An Aging Workforce:
Employment Opportunities and Obstacles

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Abstract
The last decade has witnessed significant changes in the structure of unemployment in the global labour market. This is corroborated by the fact that the global workforce is rapidly aging and the share of people aged 50 and over in the structure of the labour market is increasing. In line with this trend, unemployment issues should be considered as a global problem that cannot be fully resolved at the level of any individual country separately.

The main objective of this paper is to throw some light on the aging workforce and the elderly population’s opportunity to realise their right to work and be treated equally with younger age groups. Hence, the paper simultaneously focuses on the age and gender discrimination of elderly population in terms of their employment prospects. The aim of our research is not only to point out certain stereotypes concerning the elderly labour force, but also to stress that unless preconditions for overcoming these stereotypes are created and employment opportunities are given to this segment of the labour force, full employment as an ultimate goal of global economic policy cannot be achieved. It is in accordance with these considerations that we offer a model to achieve this goal.

“As freedom has finally been recognized as an inalienable right of every human being, we are fast approaching the time when society must recognize and ensure the right of every individual to gainful employment”

1. Introduction
The International Labour Organization (ILO) has warned that the global employment situation is “alarming” and unlikely to improve soon. This can be linked with the fact that the recent global economic crisis has had a big impact on unemployment. This statement can be supported by the fact that the unemployment rate across the eurozone reached 11.7% and 10.7% in EU27 in December 2012. According to the same source, the lowest unemployment rates were recorded in Austria (4.3%), Germany and Luxembourg (both 5.3%) and the Netherlands (5.8%), and the highest in Greece (26.8% in October 2012) and Spain (26.1%).
This trend is expected to continue in 2014. Some estimations show that the unemployment rate at the eurozone level will continue to rise from 11.7 percent, according to latest figures, to 12.5 percent by early 2014. The International Labour Organization estimates that global unemployment will rise by 5.1 million this year to more than 202 million, and by another 3 million in 2014, following a rise of 4.2 million in 2012.

Between December 2011 and December 2012, the unemployment rate for males increased from 10.5% to 11.6% in the euro area and from 10.0% to 10.7% in the EU27. The female unemployment rate rose from 10.9% to 11.8% in the euro area and from 10.1% to 10.7% in the EU27.

Demographic trends tell us that, by 2050, two billion people will be aged 60 or over and 80 percent of them will be living in developing countries. With the problem of population aging, the labor force aged 60-64 will increase by 55 million between now and 2020.

Recent forecasts show that the number of elderly people in the world, those over 60, will increase by 39% in the period from 2012 to 2050. This number will be higher in less developed countries than in more developed ones (66% and 33%, respectively) (See Fig.1).

**Figure 1: The Labour Force aged 60 and over in thousands (2012-2050)**

In 2010, there were approximately 63 million more women aged 60 or older than there were men of the same age. These trends make an impact on the structure of the labour market. In line with this, the labour market has changed markedly in recent decades. Eurostat predicts a possible decrease of about 20.8 million (6.8%) people of working age by 2030. Currently, only around 50% of people in the EU are still in employment at the age of 60. Around 40%
of women and 10% of men aged 55-59 work part-time in Europe, a slightly higher number than among those aged 50-54. In addition, workers who lose their jobs in their fifties and sixties find it increasingly difficult to reactivate themselves again and continue their careers.

Active aging in employment has been a long-standing issue within the European employment strategies, and is a central issue within the recent Europe 2020 strategy. Older people are a valuable and productive economic resource. Increasing employment opportunities among older workers is essential to ensure that the labour market and workforce adapt to meet the needs of an aging population. The need to increase the employment rate of older workers has been translated into quantitative objectives intended to keep those aged 55-64 in work and to raise their average age of exit from the labour market.

"There is an urgent need for formulation of an integrated theory of employment to explain the process by which jobs are created and to explain the contributing role of political, social, technological and economic factors in that process."

While labour market research is not a new phenomenon, the interest in it is growing as more and more scholars come to understand the significance of and choose interdisciplinary research as a powerful tool for understanding, critique, explanation and change. Based on some research studies, we attempt to add new and important aspects (gender, knowledge, education, entrepreneurship, self-employment and informality, employment and globalization) that the analysis of employment and research puts forward. We argue that there is an urgent need for the formulation of an integrated theory of employment to explain the process by which jobs are created and to explain the contributing role of political, social, technological and economic factors in that process.

2. Theoretical Overview

The varieties of approaches towards employment analysis differ in theory, methodology, as well as in the type of research issues. The peer literature review helps us identify gaps in the form of relevant questions that appear not to have been tackled, and makes it clear where further enquiry should lie.

