Social Policy & Society 6:3, 279–292 Printed in the United Kingdom
© 2007 Cambridge University Press doi:10.1017/S1474746407003624

Activation, Retirement Planning and Restraining the 'Third Age'

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This paper considers activation policies in relation to older workers in a number of OECD countries. It explores four interpretations of 'activation' in respect of pension planning and retirement policies. However, activation policies need to be carefully evaluated. Labour market demands and a political language that stresses the 'pension crisis' and the 'dependency ratio' have to be considered in relation to established rights. Thus whilst governments may seek to promote a model of welfare based on the 'consumer citizen', in which retirement choices are made by reflexive individuals, the constraints on choice need to be highlighted. These constraints are likely to be unevenly distributed with some social groups experiencing longer working lives, less choice, with more compulsion and with conditions attached to any pension rights they may claim.

Introduction

Historically there were numerous factors in the development of retirement benefits. Among these was the idea of citizenship rights that promised unconditional welfare following a (paid) working life (Hannah, 1986; Esping-Andersen, 1990; Shalev, 1996; Sass, 1997; Macnicol, 1998).[2] In contrast activation policies are explicitly designed to transform the expectations and behaviour of both those who are retired and those approaching retirement. The passive citizen must now become the active consumer and lifestyle planner, making provisions for themselves and not looking to the state for unconditional support (Mann, 2001).

As Tony Blair's 'guru'[3] Anthony Giddens asserted:

> Old age at sixty-five is a creation, pure and simple, of the welfare state. It is a form of welfare dependency much more widespread than any of the dependencies noted by the rightist interpreters of the underclass. (1994: 170)

> [And four years later]: We should move towards abolishing the fixed age of retirement, and we should regard older people as a resource rather than a problem. (1998: 120)

This paper considers the data relating to labour force participation rates in a number of OECD countries and policies designed to promote longer working lives and pension savings. To date much of the literature on labour market activation policies has focussed on the unemployed, lone mothers and younger workers (Lødemel and Trickey, 2001). However, activation policies have some significant implications for older workers and for those who are retired. Labour force participation rates, early exit, the length of 'the working life', work beyond the state age of retirement and the effects of an ageing population on

https://doi.org/10.1017/S1474746407003624 Published online by Cambridge University Press

the 'dependency ratio' are the key issues associated with older workers. The central concern has been with demographic data that in many countries, but not all, indicates an apparent 'imbalance' between the proportions of the population that are in paid employment and those that are not. The latter are often described as 'welfare dependent' and the ratio between them and people in the paid labour force is generally referred to as the 'dependency ratio'. Longer lives are, unsurprisingly, welcomed by all commentators today but, we are told, that this great success means that attitudes to retirement, and ideas about the duration of a working life, will have to change. Thus, the OECD (2006) helpfully informs us that we can expect to both: 'Live Longer, Work Longer'.

> If there is no change in work and retirement patterns, the ratio of older inactive persons per worker will almost double from around 38 per cent in the OECD area in 2000 to just over 70 per cent in 2050. In Europe, this ratio could rise to almost one older inactive person for every worker over the same period . . . One of the most significant sources of additional labour supply is older people who are currently inactive. Hence this report focuses on policies to improve the employment prospects of older workers, drawing on the lessons learned from 21 country reviews. (OECD, 2006: 9)

And a few pages later:

> The bottom line is that population ageing is both a challenge and an opportunity. It will put upward pressure on public expenditures while dragging down economic growth. But it is also a tremendous opportunity for all of us to spend more rewarding years at work and in retirement. (OECD, 2006: 14)

Trends over the past 30–40 years highlight the OECD's worries. While women's increasing participation rates are considered a great success there is continuing concern at the gap between the effective and official age of retirement. This means that in most OECD countries people are seen to be retiring too early (see OECD 2006, Figures 2.1 to 2.4). Despite some slowing down of the trend to early exit there is little evidence of people working beyond the official retirement age as the OECD advocates.

The problem is quite complex and there are some significant differences between countries (OECD, 2006). Nevertheless, it is suggested that a number of policy changes need to be introduced to cope with the combination of: longer lives, demographic trends that include an ageing labour force as the post-war 'boomers' in many countries are now 50+, a variety of push (e.g. redundancy) and pull (e.g. desire to exit) factors, along with falling birth rates, an increasing proportion of younger people in higher and further education and benefit systems that are seen to promote dependency among older workers (e.g. sickness, disability and unemployment benefits).

