



Working Better with Age

FRANCE

Assessment and main recommendations

The transition from employment to retirement still takes place too early and poses problems for many older workers in France

Between 2008 and 2011, only 55% of older workers moved directly from employment to retirement in France. The others experienced often-lengthy spells of unemployment at the end of their working life. Consequently, France ranks near the low end among OECD countries in terms of the effective labour force exit age. In 2012, it was estimated at 59.7 years for men and 60.0 years for women, compared with 64.2 years and 63.3 years respectively for the OECD as a whole.

Although it has risen in recent years, the employment rate for older workers in France is among the lowest in the OECD: in 2012, 44.5% of those aged 55-64 were working in France, compared with the European average of 48% and an OECD average of 54%. France has seen progress, however, on two fronts with respect to women and to "young seniors" (those aged 55-59). First, the employment rate for women aged 55-64 has almost caught up with the employment rate for men in the same age bracket, something that is far from being the case in the OECD area as a whole. Second, the employment rate for "young seniors" has risen more quickly than in the OECD area, reaching 67.1% in 2012, higher than the international averages (European average 63.3%; OECD average 65.8%). By contrast, progress for persons over 60 years has been very limited in France. The employment rate of those aged 60-64, while it nearly doubled in 10 years, remains far below the international averages for 2012 (21.7% in France versus 32.2% for the European average and 41.0% for the OECD average). Moreover, beyond 65 years there are very few people still working. Although the employment rate for those aged 65-69 has tripled since the beginning of this century, it was only 6% in 2012, barely half the European average (11%) and less than a third the OECD average (19%).

France compares fairly well internationally, however, under a new indicator, which relates to older persons who are neither in employment nor in retirement: this covers those who are unemployed and those who are inactive and seeking work. The portion of persons neither employed nor retired among the population aged 55-64 was 4.4% in 2012, far below the European average (8.1%) and the OECD average (7.7%). The reason for this is that the French tend to take early retirement and there is only a small

group of older persons not retired who want to work. Three-quarters of these persons are classed as unemployed and only one-quarter are inactive, with roughly a third of them on sickness leave or disabled. By comparison with other countries, the number of disabled older persons is relatively low in France. Consequently, there does not seem to have been much switching among the different provisions for early cessation of work in France, and towards disability status in particular, in contrast to what happened in the 1990s in Norway and the Netherlands.

Reforms implemented over the past decade

The growth in employment for older people over the past decade can be attributed in large part to the policies implemented by the public authorities to strengthen incentives to continue working after the age of 50. The 2003 pension reform extended the duration of contributions necessary to qualify for a full pension (from 40 years to 41 years and three quarters), effective as of 2009 until 2020, and the 2010 reform pushed back, between 2011 and 2017, the qualifying age for pension entitlement (from 60 to 62 years) and automatic access to the full rate (from 65 to 67 years). The provision that exempts older unemployed persons from looking for work as well as the public funding of early retirement have been largely abandoned. The taxation of private early retirement benefits has been increased and the mandatory retirement age in the private sector has been postponed to 70 years. Consequently it is the employers who must now, much more than previously, bear the cost of early retirement and they often prefer to keep their older workers on the job. This field of action has been favoured in the “older-worker agreements and plans” (*accords et plans seniors*) which firms with 50 workers or more have since mid-2009 been required to establish, or pay a penalty of 1% of their payroll. On the other hand, these agreements and plans seldom have made little provision to hire older workers into the business, to improve working conditions or to prevent situations of strenuous work.

When the world financial crisis struck, many older workers in France as in the OECD area lost their jobs and found themselves in long-term unemployment. Moreover, in France since the end of 2008 older persons have been overrepresented among workers who have voluntarily left their firms following a *rupture conventionnelle*, i.e. a negotiated termination of their work contract, and who are drawing unemployment insurance benefits. The unemployment rate for those aged 55-64 has risen in France by 2 percentage points since 2007, and stood at 7.1% of the labour force in 2012. Even if this is lower than the total unemployment rate (9.9%), it is marked by a greater frequency of unemployment exceeding one year (61% and 40% respectively). Thus, if there is no increase in the labour demand for older workers, they will be at risk of greater insecurity at the end of their career, prior to retirement.

