Changes to policies for work and retirement in EU15 nations (1995–2005): an exploration of policy packages for the 50-plus cohort

By Kate A. Hamblin*

Abstract

“Active ageing” policies have been presented as a potential panacea for the conflict between generations many argue will result from demographic ageing. Indeed, as part of a new intergenerational contract, older individuals (here defined as those aged 50–64) are expected to re-engage with, and remain in, the labour market longer. However, this implies all individuals experience the same policy mix. This study uses micro-level data to address changes to work and retirement policies for older individuals from 1995 to 2005, and the resultant alterations to the degree of choice in terms of labour market participation different sub-groups within this age cohort had. The data demonstrate that the policy shift towards “active ageing” is not universally applied to all older individuals as some retain the ability to early exit from the labour market. Thus the notion of a single intergenerational contract is overly simplistic and neglects a great deal of intragenerational difference.

Keywords: active ageing, EU15 nations, intragenerational equity.

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Introduction

This study focuses on the degree of choice sub-groups within the category of “older individuals”¹ have with regard to labour market participation and upon what criteria choice is awarded. There have been calls for a new intergenerational pact or contract that will require older individuals to contribute, thereby creating “new forms of solidarity…between the generations, based on mutual support and the transfer of skills and experience” (Commission of the European Communities [CEC] 2005: 6). However, the notion that different age cohorts are subject to single intergenerational contract neglects the very different policy packages available to individuals within age cohorts. The study therefore aims to counterbalance the macro-picture, focused on welfare state shifts towards activation and, more specifically, active ageing, by highlighting the differential experiences of policy change at the micro-level.

The political economy of ageing literature stresses the differences that exist between individuals within age cohorts, both in terms of their characteristics and their interactions with state policy, which in turn produce diverse experiences of ageing (Bengtson et al. 2005; Estes 1999). Thus the aim of this study is to address the different policy packages available to those aged 55 in the nations of the European Union of 15 countries (EU15) from 1995 to 2005. The research question is as follows: Are all older individuals equally subject to the active ageing agenda?

This study begins by addressing the aforementioned literature before outlining the shift towards “active ageing”. A tension exists between the former, which emphasises differences within the older aged cohort, whilst the latter implies all individuals should engage with its policy approach. The methodology section then discusses the conceptualisation of “active ageing” and the use of model biographies as a means to address EU15 nations’ policy packages before the empirical section outlines the changes in these countries over the ten-year period. Finally, the discussion argues that the notion of a single, uniform intergenerational contract fails to address the instances where early exit and retirement are deemed to be

¹Here defined as those aged 50-64, but specifically focusing on those aged 55 in the empirical section.
“deserved” or “earned” and the potential impact this has on intragenerational equity. Though “active ageing” through labour market participation is presented as the means to prevent intergenerational conflict, it is clear from the data utilised in this study that not all older individuals are equally subject to its activation logic. While early exit and retirement routes are being retrenched in EU15 nations, some individuals retain the ability to leave the labour market prior to state pension age and thus avoid being “activated”, thereby affecting intragenerational equity.

Welfare Arrangements and the Ageing Experience

This study addresses the disparity between the policy packages available to different groups within the same age cohort, thereby arguing that rather than a single “intergenerational contract”, there are a myriad of diverse policy packages, all presenting divergent configurations of rights and responsibilities. The political economy of ageing literature is highly pertinent as it utilises both conflict and critical theory to focus on how economic and political structures determine the allocation of resources; and how this in turn shapes individual experience of ageing (Bengtson et al. 2005; Estes 1999). This approach focuses on two key aspects: how different social classes, genders and ethnicities experience ageing and how the state is involved in the construction of old age.

With regard to the first, the political economy of ageing literature stresses that the experience of ageing is filtered through other individual characteristics, such as gender, class and ethnicity, and how differential policy treatment according to these characteristics is carried through the lifecycle. In addition, the experience of ageing is bound to the individual’s labour market history; any disadvantage and discrimination faced by the various sub-groups during their working lives are transferred into old age (Moss & Arrowsmith 2003; Nazroo 2006: 71). For example, the experiences of older women are socially constructed, characterised by choices that were highly constrained within and by three spheres: the state, the market and the family (Carr & Sheridan 2001; Estes 1991; Heinz 2001). Gender norms traditionally emphasised the female role as caregivers within the family, which was reinforced in many nations by welfare arrangements or a lack thereof (Bettio & Plantenga 2004; Millar 1999;
Gender norms combined with the pay gap between men and women make the latter the "logical" choice to provide care. However, women's employment prospects are limited by the expectation they will exit at some point to provide care (Crompton et al. 2003; Himmelweit & Land 2008; Knijn & Kremer 1997). Thus, older women do not have equal freedom of choice over their labour market participation and exit, which has consequences for wellbeing in later life in terms of contribution years and pensions.

