



# Social Participation

## Employment, Voluntary Work and Education

# 4

## Introduction

The transition to retirement and how life in retirement is structured are changing. Up until the 1990s, there was a clear trend to leave the labour market at the earliest opportunity. In the past few years reforms of the pension system and labour market have been introduced to counteract this early exit from the workforce.

Between 2012 and 2029 the state pension age will rise from 65 to 67, meaning that older people will work longer in future.

Over the past decades, the concept of 'active ageing' has shaped the political debate on

ageing and the formulation of ageing policy and engagement initiatives. Part of this concept is working as long as possible, further education and training and voluntary activity. An important argument here is that our ageing society can no longer do without the productive contribution and the experience of older people.

Given the growing numbers of people dependent on support and care, the question as to how people in future can combine 'active ageing' with the support and care of relatives or other people close to them grows increasingly relevant.

The German Ageing Survey (DEAS) provides representative data on how participation in the labour market, voluntary work and adult education has developed over the past twelve years and whether this was in line with reform policy. The many and various measures of the past decades in the areas of the labour market, pensions, old age and civil engagement have been mainly directed at those around retirement age.

The DEAS data on social participation allows us to examine whether the various political interventions have had conflicting aims. It is, for instance, conceivable that the increased participation of older people in the labour market means

that they have less time to engage in voluntary activity outside the workplace and to undertake further education. Is this in fact the case?

Some examples of important questions to be asked are:

- Has labour force participation increased and grown longer as envisaged by reforms?
- How has transition to retirement been affected by the cutting back of early retirement?
- How do the various dimensions of social participation interact? ■

## Reversing the trend to early retirement

The German Ageing Survey traces the degree of labour market participation by people in the second half of life between 1996 and 2008 and how they approached transition to retirement. A variety of pension and labour market reforms were designed during this period to reverse the trend toward early retirement. Labour force participation rates in the second half of life were supposed to grow and working life lengthen. It was those aged between 60 and 64 on the brink of retirement who were in the focus of this reform. Labour force participation will have to rise most steeply for this group in the light of the raising the qualifying pension age to 67 between 2012 and 2029.

### a) 60 to 64 year olds work more often

For the 55-59 year olds, the activity rate changed more dynamically between 1996 and 2002 than from 2002 and 2008. Employment rose by almost ten percent from 1996 to 2002 and the proportion of people in some form of early retirement dropped by six percent. Labour market participation rose only slightly for this age group from 2002 to 2008. For the 60-64 year olds, on the other hand, a striking development in the direction envisaged by labour market and pension reforms first became noticeable between 2002 and 2008.

From 2002 to 2008 employment rate for 60-64 year olds rose on a national scale by thirteen percent to a total of 33 percent. In 2008 the employment rate for 60-64 year old men in East and West Germany reached about 38 percent and the labour market participation for women rose in West Germany to 32 percent. In East Germany most of the women – 75 percent – in this age group were already in retirement.

## b) Demographic effects favour higher activity rates by older people

It should be noted that the noticeable increase in employment by 60-64 year olds since 1996 is not due solely to reform policies but is also favoured by demographic factors. During this

period, better trained people from high birth rate cohorts moved up into the older work force; these were better qualified and had greater opportunities in the labour market while simultaneously benefiting from the economic boom on the market at that time. ■

## Transition to retirement only partially changed in the direction envisaged by reforms

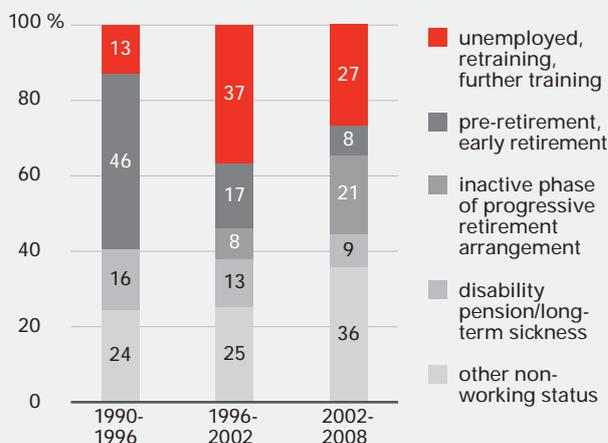
There are two tendencies emerging which contradict the reforms and run parallel to increased and prolonged employment seen as politically desirable for those in the second half of life. Part-time work for employees over 55, in the form of progressive retirement, is increasingly used as

a bridge to retirement and more older workers get unemployed prior to retirement.

