

Ageing and employment policies: Ireland

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FÁS Annual Labour Market Conference, Dublin, 5 December 2005

OECD has carried out a major study of *Ageing and Employment Policies*

- 21 separate country reports:
 - Identifying work disincentives and barriers to employment of older people
 - Identifying examples of good practices
 - Setting out policy recommendations
- A synthesis report was presented to a High-Level Policy Forum in Brussels, 17-18 October 2005



www.oecd.org/olderworkersforum

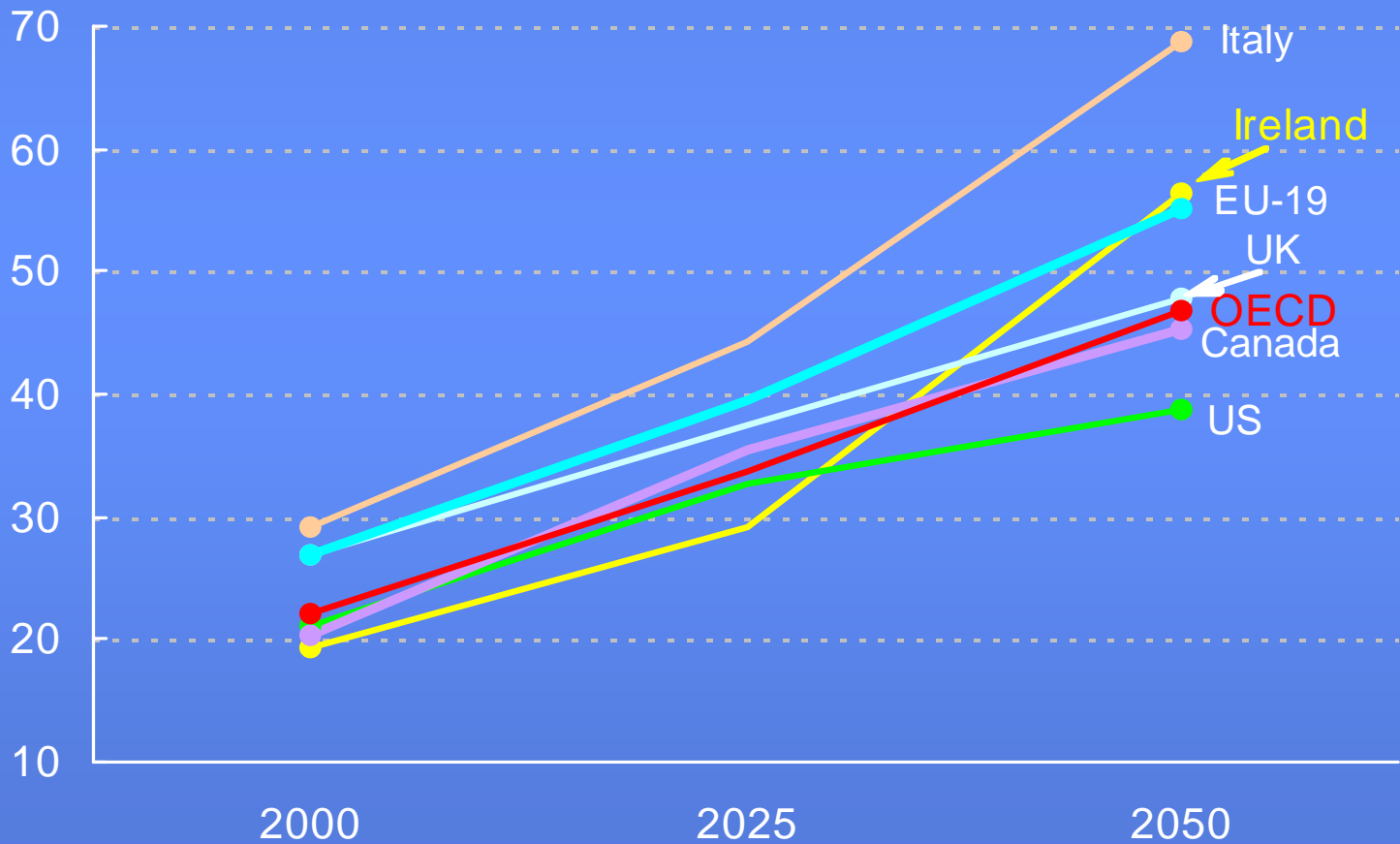
Outline of the presentation

- Key problems and challenges facing Ireland
- Barriers to employment of older workers
- Recommendations for further reform