In terms of the second strand of the political economy of ageing literature, though ageing is a biological fact, many of its social facets are constructions and are experienced differently by the various sub-groups that make up a particular cohort, with social policy playing a key role (Walker & Phillipson 1986). Indeed, “[s]ocial policies are shown to constrain citizens’ preferences, cement patterns of social inequalities and slow social change” (Meyer & Pfau-Effinger 2006: 69). Thus, social policy defines who is deserving and undeserving and therefore perpetuates existing social divisions. Howe over, the way social policy constructs ageing is not static, as will be explored in the following section.

The Emergence of “Active Ageing”

As the population ages, definitions of the “grey” segment and what is expected of them are being altered. When initially conceived, retirement came at the end of a long career to be followed by at most a decade before death. The provision of a state pension at a set age and the institution of retirement provide a normative framework for older age, but are relatively new and therefore the notion of a “normal” exit age is a fallacy (Marshall & Taylor 2005). In addition, with increased longevity, retirement does not accompany a period of decline as it once did and therefore “is increasingly useless as a definition of old age” (Walker & Naegele 1999: 2). Retirement therefore became the third stage in the lifecourse, after education and work, and before dependent old age and the term “troisième age” was coined in France to apply to this period of relative good health and social participation (Guillemard & Rein 1993). Demographic ageing and the increasing prevalence of early exit have placed a strain on current welfare arrangements and as a result “active ageing” policies have been presented as a solution.
Active ageing is a relatively new term, increasing in pervasiveness in the last ten years. It first originated in the USA in the 1960s with literature on “successful ageing” which delineates “denying the onset of old age and by replacing those relationships, activities and roles of middle age that are lost with new ones in order to maintain activities and life satisfaction” (Walker 2002: 122). Walker argues the concept was reframed in the 1980s to become “productive ageing”, shifting to include the whole life course as opposed to the latter stages. The new emphasis on the concept at this time was driven by individuals’ desire to get more from their retirement years and policy-makers’ concerns over the costs of ageing in terms of state provision. As a result this approach took a narrow, economistic perspective.

Walker (2002) argues that the evolution of productive ageing into “active ageing” occurred in the 1990s with the World Health Organisation (WHO), creating the link between activity and health, as well as acknowledging that retirement did not necessarily indicate inactivity as often it is a period characterised by voluntary work or care for grandchildren (Guillemard & Rein 1993; Künemund & Kolland 2007). The approach of the WHO contrasts with the productive ageing discourse of the 1980s which has re-emerged in supranational organisations, such as the EU and World Bank. Thus, Avramov and Maskova (2003: 24) make the distinction between the two conceptualisations in terms of the “active way of spending the increased free time after retirement (e.g. WHO) [and] others [that] are mainly interested in economic activity as labour force participation (e.g. Organisation for Economic Co-operation and Development [OECD]; European Commission [EC]). In recent years a shift can be perceived from the first towards the latter preoccupation”. The following section outlines the productivist perspective which is now more prevalent in EU-level policy discourse (Avramov & Maskova 2003; Carmel et al. 2007).

Active Ageing and the European Union (EU)
“Active ageing” first appeared in EU documents in 1999 (CEC 1999: 6) with regard to reinforcing the employability of older workers and adapting employment rules to the ageing population. This document argued retirement was a constrained decision and “[o]ver the working lifetime, [older workers] risk of marginalisation and eventual exclusion
from the labour market grows. In the end, older workers often find that early retirement is the only choice left to them” (CEC 1999: 10). Since 1999, active ageing has become a feature of many EU/EC documents and councils. Measures which can be included under the umbrella of active ageing vary within EU documents, and although in some a wider range of measures and services are encompassed, such as lifelong learning, being active after retirement, engaging in capacity-enhancing and health-sustaining activities (CEC 2002), the goal is ultimately to extend the working lives of those approaching retirement age. This focus on activity in terms of labour market participation is reflected in two EU targets: the 2001 Stockholm target to ensure half of those aged 55–64 are in employment by 2010, and the 2002 Barcelona target to increase the average retirement age by five years before 2010.

Methodology
This study is concerned with examining the divergent policy packages available to older individuals, and thus evaluates the notion of a single “intergenerational contract”, both in terms of one under threat from demographic ageing and a new pact involving active ageing policies. Exit from the labour market does not represent a homogenous experience and this is because the cohort aged 50–64 itself is made up of diverse groups who experience ageing, work and retirement differently. In turn, state policies mediate their experience and do not interact with all sub-groups in the same way. Thus, the aim is to address the various eligibility criteria and conditions applied to groups within the aforementioned age cohort, rather than to create sweeping generalisations about the state of the contract between generations. Therefore, this study addresses which groups of older individuals are deemed by policy to be deserving of early exit and retirement and who are in need of activating through new “active ageing” welfare arrangements. This begs the question, if (as the policy discourse at national and supra-national levels implies) active ageing is a universal good both for the individual and for society, in which instances do individuals retain the ability to become “passive”?

