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Senior Employment in France

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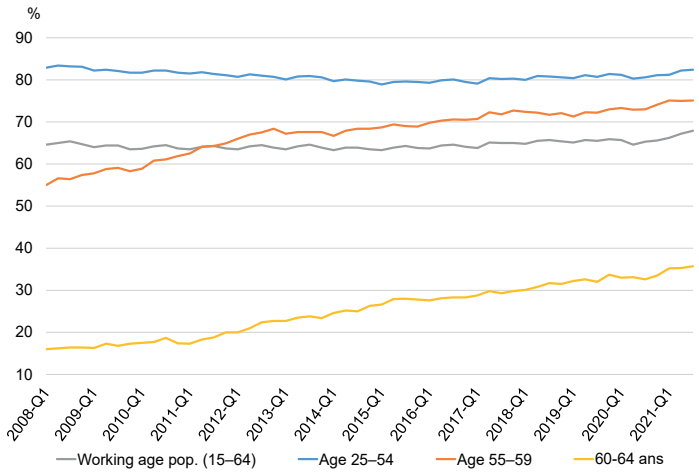
- While France's employment rate for the seniors (aged 55 and older) has been steadily increasing, it remains low compared to other European countries, particularly in the over-60 age group. This can be explained by France's lower average pension eligibility age. Also, while seniors are less likely to be unemployed than other age groups, they are also less likely to find work after a period of unemployment.
- Demand for senior workers is constrained by a number of factors. For example, declining employability with age, whether real or perceived, is likely compounded by lower rates of vocational training in later working years, which limits options for job adjustments. Additionally, in cases where wage levels are not tied to productivity (e.g. if determined by a salary scale), it can drive down employer demand.
- On the supply side, unemployment benefit rules designed to better protect seniors may financially disincentivise some people from seeking employment in later working years.
- For some jobs, a lack of ageing-friendly working conditions can also cause people to exit the labour market early: seniors who are unemployed but not yet retired are more likely to report ill health than those who are employed, a state of affairs that appears to be more predominant in France than in its European neighbours.

Employment rates by age group, up to Q3 2021



Source: Eurostat, DG Trésor calculations.
How to read this chart: Employment is expressed as a percentage within each age group.

1. The labour market position of seniors

1.1 The seniors employment rate has increased in recent years, but remains low by international standards

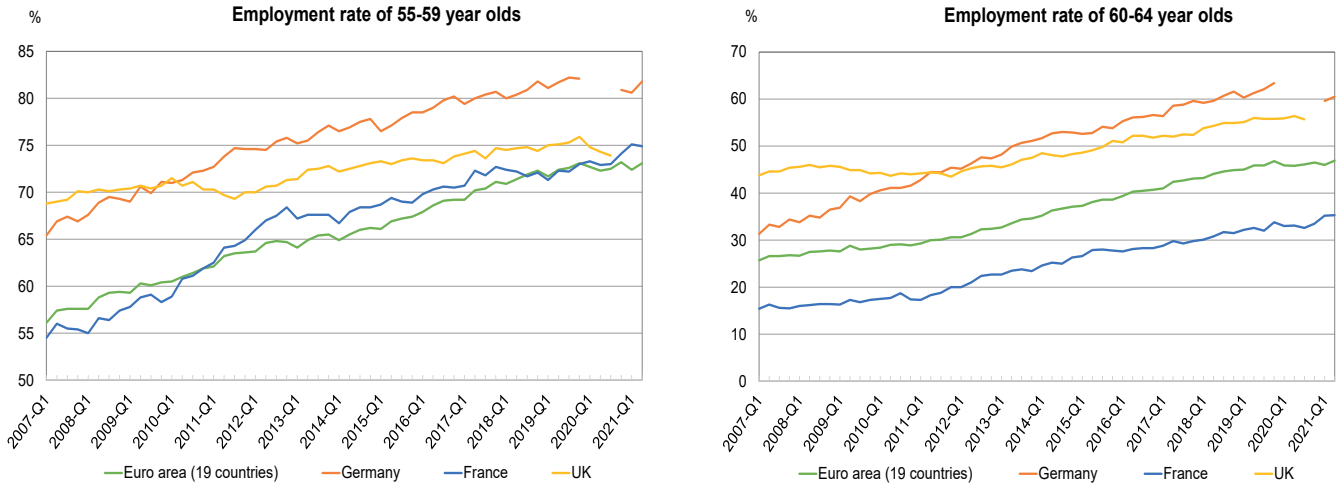
In 2019,[1] there were 4.8 million senior (age 55–64) labour force participants in France, making up roughly 16% of the labour force (16.8% in the third quarter of 2021). Over the course of the preceding decade, the employment rate for this age group grew significantly, approaching the average employment rate for the population as a whole. It grew from 38% at the start of 2008 to nearly 54% by end-2019, compared to 66% for the population as a whole (see chart on cover page).

This increase in the senior employment rate, driven by a rising activity rate, has been particularly pronounced since 2011. This is partly attributable to France's 2010 pension reform, as well as other specific measures such as the elimination of early retirement and job-seeking exemption schemes.[2]

France's senior employment rate is still below that of its European neighbours, particularly in the over-60 age group (see Chart 1). Although France's employment rate for the 55–59 age group was comparable to that of its neighbours at end-2019, its age 60–64 rate stood at 34%, compared to 47% in the euro area, 56% in the United Kingdom and 63% in Germany.