Key problems and challenges facing Ireland

The Irish population is relatively young at present, but is expected to age rapidly after 2025

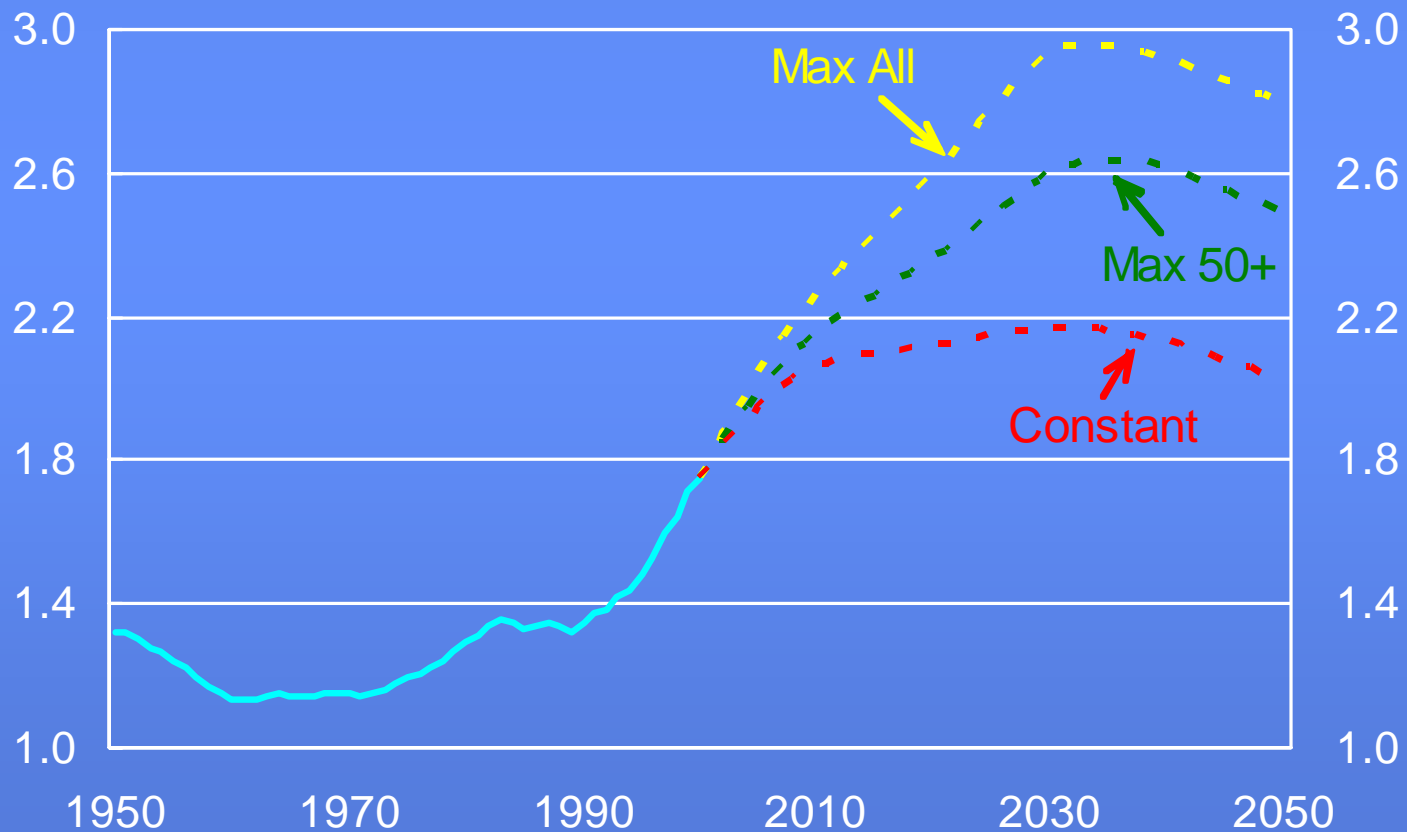
Population aged 65+ / Working-age population (20-64)



