



AGEING HORIZONS

Globalisation and global ageing

Autumn 2006

ISSN 1746-1073 (Print)
ISSN 1746-1081 (Online)

Ageing Workforces

On October 1st 2006 new regulations came into effect which make it unlawful for employers in the UK to discriminate against employees, trainees or job seekers because of their age. The regulations are intended to ensure that all workers, regardless of age, have the same rights in terms of training and promotion. They also introduce what the government has called a 'national default retirement age' of 65 years. As a general rule, employers will no longer be able require workers to retire before that age. Mandatory retirement will still be lawful, however, for people who are older than 65, and although employers will be obliged to give proper consideration to requests to work beyond 65, they will not be obliged to accede to them and do not have to give any reason for their decision. The fact that the government has committed itself to reviewing the regulations in 2011, including the undoubtedly controversial provision on mandatory retirement, suggests that it is not entirely convinced of the need for employers to have such a right. The announcement that there will be a review in 2011 has not been enough, however, to hold off a challenge to the legality of mandatory retirement in the High Court. Following a large public opinion survey earlier in the year, which indicated strong opposition to mandatory retirement ages, Age Concern decided to back the application for a judicial review of the regulations by a 'working rights' group called Heyday. The High Court has now set a date for the hearing in December 2006, when it will doubtless be asked to consider whether or not the provisions for mandatory retirement deny older people equal protection under the law.

It is the *right* to work beyond the national default retirement age that is at issue in the forthcoming judicial review – just as it is the *right* to employment at earlier ages that is being protected in the substance of the Employers' (Age Equality) Regulations. These changes in the law – the changes that Heyday wants to see as well as the changes already made in the new regulations – are intended to remove the barriers that employment practices put in the way of older people who want to continue to work. The UK government – like nearly all governments in industrial countries with ageing populations – wants to *enable* older people to continue in employment if they so choose. It also has a firm view, however, on how this choice should be exercised under conditions of

... over

CONTENTS

- 1 Editorial
- 3 Pension Reform and Age of Retirement Rules
Kenneth Howse
- 12 The Employment Equality (Age) Regulations and Beyond
George Lesson
- 20 Age-Related Capacity Decline: A Review of Some Workplace Implications
Sarah Harper and Sue Marcus
- 31 Attitudes and Practices of Employers towards Ageing Workers: Evidence from a Global Survey on the Future of Retirement
Sarah Harper, Hafiz T.A. Khan, Atulya Saxena, and George Leeson
- 43 Online Resources

AGEING HORIZONS

Policies for ageing societies

OIA Ageing Horizons Team

EDITOR

Kenneth Howse

SENIOR ASSISTANT EDITOR

Alis Oancea

ASSISTANT EDITOR

Pavel Ovseiko

EDITORIAL BOARD

Dr George Leeson, Oxford Institute of Ageing

Professor Bleddyn Davies, Emeritus, London School of Economics

Professor Maria Evandrou, King's College, London

Professor Jane Falkingham, Southampton

Professor Alistair Gray, Oxford University

ADVISORY BOARD

Dr Andrew Dilnot, University of Oxford

Professor Alastair Buchan, University of Oxford

Mr Paul Cann, Help the Aged

Dr James Goodwin, Help the Aged

Professor Sarah Harper, Oxford Institute of Ageing

Mr Mervyn Kohler, Help the Aged

Design and layout

Action Publishing Technology Ltd., Gloucester

The Oxford Institute of Ageing publishes Ageing Horizons four times a year as a review bulletin for the policy research community. The full review is available as a web-based publication, with regular updates reflecting new developments and ideas on the themes chosen for each issue. The main objective of the review is to collate and integrate current research and analysis on the medium-term implications of population ageing.

To browse the online version of the review, please visit www.ageing.ox.ac.uk/ageinghorizons/.

The hardcopy version also appears four times a year (Autumn, Winter, Spring, and Summer).

Ageing Horizons is supported by HSBC.

E-mail: ageing.horizons@ageing.ox.ac.uk. Please include the text "Ageing Horizons 5" in the subject line.

Phone: 01865 286194

Fax: 01865 286191

The views expressed herein reflect solely those of the authors, and do not necessarily represent the views of any organisation with which the authors or Ageing Horizons are affiliated.

population ageing. What matters to government is not just that older people (up to the national default retirement age) should have the same employment rights and opportunities as younger people, but also that they should choose to stay in the workforce for longer than they are doing at the moment.

As the OECD makes clear in its 2006 report '*Live longer, work longer*', the world of work has been changing – and is still changing – in ways that should favour the continuing employment of older workers. As the employment share of the manufacturing and agriculture declines, manual work has been increasingly replaced by non-manual work, (though there is evidence to suggest that work for many people is becoming more stressful at the same time as it becomes less physically demanding). And it is not only patterns of work that are changing, but also the individuals who do it: future cohorts of older workers are likely to be better educated, and also healthier, than current cohorts. All this, taken in conjunction with a tightening of the labour supply as a result of low fertility, is already beginning to make older workers look more attractive to employers.

This issue of Ageing Horizons considers the policy issues raised by ageing workforces from various angles – including the way that age of retirement rules are changing in public schemes, the nature and operation of age discrimination legislation, the views of employers about older workers, and the role of occupational health in enabling older people to continue in employment.