In order to address these issues, this study employed model biographies to explore the policy packages available to those aged 55 during the period
of 1995–2005. Whereas other studies which use a similar methodology (Bradshaw et al. 1993; Meyer & Pfau-Effinger 2006; Meyer et al. 2007) focus on the outcomes of welfare arrangements, this study addresses the inputs in terms of the degree of choice they provide individuals in relation to their participation or early exit from the labour market. Two different levels of contribution records were included to address the impact of contribution histories on the choices older individuals have regarding labour market participation:

- **Laurent**: Aged 55 with 35 years of employment contributions.
- **Jean**: Aged 55 with a disjointed work history.

An individual with a disjointed work history could represent a woman with caring responsibilities, yet equally it could represent a man with a recurrent health problem, or an individual from a minority ethnic group subject to repeated racial discrimination in the workplace and consigned to a series of temporary jobs. These characteristics are not explicitly mentioned in the model biographies as to label all those with a disjointed work history as female or with a disability, for example, would be a case of “fighting stereotypes with stereotypes” (Duncan 2003: 108).

With regard to the policy areas under investigation, the previous section examining the EU’s vision of active ageing provided a template. Conceptualisation is essential to cross-national comparative research with Dogan and Pelassy (1990: 32) arguing concepts are akin to “buoys” and “are indispensable ( . . . ). It is through the creation of logical frameworks that the comparativist can make knowledge cumulative”. Rose (1991) argues that the concepts bind countries which are disparate in terms of their geographical location and language, and provide a means by which the researcher can relate one nation to another. As the literature review has outlined, active ageing policies can embody more than the governance of retirement to include areas, such as leisure, voluntary work, health and wellbeing. For this study, as the focus is on EU15 nations, the narrower, work-focused EU configuration of active ageing was adopted and the policy areas included in Table 1 are addressed. In terms of the data collated, the changes regarding the policy areas over the period of 1995–2005 were amassed from a variety of sources including MISSOC (the Mutual Information System on Social Protection in the EU Member States.
Table 1. Active ageing conceptualised

<table>
<thead>
<tr>
<th>Activation policies</th>
<th>The expansion of active labour market policies (ALMPs) for older individuals.</th>
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<tbody>
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<td>- Barriers to longer working removed – age discrimination legislation.</td>
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<td>- Part-time work/reduction of working hours.</td>
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<td>- Training.</td>
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<td>- Incentives to remain in employment.</td>
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<td>Early exit/retirement policies</td>
<td>The retrenchment of de facto early exit, i.e. unemployment benefits extensions/supplements and job search exemptions.</td>
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<td>The retrenchment of early retirement routes.</td>
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<td>Closing off early exit routes.</td>
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<td>- Abolition/reduction of early retirement schemes.</td>
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<td></td>
<td>- Stricter criteria for early pensions – disability or long contribution records.</td>
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</table>

Sources: Committee of the Regions 2003; CEC 2005; EC 2006.

and the European Economic Area) databases, EU15 nations’ National Action Plans and communications from organisations, such as the EU, the EC and the OECD in addition to academic texts. Mangen (1999) warns against the use of blindly employing documentary methods, arguing they have been edited for purposes which are unlikely to be the same as a comparative researcher’s. Thus, this study employs a range of data sources so as to establish a clear picture of the policy situation and changes in the EU15 nations.

The year 1995 was selected as Austria, Finland and Sweden joined the EU at this point and also marked the launch of the “Resolution of the Council and of the representatives of the Governments of the Member States on the Employment of Older Workers”, which firmly placed the issue of ageing on the political agenda. The ten-year time frame provided an account of any policy shifts, acknowledging the dynamic nature of social policy.
Empirical Data

The empirical data indicates that EU15 nations’ policy packages in this period can be divided according to the dominant eligibility principle for early exit and retirement, which in turn affects the degree of choice Laurent and Jean had in terms of labour market participation. For nations where exit was for the large part contingent upon the individual’s work record, the approach is labelled “desert-focused”, with desert here defined as “a backward-looking concept” (Miller 1989: 93), contingent on previous labour market behaviour. When early exit or retirement was universally available to all citizens above a certain age, these nations adopted a “rights-focused” eligibility approach. Finally, those nations where exit was bestowed on individuals in certain industries or occupations, contained criteria that allowed firms to replace the older individual with a young person from the unemployment register or were for use in times of economic crisis, these nations had a “labour market-focus”. In addition, the eligibility criteria employed by these nations channelled reforms and retrenchment of early exit and retirement policies in a particular direction, as will be elucidated below.