- ❑ Which will slow labour force growth → labour shortages, slower economic growth and increased strains on public finances
- ❑ In the near term, these challenges are less severe for Ireland than for many other OECD countries but watch out for the future!
- ❑ Ireland will need to mobilise more fully its potential labour supply
 - Immigration can make a contribution
 - As well as encouraging greater labour market attachment among women (as recommended in the OECD's report on *Babies and Bosses*)

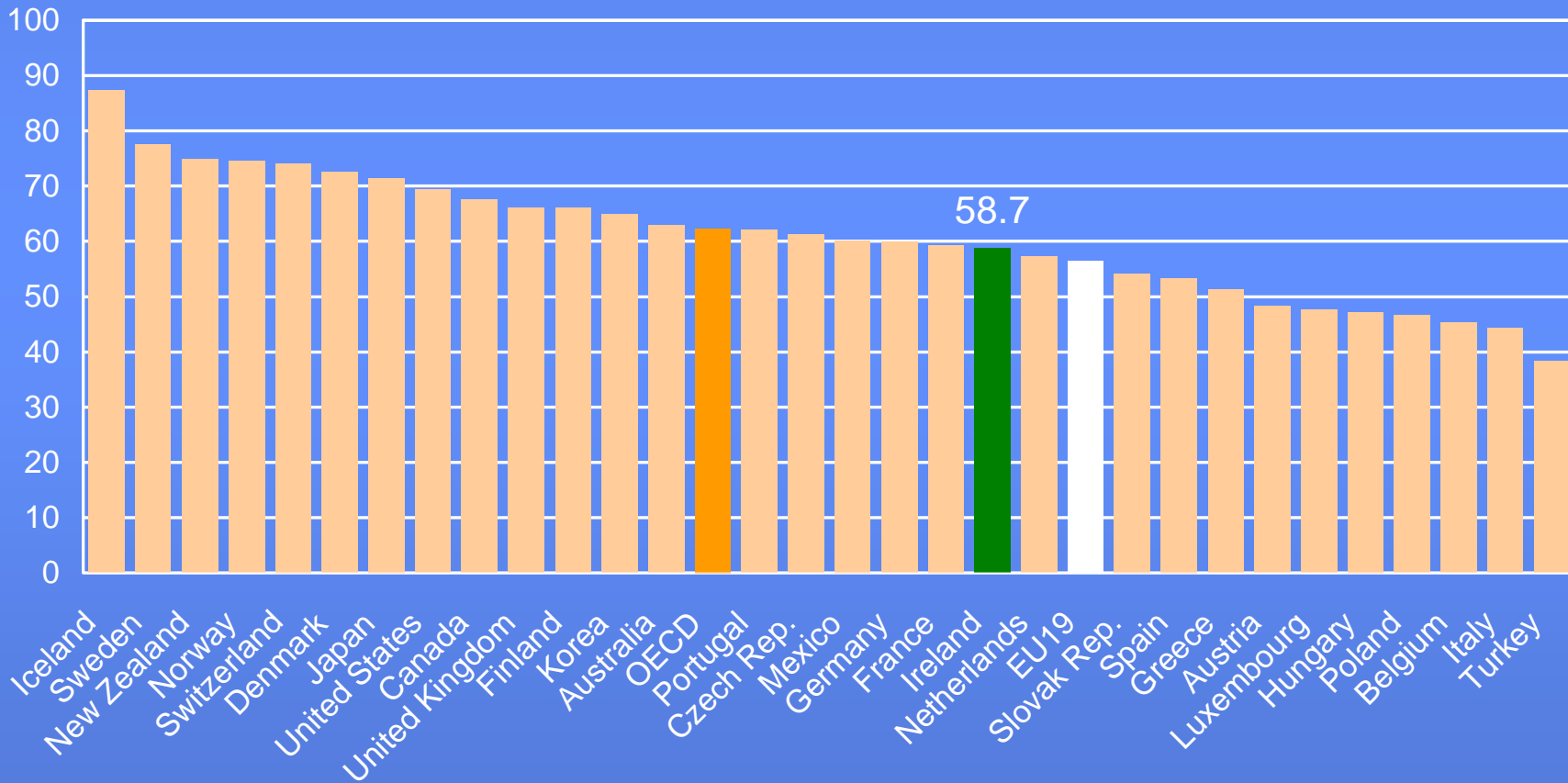
- But a key policy response will be to encourage higher labour force participation at older ages