In the literature, the main focus has been on the identification of the factors that make a person employable as well as on the concept of employability. Research shows that the degree to which workers consider their work as meaningful plays an important role as a factor that promotes the individual employability of older employees. Older workers and their respective conditions in labour markets represent a diverse panorama of realities across the globe.

The level of employment amongst people aged 50 and over is important, not only in terms of achieving full employment, but also to provide for people’s retirement needs.
An Aging Workforce

Increasingly aging workforce it is important to address their work prospects as well as the obstacles they face in achieving employment security. People aged 50 and over face a range of specific barriers related to their age. One of the biggest hurdles is age discrimination, based on stereotypes and myths about the limitations of older workers. The age discrimination in employment refers to the use of “crude proxies” in personnel decisions, relating to hiring, promotion, retraining, firing and mandatory retirement. The negative consequences of age discrimination in employment can include barriers to recruitment and hiring, diminished conditions of work and employment, limited career development and, in the absence of legislation, diminished employment protection and rights. Recent literature cites that age discrimination occurs when preferential decisions are based on age, rather than on an individual’s merits, credentials or job performance. Riger and Galligan pointed out noticeable socio-psychological and physiological differences within age discrimination. Age discrimination is a moral issue as well as a personal one for everyone who expects more birthdays – but it’s also a serious issue for businesses. Research suggests that employers’ attitudes towards older workers are frequently related to misconceptions concerning older workers’ abilities. A frequent accusation against older applicants is that they are less mentally flexible and less physically active than their youthful competitors. Employers judge older workers to be in poor health, resistant to change, uncreative, prone to accidents, disinterested in technological change, and hard to train. Further, employers’ attitudes towards elderly workers vary significantly according to company size, employers’ age and gender, with older female employers from smaller companies displaying the most positive attitudes. According to a research study, women face age discrimination earlier in life than men do, and the combination of age and gender discrimination is particularly difficult for women to overcome. Until recently, research on the redundancy and job search experiences of older workers focused primarily on the early retirement and exit of male workers and tended to neglect the experiences of older women. Research also suggests that older women are frequently perceived as both less attractive and less competent than younger women. The importance of appearance in seeking or maintaining employment, particularly for females, has been noted in the literature: “When women attain the symbolic meaning of ‘physically unattractive’ (to men) they may be pushed out of visible areas or forced into retirement regardless of their skills”. Women who have chosen clerical, secretarial or reception work may be especially liable to discrimination during the later part of their working lives as they work within female-dominated occupations where ageism and sexism frequently combine to create the ‘double jeopardy’ of ‘gendered ageism’. In countries where unemployment is low, with fewer applicants searching for a job, employers have fewer opportunities to discard applicants simply on the basis of some arbitrary characteristics such as gender and age.

There is a lot of literature on women’s employment which has been applied to comparative research. This ranges from concepts of patriarchy to debates in Human Capital and segmented labour market theory. Rubery has argued that applying a societal perspective to women’s employment means that we need to understand the way in which the system of industrial labour market and family organization interrelate and also the role of the society’s political and social values in maintaining these relationships before we could expect to
make sense of the differences between countries in the position of women.\textsuperscript{31} Hers and similar studies for the most part are blind to taking into account many important factors in their research. This issue has to be paid special attention to, having in mind that the problem of discrimination both in the employment of the female labour force and in their promotion at work is still far from being solved.

As many scholars have pointed out, male-oriented ideologies often prevent adequate recognition of female contributions and, in some instances, do limit their participation.\textsuperscript{32, 33, 34} In some countries, women are subjected to negative stereotypes that in turn lead to their being deprived of resources thus forcing them into the informal sector.\textsuperscript{35} The World Conference on Ageing held in Madrid in 2002 endorsed a life course approach to well-being in old age which is especially important for women “as they face obstacles throughout life with a cumulative effect on their social, economic, physical and psychological well-being in their later years”.\textsuperscript{36} Those older women who grew up when the male breadwinner and female carer model of gender relationships were predominant may be particularly vulnerable to the effects of gendered ageism within the workplace. Such women were often forced to leave school with limited qualifications, entering traditional female occupations and either withdrawing from the labour force or working part-time whilst their children were young.\textsuperscript{37}

However, the finding from more than 100 research investigations is that there is no significant difference between the job performance of men and women, nor older and younger workers. In this context, some labour market economists are already beginning to re-examine their assumptions that the preference for younger workers is economically rational.\textsuperscript{38}

