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Opening speech - Abstract

Old is beautiful – changes in the age composition of employment

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In recent years the labour market situation of older workers in Germany has improved considerably. This can be shown by comparing employment rates of older workers over time and in relation to other countries. As the situation of older workers was improving already in times of low employment growth their better labour market performance is not only growth-induced. Looking at entry and exit rates to and from employment reveals that the improved employment situation of the elderly is not associated with higher entries but with a higher stability of existing employment relationships. In this context one has to bear in mind that German policies have focused on less early exits of older workers and far-reaching institutional changes concerning public pension schemes and the unemployment benefit system. The reforms increased work incentives and sent out signals that a longer working life is expected from individuals. An increasing labour force participation of women also contributed to the more favourable development in the recent past. The labour market affinity of women has risen from decade to decade although it came along with high shares of part-time employment. Despite the positive overall picture, the employment ratios of older persons are still lying below the figures of younger age groups so one should not deny that there are some problems remaining. Once becoming unemployed, starting a new job is rather difficult for older workers. The older workers are and the lower their skill level is the weaker is their labour market integration. In order to achieve further improvements, the issue of employability needs much more attention. The maintenance of the individual employability is a mutual interest but also a mutual obligation for all parties involved. A strategy to strengthen employability relies on continuous skill improvement as well as a healthy environment and does not solely address older workers but also younger workers facing a prolonged working life.