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Title: An exploration of the changes to policies for work and retirement transitions for
third age individuals in EU15 nations (1995-2005).

This paper is based on an ongoing Ph.D. thesis which addresses the policies adopted by EU15 nations with regard to work and retirement for those aged 50 to 64 from 1995 to 2005. At the centre of the thesis is the impact of the shift towards activation/workfare-focused employment policies on older individuals and the rights and responsibilities they bestow upon the sub-groups within this category. The thesis aims to be comparative in two senses. First, it aims to identify the formation of clusters, general convergence or distinct national approaches with regard this policy area in EU15 nations over a ten year period (1995-2005). Second, the thesis will address which sub-groups within the category of 'older individuals' (in this paper defined as those aged 50 to 64) are subject to these new policies aimed at retaining and reintegrating individuals in the labour market. Thus it focuses on two sub-questions: what does this new governance of ageing, work and retirement look like in EU15 nations and who is to be governed? The focus of this paper is on the first of these questions; due to the stage reached in the analysis of the empirical data, the second question will be addressed to a lesser extent.

Nations throughout Europe have witnessed an increased emphasis on activation/workfare-based social policies and this shift represents the move towards the recommodification of labour. This transition has implications for the relationships at the heart of welfare arrangements and the position of older individuals within them. Before addressing this argument, it is necessary to outline what is meant by the commodification, decommodification and the subsequent recommodification of labour.

1. The Move to Activation and the Recommodification of Labour

‘Commodification’ in relation to labour first appeared in the work of Karl Polanyi entitled *The Great Transformation: The Political and Economic Origins of Our Time* (1944). Polanyi argued the nineteenth century saw the departure from the traditional structure whereby the economic sphere was a function of the social sphere. Indeed, what took place was a role reversal with the social subordinated to the needs of the economy as “[a] market economy can only exist in a market society” (Polanyi, 1944: 71). As a result the state was enlisted to uphold various ‘commodity fictions’ necessary for market functioning. Polanyi argued land, labour and money are fictitious commodities in that their value cannot be separated from their form.

However, Polanyi posited a real self-regulating¹ market is not conducive to society’s survival. Indeed, “[s]uch an institution could not exist for any length of time without annihilating the human and natural substance of society; it would have physically destroyed man and transformed his surroundings to wilderness” (Polanyi, 1944: 3). Society’s natural response is to protect itself from the ravages of the self-regulating market yet with such intervention the self-regulating market ceases to be such. Indeed, as workers compete as commodities, the price of labour depreciates and thus a system of decommodification is needed to prevent pauperism. Decommodification therefore is when welfare is deferred as a right which allows the individual to survive without reliance on the sale of their labour in the market.

Nonetheless, the decommodification of labour is never complete and thus serves to increase the power of workers rather than completely ameliorate their commodification. The balance between the state’s role in the commodification and decommodification of labour is problematic. Esping-Andersen (1990) argues the system of commodification contains the seeds for its own destruction. Offe (1984) asserts capitalism and the welfare state present a paradox. A capitalist mode of accumulation necessitates some form of social protection to safeguard against the kind of deprivation

¹“an economic system controlled, regulated, and directed by markets alone; order in the production and distribution of goods is entrusted to this self-regulating mechanism” (Polanyi, 1944: 68).

that acts as a precursor for unrest yet at the same time the expenditure required acts as a constraint and bestows power onto labour by allowing it to withdraw from the market. The variation of welfare state arrangements results in different levels of decommodification with those systems that render social assistance as a right providing a high degree of decommodification whereas means- or needs-tests reduce the capacity for decommodification as the market is strengthened, with only those who cannot afford to do otherwise utilising state provision.

It is argued the move away from 'passive' social security benefits to more 'active' workfare or activation approaches is indicative of decommodifying welfare arrangements' decline and the subsequent recommodification of labour. The rise of workfare and activation policies realigns the focus of the welfare state from providing for need outside of the labour market to encouraging the re-engagement with paid work through a mixture of sanctions and incentives. For Jessop (2002) activation policies embody four aims: to improve the flexibility of the labour market, to enhance the employability of its subjects, to delegate responsibility for provision to local agencies and authorities and a focus on the 'knowledge-based economy' with the emphasis on re-skilling and lifelong learning. Jessop constructs a continuum from 'flexploitation' to 'flexicurity' within activation approaches. The former refers to neo-liberal regimes where flexibility results in increased coercion to find employment, whilst those in work experience increased insecurity. 'Flexicurity' approaches, as the name implies, combine flexibility whilst making employment more secure and increasing social inclusion.

Papadopoulos (2005) argues the emergence of recommodification is key to the understanding of modern welfare governance. For Papadopoulos, the shift towards activation stresses paid work as the best provision of social protection, ignoring the paradox presented by increasingly flexible and insecure working practices. 'Security' and work are now synonymous and welfare is now a helping hand which the poor are duty-bound to embrace, marking a return to the 'blame the victim' argumentation of unemployment. The state no longer provides the conditions for full employment in line with Keynesian economics, but now ensures *full employability* through the creation of

flexibilised, market-ready citizens. Indeed, “*what once were answers to the problems generated by the failures of the market- namely, social protection policies in and out of paid employment- were discursively transformed during the last fifteen years into problems for the efficient functioning of the market*” (Papadopoulos, 2005: 4). The social right to social protection has been eroded and is now contingent upon participation in the market.

