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Why are older people not more “active”?

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All remarks and data interpretations are the responsibility of the author.

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Introduction

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Why are the older not more “active”?

Abstract: *This paper considers the extent to which the objective of “active ageing” is currently being met and obstacles to its realisation.*

It shows how most transitions from work to retirement are abrupt. Despite much advocacy by social gerontologists of the merits of a gradual withdrawal from working life, the incidence of transitions from full-time to part-time work, or from dependent- to self-employment, is low. Measures designed to promote gradual retirement have largely failed. This is a consequence of employer resistance and employee reluctance. But it is also the consequence of competition from schemes offering full early retirement and of provisions in pension regulations that disadvantage partial retirees. Moreover, once people cease paid employment, their lives tend to be relatively passive. They do not take on new activities, such as voluntary work, nor do they engage in active leisure activities.

The paper draws on data on recent trends from labour force surveys and time-use surveys – using both to track “quasi-cohorts” as they pass through the later stages of their working lives and into the initial stages of retirement. It also examines government policies in a variety of OECD countries that have been designed to promote more gradual retirement and assess the reasons why, to date, these have largely been unsuccessful.

The paper concludes with proposals about how pensions policy (public and private) might be adapted to encourage longer, if more flexible, employment in older age. It points out how increasing demands for “elder care” are, by themselves, likely to put increasing pressure both on the need for older people to adapt their working practices, and for employers to accommodate them in this. Lastly, it indicates how other barriers to “active retirement” might be overcome.

Introduction

Twenty years ago, the term “active ageing” was largely the preserve of gerontologists and referred to post-retirement activities. For some, it reflected a concern with whether retirees engaged in social or cultural activities, and to what extent years after work were used in a socially productive fashion. For others, it reflected a concern with whether older people occupied themselves in ways that contributed to the maintenance of their physical and mental capabilities. More recently, the term has entered the parlance of economists. Here, it no longer reflects an interest in post-retirement activities but in the postponement of retirement and the substitution of unpaid with paid work. Perceived looming fiscal deficits consequent upon population ageing are seen to require not only changes in the generosity of public pension benefits (and a greater reliance on private pension benefits) but also a raising of the age of entitlement to these benefits and, so, a reduction in the length of time spent in retirement. “Active ageing” has come to imply “economically active ageing”.

This paper seeks to summarise what actually happens to people as they pass from their early fifties to their late sixties. At the earlier of these ages, most men are in the labour market and the overwhelming majority of these are in paid work. At the later of these ages, most men are no longer economically active and very few of them are in paid work. The situation with respect to women is somewhat different. The proportion in their early fifties who are in work

is substantially lower and, of those in work, the proportion of them who have been continuously economically active is yet lower. The role of women as mothers and “home-makers”, in other words as major participants in unpaid work, makes it less easy to observe the transitions they experience as they pass through their fifties and sixties and, indeed, makes “transition” a less meaningful term altogether. It also makes the concept of “activity” more difficult to apply, since women tend to have more varied portfolios of which paid employment is but a part. As a consequence, this paper concentrates primarily on what happens to men. It draws, in part, from a wider set of studies undertaken by the author when at the OECD (OECD, 1995; Casey, 1997; OECD, 2000; OECD, 2001; Yamada and Casey, 2002), in part, from closer examination of time-use data sets (Casey, 2002), and, in part, from further, closer examinations of labour market programmes and personnel policies that are directed at older people.

The abruptness of the transition from “activity” to “inactivity”

It is widely recognised that, for men, over most of the last century, the proportion of later life that is “inactive” has been falling. The introduction of pension systems explains this and indeed one of the intentions of those who introduced them was to ensure that the end part of life could be spent in “leisure” but not in “poverty”. Over the last half century, official pension ages have been static, but “effective” retirement ages have been falling.¹ Equally, life expectancies have been rising – currently by as much as a year every decade. Women have benefited from increased longevity but, in so far as the labour force participation rates of succeeding cohorts have been rising, the proportion of years in later life spent in work has tended to increase. However, women, much as have men, have also been retiring early, in so far as a greater proportion of the greater proportion who do work have been leaving work before the “official” retirement age.