In 2008 older people of working age retired on an average at the age of 63 – one year later than in 2002. But only those who switched directly from employment to retirement at the same time prolonged their working life.

**Figure 1** Transition to retirement from the status of inactivity from 1990 to 2008.

Using retrospective information the graph shows the last employment status (unemployment, pre-retirement, inactive phase of progressive retirement arrangement, disability pension, other non-working status) of retirees prior to retirement. This retrospective information refers to the last employment status prior to retirement of those who were no longer part of the work force immediately prior to retirement.



Source: German Ageing Survey, German Centre of Gerontology.

Transition to retirement for others who were no longer economically active prior to retirement, on the other hand, changed with the reduction in early retirement options. In this group there was a distinct rise in the proportion of those who were unemployed immediately prior to retirement or who had already left the labour market altogether during the release phase of progressive retirement (see Figure 1).

## a) Progressive retirement for older workers as alternative to early retirement?

Since the 1990s, part-time work has increasingly been used by older workers as an early exit from the labour force and as a bridge to full retirement. From 2002 to 2008, the proportion of older employees eligible for progressive retirement who availed themselves of the option almost tripled from 8 to 21 percent (see Figure 2).

In 2008 more than one in ten of those entitled aged 55-59 took up the option and in the age group 60-64 as many as one in four. The 'block model' version of progressive retirement was chosen much more often than the 'part-time model'. The part-time model makes possible a successive withdrawal from working life with reduced working hours prior to retirement.

The block model allows an early, full exit from the labour market prior to retirement: with this model the first half of the agreed number of part-time working years is worked full-time, followed by a release period where the working hours credit is offset.

The clear preference for the block model runs contrary to the labour market policy objective of progressive retirement, which is to make a longer working life easier for older workers.

## b) Older working-age employees expect to retire later

The implementation of 67 as the qualifying pension age by 2029 means more people in the second half of life will have to work longer in future.

In 2008, most working people were aware of this. They now gave different answers to the question as to their likely age on retirement and answers among the various education groups have drawn closer together. In 1996 people with a low level of education expected to retire before their sixtieth birthday and thus three years earlier than people with a higher educational level.

By 2008 there was only one year difference in anticipated age on retirement among the education groups, which was between 63 and 64. Differences in educational backgrounds mean that people find the actual adaptation process more or less difficult since the better educated have better opportunities on the labour market than those with a lower level of education. Previous findings by DEAS have shown that the **anticipated** age of retirement was a fairly accurate prediction of the **actual** age for this transition.

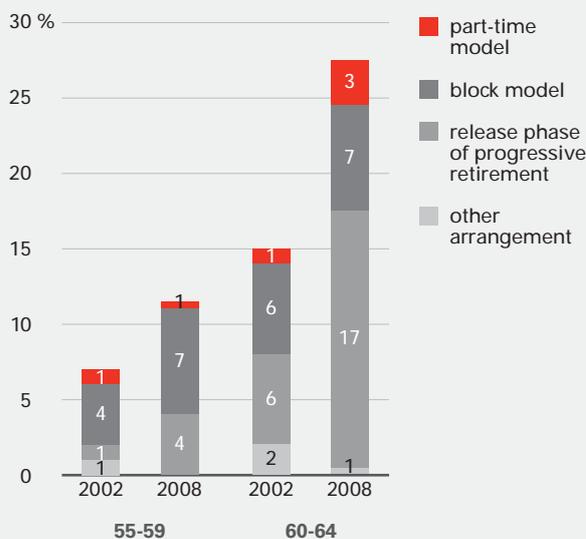
## c) Compatibility of growing labour market participation and long-term care and support

Increased and longer labour market participation by people in the second half of life directs attention to the compatibility of working life with long-term care. Around 13 percent of people working full or part time either support or care for people who are dependent. Care for a person who is dependent includes help in the household and everyday support in addition to physical care.