Holden (2003) argues the new levels of conditionality and individual responsibility attached to benefit receipt have the following effects: “*the character of social rights has been significantly altered through the attachment of responsibilities to them. The individual’s chief responsibility is to search for work, hence to participate in the (labour) market. The provision of a state income has thus become a means of commodifying rather than decommodifying labour*” (Holden, 2003: 311). This new austerity and emphasis on conditionality marks the *recommodification* of labour and it is the welfare state that is being appropriated for this purpose. Holden evokes Cerny’s (1990) argument that the welfare state has been modified to become a ‘competition state’ in that state activity focuses on recommodification as opposed to decommodification, thus returning to the position it occupied at capitalism’s inception. Governance now reshapes citizens to better function in the global market, tutoring them to become skilled, flexible and reasonably priced.

1.2 Early Exit and Recommodification

It is within the above outlined policy context that the situation of older individuals is to be assessed. When initially conceived, active labour market policies initially focused on unemployed individuals. However, as time has progressed, new groups of formerly ‘deserving’ welfare recipients have increasingly felt the carrots and sticks of active labour market policies. New employment policies focusing on lone parents, disabled individuals and those over 50 years of age have emerged, all emphasising the merits of, and duty to, engage in paid work. Regarding the latter group, the term ‘active ageing’ has been used

to denote active labour market policies aimed specifically at older individuals². Two main approaches towards active ageing can be identified: the holistic approach which addresses the entire lifecourse and all facets within it (health, education etc.) as exemplified by the World Health Organisation (WHO) and Avramov and Maskova for the Council of Europe (2003) (among others); and the productivist approach of the EU. It is the latter that this paper centres on due to its empirical focus on EU15 nations.

Active ageing first appeared in EU documents in 1999 (CEC, 1999: 6) with regard to reinforcing the employability of older workers and adapting employment rules to the ageing population. The employment of older workers is argued to be key to economic growth, the sustainability of welfare arrangements and as a means to achieve the Lisbon strategy's goal of full employment. Under the umbrella term of 'active ageing', broadly the EU aims have been to prompt nations to first to re-engage those older individuals outside of the labour market in paid work and second to encourage those already in employment to extend their working lives up to and beyond the conventional state pension ages. This active ageing approach is reflected in two EU targets. At the 2001 Stockholm European Council, it was announced that the aim was to ensure half of those aged 55 to 64 should be in employment by 2010. The following year in Barcelona, the target for an increase in the average retirement age by five years before 2010 was set.

With regard to the extension of working lives as exemplified by the Barcelona target, the term 'activated retiree' was coined in the literature to denote "*older workers themselves [who] do not need 'activating' (unlike the unemployed), [yet] the logic of the active ageing agenda insists that they are at risk of becoming inactive...Accordingly, older workers do not require activating in the conventional sense; rather they need to be persuaded of the risks attached to retirement (inadequate public pension, savings and so on)*" (Carmel, Hamblin and Papadopoulos, 2007: 393). Though theoretically the term 'activated retiree' presents an oxymoron, the discourse employed in EU policy

² The defined age of this group varies amongst policy documents but generally converges upon those aged between 50 and 64 years of age. It is this group this paper refers to as 'older individuals'.

documents regarding active ageing consistently blurs the boundary between work and retirement, thereby retrenching the rights traditionally attached to the latter whilst removing the responsibility of nation states and placing it firmly with individuals to provide for their retirement within the market, either privately or through employment. Thus the idea of activating the retired presents not just a contradiction, it also encroaches on the right of many citizens: to be de-commodified at a certain age.

In addition, both the focus on older individuals outside of the labour market and those approaching state pension ages by the active ageing agenda is also problematic as all EU15 nations have, at some point, introduced early exit policies. Regarding formal early exit policies, older workers have consistently been treated in an instrumental manner by formal policies, being cast as an 'asset' or 'unproductive' when the market either requires their participation or exit. The argument runs that early exit is presented positively in periods of surplus employment to provide opportunities for the younger unemployed (Loretto et al., 2000). Thus at times of boom and slump, low and high unemployment, older workers are pushed into or out of work, prompting Phillipson (1982) and Taylor and Walker (1996) to evoke Marx and Engels' (1848) term the 'reserve army of labour' with regard to older workers.

Though early exit is currently problematised, despite calls for its end barriers to employment remain as the belief that older workers are neither in need of, nor capable of, employment is internalised and institutionalised. The early exit trend has proved stubborn with Phillipson (2004) arguing institutional ageism is the result of a 'cultural lag' in that early exit was introduced at a time when there was a surplus of labour and attitudes have yet to shift to the new reality of the ageing workforce and labour shortages. Though theories that older workers are less productive have been discredited (see Nygard, 1991; Davezies, 1991; Pearson, 1996; Baron, 2006) and despite the onus on active ageing policies, the trends for early exit and discrimination on the grounds of age prove persistent. With respect to employers, early exit policies have been used to restructure labour forces and have come to instil the view that older workers have a 'use by date',

beyond which they are less adaptable and less productive. Indeed, Vickerstaff (2006) notes that it is the decision of employers to retire individuals early, rather than a choice on the part of the workers themselves, that is the norm.

