

# Improving wellbeing among older people:

What can policymakers learn from Dynamics of Inequality Across the Life-course (DIAL) research?

## Key Findings

- Differences between countries in retirement ages are narrowing over time.
- Workers are increasingly encouraged to work up to state retirement age rather than retiring early. Despite this, women tend to retire earlier than men, though this gender gap is narrowing.
- There are big gaps between employment sectors in numbers of older workers, and a major driver of this is stigma in white-collar areas such as finance.
- Employers tend to want more highly-skilled older workers, yet those who want work tend to be less well qualified and to have gaps in their employment history or to have caring responsibilities.
- Greater understanding of the motivation to remain – particularly in relation to women whose careers may have begun late or who may want to escape caring responsibilities at home – could lead to useful policy initiatives.

### Contributing Projects

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### About DIAL

*Dynamics of Inequality Across the Life-course (DIAL) is a multi-disciplinary research programme consisting of thirteen European projects. The projects examine the sources, structures and consequences of inequalities in contemporary societies. The programme is funded by NORFACE for the period 2017–2021.*

## The policy background – official documents

In 2015 the OECD Council published a Recommendation on Ageing and Employment,<sup>1</sup> in the light of ageing populations. In line with this policy, the organisation later published 'Working Better with Age',<sup>2</sup> a report which recommended further action in three areas:

Rewarding work at an older age by:

- ensuring old-age pension systems rewarded later retirement in line with increased life expectancy, and providing more flexibility in work-retirement transitions
- restricting the use of publicly funded early-retirement schemes and discouraging mandatory retirement
- using welfare benefits to provide income support for those out of work and not as de facto early-retirement schemes.

Encouraging employers to retain and hire older workers by:

- addressing age discrimination in recruitment, promotion and retention
- seeking a better match between the labour costs and productivity of older workers by eliminating special employment protection rules based on age;
- encouraging good practice in managing an age-diverse workforce.

Promoting the employability of workers by:

- improving skills recognition and access to lifelong learning
- improving working conditions and job quality at all ages
- providing effective employment assistance for older workers.

## The policy background: DIAL research

Two pieces of DIAL research addressed the policy context in which reforms around pensions and Extended Working Lives (EWL) had taken place across Europe. The first<sup>3</sup> took three key European Union documents on EWL and argued that instead of shaping policy around problems, they

reinvented problems to fit policy. The paper concluded that the 'problem' which shaped much EU policy – the notion that countries should react to ageing populations by finding ways to keep the population economically active for longer - was questionable. The EU documents in fact addressed a different and unspoken problem, the paper argued – how to use a raised retirement age to strengthen weak national finances.

The second<sup>4</sup> presented an overview of the OECD's approach in relation to pensions and employment policy, tracing the evolution of its recommendations from 2005 to 2018. The organisation recommended raising state pension age and linking pensions more closely to earnings, along with anti-discrimination legislation aimed at improving the employability of older workers. Its publications on pensions contained very little explicit reference to gender inequalities in pensions or indeed to women, apart from some references to family responsibilities. The paper suggested the OECD should conduct gender-proofing to assess the implications of EWL policy.

## Gender and extended working lives

The gendered impacts of policies and practices in five contrasting countries – the Czech Republic,<sup>5</sup> Ireland,<sup>6</sup> Sweden,<sup>7</sup> Switzerland<sup>8</sup> and the UK<sup>9</sup> – were also explored. The research addressed two issues: labour market participation in later life and the influence of labour market and family on older workers.

### Background

In all five countries there had been a rise in the proportion of the population over the statutory retirement age. All countries had taken steps to raise the retirement age, and to encourage workers to stay in employment for longer. However, in some countries in particular, women workers faced disadvantage: In the Czech Republic, for instance, older women were most at risk of early retirement, unemployment and short working hours, and in Ireland, where women's employment rates had traditionally been low, the employment rates of older women had started growing from a low base.

### Narratives around EWL

Increasing pension costs were at the heart of political decision-making on EWL, yet narratives around the subject varied. In most countries, the arguments focused on demographics and the sustainability of welfare and pension systems. In

the United Kingdom the debate took on a moralistic tone, with increasing talk of intergenerational inequality. As a result public discussion emphasised the responsibility of older people to carry on in paid work to pay for their retirement. Factors such as older people's caring responsibilities tended not to play a key part in the debate.

### Gender and older workers

In all five countries there were major gender differences in relation to EWL, yet policy had largely failed to address this. Although women's labour market participation had grown in most countries, older women in particular remained at a disadvantage.