An overall strategy is needed

In the current context of crisis, it is particularly urgent to encourage the employment of older jobseekers. There is also a need to ensure that firms manage different age groups effectively in order to promote employment until retirement. There are three aspects that should be stressed within a strategy for acting simultaneously on supply and demand: i) strengthen incentives to work longer; ii) remove obstacles to the hiring and retention of older workers; and iii) improve the employability of older workers.

Strengthening incentives to work longer

Facilitating the transition to retirement

Apart from its fragmentation into some 30 separate regimes, one of the difficulties in reforming the French pension system is that the two parameters – the age of retirement and the duration of insurance cover – are linked. In order to improve the transition to retirement, they must be optimised in order to allow more individuals to work long enough to earn a full pension. Not surprisingly, it is the more highly skilled workers who are most successful at this, and the less-skilled are heavily exposed to long-term unemployment before they reach retirement age. While there are many “solidarity” aspects in the pension system that can offset some career hazards by counting accumulated periods of unemployment and sick leave, the system’s fragmentation into different regimes is poorly adapted to workers’ occupational mobility.

Pension reforms were front and centre in policy debates in 2013 in France. In February, the Prime Minister established a Commission “on the future of pensions”, chaired by Yannick Moreau, which submitted its conclusions in June. Following a summer of consultations with the social partners, the Council of Ministers approved a draft bill in mid-September to “guarantee the future and the fairness of the pension system”. On November 26 the National Assembly completed its review of that bill. The text must be re-examined by the Senate, and it should then be definitively adopted by the National Assembly in early December.

In its recent report, *France: Restoring competitiveness*, the OECD has expressed some reservations about the scope of the changes that will result from the 2013 pension reform. It does however welcome the extension to 43 years of the time required to achieve full pension entitlement as of 2035, and the personal account for preventing exposure to strenuous work. The implementation of this account must however be well prepared if it is to be effective (see below). There are three other measures that have great long-term potential as well: i) making it easier to obtain a quarterly retirement contribution, which would be of benefit to persons in non-standard jobs, particularly women and young people; ii) allowing certain amounts of time spent in apprenticeship, internship and vocational training to count towards retirement; and iii) establishing a single pension calculation for multiple-pension recipients, who in fact represent more than three-quarters of the workforce in France.

More generally, pension regimes rely on people who work for a longer time but who also start drawing their pensions later. Yet care must be taken so that the more attractive provisions for continuing to work do not in the end prove cost-ineffective. Three provisions coexist for those who are physically capable of continuing to work: the bonus, combining of pension and earned income and gradual retirement.

The *surcote* or “bonus”, which rewards persons pursuing uninterrupted full-time or part-time work after reaching legal retirement age and full pension entitlement, is particularly attractive and now applies to growing numbers of workers of the public sector. The authorities need to ask whether the bonus is overvalued in the integrated regimes where the increase is calculated on the basis of the total pension, whereas in the general regime for private-sector workers it is calculated at best from three-quarters of the total pension. Thought should perhaps be given to introducing a bonus in the complementary regimes for private-sector employees.

The *cumul emploi-retraite*, under which a person can continue to work while receiving a pension, represents the situation where a person has definitively taken his pension, has broken his employment links with his employer, but wishes to remain in a certain activity or to take up another one. This arrangement offers flexibility in end-of-career planning for

those who are still working when they start drawing their pensions. Since the easing of the conditions for combining of pension and earned income, the habit of working during retirement has become more widespread, often by choice among more highly skilled and higher ranking employees. The 2013 pension reform would simplify working during retirement so that it will in no case create new pension entitlements. These new provisions make this possibility of extending working life less attractive, particularly for retirees who must find new work in order to increase their eventual pension.

