Preface

Introduction: Too old to work – too young to retire: Preface

One of the most important demographic changes in the western societies is the increase of life expectancy. The increased longevity has engaged scholars from different academic fields. Labor market scholars study the outcomes of the increased life expectancy on the labor market and one of its main outcomes is higher economic activity among older people. Fig. 1 presents changes that have occurred between 1999 and 2008, in the economic activity of people, in four countries. The figures show that over the last decade alone, the rate of economic activity increased in all four countries. The data suggests that higher rate of employment of older workers is now becoming more and more commonplace. At the same time, industrialized labor markets are being transformed – from labor intensive to knowledge-based industries. This transformation introduces demands for new, highly technological skills, which older cohorts do not always possess. Along with an increase in the level of higher education and drastic economic crises, older workers have become more and more vulnerable. Although they are experienced workers and enjoy relative employment security, they are also perceived as less equipped to cope with the new economy. How these changes influence their position in the labor market has therefore become a key issue for policymakers and researchers alike.

An important matter that needs to be addressed is the kind of hardships older workers encounter. This special issue, “Too old to work – too young to retire” is devoted to examining these issues, especially the latter. The papers in this collection focus on the difficulties older workers face in the labor force.

In their paper, “Pushed out prematurely? Comparing objectively forced exits and subjective assessments of involuntary retirement across Europe” Bernhard Ebbinghaus and Jonas Radl discuss the retirement process from a comparative perspective. They examine which workers were objectively forced to retire due to economic or health reasons and which workers preferred to keep working and subjectively view their retirement as involuntary. They emphasize the micro and macro characteristics that influence the involuntary retirement and suggest that while forced exits can be explained rather well with analytical tools typically used in micro-sociological research, the subjective self-assessment of involuntary retirement is a rather more elusive phenomenon, one that is not clearly related to socio-economic characteristics. Social class differences, employment sectors, unemployment experience and unemployment level have a substantial impact on the probability of forced (early) retirement, both across countries and at the individual level. However, only a part of the tendency toward involuntary retirement is explained by forced exits, and various predictors – both at the individual and macro-context level – offer ambiguous results in predicting preferences for working longer than for the objective measure of economic or health-related causes of exit from work.

Kasia Karpinska, Kène Henkens, Joop Schippers and Mo Wang in their paper: “Training opportunities for older workers in the Netherlands: A vignette study” addresses the issue of training opportunities for older people by examining managers’ inclination to offer older workers training. Based of their research, the authors suggest that managers perceive training to be a means to increase productivity of older workers who perform well and are highly motivated, and far less as a way to increase productivity of workers who are in need of updating their human capital.

These two papers deal with hardship of older workers who are about to retire or have already exited the labor market. The following two papers focus on older workers and the hardship they encounter before reaching retirement age. Lora A. Phillips, Lassus Steven Lopez and Vincent J. Rostcigno qualitative study, “Aging Workers and the Experience of Job Loss”, describes the difficulties older people encounter in their struggles to regain employment after a job loss. The interviews they conducted offer the reader insights into the hardships the older
workers encountered – age-specific labor market disadvantages, employer biases, credentialism, difficulties in the job search process, and changes in the economy – and how these form very real barriers to reemployment.

From a different perspective of non-retired older workers who encounter job losses Haya Stier and Miri Endeweld, in their paper, “Employment transitions and labor market exits: Age and gender in the Israeli labor market” examine employment transitions of workers and the consequences of these changes. Stier and Endeweld suggest that Israeli older workers, men and women alike, are less likely to leave their jobs compared with younger workers. However, once out of the labor force, they face difficulties in finding new employment.

These four studies examine the hardships that older workers encounter, from different perspectives and in different countries. The authors define older workers differently. In the first two papers, the older workers are those who are about to retire or that have already retired. The latter two papers refer to older workers as those 40 or 50 years of age. This leaves us with the question how to define the older worker. Is it a worker who approaches retirement age? Or does the labor market view older workers as those who have reached the fifth decade of their lives? There is no conventional definition of older workers and different researchers have conceptualized this group differently, ranging from 40 to 55 years of age and older. Different industries also seem to have different ideas about what constitutes “old”, depends on specific demand for and supply of skills. The definition of age also varies across labor markets conditions, such as their technological level, labor force composition, economic stability and employment protection. The various definitions indicate the difficulties in identifying workers that are at risk of experiencing employment hardship due to their age, and hence, affect the ability to offer policies to better their position in the labor market. Another important matter that is left unexamined in this special issue is the question posed by the constant life span extension: should retirement age be a fixed age and how different definitions of retirement age affect different groups of workers in contemporary post-industrialized markets.

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