In countries such as Ireland, where the notion of the male breadwinner and female homemaker remained common, women faced double discrimination because they had been effectively locked out of the labour market earlier in life and also struggled to find rewarding work later on.

Elsewhere, for example in Sweden where gender equality at work had been a stronger focus, there were still gaps when it came to older women workers: prolonging working life was not considered an issue of gender equality.

A further DIAL study<sup>10</sup> analysed men and women in 11 countries to assess the influence of institutional and individual factors on retirement decisions in different settings. It found retirement pathways varied within and between welfare regimes and that they were not uniformly 'gendered.'

The study also found the influence of individual characteristics such as education, health and marital status on retirement pathways varied between societal contexts.

### Employment sectors

The Swiss study in particular looked at the share of older workers in the working population by economic sector and occupation and found this highly gendered. For instance, numbers of older workers in banking and finance, which had traditionally been low, had fallen further after the 2008 recession, when redundancies were sometimes associated with early retirement. In most other sectors, the share of older workers had increased, particularly in shortage areas such as teaching, health and social services. In health and social services, which were highly feminised, the rate of early retirement was almost five times

lower than in banking and finance. It is likely part-time work and low pay had left these older workers unable to afford to retire before state pension age. Increasingly in Switzerland, early retirement was reserved for male managers with upwardly mobile career trajectories, whilst male manual workers and female employees tended to work until the official retirement age or to pass through a period of sick leave or disability benefit before being able to retire.

### Discrimination and older workers

A DIAL study<sup>11</sup> looked at different explanations for why older jobseekers might struggle to find jobs. It concluded that this group were at a significant disadvantage when compared to younger workers with similar qualifications.

The researchers tested three theories: that employers might prefer to recruit internally; that older workers were seen as expensive; and that employers preferred younger workers for physically demanding jobs. They used two methods; asking 500 recruiters to read fictional CVs and indicate whether the applicants would be invited for interview and questioning 1200 Swiss workers whose plant had closed down.

The study found blue collar workers and those in lower-status office jobs had more difficulty than higher-level white-collar workers, casting doubt on the theory that internal promotion was the main cause of the problem. However, there was evidence that higher wage costs for older workers caused them to lose out when competing for jobs against younger applicants.

The last hypothesis, that employers wanted younger workers for physically demanding jobs, was partly borne out: older blue collar workers faced greater disadvantage but low-skilled office workers also lost out to younger applicants.

The research concluded that government initiatives urging older workers to work longer might ring hollow with this group while such discrimination continued.

### LGBTQI+ older people

DIAL research<sup>12</sup> included interviews with older LGBTQI+ people in Scotland about ageing and end-of-life decisions. Some expressed concern about whether care providers would be knowledgeable, respectful and anti-discriminatory, although there was some

awareness of LGBTQI+-specific retirement homes and supported living facilities. Some participants discussed dementia as a particular concern, with trans participants expressing worry that the condition might lead them to experience or to talk about their gender in ways they would previously have found uncomfortable.

Another study<sup>13</sup> looked at experiences of caring among trans and non-binary adults and included the stories of 17 older LGBTQI+ people living in Portugal in 2019. Participants were asked about their intimate relations, friendships and parenting experiences, and a key theme which emerged was the centrality of informal caring to the lives of the interviewees, who had often provided long-term care for friends, family members and wider social networks without full recognition.

The article concluded that this group, who sat outside popular conceptions of carers, were unsung heroes whose continuing care activities often went unrecognised.

The research was also the subject of a DIAL podcast<sup>14</sup> which explored some wider findings. These included a discussion of the impact on this group of having been invisible for most of their adult lives. Most had no end-of-life plans, either being dependent on a younger partner or ‘hoping for the best but expecting the worst’.

On a more positive note, many said they felt freer in later life once the fear of dismissal or discrimination at work had lifted. The research concluded there was an urgent need for adequate legal and policy measures to protect this vulnerable group.

## Older nurses and Covid-19

One piece of DIAL research<sup>15</sup> looked at the effect of the pandemic on older nurses’ retirement intentions in Ireland in 2021. While some responded positively, others experienced adverse health impacts, stress and exhaustion and many decided to retire early as a result.

While most men in the study said the pandemic did not affect their retirement decisions, by contrast many of the women said it did, with most saying it had made them want to retire earlier. Their reasons included concern about the impact of COVID-19 on their own health, and concern about infecting family members for whom they provided care.

Additional psychological supports for staff, including peer clinical debriefing, would address some of the concerns contributing to the decisions of older workers to leave the workforce prematurely, the research found.

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