

# Globalization and Late Careers in Society

*Findings from comparative research in OECD-type  
Countries*



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# The GLOBALIFE-Project



**Multidisciplinary Research Project at the Universities of Bielefeld (1999-2002) and Bamberg (2002-2005), led by Prof. Hans-Peter Blossfeld gratefully funded by the VolkswagenStifung (Volkswagen Foundation)**

**22 local researchers**

**+ 49 external research collaborators**

from 17 different countries ('Country experts')

Key question: How does globalization shape and transform the life courses of individuals in modern, OECD-type societies?

# The Two Faces of Globalization

## Positive consequences:

- o **Rise in productivity (tertiarization)**
  - o **Increases in living standards**
  - o **Upgrading of the occupational structure**
  - o **Decline of unskilled jobs**
  - o **Rising significance of knowledge and information**
- **Enforces the trend towards a knowledge society**

## Negative consequences:

- o More unexpected (market) developments
- o Increasing volatility of all kinds of markets
- o Faster restructuring of the economy
- o Growing pace of economic and social change
- o Declining predictability of developments
- o Increasing uncertainty of social life
- o Growing need of flexibility in the economy

→ Severe consequences for all kinds of actors

# Convergence or Path-Dependence?

## Convergence thesis:

(Neoinstitutionalism, Modernization theory)

→ Worldwide convergence of domestic institutions

## Theory of path-dependence:

Nation-specific institutions change, but remain powerful

→ Globalization is moulded by country-specific logics

# *Four Project Phases*

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- Four consecutive project phases dealing with key life course transitions in chronological order

*1. Transition to Adulthood and Labor Market Entry*

*2. Mid-career employment of men*

*3. Mid-career employment of women*

**4. Late Careers and the transition to retirement**

# *Globalization and late careers*

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- Existing literature and research on late careers and older employees in the labor market concentrates mainly on demographic and welfare aspects:
  - How does globalization affect the sustainability of welfare states and financing of pension systems while societies have to face demographic ageing at the same time?
  
- The GLOBALIFE perspective integrates these discussions into an **employment-based** perspective:
  - How do structural changes in the labor market (induced by globalization) affect older employees' labor market position and the shape and development of their employment careers?

# Globalife Research Design -Phase IV

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- 12 countries participate in Phase 4 with national case studies:
  - Liberal: USA UK
  - Social-Democratic: Sweden Norway Denmark
  - Conservative: Germany The Netherlands
  - Southern European: Italy Spain
  - Post-Socialist: Czech Republic Estonia Hungary
  
- Context Frameworking through an *international comparison* based on cross-sectional data
  
- 12 longitudinal *country studies* to explore the peculiarities of specific country cases



# *Research Questions and Approach*

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## □ Transformation of Old Age Employment?

Can we find a transformation of late careers and older employees' labor market attachment across cohorts or across periods?

## □ Differentiating Institutional Regimes

Which mobility patterns in old age could be found in different countries due to different institutional settings? Do institutional regimes induce different “types of late career pathways”?

## □ Examining the Role of Individual and Workplace Characteristics

Who is being flexibilized? Are special groups of older employees at higher risk to experience a transformation of their position in the labor market?

# *GLOBALIFE: Forthcoming publication*

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*Just published!*

*H.-P. Blossfeld, S. Buchholz and D. Hofäcker (eds)*

*Globalization, Uncertainty and Late Careers in Society,*

*London: Routledge*



*Working Papers downloadable at:*

[www.uni-bamberg.de/sowi/soziologie-i/globalife](http://www.uni-bamberg.de/sowi/soziologie-i/globalife)



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*Conceptual Approach:  
Globalization and Late Careers*

# *Globalization and Structural Change*

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Massive **structural changes** in firms and organizations were stimulated in the last two decades (Castells 2000, Piore/Sabel 1984) because ...

...the rising **international interconnectedness** and volatility of markets led to a noticeable **change in demands** on enterprises and markets and produced a **new quality of competition** ('**flexibilization**' – numerical, temporal, wage)

...parallel developments in **communication and information technology** posed new demands on the production of goods and the skill profile of the work force ('**skill flexibility**', '**qualificational flexibility**')