The calculation of an “effective” retirement age requires tracing labour market behaviour of people as they age. In the absence of longitudinal data sets, the best way to do this is through constructing quasi-cohorts.² The same process of quasi-cohort analysis can be used to show, not only that retirement has been occurring at ever earlier ages, but also that most transitions

¹ There is much debate as to whether this was “supply side driven”, in so far as employees took advantage of provisions in public and private benefit systems that facilitated early retirement without unacceptable income loss, or whether it was “demand side driven”, in so far as employers who were faced with labour surpluses and restructuring imperatives, sought to rid themselves of their least flexible or productive employees.

² Although some measure of changes in effective retirement ages for men can be obtained by reference to comparisons of cross-sectional data over time, the changing nature of women’s labour force participation makes quasi cohort analysis essential when their effective retirement age is considered. The method of quasi-cohort analysis is discussed at some length in Casey, 2002.

from work to retirement are abrupt. This can be seen by reference to labour force survey data, which identifies people's status by whether they work at all, and if they do so whether they work full-time or part-time and whether they are dependent employees or self-employed.

Industrial gerontologists have long praised the concept of gradual retirement as helping individuals to avoid the "pensions shock" and to reduce their dependency on transfers, as helping the economy to retain productive capacity, and as helping companies to preserve experience and ensure the smooth hand-over of tasks and responsibilities, and even to allow organisations to make workforce reductions in a more "socially acceptable" fashion than even regular early retirement (see Casey and Bruche, 1983; Delsen and Reday-Mulvey, 1996). In practice, the extent to which gradual retirement occurs is limited. Most men work full-time until they retire; thereafter, they do not work at all. The first column of Table 1 shows that the proportion of older men who work part-time varies somewhat between countries but it also shows that it is relatively low in most.

Table 1: Level of part-time working and importance of shifts from full-time to part-time work, men, late 1990s

< Table 1 here >

Three countries do deserve some further comment, namely Finland, Sweden and Japan. The first two are countries that operate, or did operate, a partial pension system [see below]. The last is one where there is an "earnings rule" within the public pension scheme that encourages part-time working for those that take a benefit at 60. Also to be noted is that a high proportion of the few older men in the Netherlands who do work, work part-time – however, in that country, so, too, do many other men.

Although in most countries the number of older men working part-time increases with age (column 2), very few men switch from full-time to part-time work as they move into the final years of their working lives. Column 3 of the table shows that the share of an age cohort that changes from full-time to part-time working is around three percent in most countries.

A second way in which gradual retirement might be affected is by switching from dependent employment to self-employment. There is evidence from a number of countries – based upon quasi-cohort and longitudinal analysis – that the age of leaving the labour force, or of retiring, is higher amongst those who, in later life, were self-employed than amongst those who were dependent employees (OECD, 1995). Self-employed people might be facilitate gradual

retirement simply because those who are self-employed have a greater disposition over the timing and intensity of their effort.³ A simple measure of input based upon hours will not capture this.

However, although older workers are disproportionately self-employed in most countries, except in Japan, there is no indication of people moving into self-employment toward the end of their working lives. Table 2 (columns 2 and 3) show that there is, in fact, a net outflow from self-employment. Remarkably, the USA has the lowest level of self-employment amongst older men of all the countries in the Table. Given the extensiveness of the discussion of “bridge jobs” in that country [see below], a different outcome might have been expected.

Table 2: Level of self-employment and importance of shifts from dependent to self-employment, men, late 1990s

< Table 2 here >

Why there is so little gradual retirement

One way in which the reasons for the lack of gradual retirement can be understood is to look at the outcome of efforts made by governments to promote such a transition from work to retirement. The last two decades have seen many examples of these across Europe. In many cases they were designed as much for labour market as for social policy reasons.