However, when examining the data with regard to Laurent and Jean, it also becomes clear that the exit and retirement options open to these individuals over the ten-year period in some nations have remained relatively static, as in the case of Ireland, the UK, Sweden, Germany and Luxembourg. This is not to say all of these nations did not undertake significant reforms of early exit and retirement; it is instead the case that the focus of either the original early exit and retirement policies or subsequent reforms was on older age cohorts. In addition, these nations all introduced active labour market policies (ALMPs) that could be accessed by Laurent and Jean (with the exception of Luxembourg where limited moves were made in this respect). In these nations, the period of 1995–2005 did not represent the departure from early exit and retirement policies to a more “active ageing” approach the period for Laurent and Jean, either because the former trend was never present in the first place or instead because the nations remained committed to these policies.

With regard to these nations, of those undertaking no reforms to early exit policies, in the case of Ireland Laurent and Jean would have been able to exit at 55 via the means-tested pre-retirement allowance if they had been
in receipt of either the unemployment insurance or unemployment assistance for an excess of 390 days. However, they both would have benefited from the introduction of ALMPs from 1996 onwards, including anti-ageism legislation, employment subsidies and a scheme that integrated the long-term unemployed into mainstream training (Committee of the Regions 2003; Department of Enterprise, Trade and Employment 1999; EC 1994; OECD 2005h, 2006; Schulze & Moran 2007).

Similarly, in the UK Laurent and Jean would only have been able to access an extended benefit duration throughout the ten-year period had their assets been below a certain level (a higher threshold for older individuals than the general population). However, the UK represents a distinct case in that there were no early retirement or exit routes provided by the state.

In the case of Germany in 1995, the unemployment insurance duration was contingent on age and contribution record, and as a result, Laurent could have remained on benefits until the age of 57.4 when s/he could have received a further extension, followed by early retirement at the age of 60 if still unemployed. However, at the same time, there was a less generous non-contributory unemployment assistance that Jean would have been able to remain on until the age of 60. The unemployment benefits system was unaltered until the 2004 Hartz reforms which made these benefits less generous, with Unemployment Insurance (Arbeitslosenversicherung) limited to 18 months after which the Basic Resources for Jobseekers (Grundsicherung für Arbeitssuchende) would have been the only option.² With regard to the early retirement routes, due to Laurent’s age, many early retirement routes were barred; Jean’s contribution record would continue to impede them even in advanced years. In terms of ALMPs, Germany had in place subsidies and employers were exempt from the social security contributions for older employees in “mini jobs” in 1995, and lifelong learning and training measures were introduced in the following five years (Ebbinghaus 2006; Guillemard 1993; OECD 2005f; Taylor 2005; Teipen & Kohli 2004).

²In addition, from 2006 those over the age of 58.5 would have been required to engage in job search.
Of those nations where the early retirement policies were only available to older age cohorts, Laurent and Jean in Sweden were unable to access early retirement throughout the entire period, but could receive an extension for both unemployment insurance and assistance. However, the age threshold for the latter was raised in the period of 1996-2000 and was disbanded by 2005. Equally, in Luxembourg, for Laurent and Jean the only option for exit was the extended benefit duration, contingent on their contribution record, not their age (Committee of the Regions 2003; OECD 2005j; Taylor 1998, 2005; Walker 2002).

Of the remaining EU15 nations, in 1995 the policy approaches to Laurent and Jean can also be divided into those where early exit and retirement were dependent upon desert through contributions (and thus presented Laurent with more opportunities for exit); those where early exit was dependent upon the labour market situation (and therefore provided exit according to occupation or economic situation, treating Laurent and Jean the same if employed in the same industry) and those which largely provided rights-based early exit and retirement options (where the policy packages for Laurent and Jean would have been identical). It should be noted, however, that some nations do not neatly fit into these categories with some presenting a mixed approach in 1995, before moving clearly into one of these groups after 1996 (as will be demonstrated in the case of Belgium, Denmark and Italy below). However, with any categorisation, a completely perfect fit is not always possible, but the differences within classifications are less than those between. Table 2 summarises the change over time to the options for early exit and retirement available to the two individuals.