Dependent people as defined by long-term care insurance are those who require help with every-

**Figure 2** Use of progressive retirement in 2002 and 2008.

The graph shows the percentage of those aged 55-59 and 60-64 eligible for progressive retirement (working population, not self-employed) in 2002 or 2008 who opted for one of the progressive retirement models (part-time model, block model, release phase, other arrangement).



Source: German Ageing Survey, German Centre of Gerontology.

day chores such as getting dressed, washing and eating and are divided into three care categories. A look at all people in the age group between 40 and 65 and not only those in the workforce who are carers shows that in 2008, 14 percent of this group were caring for people in need of long-term care and support.

Of this 14 percent of carers, 33 percent look after a close relative in need of care as defined by the long-term care insurance, 46 percent after a close relative needing support but not long-term care and 21 percent look after people needing support and care beyond the immediate family circle such as aunts, uncles, cousins or friends.

Most carers aged 40 to 65 work: in 2008 50 percent were working full time, 20 percent part-time and only 30 percent were marginally employed or not at all.

Although the majority of carers are female (60 percent) it should not be overlooked that 40 percent of men also take over these duties. Giving support and care to dependent people is equally distributed among the various education groups and between East and West Germany. The conditions affecting care for older people in the family will continue to change as labour market participation in the second half of life increases. ■

## Consistently high social participation in the second half of life

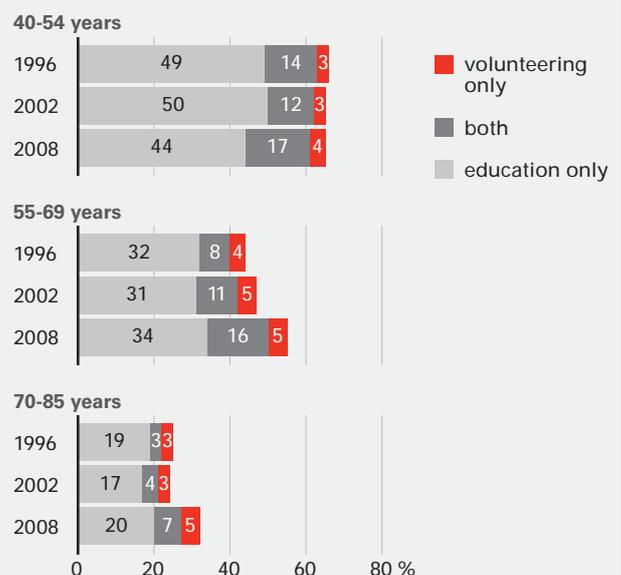
Every second person in the 40-85 age group has a voluntary activity or makes use of external educational opportunities. In 2008, 65 percent of the 40-54 year olds, 55 percent of the 55-69 year olds and 32 percent of those aged 70-85 undertook voluntary activity or used external educational opportunities (see Figure 3). Despite minor fluctuations these activities clearly increased between 1996 and 2008, by eleven percent for the 55-69 year olds and by seven percent for those aged between 70 and 85.

### a) Those using external educational opportunities are more likely to do voluntary work

There is a link between volunteering and lifelong learning. One in three of the people using external education opportunities like further training or attending political meetings does volunteer work and had a job or function in a club or association during the past twelve months. This

**Figure 3** Social participation outside the workplace for the 40-85 age group according to age.

The graph shows the number of those aged 40-54, 55-69 and 70-85 who undertook voluntary work at least once, used external educational opportunities or undertook both these activities on at least one occasion during this period.



Source: German Ageing Survey, German Centre of Gerontology.

is only not the case in the 70-85 age group of people with little education where the figure is one-fifth. There is only a small number of volunteers who do not simultaneously use some form of external education opportunity.

### **b) Higher educated people are particularly active volunteers**

In the 40-54 and 55-69 year old age groups, there were over three times the number of well educated people who had undertaken voluntary work during the past twelve months and used external educational opportunities or attended political meetings in comparison to those with little education.

The gap is widest in the case of the oldest group of the 70-85 year olds: here there are 65 percent, i. e. almost four times the number of well educated people who are active in comparison with the less educated group.