It was the dual social and labour market objective that defeated some gradual retirement programmes. Often, they had to compete with simultaneously operating full early retirement programmes. Thus, in the early 1980s, the French government complemented its system of “solidarity contracts” permitting full early retirement “with replacement” with the scheme permitting part-time retirement, in receipt of a “top-up” benefit, again subject to proportional “replacement”.⁴ However, the part-time scheme offered little advantage to employees. Gross income for a part-time worker was 80 per cent of last pay (50 per cent from earning, 30 per cent from the top-up payment), whereas for the full early retiree it was 70 per cent – a difference that would have been smaller after tax and other deductions (Laczko, 1988). Nor,

³ It should, however, be remembered that pension provision for self-employed people is, in many countries, more limited than for employees, and that some self-employed people might not have wished to, or might not have been able to, save as heavily for old age as some employees. Accordingly, in an unknown share of cases, longer working by self-employed people might be a product of necessity rather than choice (Casey and Laczko, 1991).

⁴ The employer was obliged to hire an unemployed person, or a school leaver or person completing initial training into the vacancy created (either on a part-time or, if there were at least two partial retirees, on a full time basis), or to prove that dismissals had been avoided

because of the complexity it involved by demanding “replacement”, did it offer substantial advantage to employers.

The French programme can be contrasted with the much-cited Swedish partial pension scheme that, at its peak, was taken up by up to one in four of those eligible. This had no replacement condition and placed no obligation on the employing organisation to offer part-time work to older workers seeking a partial pension. Part-time early retirement became important in France only when opportunities for full-time early retirement had been drastically restricted – the circumstances under which enterprises were permitted to offer it were gradually made more onerous, and the extent to which they had to contribute to the costs of benefits paid out was increased – and the replacement requirement was dropped. Since the mid 1990s, the proportion of those taking early retirement who have taken gradual rather than full-time early retirement has reached about one quarter. However, and as Figure 1 shows, most of this was a result of a fall in the number of full early retirements rather than an increase in the number of new gradual retirements.⁵

Figure 1: New entrants to early retirement in France by type of programme

< Figure 1 here >

If a “replacement condition” is a disincentive to employers to offer gradual retirement opportunities, the need to reorganise work to accommodate part-time working provides a further barrier. Although part-time working is an important feature of the workforces of almost all countries, it tends to be limited to particular industries and occupations. Thus, many employers, were they confronted with requests for part-time employment from older employees, would be uncertain how to react. A frequent refrain of a series of investigations of French employers’ attitudes to, and the utilisation of, older workers was that, whilst senior managers and personnel executives praised the idea of partial retirement, their subordinates, who had to organise it, were much less enthusiastic (Schmidt, 1995; see also Reday-Mulvey, 1992). They pointed to the difficulties of co-ordination and continuity, and to the possible

⁵ A rather similar story can be told of Finland, where a part-time early pension was legislated for in the mid 1980s. It was open to people aged 58 and above. However, in the same year, special “individual” early pension was also legislated for. This was available subject to meeting relatively lax “disability” conditions to anyone aged 55 and over. What is more, the second of these provisions became actually opened for entry a calendar year before the first. Not surprisingly, the partial pension system, which resulted in net income when combined with a part-time job only marginally higher than that accorded by a the full early pension, was scarcely used (Sundberg, 1989). In 1994, the entry age of the “individual” pension was raised to 58 and in 1998 (but with effect from 2003) to 60, whilst in that latter

lack of commitment of part-timers whose thoughts would be increasingly upon the other part of their lives.⁶

Investigations of the Swedish partial pension scheme, suggested that, at a certain point, it reached a “saturation level”, and that employers were finding it increasingly difficult to organise work around the part-timers – this despite Sweden having one of the highest levels of part-time working in Europe (Swank, 1982; Laczko, 1988). A more recent evaluation, pointing to changes in the Swedish partial pension which meant that, rather than providing for any reduction of at least six hours per week (subject to a minimum of 17 hours worked), only a reduction of no more than 10 hours is compensated, suggested that this made the scheme much less popular, since it precluded the widespread approach of splitting full-time jobs into two (Wadensjoe, 1996).

Over and above this, gradual retirement programmes may often have failed because older workers, themselves, may not favour working part-time. Although there is a wealth of surveys showing that older people react favourably to the idea of being able to retire gradually, there is also evidence that older workers do not fear the “pension shock” and that they seek full exit where it is available (Bäker and Nägele, 1992). A French study indicates that in some cases where gradual retirement was embraced, it was seen more as an opportunity to leave the labour force than as an opportunity to prolong working life. It even mentioned that some older workers insisted upon their rights to leave at 55 and would even go so far as to court dismissal to achieve this (Schmidt, 1995).

