

FACTORS AFFECTING RETIREMENT



BOOK 4: CANADA



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4.1 Summary

- There has been a moderate reduction in labour force participation among older people
- This has mainly been facilitated by 'private' means of early exit as opposed to state supported exit pathways
- The state has had a limited role in protecting older workers
- Changes are underway to the pension system
- The impact of these measures will need to be assessed but there are suggestions that they may not resolve the problems faced by low income individuals and households
- Active labour market policies targeting older workers are being developed
- Public debate on the issue of older workers and the labour market is just commencing.

4.2 Labour market situation of older people

The Canadian population is ageing. The birth rate remains low at 1.2 per cent (Grenier 1999). The workforce is also ageing (Bellemarre et al 1998).

Employment

Employment/population ratios among men aged 55-64 show a long-term decline: from 72.9 per cent in 1979 to 55.5 per cent by 1998. Among women in the same age group employment/population ratios show a slight increase over the last 20 years: from 32.3 per cent in 1979 to 35.6 per cent by 1998 (OECD Employment Outlook 1996, 1999).

There are age differences in the incidence of part-time employment. Among the 55-64 age group, 19.3 per cent worked part-time in 1998 compared to 12.9 per cent in the 45-54 group. Grenier notes that involuntary part-time employment has increased significantly in recent years. In 1976 it accounted for 8.2 per cent of jobs among the 45-64 age group but by 1998 had risen to 32.4 per cent (Grenier 1999).

Nearly a quarter (23.9 per cent) of the 45-64 age group were self-employed in 1998 (Grenier 1997). More men were self-employed than women - 25.0 per cent of men versus 15.3 per cent of women. Seven and a half per cent of those in the 45-64 age group were in temporary employment (6.9 per cent of men and 8.1 per cent of women) in 1998.

The number of older workers in the public sector is declining (Grenier 1999). In their study of the public sector in British Columbia, Lussier and Wister (1995) reported that younger and middle-aged people formed the majority of new recruits. The overall ageing of the public sector workforce is limited. This is a result of the take up of early retirement packages: 'early retirement benefit packages instituted in the public service in

British Columbia were extremely well received resulting in a 46 per cent decrease in employees aged 55 and over between 1983 and 1991'.

Workers aged 55 and over are over-represented in sectors in decline. As a consequence, they are vulnerable to lay-offs and displacement (plant moves or closures) (Morrison 1996, cited in D'Amours et al 1998). On the other hand, research based on secondary analysis of existing datasets indicates that those in the 45-64 age group are more likely to be in permanent employment, to belong to a trade union and to earn more than their younger counterparts (D'Amours and Lesemann 1999; Grenier 1999).

Older workers are underrepresented in occupational groups which have grown most in recent years. Fewer in the 55-64 age group work in professional and technical jobs as well as in managerial and administrative positions (D'Amours and Lesemann 1999). This age group also tends to be overrepresented in occupations which have grown the least, for example, in manufacturing (D'Amours and Lesemann 1999).

Mandatory retirement

There is an on-going debate about mandatory retirement at the age of 65 in Canada. The matter was brought to the Supreme Court several times in the 1980s and 1990s (see Gillin and Klassen (1995) and Klassen and Gillin (1999) for the Supreme Court's recent decisions on this matter). Mandatory retirement has been forbidden since 1982 in Manitoba and since 1983 in Québec. Sixty-five years of age is still considered the normal age of retirement as it is the age at which one can begin claiming a state pension. Retirement is not obligatory at this age (see discussion of 'late' exit in section 4.3).

Unemployment among older people

In Canada levels of unemployment have been persistently high in the last two decades but the situation has improved in recent years. Unemployment stood at 8.3 per cent in 1998 (Grenier 1999) and at 6.6 per cent in May 2000 according to Statistics Canada monthly reports.

Levels of unemployment among workers aged 45-64 have been low in the past but since the mid-1980s there has been an upward trend (D'Amours and Lesemann 1999). Unemployment affected 6.9 per cent of those aged 55-64 and 6.3 per cent of those aged 45-64 in 1998. The 45-64 age group represented 15.5 per cent of all unemployed people in 1976 and 22.6 per cent in 1998 (Grenier 1999).