**Desert-Focused Early Exit**

In terms of the nations with a desert-focus, in Austria in 1995 there were reduced age thresholds for the early retirement schemes for women, allowing exit at 55 years of age. This, however, presents a paradox as women effectively have less time within which to complete these insurance contributions before they reached the lower age thresholds. This, when combined with the fact that women are more likely to have an interrupted work history, reduces their access to these early exit and retirement policies and is reflected in the model biography analysis: if Laurent was female (due to the contribution record of 35 years), the opportunities for exit were
Table 2. EU15 nations’ policy packages 1995-2005

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<tr>
<th>Eligibility approach 1995</th>
<th>Eligibility approach 2005</th>
<th>Model biography</th>
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widespread, both in terms of the early exit routes in the form of unemployment benefit supplements and job search exemptions, in addition to early retirement policies as contribution requirements were prevalent, even for certain industries. Had Laurent been male, in 1995 his exit opportunities in 1995 largely mirrored Jean’s whereby early exit was limited to a job search exemption and early retirement in the instance of a work accident, irrespective of gender. In addition, if Laurent was male, he could have exited at 51 if employed as a miner.

Table 2 (Continued)

<table>
<thead>
<tr>
<th>Eligibility approach 1995</th>
<th>Eligibility approach 2005</th>
<th>Model biography</th>
<th>Early exit</th>
<th>Early retirement</th>
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<td>NL Rights/labour market</td>
<td>Jean</td>
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<td>FIN Rights/labour market</td>
<td>FIN Rights/labour market</td>
<td>Jean</td>
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Note: The figures indicate the number of early exit/retirement options available to the model biographies. Table excludes partial retirement options. ↓ indicates the retrenchment of retained routes (i.e. raised contribution requirements, age thresholds or reductions to pension amounts). IRL, Ireland; UK, United Kingdom; S, Sweden; LUX, Luxembourg; D, Germany; A, Austria; B, Belgium; F, France; I, Italy; ES, Spain; EL, Greece; P, Portugal; DK, Denmark; NL, Netherlands; FIN, Finland.
However, within five years, the early exit and retirement options available to Laurent were curtailed through the removal of the job search exemption and reduced pension amounts for those exiting early. The removal of the job search exemption and the early retirement scheme for those with a reduced working capacity removed Jean’s exit possibilities. At the same time, the options of remaining in or re-entering the labour market were strengthened through the creation of ALMPs encompassing anti-ageism measures and lifelong learning. Jean, however, was barred from an employment project as they were equally unable to access an early retirement route. By 2005, the early retirement options were further limited through the increase of age thresholds, thus barring Laurent in all cases except for the mining industry, irrespective of gender. Jean would have faced increased compulsion to re-enter the labour market if unemployed and the introduction of ALMPs continued apace (Committee of Regions 2003; EC 1996; OECD 2000, 2005a, 2006; Taylor 2005).

Desert- and Labour Market-Focused Early Exit

The Belgian system presented a mixed picture in 1995. It featured a desert-bias with regard to early exit, though in terms of early retirement, the schemes focused on labour force restructuring and industries in economic difficulty and were thus potentially available to both Laurent and Jean. The individuals’ contribution records had no impact upon eligibility for the early retirement schemes, which was permitted in instances of economic difficulty or partially where a replacement would be recruited from the unemployment register. However, Laurent could have also exited early via extended unemployment benefits and the exemption from job search; Jean on the other hand was barred from the former due to his/her disjointed work history. By 2000, ALMPs increased the onus on labour market participation. However, the use of early retirement as a means to restructure firms was retained, allowing Laurent and Jean to exit when their firm was in economic difficulty; indeed, the age thresholds for the prépension conventionnelle for dismissals had been lowered to include Laurent and Jean. Within a further five years, however, the job search exemption had been revoked for those who were newly unemployed and the age and contribution thresholds for the additional unemployment benefits had been raised, thus barring Laurent. Therefore in the case of
Belgium, reforms and retrenchment shifted the focus of eligibility criteria from a mix of desert- and labour market-focus to a system that embodied the latter for individuals in their 50s (Committee of the Regions 2003; Hemerijck et al. 2000; Lafoucrière 2002; Merla 2004; OECD 1997, 2005b, 2006; Vandenburgoucke & Van der Hallen 2002).

France, too, presented a mixed picture with regard to Laurent and Jean in 1995. First, in terms of early exit, a benefit extension was available for those with certain levels of contributions, but the individual was required to engage in job search. At the same time, there was a great deal of protection specifically for older workers (the Delande scheme), in terms of redundancy (Contrat d’initiative employ) and subsidies and social security exemptions were in place (Contrat emploi solidarité). With regard to the early retirement routes available to Laurent, these were comparatively limited (when considered both in relation to other EU15 nations and the subsequent reforms France would take), with only two partial schemes and a route for private sector workers (accompanied by a large reduction in the final pension amount), and were also available to Jean. In addition, in special cases, Laurent would have been able to retire under the L’Allocation de Remplacement Pour l’Emploi scheme.