Older workers reluctance to adopt part-time work might not only be a consequence of them feeling it cheats them of an alternative. There might be a rejection of part-time working itself. In so far as the latter tends to be associated with particular kinds of work, it might be regarded as inferior, and by men as “merely women’s work”. The jobs they have to take to be accommodated as part-timers might be associated with downgrading, which of itself is unacceptable. Older managers, in particular, who are used to devoting “120 per cent of their time” to the organisation, might not be able to cope with a situation whereby only half of them is wanted (Schmidt, 1995).

year the age of access to the part-time pension was dropped to 56. Even so, the number of people with a part-time pension remains lower than that with an “individual”, full early pension.

⁶ Using partial retirees as “mentors”, training up their successors, including those specially recruited under the conditions of public programmes, seems to have sometimes proved less easy than intended. A case study of an organisation which had had this as an explicit objective concluded that “in practice

A good example of the way in which gradual retirement objective can be frustrated: the case of the “older people’s part-time law” (Altersteilzeit Gesetz) in Germany

Initially introduced in 1996, this law enables employees to switch to part-time work up to five years before the age at which they could claim a full old age pension. A special allowance was paid by the employer for time not worked and the impact upon net income, and upon final public pension, was small. A further, but less immediately relevant part of the law provides that, if a compensatory recruitment is made, the employer can be reimbursed for some, or all of the allowance paid. What is important is that the law does not specify tightly what part-time working means. Time can be arranged in any way the employee and employer wishes it to be. In all of the collective agreements that gave a right to work part-time, and that, usually, increase the level of the allowance payable for time not worked, provision is made for time to be “blocked”. Rather than working part day, or alternative weeks, employees work full-time for the first half of the period and zero time for the second half. Thus, when one hears a person being described as on “older person’s part-time”, it actually means that he or she is either going to, or already has, retired early – not that he or she is retiring gradually (see Oswald, 1999).

Further disincentives to gradual retirement can be seen when the workings of company sponsored, private benefit systems are considered. “Final salary” schemes strongly discourage employees from cutting their hours (or moving to lighter, less well paid positions) before they reach pension age – although the Netherlands provides an exception.⁷ More important, although the “earnings rules” in public pension schemes that were argued to discourage work beyond the “normal” pension age have now been abolished or substantially eased (Casey, 1997), they often remain in force with respect to private pension schemes. Because defined benefit schemes are intended to provide income after employment with the sponsor has ceased, they often receive tax privileges. Because of this, they are usually forbidden to pay a benefit, in part or in full, to a person employed by the scheme sponsor. Thus, receipt of a part pension, combined with part-time employment, is impossible. Of the countries in which complementary defined benefit pensions are important, it seems to be only in the Netherlands that tax law is flexible and does allow this form of partial retirement (SER, 1999).⁸ The UK government, in its latest discussion paper (“green paper”) on pension reform,

... it was skill rather than age which determined the choice of tutor ... in general, the tutors (were) young because they had the technical competencies necessary to perform this role” (Schmidt, 1995:46).

⁷ The employee has to be within 10 years of “normal retirement age, and any hours reduction must not be greater than 50 per cent. If these conditions are met, pension is calculated on the basis of salary at the time of the change. However, most Dutch pension schemes are “career average” rather than “final salary”, so the effect of a change in hours (or earnings) would, in any case, be less dramatic

⁸ How widely the provision Dutch provision is used is unknown – given the low incidence of work beyond normal retirement age in that country and the high incidence of early retirement, its use is probably very limited.

recognises the problem, and sees room for reform if longer working is to be encouraged (DWP, 2002).⁹

So who does retire gradually?

