

The two seemingly unrelated trends of population, ageing and globalisation, have created new challenges for both firms and policy makers. On the one hand, the larger retired population created by both demographic trends and increased life expectancy has put substantial pressure on the sustainability of state and occupational pension schemes, and also increased the cost of providing public health services. On the other hand, in a context of increasing competition in domestic and international markets, firms have sought productivity gains and cost reductions through more efficient human resource practices, down-sizing and outsourcing. The latter trends are not without consequences for whole sections of the workforce. Among these is the possible impact on the current and future health of present employees. Such practices could also have a detrimental effect on the ability of older workers to obtain and retain jobs in a context where employers are continually seeking efficiency improvements. For example, being in an occupation where there are negative amenities such as long working hours, physically demanding tasks or hazardous working conditions mean that prolonging working life may be detrimental to the health status of older workers. As a result of the combined effect of population, ageing and globalisation, various links have emerged between working conditions, health and the labour market situation of older workers.

The trend towards earlier retirement since the end of the 1970s led to important changes in the operation of the labour market for older workers. The labour supply decisions of over the age of 55 became a key determinant of their employment rate. The possibility of taking early retirement, and the stagnation (and even decline) of earnings after the age of 50, created incentives to leave the labour force and in most countries led to a trend decline in participation rates for this age group over the period from 1980 to 2005. In order to reduce the difficulties in maintaining pension provision, policy makers have proceeded by raising the age of retirement, increasing the contribution rate for payments made into pension funds out of labour earnings and in some cases actually reducing the amount paid to those who are retired. Requiring workers to remain in the labour market longer and to retire at a later age appears reasonable in theory but there are a number of factors that make such reforms problematic. In more recent years, in European countries there has been an increasing reluctance on the part of employers to recruit older unemployed workers. In France, for example, half of those exiting from the labour force into retirement are unemployed. In political terms reversing these trends is difficult for generations that have seen their own parents retiring in their 50s.

Three of the contributions deal specifically with the labour market situation of older workers. Stephen Bazen and Kadija Charni examine the hourly earnings profiles of British males aged 50 and over using panel data. They examine whether earnings decline in later life in the way depicted in cross-sectional data. The principal finding is that while hourly earnings tend to stagnate after the age of 52, they only actually decline for individuals who change employment status – either voluntarily by moving to a job with fewer hours or involuntarily, in which case the earnings decline is quite substantial. These conclusions do not sit well with policy reforms to exhort displaced older workers to remain longer in the labour force in a context of difficulties in finding employment and lower earnings when a job is found.

In a different vein, Thomas Barnay and Nicolas Sirven assess the impact of economic shocks on the decision to remain in employment in later life based on how individuals view



their future financial well-being in a number of European countries. They find evidence of loss aversion among the over 50s, causing them to remain longer in the labour market than they would have in the absence of an unexpected negative shock to their well-being. An in-depth analysis of the job search behaviour of this demographic group for France is provided by Berengere Legendre and Mareva Sabatier. They pay specific attention to the interaction between distance to retirement and health issues. In particular the probability of remaining employment is greatly reduced by poor health, and this will have important consequences for the efficiency of reforms concerning retirement age.

Interest in the link between health and work has grown considerably in the light of the effect of increasing product market competition on working conditions and employment opportunities. The final two contributions examine how labour market displacement and working conditions affect workers' health. The study by Leombruni, Ardito, Michele, d'Errico and Massimiliano uses Italian data and finds that long-term unemployment (a duration of more than three years) significantly increases the risk of coronary heart disease. The effect is more pronounced for those who were healthier prior to an extended period of unemployment. The impact on heart disease is similar for those displaced workers who moved into self-employment. Finally, Marine Coupaud examines the effect of different aspects of working conditions on the physical and mental health of employees in a large number of European countries and how the effect of these factors changes between 2000 and 2010. The intensity of the rhythm of work is found to have a detrimental effect on health although its importance is decreasing over time. An important finding is the nature of interpersonal relationships in the workplace which has an increasingly negative impact on different indicators of employee health, in particular relations with one's hierarchy. This analysis suggests an important role for human resource practices and raises the issue of the social responsibility of employers.

The corporate social responsibility (CSR) of firms has been popularised as a concept after the emergence of the United Nations' Global Compact in 2000. However, the content of current CSR policies is dominated by environmental concerns rather than social ones. In particular, the issues of older workers in the workplace and working conditions have been marginalised in the debate and possibly viewed by companies as being in conflict with productivity objectives. Improving the working conditions for employees in general and older workers in particular could lead to productivity improvements along lines suggest by Akerlof's "gift exchange" theory. Japanese companies have understood this for many years and have adapted working conditions (hours, kind of tasks, etc.) for older workers. This issue is a global one which cannot be solved solely through public policies. It may require the implication of society in general, including companies via their CSR policies.

Stephen Bazen

Aix-Marseille University (AMSE), CNRS and EHESS, Marseille, France, and

Jean-Marie Cardebat

LAREFI, Universite de Bordeaux, Bordeaux, France