Older people are also at greater risk of becoming long-term unemployed than younger people (Bellemarre et al 1998). In 1996, 21.6 per cent of people in the 45-64 age group had been unemployed for 12 months or more, compared to 13.9 per cent in the 15-64 age group (OECD Employment Outlook 1998).

Statistics Canada data for 1993 suggest that workers aged between 45 and 54 have a 50 per cent lower probability of finding a job quickly than younger people. The situation of those aged 55 or over is even worse. They are 3.38 times less likely to be quickly re-employed than their younger counterparts (Crespo 1999).

As stated earlier, displacement seems to be a particular problem among those aged 55-64. It is estimated that one quarter of this age group who left employment between 1992 and 1997 did so because of plant closures or as part of large-scale programmes of redundancies (Leblanc and McMullin 1997).

4.3 Social welfare and pension arrangements

Employment insurance

Since 1996 the Federal Government has restricted access to unemployment benefits and they have become less generous. To reduce costs three key dimensions of entitlement were targeted: eligibility criteria, benefit levels and duration of benefits (Battle 1998). The introduction of penalties for repeat users could have major implications for older people. These penalties result in benefit cuts for those claiming for more than 20 weeks in a five-year period (Leblanc and McMullin 1997).

These changes have led to a drastic reduction in the percentage of unemployed people who are claiming regular benefit payments: from 87.3 per cent in 1989 to 41.7 in 1997. Beneficiaries can also count on less support - the average weekly benefit level fell from \$272.00 in 1992 to \$249.42 in 1997 (Battle 1998).

Social assistance

Canadian law does not dictate to the provinces how much they must invest in social welfare provision and cuts have often been a result of financial crises. Older workers may suffer the most during such periods (Marshall 1995, cited in LeBlanc and McMullin 1997). Few studies have examined the role of the unemployment and social security systems in the transition from employment to retirement, but Firbank (1995) suggests that social assistance is becoming an increasingly important exit route.

Pension arrangements and income support programme for older people

Canada's retirement income system had grown over the decades into a large and complex structure blending public and private provision (Battle 1997). It is based on three main pillars, two public and one private:

- i. The Old Age Security programme, an ensemble of benefits for the elderly funded by Federal and provincial governments
- ii. Canada and Québec pension plans (CPP/QPP)
- iii. The third tier is private and comprises various savings schemes including (a) Registered Pension Plans (RPPs) to which employers and employees contribute and (b) Registered Retirement Savings Plans (RRSPs).

Old Age Security programme

The Old Age Security programme has three main components:

- i. The Old Age Security (OAS) pension was established in 1952. Individuals can start drawing a pension at 65 years of age. It is means-tested but the income threshold is set very high.
- ii. The Guaranteed Income Supplement (GIS) was introduced in 1967. It aims to assist pensioners on particularly low incomes.
- iii. The Spouse's Allowance Programme (SPA) was introduced in 1975 for spouses of OAS/GIS pensioners and widows/widowers aged 60-64. Benefit calculations are made on the basis of the spouse's income.

These schemes do not require any direct contribution on the part of the individual; they are financed through the national consolidated fund. This fund dates back to the 1920s when both Federal and provincial governments established it in order to provide a means-tested benefit for those aged 70 or over. Until 1971 a portion of tax revenues was specifically allocated to the OAS fund (Statistics Canada 1996).

Reform of the Old Age Security programme

A means-tested Seniors' Benefit will replace the OAS and GIS in 2001. The age at which an individual can claim a pension will not be changed. The Senior's Benefit will be a 'single, family income-tested, non-taxable monthly payment for all but affluent seniors' (Battle 1997).

When envisaging the possible impact of this new measure gender must be considered. According to Leblanc and McMullin (1997) women may be particularly affected by the change. For example, the new system will take into account the incomes of both spouses. According to Leblanc and McMullin: 'women who have well-off spouses will not receive individual benefits past research tells us that the distribution of income between couples is not always equal and where unequal, usually not favourable to women'.

Firbank (1997) argues that the new Seniors' Benefit may help raise the income level of the poorest pensioners. However, it may not resolve problems faced by the most vulnerable older people - older women and parts of the immigrant population. Other reforms being considered by the Canadian Government include postponing the pension age and restricting access to invalidity benefits. However, this risks compounding the problems faced by some older people. While overall the economic situation of older people has improved in recent decades certain groups have remained vulnerable.