Labour force in millions - various participation rate scenarios



... and there is scope to do this

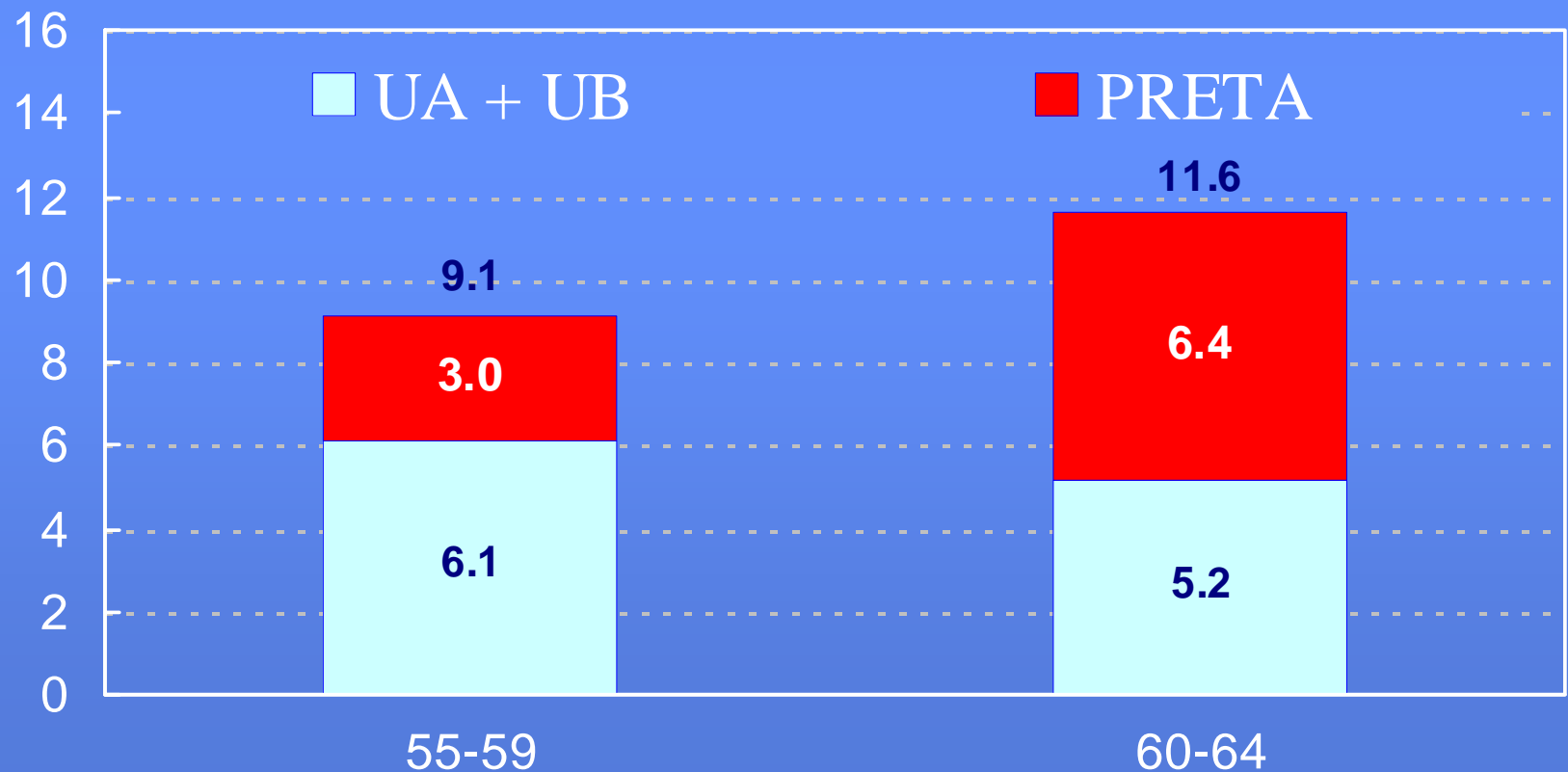
Labour force participation rates for older workers aged 50-64, 2004 (%)