Over the following five years, France introduced a comprehensive array of ALMPs, yet at the same time expanded the early retirement routes available to some industries and occupations. Thus as a result of dialogue with the social partners, early retirement routes were used to reduce labour supply and/or provide respite to those in particularly demanding labour. The new unemployment benefit extension and lowered age threshold for the job search exemption could not have been accessed by either Laurent or Jean due to the 40-year contribution requirement. However, Laurent would have been eligible for the Allocation de solidarité spécifique unemployment benefit supplement.

Again, France from 2000 to 2005 retained its commitment to protecting older individuals within the labour market with the introduction of new ALMPs, but made no significant early exit reforms. Laurent’s and Jean’s access to the vast majority of early retirement schemes were delimited by their previous occupations, perhaps demonstrating that here the opportunity to exit is as much about those in the labour market as those exiting, i.e. creating vacancies for younger individuals (Ebbinghaus 2006; Eichhorst &

In the Italian case, as with France, the focus on work-specific retirement policies was increased after 1996. In 1995 Italy embodied a mix of desert- and labour market-focused eligibility criteria. In line with the seniority pension, Laurent would have been able to have exited at 55. Both Laurent and Jean would have been able to exit early in line with the three schemes for industries in economic difficulty. By 2000, Italy had introduced new early retirement routes that Laurent and Jean would have been able use in instances of arduous work or entry into the labour market at a young age; there was also a new route for women engaged in care. Within a further five years, the contribution requirement for the seniority pension had been raised, barring Laurent. However, unlike many of the other EU15 nations, Italy had not made significant moves towards the introduction of ALMPs between 1996 and 2000, yet from this point on, new policies were introduced. The early retirement schemes for certain industries and economic crises remained unchanged (EC 2001; Ferrera & Jessoula 2007; Mirabile 2004; OECD 2005g; Walker 1993).

Spain too had a mix of desert and labour market-based eligibility criteria in 1995. Laurent and Jean in 1995 would have been able to leave the labour market if they had been made redundant from an industry in crisis or had engaged in strenuous work. In addition, when Laurent had exhausted his/her unemployment benefit entitlement, s/he would have received an additional extension due to his/her contributions. As with many EU15 nations, by 2000 Spain had introduced a range of ALMP's and five years later, had increased the compulsion for Laurent and Jean to engage in job search whilst, however, retaining the benefit extension. The early retirement routes for certain industries were sustained (Boldrin et al. 1999a; Committee of the Regions 2003; EC 2001; Forteza & García-Zarco 1998; OECD 2005i, 2006; Taylor 1998).

Like Austria, the Greek system in 1995 also featured lower age thresholds for women, and the contribution-focus of early retirement increased after 1995. However, though in 1995 early exit through unemployment benefits had a desert focus, Greece had a labour market-approach to early retirement. As a result, in 1995, if Laurent or Jean was female, early retirement options were available to her based either on the
nature of her previous employment (one route for arduous labour and one for the construction industry) or universally with a reduction to the pension amount, whilst Laurent could have received an additional unemployment benefit duration. In addition, for women, there were two routes in instances of care for either a disabled child or three or more children. Both Laurent and Jean would not have been able to retire early if male due to the age thresholds. Five years on, a range of ALMPs had been introduced and the early retirement routes available to those aged 55 had been retrenched. If Laurent had been female, she would have been able to access three routes for arduous labour, which by this point contained a contribution requirement, one scheme for long insurance durations and one for women; all routes were barred to Jean due to their contribution record. If Laurent was male, there was now early retirement in instances of arduous labour which would have resulted in a reduced pension amount. Therefore the introduction of ALMPs and the retrenchment of decommodifying policies occurred concurrently, as was the case for Austria, and also represented an increased emphasis on the desert element.

Within a further five years, no additional retrenchment was undertaken and a new route for those with 37 years of contributions was added. At the same time, the benefit extension for certain contribution records remained in place whilst new ALMPs, including lifelong learning measures and job creation, improved Laurent’s and Jean’s re-employment prospects. In Greece therefore the early exit and retirement options were retrenched through the imposition of contribution requirements, thus reducing the number of applicants (Committee of the Regions 2003; EC 2000; Kathimerini 2003; Mestheneos 1998; OECD 1997).

Rights- and Labour Market-Focused Early Exit
The case of Portugal is interesting as the eligibility-focus for early exit and retirement policies for those individuals under 60 was altered entirely by retrenchment over the ten-year period. Initially in 1995 Laurent and Jean would have been able to exit early if they had been employed in certain industries or were unemployed. Over the following five years, penalties and a contribution threshold were applied to the unemployment route, limiting Jean’s exit to certain industries and shifting Portugal from a mix of labour market- and rights-based eligibility to a system focused instead on
the former and desert. Both Laurent and Jean would have benefited from supply side ALMPs, including training measures (Committee of the Regions 2003; Chulía & Asensio 2007; EC 2000).