Canada and Québec Pension Plans

Established in 1966, these public pension plans are funded through contributions by employees and employers. A large majority - 90 per cent - of Canadians contribute to these pension funds (Statistics Canada 1996). Benefits are indexed to inflation and vary according to the level of contributions and the age at which a person starts to draw benefits. The maximum benefit is equivalent to 25 per cent of average earnings.

Normal retirement age is 65. Since 1987 (1984 in Québec) early access to a pension is possible at 60 years of age but with a penalty. Later drawing of pension benefits at 70 years of age is also allowed.

The structure of the state pension funds contributes to socio-economic inequalities. For example, it is assumed that retired people need a small proportion of their previous employment income to meet their needs in retirement. Problems include an insufficient income at the age of retirement and being unable to make contributions when unemployed (Leblanc and McMullin 1997).

Reform of the public pension system

Pension reform was a major issue in Canada throughout the 1980s and 1990s (Battle 1997). Changes underway to the CPP include a transformation from a pay-as-you-go (PAYG) scheme to partial funding. The current debate is about the future of the funds: 'The aging of the population and slow and unpredictable economic growth jeopardise the political stability of PAYG public pension programs which seemed eminently affordable when designed a generation ago' (Battle 1997). Increases in contribution rates are also planned: 'This move could help restore public confidence in the CPP, although the impact of the rapid increases in contributions over the next several years is going to vary between different income groups - employees and self-employed with below-average earnings facing a heavier relative burden than middle and upper-income contributors'.

These significant increases in levels of contributions are planned to reach 10.1 per cent in 2016 and 14.2 per cent in 2030 (Government of Canada 1999). The repercussions of these modifications have not been fully addressed in the literature. Leblanc and McMullin allude to some of the problems older people on low incomes may face as a consequence of these changes. First, their contributions will increase significantly which will put further pressure on their finances. Second, discontinuity in work patterns could put some at a disadvantage because pensions will be calculated on the basis of the last five years of contributions instead of the last three years (Leblanc and McMullin 1997).

Registered pension plans (RPPs)

Registered pension plans are established by employers or by trade unions. Establishing a plan is not mandatory. At present less than four out of ten employees are covered. According to Statistics Canada (1998) the proportion of workers who were members of RPPs declined from 44 per cent to 42 per cent between 1985 and 1995.

Women are less likely to be members of RPPs than men but female membership is increasing. Over the period 1985-95 registered pension coverage fell from 50 per cent to 44 per cent among men and increased from 36 per cent to 41 per cent among women (Statistics Canada 1998).

Part-time employees are now eligible to join RPPs, which may explain the recent increase in use by women (Bellemarre et al 1998). RPPs are less common in atypical forms of employment (part-time, short-term contracts) which have increased in recent years.

Registered retirement savings plans (RRSPs)

RRSPs were created in 1957 by the Government to encourage individual savings for retirement. A maximum tax-free contribution is set every year. The number of RRSPs increased from 2.8 million to almost six million between 1985 and 1996. According to Statistics Canada (1998): 'While this is an encouraging sign that more people are preparing for retirement, available data do not show how many contribute consistently over time, and the distribution of accumulated savings among workers'.

Between 1981 and 1992 the proportion of men contributing to RRSPs increased from 17 to 29 per cent (CCSD 1996). Among women the proportion with RRSPs increased from six per cent in 1978 to 17 per cent by 1988. However, women in the 55-64 age group are less likely to have an RRSP (Galarneau 1991). Women tend to save less than men as their available income is more limited and they tend to earn less (CCSD 1996). The likelihood of contributing to an RRSP and the average contribution increases sharply with income (Battle 1997).

4.4 Impacts on labour market and retirement behaviour

Labour force participation

Canada occupies an intermediate position among OECD countries, with a moderate trend towards early exit (D'Amours and Lesemann 1999). OECD Labour Force Statistics (1996, 1999) data show that over the last two decades there has been a decrease in participation rates among older men. In 1979 participation among those in the 55-64 age group stood at 76.3 per cent, declining to 64.9 per cent by 1990 and 59.6 per cent by 1998. By contrast, among women, participation rates have increased from 33.9 per cent of 55-64 years olds in 1979, to 35.5 per cent in 1990 and 38.2 per cent by 1998 (see also Grenier 1999; and Leblanc and McMullin 1997).

