working careers, due to age discrimination and a lack of demand for older workers in many industries. At the same time, not all older people are *able* to continue working due to health problems, a lack of relevant skills or a particularly demanding work environment.

So, although the emphasis on active ageing policy has helped the majority of older workers to continue being active and productive contributors to society, it has also, to some degree, worsened the situation for a minority of older workers.

The long-term effects of prolonged working careers on health and life expectancy are difficult to foresee. But based on current policy and policy changes, employers' attitudes and practices, and older employees' labour-market behaviours, we can predict that longer working careers might lead to increased health differences among retirees and increasing differences in life expectancy between socioeconomic groups.

From the review this paper presents of current knowledge on demographical change and older workers' participation in work and working life, as well as the contribution from stakeholders and partners, it seems important that research and policy focus more on:

- 1 Long-term consequences of postponing retirement on health and wellbeing during work and after retirement for different socioeconomic groups. In particular, more knowledge is needed on the potential negative consequences of longer and cumulative exposure to occupational hazards. As part of this, we also need to know which interventions to improve working environments and reduce health deterioration, disability and risk of early retirement actually work.
- 2 The consequences of increased income inequality among older people for individuals and society.
- 3 How an increased rate of employed pensioners and retirees impacts labour markets, workplaces and employee rights. Will an increased supply of older workers increase the share of precarious work, temporary employment and part-time workers? And will an ageing workforce impact productivity and innovation, wage levels and work time arrangements in different industries?

- 4 Motivation for change and new learning among older workers, and what it would take to change the current patterns of participation in formal and non-formal learning. In particular, we need more knowledge on how to engage low-educated older workers in lifelong learning, and more knowledge on what types of adult learning and training will increase their employability, and hence, contribute to prolonged working careers.
- 5 Employers' motivation to hire older workers and what can be done to increase this, including knowledge of what interventions or policies work and how to facilitate necessary changes at the company level. Related to this, it is also necessary to look more closely at the workplace perspective, and how the needs of the workplace can be met.

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Engagement – including the elderly’s participation in work and working life

This paper is part of the topic ‘Engagement – including the elderly’s participation in work and working life’, which is part of the programme ‘Demographic Change, Equality and Wellbeing’, initiated by Joint Programming Initiative ‘More Years – Better Lives’ (JPI MYBL). The aim of the paper is to summarise international research on older people’s participation in work and working life, and to outline how their participation is influenced by demographic change, as well as how their participation, in turn, influence demographic change. The paper is based on earlier reviews and comparative studies in the field. Information has also been collected from a selected group of stakeholders and researchers.



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