Despite a lot of literature in the area of age discrimination, limited research has been conducted in the area of age discrimination in employment against older adults, those between the ages of 55 and 64. In addition, there has been little, if any, consideration of the quality of jobs and working conditions in policy discussions and the debate surrounding the issue of extending working life.\textsuperscript{39}

Our own work in this area differs to some extent in these respects from some new research in the field of employment that has a partial theoretical approach to the topic. The holistic and integrated approach has a strongly grounded rationale for supporting employment theory and practice.\textsuperscript{40}

3. The Definition of Full Employment and the Possibility of Achieving it

The pooling of all social, political and economic forces and resources aimed at full employment must be the guiding principle of the new working society.\textsuperscript{41} Full employment implies a labour market where the number of job seekers and that of job openings match up very tightly, but it does not mean there is zero unemployment.\textsuperscript{42}

Many economists have attempted to estimate the amount of frictional unemployment. In line with this, we can find in literature that the number ranges from 2-7\% of the labour force or over 80 per cent of the working age population in employment. Societies must be able to provide jobs for all those willing to work.
There are four elements that comprise a modern definition of full employment:

- Everyone who wants to work can find a job quickly
- No groups are excluded or disadvantaged in the labour market, i.e., it is necessary for all segments of the labour market to have the ability to have the access to work and to stay at work.
- There are opportunities for promotion at work
- Poverty at work is eradicated and there is employment for all.

Full employment is achieved, in principle, when all available resources (labour, capital, land, and entrepreneurship) are employed to produce goods and services. Achieving full employment, while promoting equality and social stability, has great significance for individuals, families, and the economy as a whole.

When we are considering the issue of achieving full employment and social welfare, it is necessary to revise current employment theory and propose a new employment strategy. They should follow the current conditions and challenges in the labour market. That is of key importance because solutions to current crises must be found in a manner different from the one in which they were sought in the last few decades when the demographic, economic, political and other circumstances were quite different.

It is also necessary to stress the greater importance of full employment with respect to the human dimension, which mostly involves the right to work under equal working conditions. Therefore, the guarantee of fundamental principles and rights at work is of particular significance in that it enables the persons concerned to claim freely and, on the basis of equality of opportunity, their fair share of the wealth which they have helped to generate, and to achieve their human potential fully. Nevertheless, these rights are still not duly observed or they do not even exist and are exercised in different ways in various parts of the world. They are most obvious in the gender and age aspects. They are present in the barriers to recruiting and employing personnel, in poor working conditions, in limited opportunities for career development and in the lack of legal regulations. Age discrimination is present when the applicant’s age is taken into consideration in decision making, instead of his/her merits, experience and quality of their performance. This form of discrimination includes negative attitudes, feelings and stereotypes about elderly people. Ageism is the third commonest type of discrimination, after racism and gender discrimination. Hence, much more attention in research is paid to the issues of gender discrimination than to age discrimination. Attaining gender equality is considered to be one of the priority goals in many a country worldwide and in the European Union member states too. Equality of women and men is a common value and one of the fundamental values of the EU Member States, which stipulate the promotion of gender equality as a permanent objective of the European Community in all its activities. Hence, approaches to employment issues should be revised. This involves taking into

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account the human perspective of employment and an absence of discrimination in relation to opportunities, an allocation of resources or benefits for women and men. In line with this, Wray and Forstater justify the right to work as a fundamental prerequisite for social justice in any society in which income from work is an important determinant of access to resources. Similarly, the Gender Mainstreaming Strategy in Employment should be modified in such a way that it will effectively deal with the problems specific to gender equal opportunities at the global level. Given, however, that there are significant cultural, social, economic and other differences and that this problem is not evident in equal measure throughout the world, it is necessary that a massive campaign be undertaken and various measures and activities be taken to reduce gender discrimination. Therefore, women must work together in a common struggle to reach the same power as men, to shape the society and their own lives by having the same opportunities, rights and responsibilities.

In the process of implementing policies of gender equality and empowerment of women, non-governmental organizations and networks play an important role and offer support. Thus, it is time to derive a new concept of full employment that relies less on the old rule — the relationship between unemployment and inflation — and more on the actual experience of the marketplace. In addition, some scientists point out that it is very important that there is a political will for achieving full employment. In this context, the scientist Polin believes that the biggest obstacle to creating a full-employment economy is politics. In his opinion and in many other scientists’, the problem is not the lack of solutions, but the lack of political will. In this context, governments can save millions of jobs, as Germany has successfully done, by subsidizing employers to keep workers on the job for shorter hours, rather than laying them off.