There is nothing particularly new in this message. There have clearly been political and economic pressures on governments to reform their retirement pension systems for some time. The World Bank (1994) has, despite some recent reservations (1999, 2005), played an important role in pressing governments to consider how they will be 'averting the pensions crisis' in their respective countries, with private (market orientated) saving seen as crucial, whilst the OECD has been highlighting the same issues for almost twenty years now (OECD, 1988, 1998, 2001, 2002; Minns, 2001; Visco, 2001). Moreover, the language of 'dependency ratios', 'burden of an ageing population' and 'demographic

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crisis' has been heard, and challenged, before (Titmuss, 1958; Vincent, 1996; Walker, 1996). Having heard the cry 'wolf' previously, sceptics might be forgiven for not taking the more recent claims as seriously as they perhaps should.

What is different is the re-framing and re-naming of the problems and the solutions. Traditional concepts of citizens' retirement rights that are underpinned by the state are being re-framed in terms of the responsibilities of individuals to plan and save for their retirement. The dream of retirement as a 'third age' (Lasslett, 1989), free of responsibilities, that citizens can expect to enjoy, is potentially undermined by calls for a longer working life. Of course, for some older people continuing in paid work may be an attractive option. Any challenge to age discrimination and the social and economic exclusion of older people must surely be welcomed. However, it is unclear whether the concern is primarily with the exclusion and discrimination experienced by older people, or with the economic and labour market improvements that higher participation rates would deliver (OECD, 2006). There is also a tendency for commentators to conflate the demographic data, which clearly indicates population ageing, with labour force participation rates and 'dependency ratios'. Whilst an ageing population might well require policies that address the health and care needs of older people, particularly those over 75 years of age, a focus on labour market policies or 'dependency ratios' places the emphasis on the needs of the economy and employers.

Activation is the means by which older workers are to be persuaded to remain in, or return to, paid work. But activation has many facets and whilst it is frequently discussed in relation to the paid labour market the concept goes beyond this. Changing behaviour and attitudes is the bigger goal (Giddens, 1994,1998; van Berkel and van der Aa, 2005; Mann, 2006). It is also one that can be set in the broader context of what Minns (2001) calls 'the cold war on welfare', in which pension funds are in the front line.

Activation

In the context of older workers, retirees and the 'pensions crisis' activation can be understood in a number ways,[4] of which the following four will be explored in more detail in this paper:

1. getting older workers (50 plus) to *remain fully active* in the paid labour market and *not* seek early exit via public *welfare dependency* (e.g. sickness disability or unemployment benefits) (OECD, 2006);
2. getting all employees to *actively 'choose' private pension savings* (Minns, 2001; Mann, 2006).
3. getting some older workers to *defer retirement beyond the age of public welfare entitlement* and remain active in the labour market, either full or part time (PIU, 2000; Blunkett and Johnson, 2005).
4. getting older people involved in *administrative and information processes that are seen as activating* those who engage with them (Poster, 1990; Van Berkel and Van der Aa, 2005).

The last of these differs to the others in that it reminds us of the part that information and social administration has traditionally played in regulating public welfare recipients. However, all four forms of activation will be explored below in a little more detail.

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Remaining active avoiding dependency

The OECD identify three economic benefits of activation policies aimed at deferring the effective age of retirement:

> It would boost labour force growth and help offset the negative impact of population ageing on economic growth; it would improve public finances through reduced public expenditures associated with early retirement while increasing tax revenues; and it would also help employers by smoothing the pace at which they will have to replace retiring workers with new entrants. (OECD, 2006: 24)

