



Submission to the Department of Enterprise, Trade and Employment on the development of a white paper on enterprise

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Age Action is Ireland's leading advocacy organisation on ageing and older people. Age Action advocates for a society that enables all older people to participate and to live full, independent lives.

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In relation to the eight high-level policy questions named in the consultation background paper, their interaction with older age should be considered in each case. For example, policies for inclusion and regional growth should have a central role for older workers. Policies to ensure skill availability and productivity should ensure that workers are given opportunities and support to develop throughout their lives, not just at younger ages. With reference to the consultation guidelines, Age Action's submission largely focused on the domestic landscape, the digital transition, skill availability, the SDGs and delivery of enterprise policy objectives.

In 2022, there are over one million people in Ireland aged 60 or older, representing more than one in four adults in the country. Older persons are a vital part of the economy, as employees, self-employed, business owners, landlords, investors and consumers. The future white paper on enterprise must give a central position to an analysis of Ireland's population dynamics and the changing age structure of the population.

The developmental welfare state¹ remains a relevant model when considering the future of enterprise in Ireland, however there is a need to change one key term, which is the inherently ageist concept of "working age". It should be replaced with the term "workers" or "economically active" and it should not be rigidly defined with reference to any set age, such as people aged 16 to 64. Similarly, rather than older age being defined in reference to a notional retirement age, a more fluid concept of the transition from work needs to be developed within the developmental welfare state model, reflecting the fact that many people would prefer to lower their work obligations gradually over time rather than suddenly stop all economic activity. The economic concept of "retirement" should reflect a situation where a person has transitioned to reliance on a pension or savings rather than economic activity to provide most of their income.

Significant numbers of people continue to work well into their 70s, and trends in data suggest that in future more people will work beyond the age of 66. For example, the latest Labour Force Survey found a 50% increase in the number of older persons at work compared to five years previously. Nearly a quarter of a million people aged 60+ are at work, including an estimated 80,000 (one in nine) aged 66 or older, most of whom would be entitled to a State Pension.

The following needs and concerns of older persons should be addressed in the enterprise white paper:

1. Expanding work opportunities for older persons
2. Ensuring income adequacy
3. Providing occupational pensions
4. Providing training and upskilling, including digital skills

¹ http://files.nesc.ie/nesc_reports/en/NESC_113.pdf

5. Providing supports for issues that particularly affect older workers
6. Ending age discrimination that affects workers and consumers
7. Ending mandatory retirement
8. Developing a new norm of transitioning from full-time work to retirement

Work opportunities

Older workers often report exclusion from training or promotion opportunities, and some workplaces segregate workers by age cohort. The WHO Global Report on Ageism notes the negative economic consequences of ageism.²

Many older persons, from their mid-fifties onwards, report difficulties getting work opportunities and those who are unemployed are more likely than not to be long-term unemployed, with many people from their mid-fifties unable to secure another full-time job before retirement. Increasing the labour market participation of older persons can be achieved by investment in training, adjusting training to meet older persons' needs, promoting more flexible working conditions and through targeted initiatives.³ The research finds that older workers with lower formal education are more likely to take up training, but that training needs to be tailored to older persons' learning needs and styles. Improvements to working conditions should include flexible work schedules and part-time options to encourage people to remain in employment for longer.

Income adequacy

Workers are under increasing pressure to save for an adequate retirement income at the same time as meeting a high cost of living. An increasing proportion of older workers are renters. Pension auto-enrolment will become another expense for many workers. Ultimately, enterprise policy needs to be oriented to the creation of higher-value higher-wage jobs to ensure income adequacy for more workers. The OECD notes that "Ireland has currently one of the highest incidences of low pay of the OECD Member countries".⁴ This indicates that substantive structural changes are needed to achieve a higher wage economy, involving much greater investment in the training and development of workers, including older workers.

² <https://www.who.int/teams/social-determinants-of-health/demographic-change-and-healthy-ageing/combating-ageism/global-report-on-ageism>

³ Vodopivec, M., Finn, D., Laporšek, S. *et al.* (2019) Increasing Employment of Older Workers: Addressing Labour Market Obstacles. *Population Ageing* 12, 273–298. <https://doi.org/10.1007/s12062-018-9236-4>

⁴ <https://www.oecd-ilibrary.org/docserver/501028262326.pdf?expires=1658399041&id=id&accname=guest&checksum=081AEED0FF3387B66D3A37178565D2E7>

Occupational pensions

Revenue have found that “most employees on lower incomes do not make contributions to their pension”. When employee gross incomes are over €40,000, a majority make pension contributions but even at the highest levels of income, more than a quarter of income earners do not make pension contributions. At least 1.8 million employees were not making pension contributions and several hundred thousand were making relatively small contributions.⁵ Pension auto-enrolment is designed to push more people into saving for a supplementary pension income in older age. Employers will have an important role to inform and to support workers to stay in the auto-enrolment system, and the future enterprise white paper should integrate retirement savings into its objectives for both adequate remuneration and incentives for investment.

Training and upskilling, including digital skills

Many in-work training supports are oriented towards younger or middle-aged workers. Some employers may not see value in investing in workers aged 55+ if they feel that they are likely to retire before the investment would provide a return. Incentives are needed to ensure that all workers can avail of training opportunities throughout their working lives. There also needs to be joined up strategy with the Government’s aim for older persons to have digital skills (such as for telehealth or online public service transactions).⁶ Typically, many people acquire digital skills through their workplaces, and employers should be encouraged to facilitate more workers to develop general digital skills, even if these are not immediately required in their current job role.

