

OECD urges France to do more to help older workers

France, like other OECD countries, faces the challenge of an ageing population. By 2050, the population aged over 65 could rise to 58% of the population aged 20 to 64, double the current percentage. Furthermore, if labour market behaviour remains unchanged, France's labour force will begin to shrink and age significantly from 2010. One person of working age in four will be over 50 in 2010, compared with one in five at the present time.

In response to this demographic challenge, France's 2003 pension reform gave priority to extending people's working lives in order to finance pensions in the long term. However, the gamble on raising employment levels among older people is not certain to pay off. At present, fewer than half of all wage-earners go straight from employment into retirement; for the rest, pathways include various early retirement schemes, unemployment or, to a lesser extent, invalidity with a very low probability to go back to work (figure 1). The average age at which workers exit the labour force is low in France in relation to other countries and has plummeted over the last 40 years (figure 2).

Employment rates for the over-50s are also low in France compared to other OECD countries, especially among less-skilled workers. In trying to raise employment rates among older people, the fact that overall unemployment is running at around 10% does not make the French government's task any easier. And yet past policies of squeezing older workers out of the labour market have not created more job opportunities for other age groups. International experience shows that any policy that seeks to increase employment among older people will be more likely to succeed in a favourable economic environment conducive to a more vigorous labour market.

While OECD acknowledges that the French government has already taken action in many areas to promote employment of older people, much still remains to be done to increase employment in France. The new OECD Report **Ageing and Employment Policies in France** stresses that it is essential to change perceptions and practices with regard to age and to prepare wage-earners for the prospect of working longer. The recommendations that follow are put forward as elements of an overall strategy with four mutually supportive main thrusts and with specific measures:

1. Better mobilising the players on the ground

- Launch a national campaign on the benefits of experience.

2. Promoting employment for older people and offering them greater choice when they take retirement

- Continue to reduce the possibilities for early retirement.
- Reform the exemption from looking for work.
- Adjust the retirement age according to demographic trends.
- Make gradual retirement attractive and accessible to all.

3. Removing obstacles to continuing employment and recruitment after the age of 50

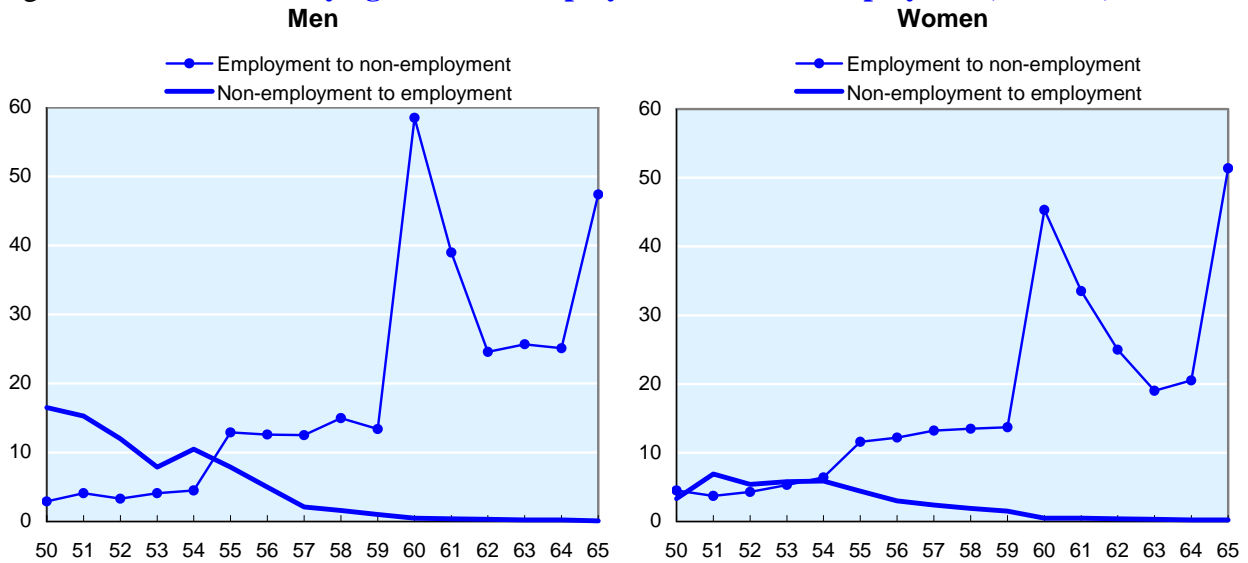
- Review pay scales based on age or length of service.
- Diffuse good practices more widely.
- Implement good practices with regard to older public sector workers.
- Abolish the Delalande contribution or make it a genuine bonus/malus system.

4. Promoting the employability of workers

- Emphasise professional training for all workers.
- Establish quantitative monitoring of training objectives for workers over 45.
- Step up PES initiatives to help jobseekers over 50 back into work.
- Improve working conditions for all.

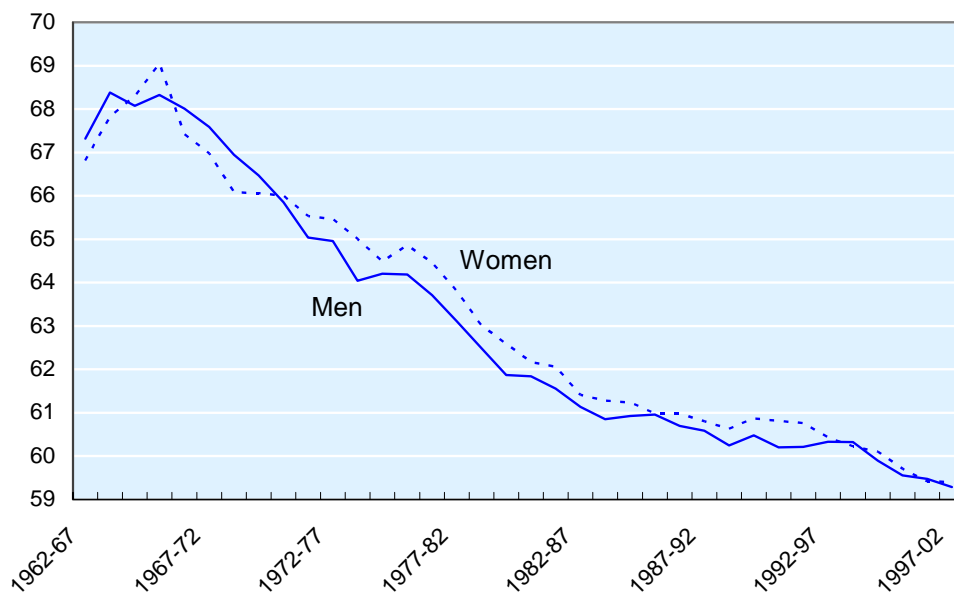
This report is part of a series of 21 OECD country reports on Ageing and Employment Policies. The English version will be published in June 2005.

Figure 1. **Transition by age between employment and non-employment, France, 1990-2002**



Source : OECD, *Viellissement et politiques de l'emploi – France*.

Figure 2. **Effective retirement age, France, 1962-2002**



Source : OECD, *Viellissement et politiques de l'emploi – France*.

For further information, journalists are invited to contact the OECD's Media Relations Division (33) 1 45 24 97 00 news.contact@oecd.org or the author of the report, Anne Sonnet (33) 1 45 24 91 69 anne.sonnet@oecd.org.