As the OECD acknowledges, there are political obstacles in the way of transforming attitudes towards, and the behaviours of, older people. In general they have a 'deserving' status that derives from their having earned their rights and benefits. In many countries economic restructuring has been accompanied by redundancies among formerly respectable/skilled workers. There is fairly widespread suspicion that some older men (55–65) are claiming disability or sickness benefits in preference to unemployment benefits. Belgium, France and Italy have been identified as particularly entrenched in using early retirement, disability and unemployment benefits to maintain older male workers. In all three countries there has been little evidence of activation policies being introduced for older workers, despite government rhetoric (Barbier and Fargion, 2004; OECD, 2006). Governments are understandably reluctant to portray older men as undeserving as it may be politically uncomfortable. Rather, they have tended to rely on carrots rather than sticks to 'activate' workers on benefits, devising measures aiming to help them access jobs rather than cutting their benefits. One difficulty with this strategy is that it is hard to stop people moving on to disability and sickness benefits as an alternative to unemployment benefits. Another is that once they are on disability or sickness benefits activation and 'reintegration' becomes difficult and expensive (OECD, 2006: 96).

It is tempting to categorise activation policies dichotomously as either a European supply side approach or a US demand side approach; the former being seen as addressing the needs of individuals by improving their skills and value in the labour market, the latter often seen as involving a degree of compulsion to get people into paid work and thereby making the labour market more competitive (Giddens, 1998; Deacon, 2001; Daguerre and Taylor Gooby, 2004; van Berkel and van der Aa, 2005). Such a typology may be heuristically attractive but it may conceal considerable variations in practice in both the EU and US. It may also be that these approaches to activation are two sides of the same coin. Rather than contesting approaches, they may be complementing one another (Dwyer and Ellison, 2006). Thus, the UK government has adopted a model of activation for older people that uses both compulsion and incentives. They have also been vocal in advocating their model within the EU. Thus in a paper that focuses on 'Europe's changing demographic profile [that] needs more people of working age in employment over a longer working life', British Ministers asserted: 'The guiding principles for . . . Europe should therefore be: active inclusion, not passive welfare: The national welfare state should be a ladder of opportunity not a safety net' (Blunkett and Johnson, EU, 2005). This is in marked contrast to how many citizens will have come to think of the welfare state. Whether the prospect of a longer working life, whilst climbing ladders of opportunity without a safety net, will appeal to the over 50s remains to be seen.[5]

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Making active pension 'choices'

A second feature of activation policies that seek to address the costs associated with an ageing society is the desire to shift responsibility for an adequate retirement pension from the state to the private pensions market, employers and the individual (Rowlingson, 2002; Vickerstaff and Cox, 2005). The balance of responsibility varies between countries with some looking more to employers (e.g. Australia) and others more to the individual and/or the private market. Again it needs to be recalled that there have been 'supplementary' pension schemes in many countries for some time (Shalev, 1996). But increasingly it appears that governments want to restrict the options of individuals who 'fail' to contribute to any sort of supplementary scheme. In the UK there is an ongoing debate but to date no legislation, although compulsion has been proposed (Field, 2002; Turner *et al*., 2005; DWP, 2006). In the USA, some employees have been made more 'active' by reforms that were intended to lock them into their employer's 401(k) pension schemes. Rather than opting into a scheme, employees are automatically enrolled and contributions deducted unless they express a desire to opt out. This was intended to address the issue of 'inertia' whereby people were not making decisions to opt out, they simply didn't get round to opting in. It has been estimated that this has improved participation rates in employer schemes by as much as 25 per cent (Choi *et al*., 2003).

In Australia, the system of superannuation pensions (SGC) initially introduced compulsion on all employers, with a fade in period for smaller employers, but it has been extended since the early 1990s to include employees as well. Coverage is estimated at 85–95 per cent of the paid labour force (Olsberg 1997, Schweiwe,1999). Interestingly Hyde and Dixon (2005) have highlighted a number of OECD countries that have supplementary pension schemes with a degree of compulsory saving, including France and Switzerland, but which they regard as retaining strong collectivist principles. In their view pension privatisation does not simply equate with neo-liberal welfare regimes as Esping-Anderson (1990) describes them. However, compulsory saving is clearly not activation. It does nothing to address the passivity of employees and in order to convince people that compulsion is justified may offer the carrot of early exit, which promotes passive dependency albeit not on public welfare, or fiscal support.