The *retraite progressive* or "gradual retirement" allows for continued work, but only part-time, and access to the bonus, with a first portion of the pension paid at end-of-career and a second portion at some optional point in time. This arrangement, which can improve the worker's future pension rights, has not taken off for 30 years, mainly because there is little value attached to part-time work in France. The 2013 Employment Security Act introduced a minimum weekly working time of 24 hours as of 1 January 2014. This change represents the shift from a logic where part-time work is used as a variable for adjusting the organisation of work to one in which the organisation of work must be adapted in order to favour voluntary part-time employment.

It is not clear however that this change will encourage part-time end-of-career employment. It would seem more promising to take other steps. First, there is a need to make the possibility of gradual retirement better known among the French public: according to the Eurobarometer survey of 2012, two-thirds of French citizens find that working part-time while receiving a partial pension is more attractive than taking full retirement. Next, the 2013 reform, which is intended to facilitate access to gradual retirement by bringing it forward by two years before the age of entitlement, should also make it more attractive, as the Moreau Commission predicted. In order not to see their pensions reduced, part-time workers can in fact ask to contribute on the basis of full-time pay. The employer must be in agreement, because there will be an increase in both the employees' and the employers' contributions. One of the reasons why there is little demand on the part of workers is clearly that company agreements making provision for part-time systems at end of career rarely offer any financial compensation.

Lastly, since 2009, the mandatory retirement age has been postponed to 70 years for private-sector workers. On the other hand, for public-sector workers, there is still a full-pension age limit (67 years in 2017), even if there are some exceptions. It might be wise to align the age limit for public-sector workers with that for private-sector workers.

Better activate older unemployed people

One effect of the suspension of public funding for early retirement in France as well as the end of the exemption for the older unemployed from the obligation to look for a job has been to boost the number of older persons registered as unemployed. However, it must be noted that this period of unemployment is still too often regarded by workers, employers and society as a kind of disguised early retirement. This is particularly the case for those who join the ranks of the unemployed after the age of 58, since the unemployment insurance benefit is maintained until the person is eligible for a full pension. For this reason many older workers quit their jobs by agreement with their employer at that age, through a negotiated contract termination (*rupture conventionnelle*). According to the analysis in the *2013 OECD Employment Outlook*, this form of negotiated termination of an open-ended contract (CDI), instituted in 2008, serves to make departures smoother but has only marginally affected the flexibility of the CDI without making it much more attractive for employers.

In France, unemployment insurance is based on the rule that the recipient must actively look for a job, but for older workers the maximum time during which benefits may be claimed is the longest among OECD countries (apart from Belgium, where there

is no limit). The maximum duration is three years for persons over 50 (as opposed to two years for those under 50), and it rises to seven years after age 58: in effect, unemployed persons who are 61 years of age can continue to draw benefits until they reach full pension age. It is the best-paid older workers who benefit the most from this provision, because the generous monthly unemployment allowance (up to EUR 6 000 for salaries of EUR 12 000) can be maintained for seven years. While it is true that 99% of unemployed beneficiaries receive less than EUR 3900 a month in France, the potential monthly allowance is much higher than in other OECD countries. For example, the maximum is EUR 1 500 in Belgium, Spain, Italy and Portugal, and EUR 2 500 in Germany and Denmark.

Such a long period of benefits for the older unemployed is rare among OECD countries, and all the more so because it starts early (50 years) and allowances are high. The OECD recommends that the social partners, who are to open negotiations in 2014 on the next unemployment insurance agreement, should rethink the length of the benefits period for older workers. The idea would be to align compensation for older workers with that for those under 50 years, and to better activate unemployment insurance spending for older job seekers. The spending thus freed up could be better geared to help the older unemployed find a job. In particular, this would involve strengthening provisions to help seniors go back to work, such as the differential redeployment benefit (*aide différentielle au reclassement*). This benefit is targeted at unemployed persons over 50 years and at the long-term unemployed, and is designed to encourage them to accept a new job even if it is less well-paid than the one they have lost or left – but it is very little used. Only 7 500 persons were receiving the benefit in 2012, and three-quarters of them were over 50 years of age.