Older workers and barriers to employment

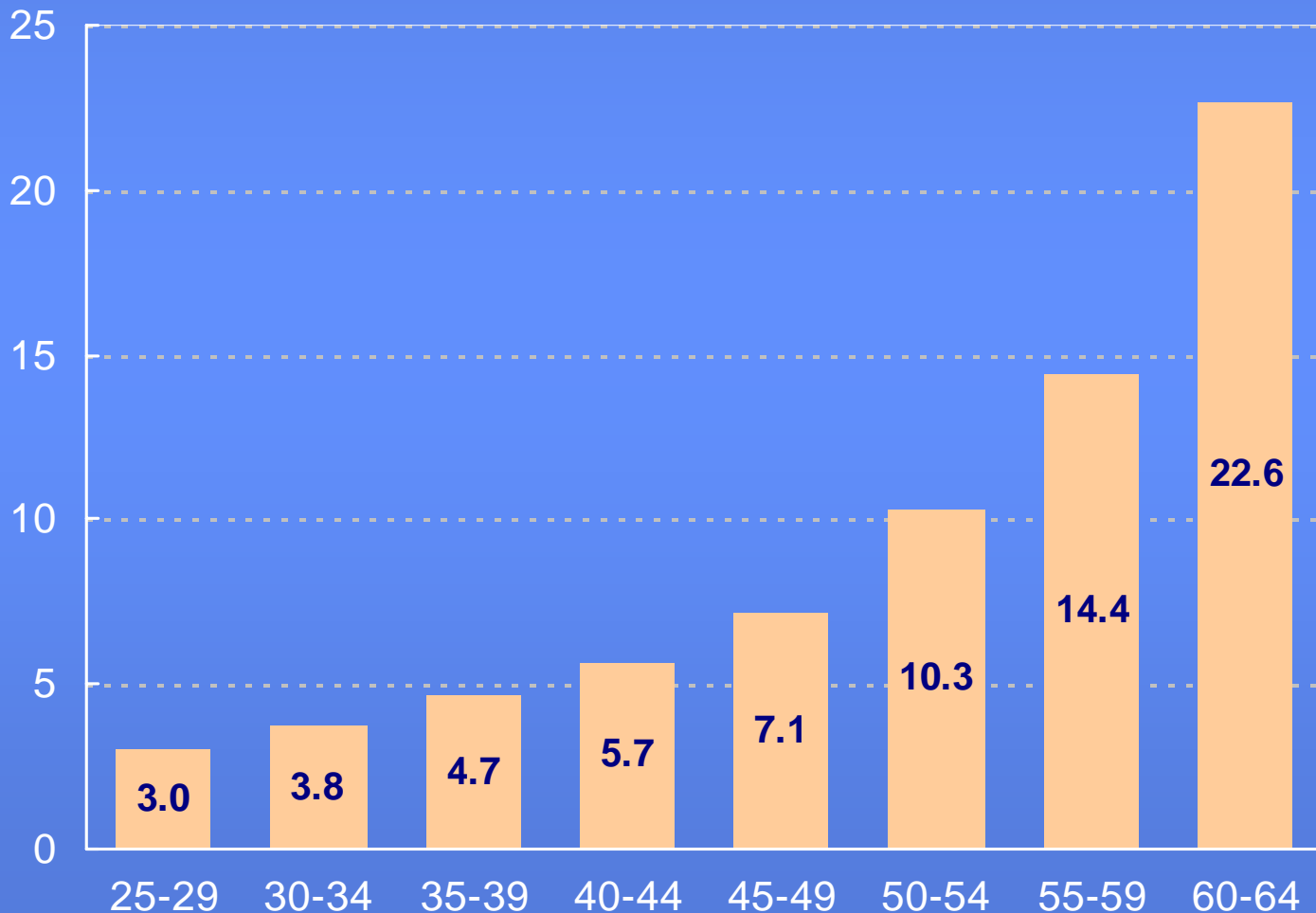
- Good news: little incentive to retire before 65 through the public pension system
- Not so good news: there are other routes out of the labour market, especially for older men

Stock of men on Unemployment Benefit/Assistance or PRETA, 2004
(% of all men)



- These include the use of disability benefits

Stock of Disability/Invalidity beneficiaries, 2003
(% of population)