Aside from the enduring ageist attitudes of employers, early exit had previously been presented to older individuals themselves as a responsibility (in terms of providing vacancies for the younger unemployed) and as an earned right. In order to mobilise older workers either to leave or enter the labour market, arguments about their rights and responsibilities were utilised; in periods of labour surplus when early exit is presented positively, “[o]bligation’ meant not working” (Macnicol, 2004: 301) whilst in times of labour shortage, as is that which faces modern societies, older individuals have the responsibility to remain in or re-enter the labour market and undertake whatever measures may be necessary to achieve this (for example, training and education). Arguments around the necessity for full employment in order to achieve productivity, the ‘demographic timebomb’ resulting from the ageing population and the corresponding threat to the ‘intergenerational contract’ have all be employed to give weight to the active ageing agenda.

However, just as not working was a *responsibility*, it also came to be seen as a *right* of individuals either by virtue of their age or by virtue of their contribution record. In terms of the latter however, I would argue this is an issue of desert as whereas rights refer to the individual’s status, “[d]esert is a ‘backward-looking concept” (Miller, 1989: 93), contingent on previous behaviour. As a result, if early exit is distributed according to desert i.e. their contribution record, it will not be distributed equally as it ignores unpaid labour outside of the labour market; it is therefore an *earned* right, bestowed upon those deemed deserving. However, what runs through both the early exit trend and the move to active labour market policies is the removal of the right to choose. Though for some early exit from the labour market represents a positive choice, the degree of autonomy over participation is not equally distributed. Indeed, those third age individuals who find themselves outside of the labour market with limited opportunity for re-entry may find the experience detrimental. In financial terms, older unemployed people find “*once their*

'golden handshakes' have been exhausted, experience many years of poverty, with no chance of re-entering the labour market, expect in the most menial of jobs" (Phillipson, 1982: 3). Work also can provide social ties and Hunt argues *"our sense of self-esteem and personal well-being is wrapped up in the work that we undertake"* (Hunt, 2005: 147).

Thus the universal right to retire is being eroded through discourses of active ageing, emphasising the public and individual good of longer working lives in terms of economic growth, individual worth, solidarity between the generations and the aversion of a 'demographic timebomb' affecting welfare arrangements. In addition, the right to exit early, earned through extensive insurance contributions is also being altered whilst the right and responsibility to be employed are being reasserted. In order to achieve the dual aims of the re-engagement and retention of older individuals in the labour market, the EU policy documents suggest a variety of policy solutions. What is included under the umbrella of active ageing in terms of actual policies varies amongst the EU documents, covering a broad range of policy areas and thus will not all be covered in this paper. Utilising typologies from De Vroom et al. (2004) regarding older individuals specifically in addition to EU documents, the remit of this paper is outlined in the Table 1. 'Early exit' is included within De Vroom's et al.'s typology as it acknowledges that these routes are still available in spite of recommendations to curtail them. This paper also addresses the early exit routes of EU15 nations as they present a contradiction when considered in conjunction with the increased numbers of active labour market policies aimed at older individuals.

Table 1: Policies targeted at older individuals

<i>De Vroom et al (2004).</i>	<i>Examples From EU Documents</i>
Institutionalisation of a high level of labour participation of older workers ('retention').	<ul style="list-style-type: none"> – Closing off of early exit routes (CEC, 2006). – Anti-ageism legislation with regard to mandatory retirement (CEU, 2000; CEC, 2006). – Incentives to remain in employment (CEC, 2006). – Deferred pension rights (CEC, 2006). – Training and lifelong learning (COR, 2003).
Mobilisation and institutionalisation of a process of getting older (retired, non-working) people back to work ('re-entering').	<ul style="list-style-type: none"> – Retraining and education (COR, 2003). – Anti-discrimination legislation with regard to recruitment (CEU, 2000).
Mobilisation and institutionalisation of a process in which older workers will leave employment before the original age of retirement (usually the pension age) but through a complex variety of mechanisms ('early exit').	<ul style="list-style-type: none"> – Early exit routes (CEC, 2006).
Mobilisation and institutionalisation of a process in which older workers will not use or see no desire to use early exit choices ('late exit').	<ul style="list-style-type: none"> – Flexible retirement options (CEC, 2006).

2. Methodology

In terms of the data presented in this paper, the policy changes regarding older individuals in terms of the fields outlined in Table 1 were amassed from a variety of sources including MISSOC (Mutual Information Systems on Social Protection Systems in the EU Member States and the EEA), EU15 nations' National Action Plans, and communications from organisations such as the EU, the EC and the OECD in addition to texts from authors on the same topic. The period of 1995 to 2005 was broken down into three junctures: 1995, 2000 and 2005. The inclusion of 1995 allowed a comparison of policies before and after the EU's emphasis on active ageing. These sources provided a macro-perspective of the EU15 nations' policies available for the age group of 50 to 64 in general. In addition, I was also able to examine the eligibility criteria of the various

policies to ascertain whether the coverage is universal or differentiates between the different groups which make up cohort of older individuals (those aged 50 to 64). The empirical findings are presented below in terms of the individual nations before a cross-national comparison is entered into.