Observers in the USA have sought to emphasise the importance of “bridge jobs” as a step in the transition between “career jobs” and full retirement. These jobs can be full- or part-time, and with the initial or, more frequently, another employer, and they can involve self-employment. Transitions need not be uni-directional, and periods of work can be interspersed with (relatively brief) periods not working. Thus, in the United States, the process of retirement, including reductions in work effort, may extend over many years, and for some may begin well before the age of 60. Depending upon the definition of “career job”, between a quarter and a half of all older workers in the USA remain in the labour force after they leave their career jobs. (OECD, 1995)

By no means all of the transitions from full-time to part-time, from dependent to self employment, or even from a full-time “career job” to a less-well-paid but still full-time “bridge job”, will have been voluntary. Thus, a recently conducted study in the UK found about half of people who had taken early retirement in the past four years (all from large organisations and half from managerial or administrative jobs) had subsequently worked, in most cases in part-time, and usually in lower level jobs (Dench and Norton, 1996), whilst a study by a UK financial services company undertaken to highlight the serious gaps in people’s retirement planning, suggested that, of early retirees who had returned to work, only 25 per cent had done so out of choice rather than out of financial necessity (*Financial Times*, 19-6-97).

Post-retirement part-time work seems in fact, to fall into one of two types. Amongst higher-level professionals, opportunities for consultancy arise. In some cases, this is consultancy with the former employer, perhaps negotiated as part of a retirement package, or with organisations related to the former employer. One could count here, teaching by “emeritus professors” and the taking up of non-executive directorships. Amongst the “early retired” such opportunities might also exist, and amongst those whose early retirement is “involuntary”, consultancy and temporary placements (including those by agencies placing “interim managers”) might provide a way of continuing to generate income. Amongst those without such competencies and contacts, the only part-time jobs available tend to be at the

⁹ In the USA, the law governing private fringe benefits is suggested to offer a further discouragement to employing older people on a part-time basis, since it requires a full benefits package to be offered to all working above 1000 hours per year – all those working little more than half “normal” time.

bottom of the employment structure, as assistants in supermarkets, as janitors, or even as newspaper deliverers (Casey and Wood, 1994).

The only country in which substantial gradual retirement does appear to occur is Japan (Casey, 2001). This is a country well known for – at least within the large firms sector – a system of seniority-based earning coupled with a low mandatory age (60), together with a high rate of employment even amongst people above the age of entitlement of a full public pension (65). Gradual retirement in Japan takes many forms. It can occur before, even, the mandatory retirement age, as employees are moved out of career jobs into less well-paid and less demanding or prestigious jobs, are out-placed, or are assisted in finding jobs with a sub-contractor. Beyond mandatory retirement age, employees may be retained on temporary contracts, some of which may involve their working less than full-time. They might even be encouraged to set up their own business, and this explains some of the switch to self-employment seen in Table 2. Moreover, on leaving “career jobs”, many still return to family land holdings or shops. Of these older men in Japan who are working beyond the age of 65, one in three is working in agriculture, a fifth in the retail and wholesale sector and a seventh in construction. Some two thirds are either self-employed or family workers. Most of these are likely to be working less than full-time, and few are working at full capacity. The nature of the pension system means that people who have reached 60 can draw a part, or all, of the basic (but not the earnings-related) component of their old age benefits, provided their earnings remain low enough. Continued working after 65, however, might better be explained by a “confucianist work ethic” that makes at least current (and past) generations of older people reluctant to be seen to have ceased employment entirely.

What people do when they “retire”

If the transition from economic activity to economic non-activity tends to be an abrupt one, the next question is whether “economic inactivity” implies inactivity in another sense. Time-use data provides the best way to answer this. As well as providing a somewhat summary measure of time spent at work, and, thus, of whether or not a person is economically active (full- or part-time), it allows an examination of what is done with non-working time. In order to enable comparisons across countries to be made, the number of categories into which time can be split is limited – here five are used: “paid work and associated travel time”, “voluntary work, active leisure and socialising”, “housework”, “passive leisure” and “personal care”. Time spent in any of the first three could be described as time spent “actively”; time spent in the last two as time spent “passively”. Time spent in the first two tends to be spent outside the house (exercising, going to the theatre, cinema or a sports event) or engaging with people other than immediate family members, although it also includes reading and learning alone at

home; time spent in the latter two tends to be spent within the home, with other immediate family members or alone. Time spent on “passive leisure” mainly involves time watching television. Time spent on “personal care” includes time sleeping, washing and eating meals within the house with only immediate family members. Accordingly, it covers time spent on “self-maintenance and reproduction”.

