

Life Risks, Life Course and Social Policies
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Ageing and life course policies

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Overview

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Introduction

- Type and urgency of older worker challenge varies greatly among OECD-countries
- Variety of policy approaches e.g holistic or more dispersed, central or decentral
- Many possible influencing factors
 - Possibility to combine work and personal life could be important determinant from an employee perspective
- Experience with specific policy measures for career modulation?

Use of phased retirement systems

- Concept of phased retirement
 - Gradual transition between work and retirement, use of end of career schemes
 - Working time reduction, part time retirement, work load reduction, suspension from inconvenient working hours
- Early retirement still more often used than phased retirement
- Netherlands and Belgium use phased retirement relatively more often (European perspective)

Policy overview Belgium

- Signs of improvement but still important older worker problem
- Policy changes since 2002-2003
 - Changes pension system e.g. equalisation of pension age men/women
 - Social security contributions (labour cost) unemployed 45+ and employees 58+
 - Outplacement right 45+
 - Generation Pact
 - « Activation » of 50+ unemployed

Career break system Belgium

- Complex regulation with conditions depending on sector, size of company, region, seniority of employee, age, et al.
- Current system
 - Time credit in private sector: a right for every employee to one year of full time career break or a longer period of part time break (temporary part time work)
 - Basic monthly allowance between 100 € and 614 € PT
- End of career module for 50+ employees
 - Until retirement, 50% or 1/5 reduction of working time
 - Higher allowance

Career break system Belgium

■ Policy objectives

■ Short term

- Combination of work and family life
- Reduce workload for over 50 workers by reducing their working time

■ Long term

- Redistribution of work over the life course supporting longer careers

Effects of the career break scheme

■ Coverage

- Strong increase in number of users
- Dominance of 50+, women, public and other services sectors, two earner families

■ Costs

- Strong annual increase in direct expenditure
- 607 million euro in 2006
- Other costs need to be taken into account

Effects of the career break scheme

	Positive/pull (increase of labour supply, attraction towards labour market)	Negative/push (decrease of labour supply, stimulating exit from labour market)
Direct	<ul style="list-style-type: none"> • Number of persons in employment stable during career break • Part time workers increasing their number of hours worked after break 	<ul style="list-style-type: none"> • Decrease of number of persons in employment after career break • Decrease in number of hours worked after break
Indirect	<ul style="list-style-type: none"> • Replacement effect • Prevention of early exit • Enabling start-ups • Making LM more attractive, especially for women 	<ul style="list-style-type: none"> • Stop working earlier than foreseen (counterfactual situation) • No postponement of retirement age (alternative) • Decrease number of hours worked after break (counterfactual situation)
Other indirect effects	<ul style="list-style-type: none"> • Transitional careers • Long career breaks • Costs and benefits for employers influence use of CB 	

International perspective

- Netherlands
 - Policy changes
 - Life course scheme
 - Comparison with Belgian career break scheme
- Other OECD countries
 - Part time pensions (Finland, Sweden)
 - Bridge jobs (US, Japan)

Conclusion

- Wide range of instruments facilitating transition between work and retirement
- Life course schemes BE and NL are rather unique
- Effects of Belgian CB scheme positive and negative/ push and pull
- Conditions to enhance effectiveness can be derived