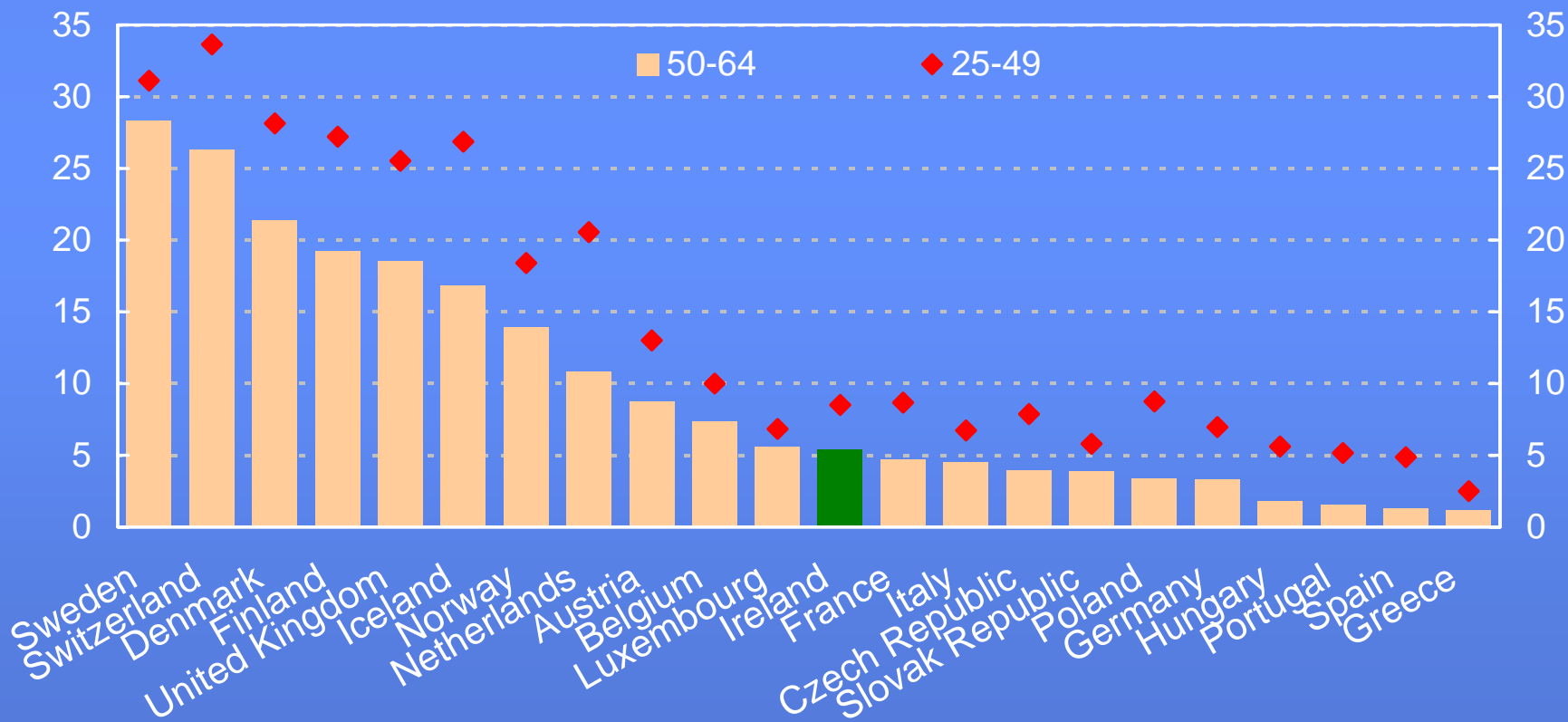
Barriers to the employment and retention of older workers

- Some evidence of age stereotypes among employers
- Awareness of rights and responsibilities under the equality law is low
- Persistence of mandatory retirement
- Some resistance to introduce more flexible work arrangements for older workers

Weak employability is also an issue

- Training participation declines with age but is relatively low for both older and younger workers