Although moderate compared to other countries, the early exit trend and more generally the problems faced by older workers in the labour market have recently begun to attract the attention of public authorities and researchers. The causes of the increase in early exit are complex. Governments have not intervened to either encourage or discourage early exit or to try to influence employers' policies towards older workers. Instead early exit has occurred mainly through the utilisation of 'private' means: early retirement programmes or dismissals (Crespo 1999; D'Amours and Lesemann 1999; Deniger and Bisson 1999).

Firbank (1995) has identified the following main 'institutional' exit routes:

- Early access to a public pension
- Disability benefits
- Social assistance benefits
- Company pension plans and early retirement incentives programmes, which are seen by Firbank as the primary routes to early exit
- Programmes for long-term unemployed people (described in section 4.6).

Early access to a public pension

Access to a public pension at the age of 60 was made possible in Quèbec in 1984 and the rest of Canada in 1987. To qualify a person must not be employed (only a little additional income is allowed). The pension is reduced by six per cent per year before the age of 65 (Gower 1995). Conversely, for each year a pension is not claimed beyond the age of 65 it increases by the same amount (Leblanc and McMullin 1997).

According to Bellemarre et al (1998) the introduction of this form of 'flexible retirement' is one of the main transformations that has influenced exit behaviour in the two last decades and has resulted in an increase in the proportion of people opting for early retirement. This policy had an immediate impact. For example, in 1987 two-thirds of new public pension beneficiaries were in the 60-64 age group (Frenken 1991).

The number of people who took early retirement via this route increased from 36,700 in 1981 to 365,000 in 1991 (Firbank 1996). The proportions of those retiring at the age of 60 were respectively: 29.7 per cent in 1991, 32.0 per cent in 1993 and 35.2 per cent in 1995. However, retirement at the age of 65 is still slightly more frequent: 36.9 per cent of retirees in 1991, 34.0 per cent in 1993 and 32.8 per cent in 1995 (Bellemarre et al 1998).

Women are more likely to retire at 60 than men (38.2 per cent versus 32.5 per cent respectively). However, women also seem more likely to retire after the age of 65 than men: five per cent of women compared to only 2.9 per cent of men. Women's limited financial resources could explain this difference (Bellemarre et al 1998).

Disability benefits

Access to disability benefits was made easier at the beginning of the 1980s. Among the 55-59 age group the number of claimants rose from 29,000 in 1981 to 56,300 by 1991. In the case of the 60-64 age group there were 52,400 claimants in 1981 rising to 99,200 by 1991 (Firbank 1995).

In recent years the Federal Government has examined ways of limiting early access to disability benefits. To this end, measures include modifications to the appeals process and to the eligibility criteria (Government of Canada 1997).

Social assistance

It is difficult to assess the role social assistance plays in facilitating early exit. There was an increase in the number of social assistance beneficiaries during the 1980s. The number of unemployed people aged 55-64 who received benefits increased from 141,000 in 1981 to 158,000 by 1991. Many of them were not required to seek work.

Occupational pension schemes and early retirement incentives

Evidence presented by Firbank (1995) indicates that there was a considerable increase in the number of people who took the 'private' path to early exit between 1981 and 1991. The number doubled for those aged 55-59 from 72,400 in 1981 to 138,900 in 1991 and for those aged 60-64 from 137,400 in 1981 to 296,000 in 1991.

Occupational pension schemes allow for retirement at different ages. A minority allow individuals to claim a full pension at age 60. Certain schemes allow benefits to be drawn after a fixed number of years of service (this accounts for only 7.5 per cent of employees

contributing to RPPs). The majority of firms have a fixed retirement age policy. This is the case for 75 per cent of men and 80 per cent of women (Bellemarre et al 1998). Many RPPs can be taken before the age of 60 but this may entail a reduction in benefits.

Early retirement programmes can either take the form of a lump sum payment or early access to a full private pension before normal retirement age. It is important to note that 'no systematic data are kept on the number and circumstances of early retirement buy-outs in Canada' (Leblanc and McMullin).

Amounts paid by employers to early retirees in 'retirement allowances' (golden handshakes and normal severance payments) increased considerably in the first half of the 1990s increasing from \$2 billion to \$4.5 billion between 1990 and 1995 (Statistics Canada 1998). This was particularly the case in Government services where payments increased from \$0.4 billion in 1990 to \$1.4 billion by 1995.