4. Preconditions to Employment of Persons Aged 55 and Over

Many stereotypes and prejudices related to the employment of elderly persons that employers usually exhibit to avoid employing them find no justification today and cannot be taken as valid arguments. Primarily, the demand for manual work has decreased, which suits older workers to a large extent. Similarly, due to the advances in medicine and better life conditions, the physical and mental health of elderly population have improved, which enable them to be able to work longer hours than it was possible in the past. Besides, the living style has completely changed in the last two decades. All this has led to a situation that even those who count as the richest and who can safely retire, wish to continue to work and feel useful to themselves, to their families and to their society. The poor ones are forced to work even after they have formally retired because their pensions are small and often insufficient to allow a decent life. There is also a category of people that was laid off due to the crisis, who cannot exercise their right to retirement and hence want to find a new job. The motives of elderly people to go out to work may differ; however, what is common to all of these people is that they want to be actively working as long as they are able to work. Some wish to try new jobs and start up their own firms. Here they encounter numerous barriers of different forms. Hence, we have devised a model of employment and elimination of discrimination against older workers, and set the preconditions to its implementation (Figure 2).
This model also stresses the benefits of employing elderly people, at the individual as well as the social level. This model can also be viewed as a “communicating vessels” model, where each of the constituent parts implies and affects the other. They are all closely interconnected and act in synergy producing equal employment opportunities for everybody, regardless of age or gender.
5. Age Obstacles to Employment

Demographic changes bring about a dramatic effect upon the labour market. With the fast aging of European population and a longer life expectancy, extending working life has become a priority (Lisbon Declaration). It is for this reason that we focus on the analysis of the position of people aged 55 and over on the market as their share has increased significantly in the past decades, with a tendency to grow further in the decades to come. All indicators show that this category of people was severely hit by the socio-economic and financial crisis, which was reflected in the growth of unemployment and long term unemployment. Reasons are numerous. Some of them will be analysed later in this paper.

Primarily, the unemployed elderly population remains jobless twice as long as the overall population on average because their skills are often outdated and their salary needs are too high. In addition to the mentioned attitudes we find in literature, there are numerous stereotypes that pose a major barrier to employment of persons aged 55 and over. These stereotypes suggest that older workers: (a) are less motivated in learning new skills (b) are less physically active and mentally prepared to respond to the demands of their jobs (c) with low level of qualification are prevented from advancing in their career or getting a job. These stereotypes are dealt with individually.

5.1. They are less motivated in learning new skills

Gender diversity and age diversity are an asset for corporate image and help bring a company, its employees, shareholders and customers together, improve their brand image as well as customer satisfaction. The generation over 50 is the generation of baby-boomers, those born between 1943 and 1960. They are a hard working generation that feel the need to be valued for their contribution. The factors that motivated in the past might have changed for many. The management has to devise suitable motivation programs for this generation. Hence, motivating gender and age diverse workforce is a challenge for the management. The issue needs to be handled efficiently so that they should feel safe, comfortable, confident and satisfied. In addition, they should be treated equal to the younger workers at work. Many of the stereotypes that prevent employers from hiring and making a good use of older workers are merely myths. One of the stereotypes is that older workers are not motivated enough to learn new skills and thrive at work. This, however, cannot be taken as a general rule for all older workers. It mostly depends on managers and their abilities to encourage workers. The benefit of understanding what motivates others is important. Motivation increases productivity, quality and service. It also helps people achieve goals, gain positive perspective, create the power to change, build self-esteem and capability and manage their own development. In line with this, motivation of older workers is better if they are managed well. There is also a growing consensus that these objectives cannot be achieved without a significant improvement in working conditions.

5.2. They are less physically active and mentally prepared to respond to the demands of their jobs

One stereotype is that older people are less physically active and less mentally prepared to answer the demands of their jobs than the younger age groups. It is our opinion that these
attitudes cannot be fully accepted given that the health (both mental and physical) of elderly people is much better nowadays than it used to be in the past. Hence, they represent a valid potential in terms of labour force, skills and experience that societies need to put to productive use. Experience with “active aging” shows that older people, when integrated into the society, lead a better quality life, live longer and stay healthier. A conclusion can be drawn that integration and participation in employment are closely connected with the concept of social cohesion, a vital constituent of a healthy society. This can be achieved through a more substantial support the society should provide for this category of population in terms of encouraging them to be economically active as long as they choose or are able to be. The lack of policy that will regulate these issues leaves elderly people to live their lives in poverty instead of recognizing their active economic and social contributions. It is in this view that we can rightfully conclude that aging is a natural process, and that healthy elderly people are an important resource for their families, their communities, as well as for the economies of their countries.

5.3. Low level of qualification prevents them from advancing in their career or getting a job

This age group predominantly includes individuals with low qualifications, which is one barrier to finding a new job or being promoted in the present job.