Some countries (e.g. Japan, USA and UK) offer enhanced public pension benefits for deferring retirement age (lump sums can be quite large in the UK) and some cash incentives for training. In offering incentives it is difficult to see how these countries conform with the welfare regime model, which looks increasingly unhelpful as a taxonomic tool (Lewis, 1997; Kasza, 2002). Furthermore, to date, take up of training has been low and this has led the OECD to assert that there is 'a general unwillingness on the part of older people to take the initiative in getting trained (OECD, 2006: 122)'. Other countries, notably Germany,[6] Japan and the United States offer some form of wage subsidy to encourage employers to take on older workers but run the risk of employers offering lower wages than they might otherwise have done (OECD, 2006). Labour market 'distortion' instead of competition seems more likely in this case.

The juiciest carrot on offer appears to be tax exemptions/fiscal welfare. Virtually all supplementary/complementary voluntary schemes, and some compulsory schemes (e.g. the SGC in Australia), provide fiscal welfare in the form of tax exemptions and/or subsidies (Sinfield, 2000; Emmerson, 2005). These are generally regressive, offering higher income groups more incentives to save than lower and, because they can be complicated, the

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incentive value may also diminish with earnings. There is little evidence that they 'activate' the low paid instead, 'tax incentives tend to be driven by the vocal middle classes. [And] are a good example of middle class welfare' (Littlewood, 1998: 63). Nevertheless, fiscal welfare is seen by some governments as a means by which to activate those who might otherwise take no interest in private pension provisions. There are a number of consequences that follow for social policy and public welfare services in general when 'the consumer' is promoted as the force for change. 'Above all, 'the consumer' is held to mark a shift from 'passive recipient' to 'active choice maker' in relation to services' (Clarke, 2004: 39). A potential pitfall is that by subsidising pension products government appears to endorse them. This in turn runs the risk of creating a sellers market in which poorly informed consumers are faced with a difficult set of choices that may demand more of them than is realistic. The possibility of mis-selling, or of pension products simply failing to meet expectations, and of activated welfare consumers subsequently feeling aggrieved may well generate a deeper antipathy toward the market (Ring, 2005; Mann, 2006).

Working longer, retiring later

The third activation theme in discussions about older workers is how they might be persuaded to defer retirement beyond the age of public pension entitlement and remain active in the labour market, either full or part time (Blunkett and Johnson, 2005). In most countries, the effective age of retirement is well below the official age for receiving an age related pension.[7] Whilst men on average are still in the workforce at age 65 in Denmark, Iceland, Ireland, Portugal and Switzerland, in Austria, Belgium, France, and Hungary, they have left work by their 60th birthday. For women in most OECD countries the effective age of retirement is one to three years earlier than men and their exit strategies may be influenced by, among other things, care responsibilities and their partners decision (Arber and Ginn, 1995; OECD, 2006).

Unsurprisingly activation policies designed to promote work beyond the official age of pension entitlement have been pursued more vigorously in countries with low unemployment rates and where demand for labour is perceived to be buoyant. The Labour government in the UK has been especially keen to get the over 65s to remain in paid work (PIU, 2000; DWP, 2006). Recent occupational pension reforms in the UK now enable 'retirees' to be paid their pension and to continue working part-time for their former employer. Proposed changes to the tax liabilities in the USA may also provide incentives for retirees to continue in paid employment whilst collecting their pension (OECD, 2006).

Activation is not simply about the carrot of financial incentives and it needs to be recognised that the sticks of creeping conditionality and inadequate public pensions may be more compelling factors (Dwyer, 2004). The OECD (2006) highlights this point and suggests that countries with pensions that have a high replacement rate (i.e. the pension is a relatively high percentage of former earnings) such as Germany (with a replacement rate of two thirds of former income at the age 63 for men), might need to reform their systems to make retirement a less attractive option. In contrast in the UK the proportion of the pensioner population entitled to the means tested pension has risen to 50 per cent and is predicted to rise to close to 75 per cent by 2025 (Field *et al.*, 2002; PIS, 2004). Given that means testing deters many from claiming it is not unreasonable to suggest it may also 'activate' some to remain in paid work beyond the official age of retirement.