Lastly, the "solidarity" allowances and social assistance can be extended every six months until retirement in France. They should be better activated, particularly for the lowest-income groups nearing retirement. In Denmark, for example, the right of workers over 55 years to claim longer unemployment benefits was abolished in 2011 for persons born in 1953 and after, and was replaced by a right to a subsidised job. In Norway, unemployed persons aged 64-67 whose benefits are expiring have since 2011 being guaranteed a place in an active programme.

The following courses of action are recommended:

- *Evaluate the impact of the bonus and the combining of pension and earned income on the target groups, and compare their cost-effectiveness in the different retirement regimes.* In particular, consider whether the bonus is overvalued in the integrated regimes and whether a bonus should be introduced in the complementary regimes for private employees. An analysis could also be done with respect to pensioners who work out of necessity.
- *Make gradual retirement more attractive.* The French public needs to be made more familiar with this arrangement. To make it more attractive, the authorities should promote part-time employment at end of career with a retirement surcharge added to the contributions of employees and employers. Fixing the minimum workweek at 24 hours as of 1 January 2014, as established by the Employment Security Act of 2013, should be accompanied by measures that go in this direction as of age 60.
- *Change the system of age limits applied in the public sector.* The mandatory age of retirement in the public sector could be aligned with that for private employees (70 years).

- *Review unemployment insurance benefits for older workers to avoid that they are considered de facto in early retirement.* This could involve the following steps: make a commitment to phase out gradually the specific unemployment insurance benefit for persons 50 years and over and maintenance of the benefit after 61 years; as a minimum, in 2014, raise the age of eligibility for a longer benefit period (for example to 62 years); and in any case, reinforce provisions to help older persons return to work.
- *Activate the solidarity and social assistance systems for older unemployed persons more effectively to avoid their social isolation.* Many older recipients of the social minima tend to suffer from long-term unemployment and exclusion. The benefits received are not part of any effective provisions for returning to work. As in other OECD countries, eligibility should be targeted at the poorest elderly unemployed. One route would be to introduce the right to a subsidised job or to an active programme for jobseekers nearing retirement, as in Denmark and Norway.

Removing obstacles to the hiring and retention of older workers

On the labour demand side, it is difficult to identify appropriate measures, as the obstacles relate in large part to negative perceptions based on the idea that end-of-career salaries will be higher than productivity. The conclusions of studies of older workers are rather mitigated on this point, although they do highlight the positive impact of older workers' experience for maintaining productivity at work. It must be noted, however, that these studies cover only older persons who are still working, and their productivity is bound to be higher, overall, than that of older persons who are excluded from the labour market. The action levers on the demand side would involve measures to counter age discriminatory behaviour, to promote wage practices that reward workers' experience, to evaluate the impact of negotiated termination on older people's return to work, and to perform a rigorous evaluation of the "generation contract".

First, the perception of age discrimination in the workplace seems to have grown in France over the last decade. Whereas between 2000 and 2010, an average of 4-5% of European workers 50 years and older complained of age discrimination, the figure for France stood at 7% in 2010, double the level in 2000. The government has the power to combat any type of discrimination, including age discrimination, by raising its cost, and more generally by detecting it and punishing it more severely. When it comes to hiring older people, one way of detecting discrimination could be to make regular use of the "dummy candidates" method. Other levers could encourage firms to limit age discrimination: these include court rulings, legal action by labour unions, good practices in other countries, and awareness-raising among key players.

