

## Abstract: Comparing the Employment of Older Workers in UK and Germany

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Extending working life is an objective for many nations. Ebbinghaus' influential cross-national analysis of early retirement, published in 2006<sup>i</sup>, identified pathways out of work which needed to be curtailed. He predicted that liberal welfare states regimes like the UK would react faster than conservative ones like Germany. However, in the 2014 report 'Fuller Working Lives'<sup>ii</sup> the UK government could only report modest improvement "compared to many nations". A comparison of European Labour Force Surveys shows the employment of older people (aged 55 to 64) has increased much faster in Germany since 2003. This paper compares the employment transitions of older workers using data from the longitudinal surveys British Household Panel Survey, its successor Understanding Society and the German Socio-Economic Panel.

Intergenerational fairness frequently appears in the UK media with headlines such as "Have the baby boomers really had all the luck?"<sup>iii</sup>. However, the baby boomer generation includes workers whose employment and pensions have been adversely affected by a series of policy changes and financial shocks. This paper investigates employment transitions for ten-year birth cohorts. Many of the most significant changes in the employment patterns concern successive generations of women whose employment rates and working lives are increasing right up to and sometimes beyond pension age. "Luck" does not seem the right word.

Although only one aspect of labour market policy, the experiences of each successive generation of older workers demonstrate that fundamental changes are underway in response to changing economic conditions. The evidence that many of these changes are common to both Germany and the UK seems to call into question the appropriateness of static 'Three Worlds'<sup>iv</sup> or 'Varieties of Capitalism'<sup>v</sup> typologies of welfare states in favour of more dynamic models that can describe incremental change<sup>viii</sup>.

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<sup>i</sup> EBBINGHAUS, B. 2006. *Reforming early retirement in Europe, Japan and the USA*, Oxford, Oxford University Press.

<sup>ii</sup> DWP. 2014. *Fuller Working Lives - A Framework for Action* [Online]. London. Available:

<sup>iii</sup> The Independent on Sunday 13<sup>th</sup> December 2015 page 58

<sup>iv</sup> ESPING-ANDERSEN, G. 1990. *The three worlds of welfare capitalism*, Cambridge, Polity.

<sup>v</sup> HALL, P. A. & SOSKICE, D. W. 2001. *Varieties of capitalism: the institutional foundations of comparative advantage*, Oxford, Oxford University Press.

<sup>vi</sup> STREECK, W. & TRAMPUSCH, C. 2005. Economic reform and the political economy of the German welfare state. *German Politics*, 14, 174-195.

<sup>vii</sup> STREECK, W. 2010. *Re-forming capitalism: institutional change in the German political economy*, Oxford, Oxford University Press