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For some older workers the prospect of continuing beyond their pension entitlement age will be attractive and will not necessarily be driven solely by financial need or penalties. There are clearly some positive aspects to this if countries take such aspirations seriously. Anti-age discrimination legislation has been established across the EU, whilst Australia and the USA have had such legislation for some years. Whether employers and trade unions will circumvent such legislation, and whether social pressures may still impose employment restrictions on older workers, is something that will demand close attention if the activation strategy is to both succeed and be seen as fair by those who wish to remain in paid work (Lorretto and White, 2006; Macnicol, 2006; Phillipson, 2006; Vickerstaff, 2006a, 2006b).

Administrative and information processes that activate

The fourth and final aspects of activation that merits attention here are the administrative and information processes that are intended to activate everyone in the paid labour market (Mann, 2001; Clarke, 2004; van Berkel and van der Aa, 2005). Although the mode of information (Poster, 1990) and the mode of administration can be seen as distinct and separate processes, they interact and complement one another in many respects. Here it is only possible to illustrate these processes before turning to the implications that every aspect of activation has for social and economic justice. Transforming the passive welfare dependent, in this case retirees and those older people (50–65) claiming unemployment, sickness or disability benefits, into active lifestyle managers and workers requires particular types of administrative processes if it is to succeed. In most developed countries the idea of a 'right to retire' is deeply embedded in the popular consciousness. Changing such views is acknowledged to be a difficult project requiring carrots (incentives) and sticks (punitive policies and practices) (OECD, 2006).

If, as Giddens (1994, 1998) suggests, these attitudes have been framed by the structure of the welfare system established in most countries in the first half of the twentieth century, then it would seem logical to reform these structures. Modernising governance (Newman, 2001), therefore, implies new modes of administration and new techniques that can transform the passive and dependent population into active and independent 'lifestyle planners'. Consequently the administration and information processes are a further and, despite the insights that a more traditional social administration approach offers, somewhat overlooked feature of activation policies (but see Mitton and Hull, 2006; Pendleton, 2006). We are familiar with the fact that in the past stigma and the deserving/undeserving distinction were reinforced by processes designed to deter claimants. The workhouse gate, the dole queue, the genuinely seeking work test, discretionary benefits and means testing and, arguably more recently the benefits/jobsearch 'advisor', have all been used to play a part in disciplining and regulating those seeking public welfare benefits (Adler, 1976; Deacon, 1976; Prosser, 1981; Lødemel and Trickey, 2000; Henman and Adler, 2003; Zeitlin and Trubeck, 2003).

Foucault (1977) has ensured that the part played by the panoptican in the prison system and the grand designs of utilitarianism are widely acknowledged. Prisoners would, it was hoped, change their behaviour and regulate themselves, if they knew they were under the disciplinary gaze of the guard. Similarly, Sinfield (1978) noted that the visibility and monitoring of welfare recipients corresponds closely to the type of welfare that is claimed. Thus occupational (employer provided) and fiscal (tax relief) welfare are less

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visible than public welfare and, because the former is also more likely to be regarded as earned, the recipients are seen as 'deserving'. However, critics of 'passive dependency' rarely turn their gaze on to those who rely on occupational or fiscal welfare (Titmuss, 1958). Nor, do they see 'the hidden benefits of class', to paraphrase Sennet and Cobb (1973), that the mode of administration bestows on the most privileged.

In Australia, the Active Participation Model and the Job Network system – a national network of about 200 private, community and government organisations – are seen by the OECD (2006: 128) as 'the most innovative' in activating older workers. This system relies on organisations competing in a tender process for the contract to administer the job seekers service. Job seekers, defined as anyone under the age of retirement wanting benefits, have to 'meet the requirements of the activity test . . .'. And they must make 'an activity agreement which sets out their participation in an appropriate activity at a level to satisfy their mutual obligation'. But for older workers the demands are 'more individualised and are developed together with their personal adviser as part of their participation agreement, which takes the older job-seeker's skills, abilities and goals into consideration. Frequent meetings with advisers are required.' As a condition of benefits, older job seekers must spend more than 150 hours undertaking 'employment-related activities during a six-month period [And t]hese activities might include education or training, engagement with Job Network, rehabilitation, disability employment services, approved voluntary or community work, financial planning or counselling' (OECD, 2006: 128).