With their high level of education, the coming cohorts of older people are well qualified to participate actively in society in the second half of life. The current link between lifelong learning and volunteer work seems to hold out a lot of promise for the area of policies for the elderly and social engagement. But to find better ways of involving less well educated groups remains a challenge for society. ■

## **People who work participate more than those who are unemployed**

People who are gainfully employed are volunteering more often and are more active educationally than those who are not employed or are retired. This contradicts the assumption that people on the brink of retirement seek ways to utilise their newly acquired leisure time and find a new role for this phase of their lives. In the 55-64 year old age group there has been a tendency for increased voluntary and educational activity parallel to the increase in labour market participation. Since social participation in areas apart from the workplace is more likely for employed people, it can be assumed that both work and voluntary activity benefit from similar factors.

The amount of free time available seems to be just one of several factors here.

In addition to the employment status, region, education and health are also significant for voluntary activity and external educational measures. Participation rates are higher in West Germany than East Germany, for educated people as opposed to the less educated and for the healthy as opposed to the less healthy.

Factors such as age, sex or marital status are not relevant for the likelihood of engaging in voluntary or educational activities. ■

## Summary: Social participation is the expression and result of a healthy old age

During the past twelve years, older people have played an important role in the labour market, in external educational opportunities and in civil society. This situation is in line with the central policy concept of “active old age” for the elderly based on the pillars of employment, education and social participation.

Although labour market participation in the second half of life has risen significantly in accordance with reforms, there is still a long way to go before retirement at 67 has been fully implemented. As people in the second half of life bear the lion's share of the burden of support and long-term care for older people, increased labour market participation makes the question of the compatibility of work and care increasingly acute. The model of “family care time” currently being discussed addresses this problem and envisages additional ways of making work and care more compatible. The question is unresolved as to whether those older working people who do not give physically oriented care but do perform extensive household assistance and support in everyday life or look after people beyond their immediate family circle can be helped by any further model.

In general, the opportunities to participate in society are unequally distributed. The formal level

of education plays an important role here: people with a higher level of education are much more likely to be employed during the second half of life than those with less education, they usually undertake further education and are more likely to perform voluntary work. In this process social participation is both the expression and the result of a good, healthy old age since participation itself encourages education and health. The inclusion of less educated groups remains an issue and is thus one of the key societal challenges to result from demographic change.

The DEAS findings presented here support the strategic aim of old age and engagement policies to forge a close link between lifelong learning and voluntary work. It will be essential, however, to include less well educated groups and give support to the social participation of carers in the labour market, education and the voluntary sector.

Since people who are part of the workforce are volunteering to a greater extent than those who are not, volunteering policy initiatives should target younger, but particularly older members of the workforce. It has been demonstrated that retired people are more likely to do voluntary work if they already had some experience in this area when they were younger. ■

### **The German Ageing Survey (DEAS)**

The German Ageing Survey is a comprehensive study of the second half of life, meaning mid- and late adulthood. The study aims to provide scientifically sound information helpful for political decision makers and relevant sections of the general public as well as providing data to be used in scientific research. The study was conducted to date in 1996, 2002 and 2008. The DEAS is funded by the Federal Ministry of Family Affairs, Senior Citizens, Women and Youth (BMFSFJ). The authors are responsible for the contents of this publication.

### **This document is based on the following book:**

Motel-Klingebiel, A., Wurm, S., & Tesch-Römer, C. (Eds.). (2010). Altern im Wandel. Befunde des Deutschen Alterssurveys (DEAS). Stuttgart: Kohlhammer.

**This document is free of charge and not for sale.**

**The following documents summarizing main results are available online at**

**<http://www.dza.de/EN/DEAS-Press-Information>**

- The German Ageing Survey (DEAS):  
A Long-Term Study on the  
Second Half of Life in Germany
- Material Security
- Health and Well-being
- Participation in Society:  
Employment, Voluntary Work and Education
- Living Arrangements and Partnership
- Intergenerational Family Relations in  
Transition

A brochure containing the press information listed above is published as part of their public relations work by the Federal Ministry of Family Affairs, Senior Citizens, Women and Youth ([www.bmfsfj.de](http://www.bmfsfj.de)).

**You may obtain further information on this topic from the German Centre of Gerontology (DZA) and online from [www.german-ageing-survey.de](http://www.german-ageing-survey.de)** ■

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