It would also be useful to work more effectively to address some of the obstacles to the employment of older workers, such as problems relating to the "image" of seniors, who are sometimes regarded, wrongly, as less likely to adapt to a job. Rather than relying on the anonymous CV, one good practice for unskilled older workers is the "simulation" recruitment method developed by the Pôle Emploi. Candidates are selected through aptitude tests without regard to their age or to previously held jobs.

Second, the wages paid to older full-time workers in comparison to those for younger workers in any given year have since 2002 in France been slightly higher than the international average. The ratio of wages in the 55-59 age group compared to wages for the 25-29 age group is 1.5, compared to a European average of 1.4 and an OECD average of 1.3. Does this mean that the wage profile by age is steeper for all older workers in France? Answering this question involves tracking the profile of a cohort of

workers (full-time and part-time) in order to eliminate the composition effect related to the fact that the less-skilled workers leave the workplace sooner. It appears, then, that wages stagnate for more than half of salaried workers between 50 years and the end of their career, except for those who remain at work full-time until retirement. Managerial staff are less likely than other categories of workers to see a relative decline in their end-of-career pay, primarily because they resort less to part-time work. Lastly, in the public sector, more workers see pay progression, however weak it may be, at the end of their career.

Wage policy in the French private sector is determined primarily by the social partners (labour and management). The levers for action available to the government in terms of fixing wage are limited: they relate basically to the official minimum wage (SMIC) and incentives for the social partners to negotiate. Moreover, wage negotiation in the public sector is highly centralised. The authorities could encourage the social partners in the private and public sectors to adopt wage practices that reward experience, which is a factor in maintaining the productivity of older workers. On the other hand, there is a need to rethink the automatic nature of seniority premiums and the consideration of seniority and age in salary schedules.

Third, in many OECD countries the loss of employment following a layoff is more traumatic for older workers than for their younger colleagues. They are, in fact, more likely than others to see their occupational situation deteriorate as a result. In France, the redundancy rate (economic and personal) of workers aged 55-64 was 1.8 times higher than that for workers aged 35- 44 between 2000 and 2008, and it was 1.4 times higher during the crisis: these ratios are among the highest of the 14 countries for which data are available. Older workers are less likely to hold a job one year after their position was eliminated than are younger workers in France, as well as in Germany, Korea and Portugal, where re-employment rates for older workers are less than half the rate for workers aged 35-44. This report also contains a more detailed analysis of the impact of each type of labour contract termination for France between 2004 and 2011. Econometric estimates have been done to analyse the effect that the individual and occupational characteristics of workers whose contract has been terminated may have on their likelihood of finding a new job after a layoff, a resignation, or the expiry of a temporary contract. Once other factors are controlled for, the "penalty" for older workers is steeper in the case of economic layoffs than for other forms of termination. It is also interesting to note that "pre-seniors" (45-54 years) are also much less likely to find a new job after termination than is the reference population (35-44 years). The negotiated termination could be included in this analysis only partially, as it came into full effect only in 2009. It would be well to pursue such research in order to assess the impact of negotiated termination on the return to work for older persons.

Finally, the French government intends to make the "generation contract" (*contrat de génération*) a lever for changing age management practices in businesses of all sizes. The message is promising, for it recognises that younger and older workers are complementary rather than substitutable in businesses. This stands in contrast to the early retirement culture introduced in the 1980s, when older workers were asked to yield their place to younger ones.

It is also important to analyse the impact of this far-reaching intergenerational device, which is not to be found in this form in any other OECD country. Firms with more than 300 employees are required to negotiate an agreement or an action plan addressing specific generational issues, or pay a financial penalty. Firms with fewer than 300 employees are eligible for a subsidy of EUR 4 000 a year, for three years, for hiring persons under 26 years on open-ended contract while retaining workers who are 57 years and older (or hiring them at or after age 55). Although the subsidy is not specifically

targeted at the less skilled, it is relatively more significant at low wages because it involves a lump-sum payment. In other countries, measures to encourage intergenerational partnerships have taken the form of various distinct subsidies to promote the employment of certain categories of younger and older workers, or work-sharing arrangements between generations. For example, the "intergenerational solidarity pact" launched in Belgium in 2005 has introduced measures to facilitate the hiring of unskilled youth together with measures intended to promote employment for persons age 50 and over. On the other hand, Italy in 2007 encouraged the conversion of full-time contracts for workers over 55 years into part-time contracts, together with creation of part-time jobs for unemployed persons under 25 years (or under 30 years if they have a university degree).

