Unequal Extended Working Lives: the UK’s failing policy agenda

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Key Findings

- The UK’s older workers at greatest disadvantage are women and people with a minoritized ethnic background.
- Initiatives to support Extending Working Lives (EWLs) have been piecemeal, unevenly distributed and implemented, poorly promoted, and not ambitious enough.
- Initiatives have lacked formal evaluation leading to an absence of robust evidence.
- Most employers are insufficiently engaged and invested in the EWLs agenda. This is particularly true among small and medium size employers (SMEs).
- UK policy fails to make working longer realistic or fulfilling for people in insecure, low-paid work. Women, people from minoritized ethnic groups and those of a lower socio-economic status are particularly at risk.

Why is this important?

In the early 2000s, the need to address demographic shifts toward an ageing population and predicted labour shortfalls became prominent in employment policy debates, with the number of people aged over 65 predicted to increase by 6.2 million by 2034, compared to a predicted increase of only 1.5 million for those aged 16-64. The British Social Attitudes Survey showed a culture shift, finding that two fifths of people who had retired would have preferred to remain in employment for longer (Government Social Research, 2016). This is about creating equal and inclusive opportunities for people to work longer, whilst recognising that not all are able to do so. EWLs are the most effective route to addressing this emerging political and cultural turn in the UK.

The aftermath of the Covid 19 pandemic has seen an exceptional number of workers exit the workforce. Latest trends show that the employment rate of older workers aged 50-64 has fallen to around the same level as in 2016, whilst the employment rate for people aged 65+ has stabilized at the same level as 2016. The UK needs to act now as the work done previously to encourage and promote EWLs risks being undone, making the threat of labour force skill shortages very pressing. This is particularly likely to have an impact on the Education, Health and Social Care, Public Administration, Manufacturing, Construction, Transport and Retail sectors, as older workers are disproportionately likely to leave these sectors prior to pension age.

Unevidenced, unequal, and unaware

There is some evidence of positive localised programmes focussing on the needs of older jobseekers, yet there is a lack of evaluation and robust evidence to continue and expand successful initiatives. Access to upskilling and job seeking support is a postcode lottery.

People with disjointed employment histories are hugely disadvantaged in the UK pension system. This disproportionately affects women and people from minoritized ethnic backgrounds who are more likely to have had time out of work for caring responsibilities, or to have been on short term or precarious contracts.

Employers are often unaware of requirements related to age discrimination and flexible working policies. This is particularly true of SMEs which are less likely to have the human resource to monitor and implement schemes. This has led to low take up and disbandment of promising initiatives such as Mid-life MOTs and Fit for Work assessments.

Recommendations

Policies need to be joined up and integrated. EWLs policies such as the Fuller Working Lives and the Industrial Strategy have been uni-dimensional with limited cross-departmental linkage. There is little regard to the implementation of the Equality Act (2010) or recognition of diversity and the intersecting nature of existing inequalities. The UK is experiencing a shift away from targeting older jobseekers at central policy level (e.g. The Care Act and The NHS Long Term Plan) despite evidence showing the need for targeting.

More needs to be done to connect government strategies with employer action. A targeted effort to raise awareness of schemes is required, particularly with SME’s. Lack of awareness of schemes can lead to low uptake and premature disbandment (such as the fit-for-work programme).

A coordinated national level assessment of the skills the UK will need in the future is urgently required. New initiatives are positive but often unsuited to the older workforce or, as with the National Retraining Scheme, unlikely to meet projected need. Older workers are less likely to have the opportunity or take-up training and are negatively affected by adult learning cutbacks.

The requirements for anti-age discrimination and flexible working policies need clarifying and publicising. Compulsory measures are not being implemented as intended. As a result they have failed to prevent ageist practices and discrimination in age management policies, training, promotion, and recruitment. This is a significant barrier to EWLs, especially for women.

Inequality and diversity in later working life needs to be acknowledged. Inequalities persist to the extent that working longer is not realistic or fulfilling for several subgroups. Older workers in insecure, low-paid work fail to benefit from some EWL policy initiatives. This particularly effects women, those in lower socio-economic groups, those with a minoritised ethnic background, and those with a lower education level. Policies should recognise diversity of experience as well as within the older worker population.

A life course focussed strategy and associated policies are needed to combat inequality. Such a strategy should aim to both prevent ill-health and skill obsolescence, care and the labour market challenges, whilst ensuring that key institutions enable continuing active participation in the workforce.

About the research

This research on the UK is part of the European research programme EIWO. Using a national policy case study of the UK, we are exploring the influence of macro social and political-economic change on late working life employment exclusion and inequalities, identifying how policy developments have informed the existing Extending Working Lives (EWLs) agenda in the UK.


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About EIWO

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