The 'late' exit option - labour force participation after normal retirement age

A small number of people aged 65 or over receive income from employment. In 1993 only 7.6 per cent of this age group received a wage or salary, while 2.8 per cent had an income from business or professional activities (Statistics Canada 1996).

4.5 Role of human resource policies and occupational pension schemes in influencing the labour force participation of older workers

D'Amours and Lesemann (1999) argue that there is a need to examine employers' practices and policies towards older workers in the Canadian context as their actions are not highly regulated by the state, contrary to the situation in many European countries. There is a lack of Canadian research in this field. Recent reviews of the literature on the practices of employers towards older workers could not draw upon much Canadian research (Beausoleil 1998, 1999; David 1997). In addition, what research exists is somewhat dated (for example: Bédard et al. 1991; Côté 1990; Guérin 1991; Trueman 1992).

One study reported by Gibson, Zerbe and Franken (1993) examined the reasons given by 651 employers for why it was difficult for older workers to find employment. The companies surveyed were small. The median number of employees was 12, although analysis by company size is not reported. The reasons the respondents identified were as follows:

- Lack of education, training and skills
- Negative dispositional attributions (for example, fear of new technology)
- High wage expectations and market competition
- Poor return on investment
- Higher benefit costs associated with poor health
- Slowness to adapt to a new working environment
- Difficulties associated with the management of older workers
- Age discrimination
- Poor job-search skills

What emerges from the literature is a complex picture of employers' practices characterised by the following trends: i) a lack of consideration of age issues; and ii) exclusion of older workers seen as the solution to problems experienced by firms and as the key strategy to deal with an ageing workforce.

Researchers have often chosen to study employers' policies and practices by conducting case studies rather than wide-ranging quantitative surveys. For example, David and Pilon (1990) conducted an in-depth study of four manufacturing firms in Québec. They found little evidence of policies and practices aimed at the inclusion of older workers. The authors concluded that age management was mainly focused on exit rather than on the improvement of working conditions. In cases where there was trade union representation, several differences were noted, including a certain level of protection against dismissal on the basis of seniority and greater participation in health-care and disability insurance schemes.

In their study of the public sector in British Columbia, Lussier and Wister (1995) reported a lack of flexibility in work arrangements that would facilitate the extension of working lives. For example, virtually no job-share arrangements were available. Part-time arrangements were slightly more common but remained unusual.

This focus on exit and a lack of adaptation of working conditions were also found in a more recent study carried out by Bellemarre et al (1995, 1998). The authors conducted in-depth case studies of six companies. In five of the companies, early retirement was the key strategy adopted by employers. Occupational pension funds were used as levers to facilitate early exit. Often early access to a pension was possible without actuarial reduction.

Bellemarre et al (1998) have identified four reasons for employers' promotion of early exit:

- i. macroeconomic and socio-political context (increased competition, high interest rates, pressure for workforce reduction)
- ii. labour market conditions and labour force surpluses (in a context of high unemployment other sources of labour are preferred by employers)

iii. changes in employment systems and work organisation (incentives to adopt innovative strategies that may in fact lead to workforce reductions) and
iv. employees' expectations regarding early exit can influence employers' strategies. Unions tend to support their members' orientation towards early exit. As a consequence, employers may not see in unions' actions barriers to their own early exit policies (Bellemare et al, 1998).

Marshall (1998, 1999) undertook in-depth case studies of five Canadian and two US companies which explored attitudes towards older workers. Marshall states that adaptation 'to organizational change and new technology seem to be the only areas in which reservations are expressed about older workers' (1998). On the other hand, positive attitudes were often expressed by respondents. For example, a high percentage felt that older people could become mentors.

Farr, Tesluk and Klein (1998) argue that company policies are determined by norms and representations of age and stereotypes concerning younger and older workers. Marshall disagrees with this assessment. He maintains that age 'is rarely explicitly considered by corporate management or by unions' (Marshall 1998). In addition: 'Corporate policies and programs have differential effects on older and younger workers, but these are largely what sociologists call 'unintended consequences''.