In 2004/05, Australia also introduced a pilot project 'Jobwise Outreach' with a series of seminars, workshops and self help groups in specific regions. These were aimed at getting older unemployed people to improve their understanding of their local labour markets, help them to develop better job search 'strategies' and, through mutual support, to enhance their job search techniques and career decisions (OECD, 2006: 129). The organisations administering the Job Network system are given greater incentives for finding older workers jobs. Whilst in the UK administrator's performance evaluation criteria reward them with extra points for placing older workers in jobs. Canada, Finland and the Netherlands are among a number of other countries with schemes that explicitly seek to activate older workers through similar processes of consultation, advice, counselling, and, it has to be recognised, personal pressure. There can be little doubt that advisors will apply some pressure, particularly if their own performance is measured in part by their success, or otherwise, in activating older workers. As with older administrative processes, there are clearly social control features to these processes and this point will be revisited in the conclusion.

Information systems are also being designed in a number of countries (e.g.; Australia, USA, UK) with the specific aim of activating older people and the working population who are encouraged to plan for their retirement. In the UK, this has been most clearly expressed by the former Government Minister who stated: 'The strategy that I have set out is based around three steps – *activation, education and information*' (DWP, 2004: v, emphasis in original). The role of information in the process is quite clear and explicit in the UK government's plans and as detailed elsewhere (Mann, 2006) this has significant implications for social divisions in later life. The process is intended to prompt the inert individual into action: 'We think that personalised information makes a difference and *prompts* people to think about their retirement planning' (DWP, 2004: 25 emphasis added).

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Government edicts and campaigns of the past that addressed their audience as passive and receptive subjects are unlikely to achieve their goals in a more media knowledgeable, and sceptical, world (Corner and Pels, 2003). Educating the masses by rote, simply telling them what to do, is regarded as a pedagogic failure in an era when people are both more media literate and sceptical of politicians. In an inter-active age, the political message has to quite literally engage the audience in some way. Populations must 'learn', they can no longer be 'taught' and in order to learn they need certain 'skills'. Skills require training and that is a hands-on activity (Smart 1992). The Internet and the PC provide both the tools and the learning environment. Web-based information teaches people by taking them through specific steps designed to lead them to a particular set of conclusions. Thus the UK system (like the US and Australian systems) offers information via link buttons: 'I am planning ahead', 'I am approaching retirement' and 'I am retired', along with 'Get a Forecast' and 'Did you know . . ?' (www.dwp.gov.uk). The OECD is aware of the potential and keen to identify best practice in the use of Internet-based ideas and mechanisms of engagement (2006:129). Importantly this mode of information (Poster, 1990), when supported by 'facts' that are tailored to the individual, serves, as the designer intended, to prompt people into taking action (Selwyn, 2002). Having been informed of what might happen the implication is that individuals must make the appropriate choices and save more, retire later, or both (Turner *et al.*, 2004).[8] Magically the role of employers, finance markets and the government in framing any retirement choices that there might be, all disappear. The individual remains confronted by choices, risks and uncertainty, but the new deserving consumer must choose, or slide into the undeserving category of passive welfare dependent (Bauman, 1998; Mann, 2001). Although information in this pessimistic scenario[9] is apparently neutral, it has the potential to reinforce exclusion. Some may be excluded because they do not have access to, or even rudimentary knowledge of, the new modes of information (Selwyn, 2002). For those that do, however, there is the possibility that more accurate actuarial information will see private providers imposing penalties, in terms of contributions and benefits, that will have a regressive impact. Instead of spreading risks within fairly broad bands across different population types, which has the potential for a measure of redistribution on the basis of need, the tendency is likely to be to identify high risk, and/or low contributing, individuals. These might then either be excluded completely, as often happens in high crime areas where residents are refused contents insurance, or confined with others of the same type to a poorer scheme. Furthermore, some information could be used to the disadvantage of particular groups. With the possibilities that genetic testing offers, and private pension companies already asking for detailed information about the 'risks' that individuals undertake, and with providers already offering preferential annuity rates for people with 'impaired lives', pessimism may be justified (Dyson, 1999; Fitzpatrick, 2003; Mann, 2006).

Conclusion

For more than a decade, there have been pressures from the World Bank and the OECD on national governments to restructure their public welfare programmes, with retirement pension policies a consistent theme. Simultaneously, established retirement and pension rights have been reformed in many countries with a language of choice, and a focus on individual agency/responsibility, to the fore. Activation policies aimed at older people may not be directly attributable to these pressures and they may be welcomed by some.