# *Background:*

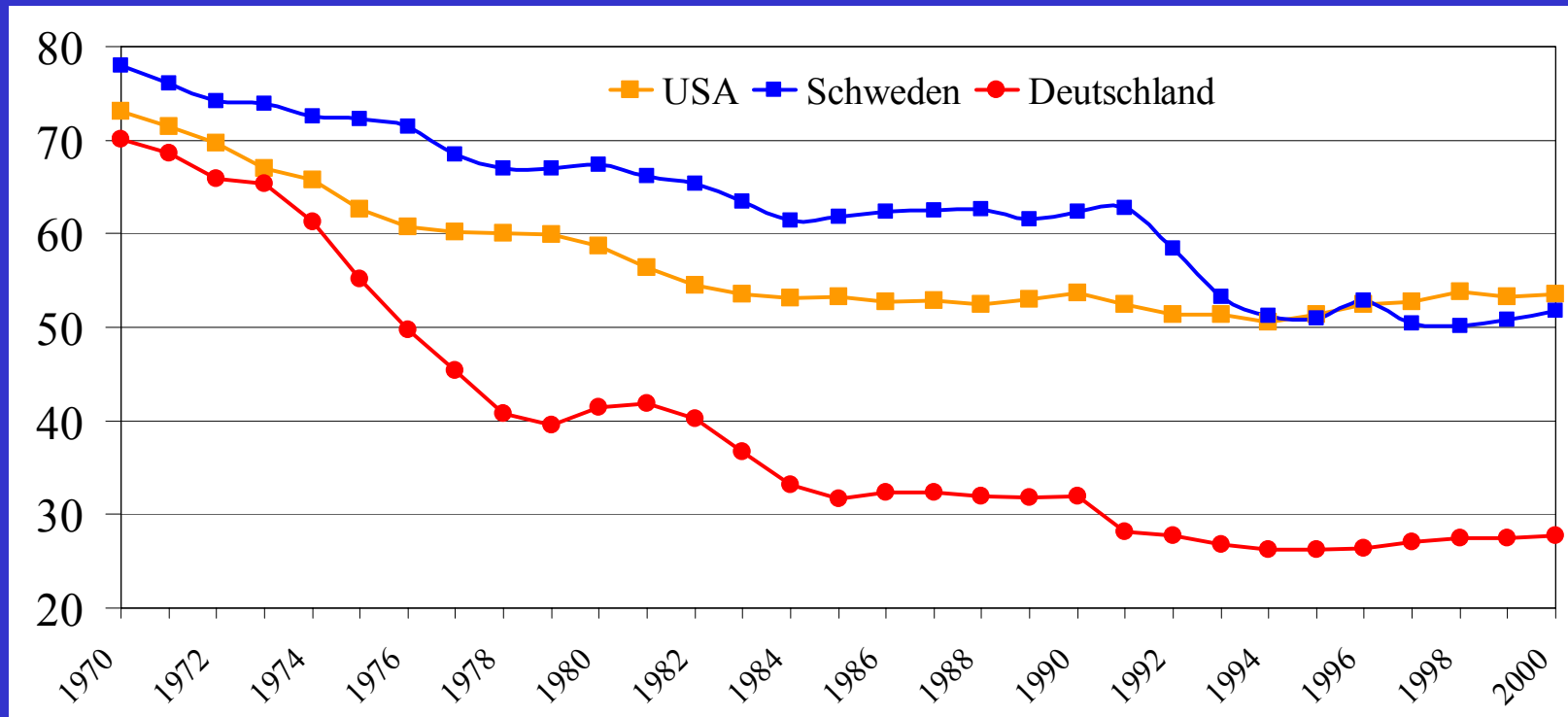
## *Re-Structuring and Older Employees*

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- It can be expected that structural changes induced by globalization have especially affected late-midlife workers, since in contrast to young labor market entrants ...
  - ... they tend to be over-represented in declining sectors
  - ... they do not have up-to-date qualifications and their jobs might become obsolete & re-training is comparatively costly
  - ... they often earn high wages and tend to have high levels of employment protection
  - ... in contrast to other employees, older employees have a socially acknowledged alternative role outside the labor market.