4.6 Older individuals' orientation to work and retirement

Experiences of older workers

Marshall (1998) reports that in his case studies, the majority of employees said that they had not experienced discrimination. For example, only 20 per cent of employees at one insurance company (of 784 surveyed) said they had experienced any form of discrimination. While older employees were more likely to say they had experienced discrimination, the percentage for workers aged 45 and older was still only 25 per cent. Of all the employees surveyed only in seven per cent of cases was age mentioned. At another insurance company, 18 per cent of all employees, and a high of 32 per cent of women aged 45 and older, claimed to have been discriminated against but again, only six per cent mentioned age.

Economic consequences of early exit

Few studies have explored the impact of early exit on the economic situation of older men and women. Gower (1995) used data up to 1993 and compared the incomes of men aged 55-64 still in employment to those who had retired early. The results showed that the retired disposed of approximately half the income of those in employment. A large proportion of early retirees appeared to be in a precarious financial position. The income of 30 per cent of them was less than \$10,000 per annum (only the case for five per cent of those in employment). A high level of dependency on social welfare payments was found in the case of those with insufficient income. Ninety per cent of early retirees received some form of income support. Poverty affected a large proportion of this group: 'Nearly 100,000 families with early retirees (over one in four) were living on incomes below Statistics Canada's low income cut-off'.

Older people's experiences of unemployment

Few studies have explored older people's experiences of unemployment. Guèrin and Hébert (1991) suggest that the assistance provided by the official employment

service is not adapted to the needs of older workers. Older unemployed people appear to be dissatisfied with an apparent lack of access to these services and to information about programmes for the unemployed (see section 6 for a fuller discussion).

Bisson and Deniger (1999) investigated the impact of social policies on the experiences of older long-term unemployed people. Different 'statuses' were associated with different exit routes. For example, employment insurance benefits were seen as more 'legitimate' or socially acceptable than social security assistance.

Retirement decision-making

Lowe (1991) reports that respondents to the General Social Survey were divided on their retirement plans. More than 40 per cent expressed an intention to retire early, 14 per cent at 65, while one third had not made any specific plans concerning the age at which they intended to retire. Seven per cent responded that they did not plan to retire and one per cent thought they would retire after the age of 65. Women were less certain when they would retire.

According to Statistics Canada (1998) 'Personal choice and health remained the leading reasons for retirement in the early 1990s but more retired because of early retirement packages or unemployment than in the expansion years of the 1980s'. Reasons given for the decision to retire were, by order of importance: personal choice, health, other reasons, mandatory retirement, unemployment early retirement package and family reasons (Statistics Canada 1998). However, this kind of analysis does not capture the complexity of the retirement decision.

Labour market dynamics appear to influence the retirement decision. A lack of job opportunities explains nearly 50 per cent of retirements among the 45-54 age

group, although this factor seems to be less important in the case of older men (Osberg 1993).

Luchak (1997) surveyed 1,000 employees aged 20-64 of a large, unionised public utility. In all, 529 responded (52.9 per cent). He found that the primary predictor of the age at which people planned to retire were early retirement incentives built into their final salary pension plan. In addition, employees who were better informed about their pension scheme planned to retire later. Those reporting poorer health planned to retire earlier than those with average health but planned age of retirement was not different if an individual perceived their health to be better than average. Respondents with a spouse and particularly those with an employed spouse with a pension plan were more likely to plan to retire earlier.

Retirement and income

The economic situation of older people in Canada has improved greatly in recent decades. Bellemarre et al (1998) compared the situation of older people in 1971 and 1985. They found that the average income of people aged 65 and over had increased significantly - from \$2,876 in 1971 to \$12,829 in 1985. But the improvements were not homogeneous. There was a considerable difference between those benefiting from private pension schemes and those who were not.

In addition, the average incomes of men and women are very different. For example, in 1985 women's average income amounted to only 63.9 per cent of the average male income. The gap between men and women will not necessarily disappear as a result of increasing participation of women in the labour market. According to Bellemarre et al the gender specific effects of other factors, such as the increasing proportion of part-time jobs, early exit and contractual arrangements need to be taken into account in any attempt to predict how the situation of women will evolve.