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It is not possible to demonstrate that the OECD or the World Bank are simply promoting the interests of the finance markets, but political economy clearly provides an important context (Minns and Sexton, 2006; Stubbs and Zrinšèak, 2006; Walker, 2006; Wodsak, 2006).

Activation policies targeted at older people and those approaching retirement have not been uniform and are still relatively new. They can consist of either, or both, incentives and punitive features. Whether it is the European or American model of activation, governments are offering a mix of enhanced benefits and/or are making benefits conditional on specific forms of behaviour, in order to promote activation policies (Daguerre and Taylor Gooby, 2004).

This paper has explored four features of activation policies aimed at altering the behaviour of older workers and those approaching retirement. A key point has been to stress that activation policies also involve some significant changes in the modes of administration and information. These changes are designed to make individuals engage with, and reflect upon, their personal circumstances, their behaviour and the 'choices' that they might have. A heady brew of persuasion and advice, infused with the language of identity and autonomy, combined with conditionality and financial incentives is on offer. It promotes the lifestyle planners and consumer citizens as the new deserving. Simultaneously, the passive *public* welfare recipients who cling to a model of rights predicated on citizenship look increasingly like the undeserving category. 'The language of autonomy, identity, self-realisation and the search for fulfilment forms a grid of regulatory ideals' (Rose, 1996: 145). And the task is to get individuals 'themselves 'interested' in their own government' (Rose, 1996: 146). For those who can take the opportunities offered, and/or already have resources, there may be good grounds for seeing both 'Longer Lives and Longer Working' as a boon. However, with the public welfare safety net being replaced by a 'ladder of opportunity' others may experience a sense of vertigo. Trying to activate those who resolutely cling to the ladder, rather than climbing it, may be a difficult task. For those social groups that have 'failed' to take, or had very few, opportunities in the past; for the poorest 20–40 per cent; for those who spend many years caring for children or relatives; for manual workers who have spent 40 plus years at work; the prospects of an even longer working life, or even greater social exclusion, may be less attractive.

Notes

1 I am grateful for the constructive comments of the referees on an earlier draft of this paper.

2 There were of course always problems with this model as it was predicated on the male breadwinner, female carer household. This in turn seriously disadvantaged a great many women who are still paying a pension penalty as a result (Ginn, 2003).

3 This is how he is described on the cover to his 1998 book 'The Third Way, although Bourdieu and Wacquant suggested that: 'The masters of the economy . . . can sleep in peace: they have found their Pangloss' (Bourdieu and Wacquant, 2001: 5 cited in McRobbie, 2002).

4 There are also, for example, policies that promote 'active aging', geared to improving the health, 'voluntary/NGO activity and social networks of older people, that are not addressed here. Likewise the current activities of older people, most notably caring for grandchildren, family and friends (informal welfare), tends to be overlooked and is not discussed here (Wheelock and Jones, 2002).

5 A parallel policy is to incrementally raise the age of retirement for younger people in the longer term. Today's politicians can thus avoid incurring any resentment from older workers and is rarely perceived by younger people as a loss of rights as they tend to see retirement as a long way off.

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6 Germany recently reviewed policies towards older inactive people but they remain geared to supply side solutions for the time being (e.g. training and skills development). (Glos, 2006: 48–49).

7 Japan and Korea are exceptional in having an official age of 60 but an effective age of 70 for men. (OECD, 2006).

8 Interestingly the UK government also conducted a questionnaire online and claimed to have consulted with 10,000 people (DWP, 2006). In fact there were only 4 options/buttons to choose from, work longer, save more, be poorer in old age, or raise taxes. Any attempt to complete the questionnaire with any other responses, or to ignore these 4 'required fields', was not accepted by the online process. The survey was in fact a sham but it was widely reported in the national press as if this was a valid survey with real 'findings' (*Sunday Times*, 28 May 2006).

9 It is also possible to paint a more optimistic scenario in which some users are empowered, older people feel included and use the Internet to promote their rights, find information and find jobs that they want (Mitton and Hull, 2006; Pendelton, 2006).

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