Workers in some industries may have little work experience of using the internet or digital devices, which reinforces a digital divide in society. Incentives are needed to ensure that all workers are included in digital skills training so that no one is digitally excluded upon retirement. Lack of digital skills also affects older persons as consumers, as lack of ability to use the internet is a barrier to accessing better prices or to getting the information necessary to make more informed purchases.

The acceleration of the digital economy combined with progress towards a green economy mean that many older workers are competing for training and job opportunities in a dramatically different work environment than the one they entered earlier in their lives. The White Paper should consider the Just Transition Policy Framework and be cognisant of the fact that older workers are an identifiable cohort requiring targeted measures. Older workers in transition either within the workplace or who may find themselves displaced from the workplace should be meaningfully represented in negotiations with adequate supports including counselling and career

⁵ <https://www.revenue.ie/en/corporate/documents/research/pmod-statistics-paper.pdf>

⁶ <https://www.gov.ie/en/publication/f4a16b-national-digital-strategy/>

development, provision of early retirement packages that provide income adequacy and equitable opportunities for training and skills development.

Issues affecting older workers

To retain older workers, employers need to offer flexibility and support for circumstances that are more likely to affect them, although they could affect workers at any age. Human resources policies designed for older workers will benefit workers of all ages.

Every employer should have policies on how to support workers who acquire long-term illness that requires treatment but does not prevent them from working. Cancer treatment is an obvious example.

Every employer should have a menopause policy as a standard part of its human resource policies, to support workers who may need time off or flexibility to deal with the associated symptoms of this natural change in their bodies.⁷

Every employer should have policies on how to support workers who have care duties, such as care of a spouse who has an illness or disability, for example through flexible scheduling of work and allowing flexibility so workers can accompany someone to medical appointments.

Age discrimination (Ageism)

In Ireland, the number of older persons (65+) reporting work-related discrimination has risen from 0% in 2004 to 4% in 2019, and the number experiencing age discrimination accessing services has risen from 6% to 8%.⁸ The increase of this reporting since 2004 may indicate greater awareness of rights, but it may also point to a higher occurrence of discrimination.

As noted above, exclusion from training or promotion may be a form of age discrimination. In a national survey of 1,849 adults carried out for Age Action by IrelandThinks in 2022, one in four people (25% of all ages) reported personally experiencing discrimination in the last couple of years because of their age, with nearly half (48%) of those who are unemployed reporting age discrimination.⁹ From Age Action's interactions with older people and engaging with stakeholder organisations, it is clear to us that older jobseekers routinely face age discrimination such as not being called to interview and many feel excluded by job adverts aimed at young workers.

⁷ See, for example, https://inmo.ie/tempDocs/20190514091138_WebMenopause%20Position%20PaperSM.pdf

⁸ <https://data.cso.ie/table/EQQ12>

⁹ Publication forthcoming in September 2022

The drive towards cashless transactions is an example of older persons feeling discriminated against as consumers.¹⁰

Mandatory retirement

In Age Action's experience, mandatory retirement is a major concern for many older workers, and many cases taken to the Workplace Relations Commission by older workers relate to compulsory retirement. The continued existence of mandatory retirement clauses in Ireland is an instance of institutionalised ageism. Mandatory retirement was abolished in the UK in 2011 and in the USA in the 1970s. The EU Court of Justice states that any rules on a compulsory retirement age must be in the public interest, not to make things easier for employers.¹¹

Evidence shows that involuntary retirement has a negative effect on the mental health of workers in Ireland,¹² similar to findings in the USA,¹³ and to wider negative effects on people's physical health and economic situation.¹⁴

Transitioning from full-time work

Nearly two-thirds of EU citizens would prefer to work part-time and to transition to a partial pension before fully retiring.¹⁵ Part-time work can suit many older persons as a gradual transition to retirement and maintaining good health as an older worker is important to prevent early retirement.¹⁶ A managed process of transitioning from full-time work can reduce health problems associated with a sudden shift to retirement.

The Workplace Relations Commission, in consultation with IBEC and ICTU, published a code of practice to encourage best practice engagement between employers and employees in the run up to retirement.¹⁷ The enterprise white paper should consider how this code could be strengthened, as part of a more robust process of supporting workers to remain productive for longer, and to transition out of full-time work on their own terms, not based on an arbitrary age.

¹⁰ For example, <https://www.rte.ie/news/business/2022/0729/1312874-aib-reports-477m-profits-up-74/>

¹¹ <https://www.supremecourt.uk/cases/uksc-2010-0201.html>

¹² <https://pubmed.ncbi.nlm.nih.gov/27084792/>

¹³ <https://pubmed.ncbi.nlm.nih.gov/19096091/>

¹⁴ <https://pubmed.ncbi.nlm.nih.gov/7320461/>

¹⁵ Eurofound (2016) *Extending working lives through flexible retirement schemes: Partial retirement*, Publications Office of the European Union, Luxembourg. https://ec.europa.eu/eurostat/cros/system/files/203-2015-extending_working_time_lives_0.pdf

¹⁶ Gannon, B., & Roberts, J. (2011). Part-time work and health among older workers in Ireland and Britain. *Applied Economics*, 43(30), 4749–4757. <https://doi.org/10.1080/00036846.2010.498354>

¹⁷ Industrial Relations Act 1990 (Code of Practice on Longer Working) (Declaration) Order 2017 (S.I. No. 600 of 2017).