3. Empirical Data

This section will first address the early exit routes available between 1995 to 2005 in EU15 nations before focusing upon the active labour market policies aimed at older individuals. Finally, it will address the two broad policy areas together as part of an assessment of EU15 nations' 'active ageing' approaches.

Across EU15 nations, it is clear to see from Table 2 that a plethora of early exit routes were available in the period under examination (1995 to 2005). This is in spite of the EU's repeated recommendation that these routes be closed off as part of the move towards an active ageing agenda. In this paper, the early exit routes have been divided according to their eligibility criteria and whether access by an individual would have incurred a reduction or penalty upon their final pension amount.

In terms of universal early exit, granted to all citizens once they reach a specified age regardless of contributions or employment status, in 1995 these schemes were present in Belgium, Ireland and Spain. These routes were argued to provide individuals with autonomy over their working lives yet equally they could be argued to provide employers with a means of shedding older workers, safe in the knowledge an early pension was waiting for them. By 2000, Belgium had removed this route whilst Ireland and Spain retained theirs. Other EU15 nations including Finland, Sweden, Spain and Greece also provided universal exit routes in 1995 though those accessing them would have received a reduction to their final pension amount. Greece had abandoned this route by 2000 whilst Sweden, Spain and Finland maintained them, with the latter increasing the lower age threshold and the penalties by 2005. Though theoretically early exit when provided universally could emphasise the autonomy of the individual regarding the end of their

working life, in cases where penalties are imposed, this route would overwhelmingly be chosen by those with sufficient assets or savings so as to negate any reduction incurred.

What is clear from Table 2 is that where early exit has been *earned* either through contributions or by virtue of the individual's occupation, the removal of these routes has been limited yet the imposition of penalties could be seen as part of a limited move towards retrenchment in some nations. With regard to early exit in instances of long careers, in 1995 only Greece imposed penalties upon individuals accessing this route (although at the same time, individuals with higher levels of contributions could exit and receive no reduction). At the same point, Austria, Germany, Finland, France, Greece, Luxembourg and Spain allowed individuals with substantial contribution records to exit with no reduction to their final pension amount. However, by 2000, Austria and Germany had introduced penalties and within five years, so too had Spain. Denmark, against this trend, by 2005 had introduced an early exit route for those with substantial contributions with no resultant reduction. However it should be noted that early exit routes that focus on contribution records ignore the unpaid work within the family, thereby providing a highly gendered exit route from the labour market. Germany presents an interesting case, having put in place a special early exit route for women who had worked for 15 years with 10 of which over the age of 40. This, it was argued, acknowledged that many women have disjointed work histories due to their disproportionate role in caregiving (based on the assumption that by the age of 40, most women's children would be of school age, thus enabling them to engage in paid work). Also, in the case of Germany, the period of 1996 to 2000 saw the introduction of penalties for individuals who exited early, regardless of the exit route. Thus even in cases of 'earned' exit due to their contribution record or occupation, the final pension amount would still be reduced. A new system was introduced for those born after 1952 by 2005 which did however still retain early exit routes (this new system is not covered in Table 2; this table applies to those able to access early exit in the years in question). In terms of the old system, the scheme that focused specifically on women was being phased out whilst the age threshold for the long service pension was being increased.

In terms of early exit on the grounds of occupation, these routes were available in Denmark (with an additional contribution requirement), Finland, France, Greece, Italy, Luxembourg, the Netherlands, Portugal and Spain in 1995. Whilst Denmark and Germany introduced reductions for occupational early exit by 2000, other nations such as Finland, France, Greece and Italy retained the old, disincentive-free routes whilst adding new schemes with penalties simultaneously. Indeed, whilst France added penalties to some forms of early exit based on contributions and occupations between 1996 and 2000, new routes without reductions were being added at the same time with an additional two routes granted on occupational grounds implemented between 2001 and 2005. Thus, rather than reducing early exit options, France was in fact expanding schemes for those in certain occupations or with extensive contribution records, albeit with reductions.

In cases of unemployment, early exit without penalties was granted in Austria, Belgium, Denmark, Finland Ireland and Germany in 1995. However, these unemployment pensions also required a certain level of previous contributions with the exception of only Belgium and Ireland. Thus desert and the idea of 'earned' early exit was key, even in instances of unemployment at a certain age in Austria, Denmark, Finland and Germany. As 2005 approached, these four nations began to close off these routes. In 1995, no EU15 nation imposed reductions for unemployed individuals exiting early; by 2000 Austria, Germany, Portugal and Finland introduced penalties with the former phasing this route out entirely by 2005. Denmark also closed off this route by 2005. However, Belgium and Ireland retained these routes with no penalties bestowed upon the individuals who exited via these schemes. Portugal presents an interesting case in that a route for unemployed individuals with reductions was introduced after 1995 yet by 2005, this penalty had been waived for individuals over a certain age. This perhaps could be due to the fact that by 2000 Portugal had already surpassed the Stockholm target of 50% of 55 to 64 year olds in employment, with 51.6% of this group actively engaged in the labour market (Ministry of Social Security and Labour, 2002).