Assuming a basic need for personal care that is more or less constant regardless of labour market status, what is of initial interest is how retired people spend their time. Men in the first ten years beyond the “normal” retirement age are considered. These are the “younger old”, and not all of them are necessarily fully retired – some might still work, full- or part-time. Table 3 breaks time-use down into three main categories in so far as it brings together the two activities described as occupying people largely outside the house into one category, treats housework as a separate category, and combines passive leisure activities with personal care activities in excess of those undertaken by men in their later middle age – here 45-54 – most of whom will be at work.

Table 3: Time use by men 65-74 (over and above time used for “basic” personal care)

< Table 3 here >

Differences between countries are not that great. Between a third and four tenths of time is spent “passively”. About a quarter of time is spent doing housework and the remainder is spent actively in other ways. Retired men in the Netherlands appear to be the most “active”; retired men in Norway the least active.

However, of greater interest than what people do when they are retired is how they use the additional time that becomes available to them once they cease working, or once they substantially reduce their commitment to paid employment. Again, quasi-cohort analysis has to be applied, so that changes in the use of time by any cohort as it ages and, simultaneously, changes in its labour market status, can be seen.

The extent to which retirement is “active” is indicated by the extent to which the time “gained” from ceasing paid work is devoted to either the second or third of the five broad categories of time-use described above. The allocation of additional time available is shown in Table 4. For three countries, it is also possible to show whether any of this additional time was spent undertaking “voluntary work” (previously counted together with “active leisure and

socialising”.¹⁰ The comparison made is between what men were doing in their late middle-age and what they were doing in their initial post-retirement years. The broader age groups used in this Table relative to those used in Tables 1 and 2, and the longer period over which the quasi-cohort is tracked, reflect limitations of the data sets, but they also allow the extended period within which effective retirement may have occurred to be taken into account.

Table 4: How additional time used when passing from late middle age to retirement age (men moving from 45-54 to 65-74)

< Table 4 here >

The picture is not entirely a clear one. At its most favourable, it can be interpreted as showing that between half and two thirds of retirement, at least in its early years, is used “actively”. Inter-country differences are apparent – it appears as if men in the Netherlands are more “active”. However, it also seems that about half of the time that can be deemed “active” is spent doing housework – and even this might not mean that more housework is actually produced. Only half is spent on socialising, going to cultural or sporting events, exercising or reading. The importance of “passive” activities is a potential cause of concern. Watching television seems to take up at least a quarter of time gained. Moreover, in so far as developments over time are observable, the extent to which retirement is so used appears to have grown.

Conclusions

The most important reason why older people are not more active is that opportunities for gradual retirement are limited. Retirement is normally an abrupt process. Government schemes to promote more gradual retirement have often failed because they have been over-complicated and because they have been swamped by programmes that offer full early retirement. But, quite apart from this, employers tend to be resistant to an extension of part-time working, whilst employees, themselves, are often less interested in gradual retirement than they might be thought to be.

In order to encourage early retirement, it is of course, necessary for policy makers to ensure that rules governing pensions systems are appropriately accommodating. In particular, those provisions that frustrate working after the “normal” retirement age need examination. A

¹⁰ Voluntary work takes up some one per cent of non-basic reproduction time in the UK and the Netherlands, and under half of one per cent in the USA.

gradual retirement system should not be, as it became in Sweden, yet another route to early retirement; rather, if it is a way of “winding down” work before that age, it should also be a way of continuing work beyond that age. However, the scope for government policy specifically directed at the promotion of gradual retirement is probably limited. This is because one of the principal barriers to the realization of such retirement is the way in which part-time work is still “ghettoised”. Only when it ceases to be a special form of employment will employers be able to accommodate partial retirement and workers be willing to embrace it. This could mean that governments have to reform their labour and social security laws, but it also means employers have to reform their fringe-benefit schemes and their perceptions of how jobs should be done, when and by whom.