Regardless of the fact that this category includes mostly unskilled workers or workers with low qualifications, our research has shown that the workers are ready to develop in their career and learn, but need adequate support. Most often, they do not receive such support. Employers are not willing to invest in the education of their employees which would in turn improve their competencies and enable them to earn more. They are not interested in investing in older people because of uncertain returns. Therefore, the lack of competencies and skills is one of the most commonly cited reasons as to why older people are generally unattractive to prospective employers.

Figure 3: The Negative Consequences of Age Discrimination in Employment
It is therefore necessary that training programmes should be devised for this target group. In many a country, however, little attention is paid to people aged 55 and over, hence there are no adequate training programmes to help them face business challenges and succeed in their jobs. It is important that this support comes from both the state and the educational institutions simultaneously.

6. Conclusion

Many developed nations and other advanced economies such as Japan have an aging population as a result of falling birth rates and higher life expectancy. The labour market is therefore increasingly composed of older workers. Aging is a natural process and healthy elderly people are an important resource for their families, for their communities as well as for the economies of their countries. Lack of policy, which will regulate these issues, forces elderly people to live in poverty instead of recognizing their active economic and social contribution. Hence, the goal of any society should be to give people an opportunity to work and be productive as long as they wish to do so. However, there are different reasons for and attitudes associated with unemployment after the age of fifty. Some people feel it is inevitable because of their age, but others keep trying to get a job.57

Recent literature reveals that age discrimination is present when the age of applicants is taken into consideration in decision making, instead of making decisions on the basis of an individual’s merits, experience and quality of their performance. Besides, there are stereotypes about older people being less active physically and also not really capable mentally of meeting the requirements of their jobs, in comparison with younger people. Many go as far as adding other handicaps of older people, such as lack of creativity, lack of interest in gaining new knowledge, etc. It is our opinion however that the attitude employers take towards older employees largely depends on the size of the company and the type of job, the gender and the age of employers themselves. Smaller firms have proved to be more willing to employ older workers. Given that older workers are the most flexible as regards accepting part-time jobs and that they are highly ethical and loyal to their employers, as recent research has shown, the attitude towards them is expected to change gradually which in turn will make these people more eligible for work.

Recent research also shows that mostly people who are aged 50 and over and are not in employment would, however, prefer to be in work, and are often living on incapacity-related benefits. Therefore, it is necessary to find new opportunities in the labour market for the economically inactive population aged 50 and over if the goal of full employment is to become a reality. The employment rate for these people is associated with improved economic prosperity and labour market structure and movements. Labour markets are in a continuous state of change as a result of long-term demographic trends shaping the composition of labour supply. Hence, it is necessary that new solutions be found to the problem of employment of

“\textit{The goal of any society should be to give people an opportunity to work and be productive as long as they wish to do so.}”
older workers. Primarily, there are certain preconditions that need to be satisfied in order for elderly persons to be employed, that is, the qualification level of this segment of population is to be raised, measures are to be undertaken to encourage self-employment, any forms of discrimination are to be abandoned and equal conditions for work and employment for all age groups are to be created. In line with this thought, this paper proposes a model that offers a basis for stimulating employment of persons over 55 years of age. This model can be understood as a “communicating vessels” model. All its constituent parts are closely interconnected and their synergy results in creating equal opportunities for employment for all, regardless of age or gender. Only when these conditions are created can a significant progress be made towards attaining full employment. It is for such reasons that a number of academics maintain that the role of state policy is of predominant importance in the present times of high global unemployment; they also consider the fast growth rate of the elderly population whose share has permanently increased in the labour market in the last few decades. Many are of the opinion that the experience of Germany can help to a significant extent, as the country managed to increase the number of employees and attain full employment by shortening the working hours of its employees and hiring workers on a part-time basis. A lower number of working hours did not result in lower wages, as the state subsidized the difference. Such forms of subsidies, however, cannot be expected in countries with a budgetary deficit, so they have no sources out of which the difference in earnings can be financed. One opportunity for these countries is to tax the rich and use those revenues to help older groups through job creation programs or wage subsidies. But while we do need a more progressive taxation to meet revenue needs, this is not a long-term solution. It is for these reasons that other solutions need to be sought. During times of elevated joblessness, like the present time, stimulus measures such as infrastructure investment and fiscal aid to states could help us get closer to full employment.

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Notes
8. Selected Principal European Economic Indicators, Eurostat http://ec.europa.eu/eurostat/euroindicators


24. “Women and the workforce: Challenges and Opportunities Facing Women as They Age. Mother’s Day Report” *The Voice of Midlife and Older Women-OWL.*


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