Certain routes, such as those on the grounds of disability available in Austria, Denmark, Finland, Germany, Italy and the Netherlands, appear to have undergone limited

retrenchment. Only Austria and Germany had contribution requirements for early exit for those with a disability³; in the other nations, if the individual's working or earning capacity was reduced, access to an early pension was permitted. Indeed, in Austria, the individual's employment record was key in accessing all of the early exit routes (either through unemployment, disability or extensive contributions) thus strongly placing the onus on early exit as an 'earned' right.

Interestingly somewhat counter to the recommendations of the EU, Belgium and Luxembourg retained replacement early exit schemes based upon a principle of 'solidarity' whereby an older individual is made redundant on the proviso they are substituted by an individual from the unemployment register. This sends out mixed messages to employers, told on the one hand that older workers were an asset for the workforce whilst at the same time, as a result of early exit schemes based on 'solidarity', these individuals appeared to be less in need of or deserving of employment in comparison to their younger unemployed counterparts. France had abandoned a similar scheme by 2005.

In terms of exit routes considered in EU documents to be part of the active ageing agenda, partial pension routes have been retained in nations such as Austria, Belgium, Denmark, France, Germany, Sweden and Luxembourg from 1995 to 2005. By 2005, Austria, the Netherlands and Sweden had also introduced partial pension routes. With regard to the aim of extending working lives beyond conventional state pension ages and so creating 'activated retirees', all EU15 nations had adopted bonuses for the deferment of pension receipt by 2005 with the exception of Belgium, Ireland, the Netherlands and the UK. However, in the cases of France and Italy, deferment is limited to those whose insurance quarters would not provide a full pension and thus is used to create a reasonable retirement income.

³ Indeed, in the case of Germany there were two disability routes, one accessible regardless of age for those who had five insurance years, three of the last five years in activity and a medical condition that reduced their work capacity. The other disability route had no contribution requirement but individuals could only exit at 60 years of age.

Table 2: Early exit routes available in EU15 from 1995- 2005⁴ (see appendix for key)

Early exit				
		<i>1995</i>	<i>2000</i>	<i>2005⁵</i>
<i>Employment-focused early exit</i>	<i>Based on occupation</i>	DK (also C), D (x 2), FIN (x 2), F, EL (x 2), I, L (x 2), NL (also C), P, ES.	FIN (x 2), F (x 4), EL (also C), I (x 2), L (x 2), NL (also C), P, ES (x 3).	FIN, F (x 6), ES (x 2), I (x 3; 1 also O), L (2 x C, 2 also O), NL (also C [^]), P, ES (x 4)
	<i>Based on contributions</i>	A, D (x 2 ⁶), FIN, F, EL (x 2), L (x 2), ES.	F (x 2), EL (x 3), I (x 2; 1 also O), L (x 2), P.	F (x 2), EL (x 4), I, L (x 2).
<i>Employment-focused early exit with penalties.</i>	<i>Based on occupation</i>	FIN, EL.	FIN (P [^]), DK (also C), F (also C), EL (x 2), I, L (x 2).	DK (also C [^]), F, D, EL.
	<i>Based on contributions</i>	EL (x 3)	A, B, D (x 2), EL (x 2) P, ES.	A (A [^] , P [^]) ⁷ , B (C [^]), D (1 x ph; 1 x A [^]), EL (x 4), ES.
<i>Universal early exit.</i>		B ⁸ , IRL, ES.	IRL, ES	IRL, ES.
<i>Universal early exit with penalties.</i>		FIN, S, ES, EL.	FIN (P [^] , A [^]), S.	FIN (P [^]), S, ES.
<i>Early exit in cases of unemployment</i>		A (C), B, DK (no C/C), FIN (C), D (C), IRL, P.	B, DK, IRL, P.	B, IRL, P.
<i>Early exit in cases of unemployment with penalties</i>			A (C, Ph), D (C/ no C) FIN, P (C).	FIN, P (C), D, ES.
<i>Early exit in cases of disability</i>		A (C), B, DK, FIN, D (x 2, 1 x C), NL, S.	A (C, P), B, DK, FIN, D (P), I, NL, S.	A, B, DK, FIN, D (A [^]), I, NL, S.

⁴ This paper refers to the old system in Greece that applied to those who entered the labour market before 1993.

⁵ In the case of Sweden, by this point a new system had been introduced. Individuals born before 1937 would receive their pension in accordance with the previous system; those born between 1938 and 1953 would receive their pension in accordance with a combination of the two systems and those born after would be subject to the new system. The new system allowed individuals to retire from 61 years of age. The final pension amount corresponded to contribution years.

⁶ One of these schemes was for women only.

⁷ Austria had implemented a new system for those under the age of 50 in 2005. For these individuals, exit below the age of 65 would incur a reduction of 4.2%.