Rights- and Desert-Focused Early Exit

Nations that do not conform to the division of desert- or labour market-focused eligibility criteria instead contained a rights-based element with regard to options for early exit and retirement in 1995, which was subsequently retrenched. In the Danish case, for Laurent and Jean in 1995, early exit and retirement routes were available, not purely on the grounds of desert (earned via contributions) but also on a rights-basis thereby presenting a mixed approach. Laurent and Jean could have retired early in 1995 if their re-employment prospects were felt to be limited in the context of the labour market situation, in addition to receiving an extended benefit duration and exemption from job search on the basis of age. Laurent could also have retired early if unemployed for a long duration because of the contribution record. Over the following five years, the opportunity for early exit was curtailed through the imposition of a job search requirement for those under 55 and a reduced benefit extension (which was conditional on the individual's ability to access an early pension) whilst ALMPs were introduced. In addition, individuals with a diminished working capacity who would previously have been eligible for the early retirement scheme were instead placed on an employment project. Thus Jean would no longer have been able to early exit. By 2005, the policies available to Laurent were far narrower than they had been in 1995; job search and the acceptance of offers was mandatory and the ALMPs emphasised the individual's right and duty to participate in the labour market, thus entirely removing the rights element (Committee of the Regions 2003; EC 2001; Hansen 2002; Jensen 2004; OECD 2005c; Taylor 1998; Tikkanen 1998; Venge 1998; Walker 1993).

Like Denmark, in the Netherlands the early exit and retirement approach embodied a mix of desert and rights as the eligibility principle. The unemployment benefit duration in 1995 was contingent upon the individuals' insurance record and thus Jean would not have been able to exit early via this route. However, as early retirement was permitted in instances of reduced earning capacity universally, Jean would still have been able to exit
early. Thus the routes out of the labour market in the Netherlands were limited in 1995, and remained largely unchanged throughout the period, unlike in the case of Denmark. The Netherlands did, however, introduce a range of ALMPs relatively early, including anti-ageism legislation and subsidised employment (Melkert banen) representing a move towards the active ageing approach advocated by the EU (de Vroom 2004; Delsen 2002; Drury 1993; Klercq 1998; OECD 2005i; Taylor 1998).

The Finnish system initially represented a mix of desert and rights in their eligibility focus, and engaged in significant retrenchment. In Finland, Laurent could have accessed the individual early pension if s/he had been employed in the private sector with a 6% reduction per year under the state pension age (Yksilöllinen varhaiseläke). However, there was a universal “unemployment tunnel” (Työttömyyseläkeputki) which allowed Laurent and Jean to remain on unemployment benefits until reaching the lower age threshold for many of the early retirement routes. Within five years, however, the age threshold for this tunnel and the early pension were raised, thus barring Laurent and Jean from effectively leaving the labour market early. At the same time, ALMPs had been introduced, including lifelong learning and employment subsidies. The following five years saw the significant reform of the pension system in Finland. As a result, accrual rates increased with age, thus making both the age and contribution record of the individual integral to securing a good standard of living post-retirement. This represents a clear departure from an early exit and retirement approach based on age in 1995, to a system that encourages longer working lives (Committee of the Regions 2003; EC 1994; Gould & Saurama 2004; OECD 2005d, 2006; Taylor 2005; Tikkanen 1998; Uusitalo & Koskela 2003; Vinni 2002).

In terms of the overall picture regarding the degree of choice older individuals in EU15 nations had vis-à-vis labour market participation, as the active ageing agenda began to be adopted, the reforms followed paths bound by the original structure of policies related to early exit and retirement. Thus the timing and type of active ageing policies adopted was influenced by the legacy of early exit and retirement policies present in the nations, and this is reflected in the model biography data. In the case of desert-focused systems, Laurent’s ability to exit began to be curtailed either through the application of penalties for early retirement or increased age
and contribution thresholds, whilst Jean’s access to early exit and retirement policies would have been limited from the outset. The introduction of ALMPs occurred simultaneously. In the case of nations with early exit and retirement policies that principally focused on the restructuring of the labour force, Laurent and Jean largely retained, or indeed increased, their ability to exit early whilst any more universal schemes were retrenched. However, at the same time in some nations desert-focused conditions began to be applied to these labour market-based options. In these nations, ALMP introduction accompanied either the retention or expansion of early retirement for individuals in some industries; for those not engaged in these jobs, the opportunity for, and onus on, labour market participation increased. In those nations which included rights-elements to their exit options, these nations retained an egalitarian approach in that the retrenchment and ALMPs applied to all welfare clients, regardless of their contribution record and Laurent and Jean would have equally felt the increased pressure to re-engage with or remain in the labour market.