A rigorous evaluation is planned in France, as soon as the generation contract is in place. Two questions arise in advance: is it efficient to target the generation contract at all older workers, regardless of their qualifications, and is it not the hiring of older workers that should be encouraged above all? In effect, rather than the difficulties of keeping a job, it is the virtual absence of occupational mobility and re-employment that are the weak points of the labour market for unskilled older workers in France.

The main intervention levers in businesses have to do with the following fields:

- *Combating age discrimination.* It would be useful to combat the negative perceptions of older workers in the French workplace. Age discrimination in hiring should be subject to greater control and penalisation by the authorities and the unions. The generation contract could be the occasion for identifying and remedying such discrimination. The "simulation" hiring method developed by the Pôle Emploi should be targeted at older workers who have experience but no diplomas.
- *Encourage the social partners to reward experience in their wage practices.* Wage policies, even in the public sector, should reconsider the establishment of the seniority premium and the recognition of seniority and age in salary schedules, in order better to appreciate the role of experience in maintaining older workers' productivity.
- *Make negotiated termination less attractive for end-of-career workers and businesses.* Amendments should be decided on the basis of a rigorous evaluation of its impact on the re-employment of older workers. This form of termination seems particularly attractive for better-paid older workers and their employers, but it rarely involves a return to employment after 58 years.
- *Undertake a rigorous evaluation of the generation contract.* This evaluation would serve to identify the strengths and weaknesses of this new contract. The impact of providing further subsidies for the hiring of unskilled older workers (55 years and over) needs to be determined as a priority.

Improving the employability of older workers

In order better to plan for the ageing of the workforce, steps are needed first to reinforce access to vocational training. Next, to encourage a return to the labour market for those who have left the work force and are still capable of working will require the more determined and innovative use of active labour market programmes (ALMPs) for older persons. Lastly, workplace and health conditions must be improved so as to prevent "dropping out" and to avoid workplace stress.

First, the shortcomings of vocational training in France play a great role in making older workers less employable. One major problem seems to be the mismatch that exists between vocational training and the needs of workers and businesses. Vocational training needs to be made more attractive in the eyes of older workers, and firms need to be persuaded to train older workers, particularly the less qualified ones. Age, in effect, merely accentuates a relationship to vocational training that is essentially linked to the level of qualification. The challenge is one of scale. The impact of vocational training is recognised as very low for the less skilled in terms of boosting their qualifications during their working life.

The still-recent results of the new OECD international survey of adult skills (PIAAC) show that France, in particular, has made much progress in terms of boosting the skills of the younger generations, but it is starting from a low level in the case of the older age groups. These intergenerational differences are fairly sharp in comparison with other countries, and the poor performance of France is due in large part to the results for persons aged 45-65, while those aged 16-44 earn scores closer to (but still below) the average. The survey results will need to be analysed further to appreciate the share of older workers leaving the education system with a low level of competencies and the share of those whose skills have deteriorated over the course of their working life.

To mobilise the reform of vocational training now underway in favour of older persons is a first step. Labour-management negotiations should develop new arrangements that also have the objective of making older workers more employable, especially those without qualifications. In particular, implementation of the "personal training account" should be extended to older and experienced workers. Vocational counselling should allow workers over 50 to prepare better for breaks at the end of their career, and should provide them with coaching if they wish to "recycle" themselves in a new occupation. The protected voluntary mobility period (*période de mobilité volontaire sécurisée*) targeted at permanent employees of large firms could offer an appropriate response to older workers' demands for vocational mobility. Public funding should also be increased for older persons in the workforce, whether they are employed or not.