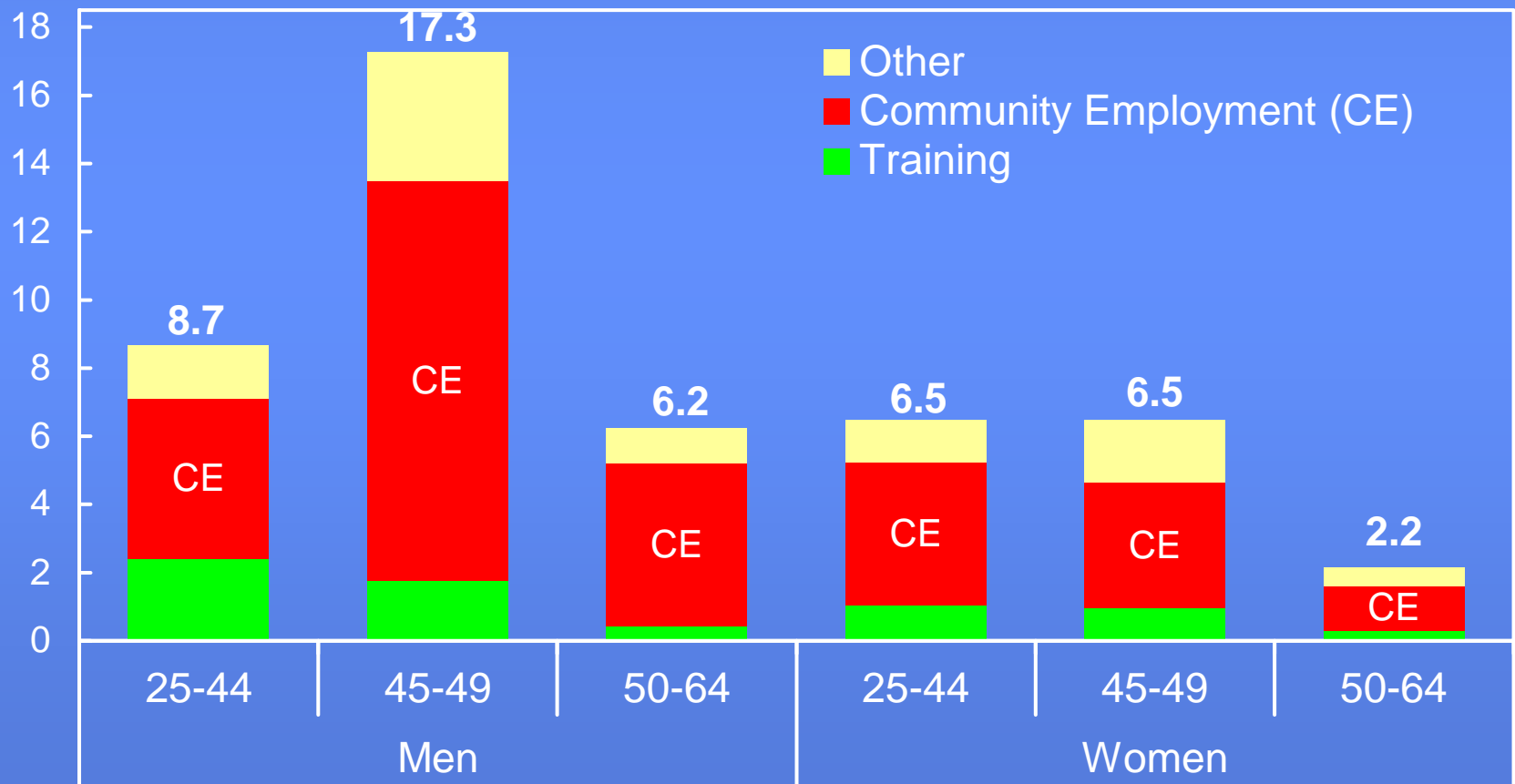
% of employees who received training during the previous 4 weeks, 2004



- Labour market policies provide relatively little support to help older workers find a job

Participants in ALMPs by gender and age, 2004

Percentages of non-employed



Recommendations for reform

Tackling work disincentives

- Increase incentives to retire later

- In exchange for more intensive assistance
 - ✓ Strengthen job-search requirements for older unemployed
 - ✓ Abolish the Pre-Retirement Allowance

- Shift the focus of disability benefits to remaining work capacity

Tackling barriers to hiring and retention

- ❑ Improve awareness of rights and responsibilities with respect to age-discrimination legislation
- ❑ Abolish mandatory retirement
- ❑ Encourage more gradual retirement arrangements

Improving employability

- ❑ Move the lifelong learning agenda forward
- ❑ Improve skills and training among all workers by making better use of the National Training Fund
- ❑ Make employment services more effective for older job seekers
- ❑ Develop guidelines for improving working conditions for older workers
- ❑ Strengthen evaluation of what works and for whom

The Bottom line

- Ireland is well placed to meet the challenges of ageing... but needs to avoid complacency
- The reform measures presented will help older workers *CARRY ON Working*
- Importance of the Social Partnership process engaging actively with the challenges