From a demand side perspective, it has been appositely remarked that “As employers have become more familiar with part-time work, the advantages have increasingly been seen to outweigh possible disadvantages. Experience seems to have been very convincing; almost all part-time work systems have been expanded and made more flexible over time” (Thurman and Trah, 1990:25). From a supply side perspective, it is recognised that “men today will not have any status problems with part-time work at the end of their working life if they have had variable working hours during their working period” (Schmähl and Gatter, 1994:465-5)

However, it might not only be concern to enable more people to work longer, or to smooth the transition from work to retirement, that puts pressure on the need to adapt working time in older age. The same demographic pressures that imply the need to work longer are the same demographic pressures that will produce a growing population of frail elderly people. Both budgetary restraints and medical and social gerontological research suggest that a further move toward domiciliary rather than institutional care is inevitable and desirable, but such a move places high demand upon families, and especially family members in the years beyond prime age – the very people whose labour force participation is sought (see Casey, 2003). Moreover, in comparison to “child care”, “elder care” is more likely to involve men as well as women as the providers (Hoskins, 1996). To date, the link between care policy and employment policy, has seldom been made. Time spent caring for an elderly parent or a disabled partner might qualify people for social security credits, but the extent to which employers are prepared to adapt work schedules, let alone private benefit systems to accommodate “elder care” needs seems very limited (see Saraceno, 1997).

Increasing the time spent on caring for an elderly relative or neighbour might shift – if only slightly – the balance between the share of time in retirement that is spent actively and the share that is spent passively. Over and above this, were the “younger old” to be seen to be

taking on such tasks, the willingness of the working-age population to consent in making transfers to people who have withdrawn from work but who are still in full possession of physical and mental capabilities might be greater.

Last, there is a more general recognition that the extent to which people are active in retirement age is positively related to the extent to which they were active before they retired. The reason why little of the time gained from giving up paid employment is devoted to voluntary work is precisely because so little time is spent on voluntary work when in paid employment. Such an activity can rarely be started “from scratch” relatively late in life. Meeting the challenges of a long-life society will require that people contribute for longer to the formal economy, and also that they contribute more in the informal economy, and gradual retirement would enable this to happen more easily. However, if “ageing” is to be “active”, what is required is that people participate in learning, in recreation, in activities with people outside their immediate family including those of associations and those directed to promoting shared goals, throughout their adult lives. Only then will a “long-life society” be a worthwhile society.

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	% aged 60-64 with a part-time job in 1998	% change in number of part-time job holders aged 60-64 relative to part-time job holders aged 55-59 (1)	percent point change in share of older male population that works part-time (2)
Canada	15.4	47	2
Finland	25.9	25	1
Germany	8.9	95	2
Italy	5.0	-8	0
Japan	22.7	54	4
Netherlands	35.4	-19	-2
Sweden	24.4	91	6
United Kingdom	18.5	89	4
United States	16.1	64	3

Source : Eurostat and national labour force surveys (see OECD, 2000)

(1) adjusted for size and mortality of sex-specific age group

(2) share of population 60-64 working part-time in 1998 minus share of population 55-59 working part-time in 1993

The table is to be read as follows. Col 1 shows that c15% of 60-64 year-old men in Canada worked part-time.. ; col. 2 that the number of 60-64 year-old part-time workers is 47% greater than the number of 55-59 year old part-time workers five years previously; col. 3 that this meant that the increase in the proportion of the older population that was working part-time rose by 2 percentage points.

	% aged 60-64 who were self-employed in 1998	% change in number of self-employed aged 60-64 relative to self-employed aged 55-59 (1)	Percent point change in share of older male population that is self-employed (2)
Canada	30.8	-19	-4
Finland	44.4	-33	-5
Germany	27.7	-28	-3
Italy	57.1	-27	-7
Japan	30.3	6	1
Netherlands	42.7	-17	-2
Sweden	26.3	-4	-5
United Kingdom	26.0	-14	-2
United States	17.7	-21	-3