Discussion
To return to the aim of this study, it sought to examine whether all older individuals are equally subject to the active ageing agenda at a time when these policies are being presented as part of a new intergenerational pact. The notion of a single contract between the generations needs to take into account the state’s role in creating and perpetuating difference and disadvantage between groups in society, as highlighted by the political economy of ageing literature. Thus as policy does not treat individuals the same, ageing is not experienced in the same way, and not all have the same rights and responsibilities vis-à-vis the intergenerational contract.

The model biography data demonstrate the divisions produced by eligibility criteria for early exit and retirement within the 50–64 aged cohort. Those nations where contributions determined access to early exit and retirement effectively divided the age cohort into those deserving and undeserving of early exit. Indeed, long, uninterrupted careers were an important determinant of early exit and retirement opportunities for some nations in 1995, and became increasingly significant over the ten-year
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period. This was particularly the case in Austria, where all exit options contained a threshold of insurance contributions with the exception of job search exemption and in instances where disability was the result of a work accident. The desert-focus was increased over the ten years, with the abolition of the job search exemption and early retirement scheme for those with a reduced work capacity. In addition, the desert-focused early retirement policies were retrenched through increases to the age thresholds and the imposition of penalties. In other nations, such as Denmark, Portugal and Greece, the focus on desert was introduced or increased over the ten-year period, thus barring Jean from many exit options. At the same time, ALMPs would have offered increased possibilities for labour market participation.

In these nations where early exit or retirement was contingent on contribution records, the importance of labour market opportunities and participation is highlighted. It could be argued that to provide increased choice vis-à-vis labour market participation for those with extensive contributions is not necessarily equitable; after all, those who have worked for the longest periods of time may deserve to exit at a younger age. Yet this assumes that opportunities to participate in the labour market are bestowed equally upon all citizens. Social characteristics impact upon the ability to participate in paid employment, such as gender, disability, recurrent health problems, racial discrimination, ageism, as well as the devaluation of skills and the decline of certain industries. For example, when considering women, limited state provision of care and employers’ expectation of care provision limit employment opportunities and may mean they will find it hard to “earn” early retirement (Crompton et al. 2003; Himmelweit & Land 2008; Knijn & Kremer 1997). Anderson (2004) and White’s (2000, 2004) arguments regarding workfare can be applied to the notion of “deserved” early exit: states that demand a certain level of contributions before an individual “deserves” to retire early need first to ensure there is equality of opportunity for individuals to secure these contributions. In addition, Anderson argues unpaid care is “socially necessary labour” (2004: 248), undervalued by states.

However, labour market participation not only affected an individual’s ability to exit early; it also impacts upon the level of pension income in many nations, thus constraining the decision to remain in the labour
market. Austria, Belgium, France, Germany, Greece, Ireland, Luxembourg, Portugal, Spain, the UK all had first tier\(^3\) pension systems based on contributions with only low-level social assistance pensions for those with no contributions, whilst Denmark, Finland, Italy, the Netherlands and Sweden and all had a first-tier, basic flat-rate citizenship pension with additional supplementary schemes. As a result, when examining the nations with early exit and retirement policies with a rights element, pension accrual is an important consideration. In these nations, though the option for early exit may be open to all, individuals with limited labour market opportunities in a practical sense may be less financially able to take this option due to the reduced pension income it would produce.

With regard to those nations with labour market-elements to their eligibility criteria, in some nations, early exit and retirement were occupationally segmented, as perhaps the notion of a “full” career varied in accordance with different industries, perhaps because of negotiations between the state and the social partners (Ebbinghaus 2006; Immergut et al. 2007) or because they represent the opportunity for firms to shed older workers (Jacobs & Rein 1994). The labour market-elements of early exit and retirement proved resilient in Belgium, France, Italy, Portugal, Spain and Greece. These early pensions also create divisions between older individuals, thereby questioning the notion of a single intergenerational contract.

To conclude, the data from the model biographies highlight that policies for older individuals create divisions within this age cohort along the lines of occupation, age and other characteristics, such as gender. As a result, policies for work and retirement play a role in not only perpetuating disadvantage accrued over the lifecourse, but also exacerbating these differences through the unequal policy choices presented to the subgroups within the cohort aged 50–64. Though nations’ active ageing policies aim to address intergenerational equity by ensuring younger

\(^{3}\) I use the term “tier” in line with Immergut and Anderson (2007)’s distinction whereby a “pillar” indicates the sector in which the pension scheme is located (public, occupational and private) and “tiers” include the type of benefit. Thus, “first tier” includes basic state pensions, whilst social assistance substitutes for a minimum pension are separate.
cohorts are not burdened by passive older generations, when combined with selective early exit options they in fact contribute to intragenerational inequity between older individuals. Thus for some, the intergenerational contract is upheld, with an increased onus on “active ageing” through labour market participation, whilst for others, exit prior to the state pension age and into a period of “passivity” remains permissible.

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