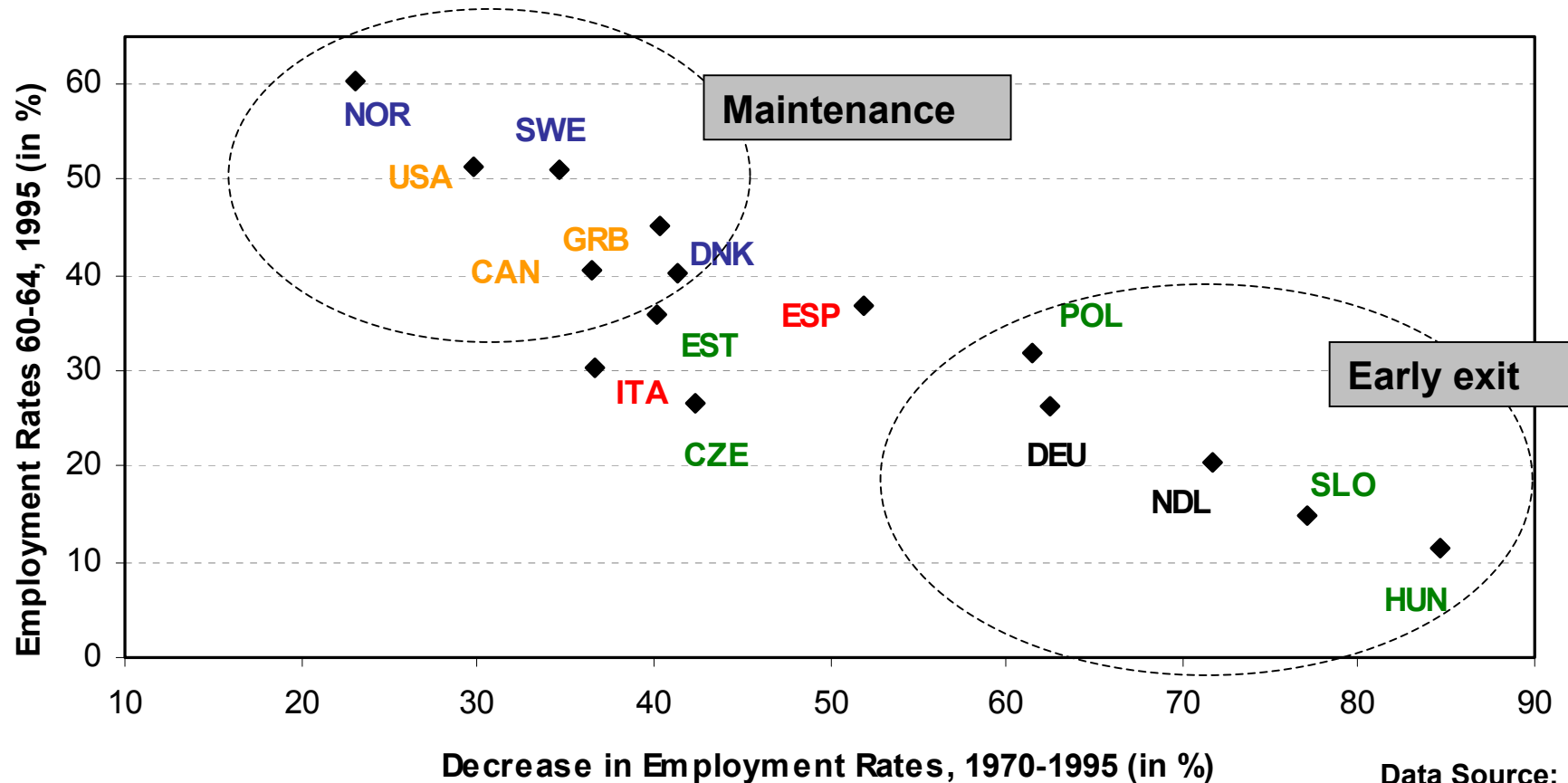
# The development of employment in late career (1970 - 2003)

Employment rate, men, aged 60-64 years (in%)



# Early Exit from Employment: Maintenance vs. Early Exit Clusters

In all considered countries, globalization increases the intensity of early retirement of workers with obsolete qualification, but country context influences the magnitude of this process.



Data Source:  
OECD

# *Institutions and their Impacts on Structuring Late Careers (I)*

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National late career patterns can be explained as a result of the dialectic relationship between different institutional settings.

Institutions promoting or hindering (permanent) labor market exit:

- *Pension systems (and welfare state subsystems)*
  - The availability and generosity of pensions or welfare offers create **incentives** or **disincentives** for the (early) **withdrawal** from the labor force.

Institutions promoting or hindering continuation of employment:

- *Occupational systems*
  - Stratification and standardization of occupations create **labor market boundaries** and limit the possibilities of (older) employees to adapt to changing employment structures and markets (Blossfeld/Stockmann 1999).
  - Re-Training allows older workers to continuously adapt their **qualificational profile**.



# *Institutions and their Impacts on Structuring Late Careers (II)*

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Institutions promoting or hindering continuation of employment (continuation):

□ *Employment relations systems*

- The level of employment protection legislation defines the **extent of market flexibility**.
- Is it possible for enterprises and economies to realize restructuring at the expense of older employees? Is it possible for redundant employees to move flexibly within the labor market?

□ *Employment-sustaining policies*

- Existence of activating employment policies defines chances of re-entries.
- Are (older) employees who dropped out of employment kept systematically out because of a lacking re-integrative infrastructure? Or do policies support re-entries actively?

# Regime Classification

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## *Liberal: Market induced maintenance*

- flexible employment relations
- low standardization of occupations
- few incentives for early retirement

## *Conservative:*

- high employment protection
- high educational standardization
- few employment support
- generous pension systems, various early retirement incentives and pathways



## *Social-Democratic: Public induced maintenance*

- moderate employment protection
- active employment support
- universal pension system, high retirement ages, few early exit incentives

## *Southern European:*

- strong insider-outsider logic
- standardization of occupations
- generous pension system
- few active employment programs