⁸ The pension amount corresponded to number of contribution years; early exit could result in a reduced pension.

<i>Solidarity-focused early exit**</i>	B, F, L, ES (x 3).	B, F, L, ES.	B, L.
<i>Partial Pension</i>	B, DK, FIN, F, D (x 2, 1 x C), L, ES.	A (C), B, DK, FIN, F, D (x 2, 1 x C), L, ES, S.	A, B, DK, FIN, F (C), D, L, NL, ES, S.
Deferment			
	<i>1995</i>	<i>2000</i>	<i>2005</i>
<i>Bonuses for extending working lives beyond SPA</i>	A, DK, FIN, F, D, I, L, ES, S.	A (B^), DK (B^), FIN (B^), F, D, I, L, P, ES, S.	A (B^), DK (B^), FIN (B^), F, EL, D, I, L, P, ES, S.

In terms of active labour market policies for older workers, in 1995, some nations retained age limits for job search requirements and state-provided training (see Table 3). Austria, Belgium, Denmark, France, Ireland, Luxembourg and the Netherlands all permitted unemployed older individuals (at various ages over 45) to receive unemployment benefits without being subject to the same job search requirements applicable to their younger counterparts. By 2000, only Belgium, Ireland and France retained this ruling though the latter of which simultaneously reduced the age threshold for exemption for those with a certain level of contributions. Thus in general, EU15 nations have moved towards compelling older individuals to actively seek work. However, as outlined above, this presents a contradiction as whilst work is required of *all* citizens who are capable, *some* can also exit via the aforementioned pre-retirement routes. This runs counter to the argument that work is intrinsically good for individuals and societies as individuals with earned exit rights are not subject to the same level of compulsion as unemployed individuals in general.

Linked to this, some nations applied age limits to their active labour market policies in 1995, including Denmark, Greece, Ireland and the Netherlands. By 2000, all EU15 nations presented more inclusive labour market policies regarding older individuals. In terms of age-specific help with job search, only France catered for older individuals in 1995 (when considered alongside the job search exemption for older individuals in this country, this presents a contradiction). In 2000, this picture had changed with Austria, Denmark, Finland, the Netherlands, Greece and the UK

introducing policies that focused on this age group. Five years later, Germany, Ireland, Italy, Portugal and Spain all introduced specialist help with job search for the over 50s. As part of the active ageing agenda, only Italy in 1995 provided age-specific training. By 2000, this situation had improved with Austria, Denmark, Finland, Germany, Greece, the Netherlands Portugal, Spain and Sweden creating these policies.

In terms of demand-side interventions, some nations created either job opportunities or placements. In 1995, Ireland allowed individuals who were unemployed and over the age of 55 to request a job placement. However, for their younger counterparts, attendance was mandatory. Austria and Belgium had created job placements for older individuals by 2000. In terms of job creation for older individuals, Denmark, France, Greece and Sweden had implemented these measures by 2000 with Germany introducing temporary places by 2005.

In order to make low-paid work more palatable, some nations provided wage supplements or tax exemptions for older individuals. France, Germany, the Netherlands and the UK by 2000 either provided direct payments to increase the income of older workers or exemptions from taxation or social security contributions. Five years later, Austria, Greece, Ireland, Italy, Luxembourg and the Netherlands had all followed suit. However, these policies very much present in-work assistance and when considered in isolation of other policies, the onus is very much on the individual to find paid work (usually below a certain income threshold) before they received intervention. Yet it should be noted that these policies often occurred in conjunction with other measures to assist older individuals in job search.

Policies also focused on employers in order to encourage the recruitment of older individuals. In terms of direct subsidies for employers, some EU15 nations had implemented these measures by 1995: France, Germany, Greece and Italy. Other nations had followed suit by 2000, including Belgium, Denmark, Finland and Ireland. With regard to the social security contributions of employers, in some nations exemptions or reductions applied for older individuals. France represented the vanguard with regard to

these measures as they were already in place in 1995. By 2000, Austria, Belgium, Finland, Spain and Sweden had also allowed employers to pay either reduced social security contributions for older workers or exempted them entirely. Luxembourg also implemented these measures between 2001 and 2005. Linked to this, employers in some EU15 nations were also subject to penalties in cases where older individual were made redundant. These policies were however less widespread, with only Austria and France implementing these schemes by 2000 and the Netherlands and Spain by 2005.

Certain EU15 nations had implemented anti-ageism legislation which pre-empted the recommendations of the European Community report *Equal Treatment in Employment and Occupation Directive* of 2000. The Netherlands, Spain and Italy had already executed anti-ageism legislation by 1995, with the latter two nations including equality in terms of age in their national Constitutions. By 2000, Austria, Belgium, Finland and Ireland had introduced anti-ageism legislation with France, Denmark and Portugal making progress by 2005. The remaining nations of the EU had until 2006 to fulfil the requirement to create legislation outlawing age discrimination.