The economic situation of different sub-groups of women also varies. McDonald (1997) studied the incomes of various groups of women who had at some point in their lives been active in the labour market. Her study revealed that 49 per cent of widows lived below the low-income cut-off point. They were worst off when compared with married, separated/divorced and single women. Factors associated with having a low income included low educational level, low-level occupation and a small-sized household. According to Firbank (1997) a general improvement in the economic situation of older people masks persistent inequalities.

Ethnicity

There is little evidence concerning exit patterns among people from minority ethnic groups. Firbank (1997) provides some insights. Older immigrants from developing countries exiting the labour force prematurely will tend to do so at a younger age than non-immigrants, which may be related to exclusion from the labour market rather than a desire to do so. On the other hand, immigrants who remain active after the age of 65 also tend to retire later on average than the rest of the population.

4.7 Role of labour market policies and collective agreements in extending and contracting working lives

Age discrimination

In Canada no specific legal protection exists against age discrimination. According to Gillin and Klassen (1995) 'any protection of such [older] workers is subsumed in more general and broader legislation granting basic rights and freedoms'. The charters of rights includes specific consideration of age with regard to equality in employment. The Quèbec Charter of Rights, for example, mentions age among various grounds for discrimination. This potentially provides protection for older workers as the 'Charter [in Quèbec] enjoys a quasi-constitutional status in that it prevails over all other legislation under the legislative competence of Quèbec' (Firbank 1999).

Firbank (1999) studied the role and actions of the Human Rights Commission of Quèbec (HRCQ) in the protection of older workers' rights. He notes that complaints pertaining to age discrimination seem to fluctuate according to the economic context, suggesting a vulnerability of older workers in times of economic instability. Queries concerning possible age discrimination cases have less often led to formal complaints because of restrictions by the Commission. In all, complaints concerning age discrimination accounted for 15 per cent of all employment related cases between 1983 and 1996.

Between 1989 and 1996, 46.5 per cent of cases related to age discrimination dealt with by the Commission involved dismissals. Complaints were made more frequently against employers in the private sector and small manufacturing and retailing businesses. Of 30 cases reviewed in depth the majority (17) were closed by the Commission because of a lack of evidence. The Commission also tends to disregard information that might potentially indicate systematic discrimination.

In conclusion, Firbank writes: 'the actual protection provided by the Commission to older workers is in many ways incomplete. In assuming its responsibility of promoting and defending the rights of older workers, the Commission acts in a very cautious, if not conservative fashion'. Investigators and the Commission set high standards of proof.

Programmes for older unemployed people

Few Government programmes have been implemented to support older people facing redundancy. The main programme commented on in the literature is the 'Programme for Older Workers' Adjustment' (POWA). It was created in 1987-88 and ended in 1997. It provided financial support to those made redundant up to the age of 65. Aid was solely available in cases of major programmes of redundancies. These needed to particularly affect older workers in order to be considered for Government support.

According to Leblanc and McMullin (1997) POWA did not entirely meet the needs of older workers. The fact that eligibility was based on the number of redundancies in a given plant had a perverse effect. Large companies putting a strong case to Government had a greater chance of it being accepted than small and medium sized enterprises. Also, age limits were an integral part of the programme, with only those aged 55-64 eligible to receive the monthly compensation. Changes introduced in 1992 increased access for those on low incomes and women. However, this came with a reduction in the amount of the benefits provided.

Crespo (1999) states that if POWA was not intended to become an early exit avenue, it in fact seems that this has been the case. Also the programme was not linked to any other job-seeking or employability-improving measures. However, a Government evaluation of the programme revealed a high level of satisfaction among beneficiaries (DRHC 1996 cited in Crespo 1999).

Public funded training opportunities and 'employability' programmes

A few studies have investigated the experiences of older job-seekers. They report that unemployed older workers are dissatisfied with the support provided by official agencies (Guèrin and Hebert 1990, Bisson and Deniger 1999). No specific programmes exist to support older job-seekers and older workers are not one of the specific target groups in the Government's employment strategy.

According to Crespo (1999) there is anecdotal evidence of an under-representation of older people in training and employability initiatives but little in the way of formal investigation. The Federal Government's support and advice services are not adapted to meet the specific needs of older workers, although a recent study suggests that employment advisors are aware of the particular problems facing older people in the labour market (Crespo 1999).

The Federal Government recently announced a pilot programme to test various innovative programmes targeting older unemployed people. The programme will include awareness raising and promotional activities.

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