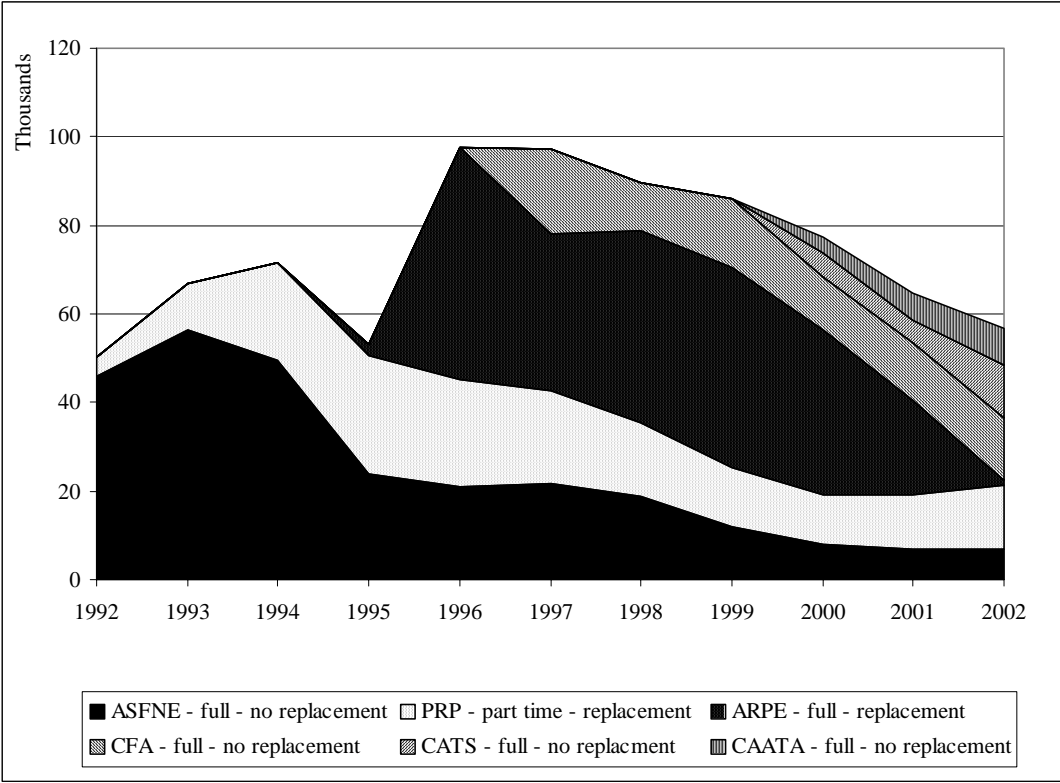
Source : Eurostat and national labour force surveys (see OECD, 2000)

(1) adjusted for mortality of sex-specific age group

(2) share of population 60-64 self-employed in 1998 minus share of population 55-59 self-employed in 1993

The table is to be read in the same way as Table 1.

Figure 1: New entrants to early retirement in France by type of programme



source: statistics of Ministry of Labour

	N'lands (1995)	Norway (2000)	UK (1995)	USA (1992)
passive leisure and additional personal care	33%	40%	39%	38%
Housework	23%	24%	24%	23%
paid work, voluntary work, active leisure and socialising	44%	34%	37%	39%
time spent on “basic” personal care (daily average)	9.8hrs	9.5hrs	9.4hrs	9.8hrs

Source: MTUS and Statistics Norway, own calculations

	UK (born 1930-39)	N' lands (born 1930-39)	USA 1 (born 1920-29)	USA 2 (born 1930-39)	Norway 1 (born 1925-34)	Norway 2 (born 1935-44)
hours “gained” per week*	43.7	32.3	40.7	30.4	35.5	33.6
voluntary work	2%	3%	0%	0%	NA	NA
active leisure/socialising	38%	36%	20%	38%	33%	22%
housework	29%	37%	25%	27%	29%	20%
passive leisure	5%	13%	39%	37%	26%	43%
personal care/sleep	25%	12%	15%	-2%	13%	17%
share active	69%	76%	46%	65%	62%	42%
share passive	30%	25%	54%	35%	39%	59%

* the number of hours by which, on average, time per week spent in work is reduced

Source: MTUS and Statistics Norway, own calculations

Definitions:

“voluntary work” includes political and religious activities (but in Norway these are included under “active leisure”)

“housework” includes care of a family member (but only a child, not a spouse in UK, Netherlands and USA)

“active leisure/socialising” includes walking, sport, reading, going to theatre, to cinema or sports match, going out with friends, dining with friends

“passive leisure” is mainly watching television, alone or with other family members

“personal care/sleep” includes eating alone or with family members, washing self and sleeping