Table 3: Active labour market policies for older individuals available in EU15 from 1995- 2005 (see appendix for key)

Employment Policies			
	1995	2000	2005
<i>Exemptions from job search</i>	A, B ⁹ , DK, F, IRL, L, NL.	B, F (A [~] , C [^]), IRL.	
<i>Age limits for ALMP</i>	DK ¹⁰ , EL, IRL, NL.		
<i>Age-specific help with job search</i>	F.	A, DK, FIN, NL, ES, UK.	A, DK, FIN, F, D, IRL, I, NL, P, ES, UK.
<i>State-provided age-specific training</i>	I.	A, DK, FIN, D, EL, NL, P, ES, S.	A, DK, FIN, F, D, EL, I, NL, P, ES.
<i>Wage supplements/ tax</i>		F, D, NL, UK.	A, F, D, EL, IRL, I,

⁹ This refers to those aged 55 and those aged 50 who had been unemployed for two years due a reduced working capacity who were exempt from the job search requirement of benefit receipt.

¹⁰ Those 60 and over are barred from schemes that provide the start-up costs for self employment and the 'job offer scheme'.

<i>exemptions for employee</i>				L, NL, UK.
<i>Job placement</i>		IRL ¹¹	A, B.	A, B.
<i>Job creation</i>			DK, F, EL, S.	DK, D (T)
Employer-focused ALMP	<i>Employment subsidies</i>	F, D, EL, I.	B, DK, FIN, F, D, EL, IRL.	B, DK, FIN, F, D, EL, IRL.
	<i>Contribution exemptions</i>	F.	A, B, FIN, F, ES, S.	A, B, FIN, F, EL, L, NL, ES.
	<i>Penalties for redundancies</i>		A, F.	A, F (P [~]), NL, ES.
	<i>Anti-ageism legislation</i>	I, NL, ES.	A, B, FIN, IRL, I, NL.	A, B, FIN, F, I, NL, P, DK.

Table 4 demonstrates the policy situation regarding early exit and active labour market strategies for older workers and what is apparent is that whilst the latter have expanded, the former have not contracted to the same degree. Certainly in most nations with early exit policies, access to these routes has become increasingly conditional or subject to increased penalties yet many routes out of the labour market remain. Nations such as Austria and Denmark, whose early exit routes focus overwhelmingly on contribution records as a determining factor, have perhaps found these schemes hard to remove due to the perception that access has been ‘earned’ by certain individuals and to abolish them would represent the renegeing on a contract between state and citizen. However, this has not prevented these nations from introducing and increasing the pension reduction for those accessing these routes or the raising of their age thresholds. Both of these nations also have produced a comprehensive mix of active labour market policies for older individuals, both focused on the employee and employer.

However, to present an overly homogenous picture of policy in EU15 nations would be misleading. For example, the UK presents an outlier regarding early exit, having not provided state-funded early retirement since the 1980s. At the opposite end, Belgium and Luxembourg possesses a great many early exit routes, including those with a replacement criteria which contradicts the central edict of active ageing: that older

¹¹ Those over 55 could request a job placement; for individuals under this age, participation was mandatory. Thus this policy both contained an age limit but could at the same time be used as an active ageing measure.

workers are an asset for the labour market and their participation is central to economic growth. Indeed, these replacement-based early exit schemes coincide with subsidies and tax exemptions for employers who recruit older individual, thereby presenting a confusing policy mix.

In terms of the outliers regarding active labour market policies for older individuals, Italy was certainly the first to act with the presence of age-specific training, subsidies for employers and anti-ageism legislation as early as 1995. From 2000, most EU15 had begun to implement at least some active labour market policies for older individuals. Yet some presented a mix of passive and active policies for older individuals in 2000, including Belgium, France and Ireland who still exempted this group from the job search requirement for unemployment benefit receipt whilst also implementing job placements (Belgium), contribution exemptions for employers (Belgium and France) and employment subsidies (all three nations).

Table 4: EU15 nations' early exit routes and unemployment policies compared (see appendix for key).

		Early Exit							Unemployment- employee focused			Employer- focused	
		<i>U</i>	<i>EE/C</i>	<i>EE/U</i>	<i>EE/D</i>	<i>EE/R</i>	<i>EE/O</i>	<i>PP</i>	<i>Age L</i>	<i>Ex</i>	<i>ALMP</i>	<i>Sub</i>	<i>Anti-D</i>
A	1995		X	X (C)	X (C)			X		X			
	2000		X (P, MA [^])	X (C, P [^])	X			X (E)			X	X	X
	2005		X (P [^] , MA [^])		X			X (E)			X	X	X
B	1995	X		X		X		X		X			
	2000		X (P)	X		X		X		X	X	X	X
	2005		X (C [^])	X		X		X			X		
DK	1995		X	X (C)	X			X	X	X			
	2000			X	X		X (P [^])	X			X	X	
	2005				X		X (C [^])	X			X	X	X
FIN	1995	X (P)	X (P)	X (C)	X		X	X					