Second, when it comes to employment services France, like most OECD countries, has adopted a standard strategy for jobseekers that applies to all regardless of age. A selection of target groups for coaching by the Pôle Emploi is based not on age but on distance to employment. This is a positive approach, for job-seekers over 55 years are far from constituting a homogeneous group. As well, access to employment measures is not theoretically dependent on age (apart from measures targeted at young people).

Many OECD countries, and in particular Germany, Australia and Canada, also target specific provisions at the most vulnerable groups among the older unemployed. These provisions are innovative, particularly in that they are implemented at the local level. In France, for persons aged 50 years and over who receives benefits under the active solidarity income) (RSA), the specific solidarity allowance (ASS) or the adult handicapped allowance (AAH) or who are recognised as having a disability, the maximum duration of 24 months can be extended, for at most a year at a time, to 60 months.

Public employment services (PES) in Europe have recognised that personalised action plans combined with collective activities such as seniors' workshops and seniors' job clubs are part of good practices for the older unemployed. These good practices for the older unemployed are starting to be implemented in the agencies of the Pôle Emploi. It must be noted, however, that older workers in France generally participate in subsidised jobs in the non-market sector, which are the least promising for occupational re-entry, and they are virtually absent from subsidised jobs in the private sector. Public and private

employment services should, then, be encouraged to improve access for the older unemployed to job subsidies and to vocational training in the private sector.

Up-front counselling in job seeking is considered an effective way to help older persons return to work in two cantons of Switzerland. Indeed, there are some valuable lessons to be drawn from this assessment. First, the advisers and the beneficiaries are both, on average, overly optimistic about the chances of a prompt return to work, although this may perhaps reflect the fact that unemployment is low in Switzerland. Consequently, the counsellors have trouble with initial profiling, particularly for the group at greatest risk of long-term unemployment, and the beneficiaries themselves are not very realistic in their salary expectations. Lastly, more intensive coaching and counselling tends to boost the effectiveness of the job search only for "pre-seniors" in the 45-54 age group. This is the case in Germany as well, under the *Perspektive 50plus* programme: it is primarily the younger "seniors" who benefit from such programmes.

There is a need, then, to sensitise the Pôle Emploi counsellors to the practical difficulties facing older jobseekers. While that already seems to be the case in management placement agencies, providing better coaching to older persons should also be a priority for counsellors in the general agencies of the Pôle Emploi. The challenge is primarily one of scale in France, for according to the latest results presented in this report, "enhanced coaching" is far from overcoming the obstacles to occupational reintegration for the older unemployed *vis-à-vis* their younger colleagues. This is the case with the enhanced coaching proposed following an economic layoff, or long or recurrent spells of unemployment. Not only do older persons seldom find a job, but when they do so most of them are obliged to accept more substantial pay cuts than are unemployed persons under 50 years. While the assessment in no way pre-judges the comparative effectiveness of this enhanced coaching *vis-à-vis* the conventional counselling of the Pôle Emploi, for older workers as well as for younger ones, it appears nevertheless that the enhanced coaching offered is not enough for older persons to overcome the obstacles to their re-employment (only one in four has landed a job at the end of one year), and more innovative forms of coaching must still be developed for these specific target groups.

Third, in the area of occupational health, the rate of health-related absenteeism is greater among older workers in France. Moreover, while they tend to suffer fewer workplace accidents, older workers are more likely than other age groups to fall victim to long-term occupational illnesses. France could do more, then, to monitor workers so as to avoid repeat absences from work and, in the end, to prevent them from dropping out of the labour market or being dismissed as unfit. Nordic countries tend to encourage occupational reintegration for persons who are on sick leave. In Norway, in particular, anticipating and reducing sickness-related absenteeism more effectively is one of the three goals of the "Inclusive Workplace Agreement" which was introduced in 2001 and by 2012 covered nearly 60% of workers.