		Early Exit							Unemployment- employee focused			Employer- focused	
		<i>U</i>	<i>EE/C</i>	<i>EE/U</i>	<i>EE/D</i>	<i>EE/R</i>	<i>EE/O</i>	<i>PP</i>	<i>Age L</i>	<i>Ex</i>	<i>ALMP</i>	<i>Sub</i>	<i>Anti-D</i>
	2000	X (P [^] , A [^])		X (P)	X		X	X (A [^])			X	X	
	2005	X (P [^])		X (P)	X		X	X (A [^])			X		X
F	1995		X			X	X	X		X	X	X	
	2000		X (C [^])			X	X	X			X	X	X
	2005		X				X	X (C)			X	X	X
D	1995		X	X (C)	X		X	X			X	X	
	2000		X (P)	X (no C/C, P)	X			X (A [^])			X	X	
	2005 ¹²		X (C [^])	X (C, P)	X (A [^])		X	X			X	X	
EL	1995	X (P)	X (no P and P)				X (no P and P)					X	
	2000		X (no P and P)				X (no P and P)			X	X		
	2005		X (no P and P)				X (no P and P)			X	X		
IRL	1995			X						X			
	2000			X						X	X		X
	2005			X						X	X	X	X
I	1995		X				X						
	2000		X (P)		X		X					X	
	2005		X		X		X				X	X	X
L	1995		X			X	X	X		X		X	
	2000		X			X	X	X				X	X
	2005		X			X	X	X			X	X	
NL	1995				X		X			X			X
	2000				X		X				X	X	X

¹² A new system applying to those born after 1st January 1952.

		Early Exit							Unemployment- employee focused			Employer- focused	
		<i>U</i>	<i>EE/C</i>	<i>EE/U</i>	<i>EE/D</i>	<i>EE/R</i>	<i>EE/O</i>	<i>PP</i>	<i>Age L</i>	<i>Ex</i>	<i>ALMP</i>	<i>Sub</i>	<i>Anti-D</i>
	2005				X		X (C [^])				X	X	X
P	1995			X			X		X				
	2000		X (P)	X (C, P)			X		X		X		
	2005			X (no P, P re age)			X				X		
ES	1995	X ¹³	X			X	X	X					
	2000	X	X (P)			X	X	X			X	X	
	2005	X	X (P)				X	X			X	X	
S	1995	X (P)			X								
	2000	X (P)			X			X			X	X	
	2005	X ¹⁴			X			X			X	X	
UK	1995												
	2000										X		
	2005												

Summary

The shift to recommodifying welfare arrangements involves more than the retrenchment of welfare states; it embodies a change of ethos whereby the needs of capital become supreme over the rights of citizens. The economic pessimism around the ‘burden’ created by the ageing population, Walker argues is indicative of “*the subordination of social policy to economic policy and the pre-eminence accorded to the latter in the political sphere*” (Walker, 1996 b: 19). Older individuals are only depicted as burdensome and unproductive in periods of low unemployment; in times of labour shortage, their experience is deemed beneficial and they are portrayed as dependable. The

¹³ For those born before 1967 who could retire at 60 years of age. Their pension was reduced according to the number of contribution years. The pension amount is then reduced according to the number of contribution years using a reduction coefficient scale of 8% per missing year (below the threshold of 35 years for a full pension). The older individual would have to be replaced by an unemployed person and be eligible in all other ways except for age to claim a state pension.

¹⁴ A new system whereby pension amount corresponded to contribution record thus reducing pension amounts for early exit.

relationship between the lifecycle and the labour market is not static and is the result of socially constructed notions of productivity and dependency. The pendulum has swung towards participation and ‘active ageing’, thereby altering the socially constructed roles for those of the third age.

This paper has demonstrated that in terms of the dual aims of active ageing policies, to re-engage and retain older individuals within the labour market, it is the former that EU15 nations have focused upon. A wide range of active labour market policies including age-specific training and assistance with job search; subsidies for employers and employees; lifelong learning and in some cases job creation or placement have been introduced across EU15 nations. However at the same time, many of the early exit routes present in 1995 still remain. Some nations have taken steps towards retrenching these schemes through the raising of age or contribution thresholds or by imposing penalties for their receipt yet others such as France and Luxembourg have preserved these routes or in the case of the former, introduced new ones. However, many of the EU15 nations have introduced bonuses for individuals who defer pension receipt beyond state pension age.

Further empirical analysis will assess the differential treatment of the various sub-groups within the category of ‘older individuals’ through an analysis utilising ideal-typical clients. The initial findings presented in this paper demonstrate the disparity regarding access to early exit routes which indicates that the extension of working lives applies to some, rather than all older workers.

Appendix:

Key

EE/C	Minimum contribution requirement.
EE/U	Minimum unemployment period requirement.
EE/R	Early exit permitted if replacement is from the unemployment register.
EE/D	On the ground of disability.
EE/O	On the grounds of occupation.

Age L	Age limits for conventional active labour market policies.
Ex	Exempt from job search requirement
Anti-AD	Anti-age discrimination legislation.
ALMP	Specialist active labour market policies.
PP	Partial pension
MA [^]	Minimum age increased.
P	Penalties.
P [^]	Penalties increased.
Ph	In the process of being phased out.
C	Contribution threshold.
C [^]	Contributions increased.
E	Expanded
A [^]	Age threshold increased.
A [∨]	Age threshold decreased.

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