It is important that the main stakeholders should adopt an overall strategy for improving workplace conditions throughout working life, in particular for workers who perform physically strenuous jobs. In Europe, too many policies relating to strenuous work by older persons are still confined to making provision for early retirement or disability benefits. It would be better to reduce exposure to strenuous work, to adapt and modify working conditions, and also to facilitate career mobility so that people can move out of strenuous lines of work.

In France, following the collapse of labour-management negotiations on strenuous work (which took place during 2005-2008, pursuant to the Retirement Act of 2003), the Moreau Commission proposed a new way of addressing strenuous work situations in order to improve employment opportunities for older workers by taking action on

working conditions and also by allowing the employees concerned to move on to less exposed jobs. As a headline measure of the 2013 pension reform, the personal account for preventing strenuous work exposure is to come into force in January 2015 for private sector workers. Depending on the number of points accumulated in this account, a worker can "convert" to a new occupation, take on a part-time job without loss in pay, and/or take earlier retirement. The first 20 points accumulated under a ceiling of 100 must by law be allocated to occupational training, and the balance of points can then be applied toward early retirement as of the age of 55. There will be transitional provisions for workers nearing retirement at the time the account is introduced, but those provisions do not apply to subsequent generations. The points acquired will be doubled for those aged 59 and a half year in January 2015, and the condition governing their use for training purposes will apply only after age 52.

Implementation of this account is proving to be a complex affair, and the government has set up a commission to prepare its launch. For the OECD, it is essential that older workers should be clearly differentiated from younger ones. In fact, there should be an effort to ensure that early retirement is the preferred option for those who are close to retirement in 2015, and that it does not become the norm for younger workers. Due attention must also be paid to the efforts to improve working conditions and prevent strenuous work made by the firms that will have to finance this new right, which could apply to one worker in four within 20 years.

Lastly, there is much to be learned from good practices pursued in other OECD countries, in partnership with public and private stakeholders, with a view to ensuring the employability of workers throughout their career. A good example is the "network initiative" that the Netherlands employment administration has developed with volunteer pioneer firms to promote sustainable employability for their workers. The National Agency for the Improvement of Working Conditions (ANACT) and its regional network, which are key players in helping businesses cope with age management, could draw inspiration from this good practice.

The principal levers of action relate to the following fields:

- *Consider older workers' needs in the reform of vocational training.* It will be essential for the intersectoral negotiations to develop the new provisions for promoting the employment and occupational mobility of older workers, with a special focus on unskilled workers. In particular, the protected voluntary mobility period should be offered to older workers in response to their demand for occupational mobility.
- *Step up the efforts of the "Pôle Emploi" to encourage the older unemployed to return to work.* The goal should be to give older jobseekers more frequent access to more effective measures such as intensive assistance in job seeking and a subsidised job in the market sector of the economy. Pôle Emploi counsellors should be better equipped to address the real problems encountered by older jobseekers and to establish, early on, a solid profiling of their chances of finding a job quickly.
- *Promote retraining and access to part-time work without loss of pay for employees who have a personal account for preventing strenuous work.* The option of early retirement should be recommended only for workers nearing retirement age, during the first years of implementation of this account.
- *Encourage the occupational reintegration of persons who are on sick leave.* To avoid repeat absence from work and, in the end, to prevent workers from dropping out of the labour market, or from being dismissed as unfit, France

should adopt the practices of Nordic countries, and of Norway in particular, in order to anticipate and reduce absenteeism through sickness and to promote a rapid return to work.

- *Encourage firms' efforts to promote employability throughout working life.* The initiative undertaken in the Netherlands with volunteer "pioneer" enterprises for promoting their workers' sustainable employability could provide useful lessons for the experiments being pursued in France, and by ANACT in particular.

www.oecd.org/els/employment/olderworkers