This disparity can be explained primarily by France's effective male retirement age, which is one of the youngest in the OECD, even after the country's pension reforms. Looking instead at the senior employment rate by interval of time leading up to the normal retirement age,[3] France is actually not far off the OECD average. For the interval of 10 to 6 years before normal retirement age, France's employment rate is 75.5% (17th out of the 35 countries compared in Chart 2, and 1 percentage point above the average). In the 5- to 1-year range, the rate is only 48.5% (6 points below the average, in 25th position). Some countries manage to keep employment rates high right up to retirement age, an indication that other factors are at play.

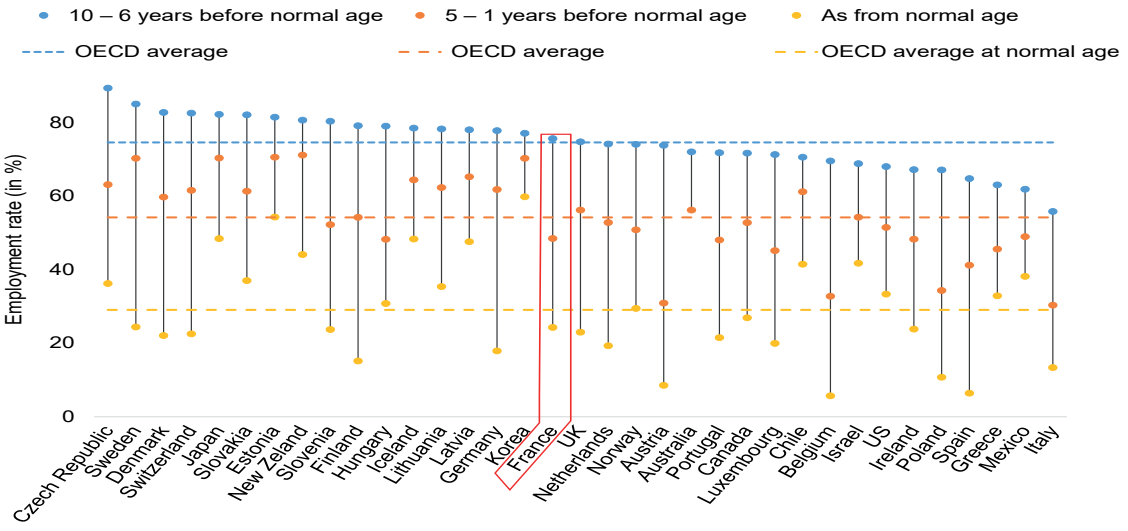
Chart 1: International comparison of senior employment rates over time



Source: Eurostat, DG Trésor calculations.
How to read these charts: Employment is expressed as a percentage within each age group.

(1) Due to the impact of COVID-19 on statistical indicators for 2020 and 2021, the text of this paper refers mainly to 2019. However, the charts show data up to Q3 2021, demonstrating that senior employment trends were not significantly affected by the pandemic.
(2) Prior to 2008, jobseekers registered with *Pôle emploi* (France's national employment agency) over age 57 (or age 55 if they had at least 160 quarters of pension contributions) and Specific Security Allowance recipients over age 55 were exempt from having to look for work. The scheme was phased out between 2008 and 2012, causing some people to be reclassified as active jobseekers, with some of them returning to work.
(3) We have used the normal retirement age as calculated by the OECD, which is the age at which the rules in effect in each country in 2018 allow a man to retire with his full pension entitlement based on a career began at age 22. For France, this works out to age 63.25. A country-by-country comparison of pension legislation remains complex, since the applicable ages are not directly comparable.

Chart 2: International comparison of employment rates by interval of time to normal retirement age



Source: OECD, Pensions at a Glance 2019; DG Trésor calculations.

How to read this chart: Employment is expressed as a percentage within each age group. In later working years, a country's employment rate is influenced by how far away its normal retirement age is (see footnote for definition). In France, where the normal retirement age in 2018 was 63.25 as calculated by the OECD, the employment rate is 75.6% for cohorts 10 to 6 years away from the normal age, 48.5% for 5 to 1 years, and 24.3% for the normal retirement age. Although the UK has a higher normal retirement age (age 65), it has similar employment rates when comparing cohorts based on the number of years away from the normal UK retirement age.

Box 1: Impact of the 2010 pension reform on senior employment

The central plank of France's 2010 pension reform was to gradually raise the retirement age from 60 to 62. Using a microsimulation, Rabaté and Rochut (2020)[a] estimated the effect of such a measure on the labour force participation rate of the first cohort of workers affected by the change (people born in 1952). The results show the reform having a significant impact on the proportion of people retiring at age 60, which fell by 48 percentage points. More than 70% of this decrease can be attributed to an increase in the labour force participation rate of 60-year-olds, with a 21-percentage-point increase in the employment rate. Based on individual-level observations, the authors noted that senior workers maintained their labour market position post-reform.

These results are similar to those of a study conducted by France's national institute of statistics and economic studies (INSEE) on cohorts born in 1951 and 1952.[b] It showed that the 2010 reform significantly increased the likelihood of being a labour force participant at age 60 (a 23-point increase owing to the reform) and the likelihood of being employed (a 16-point increase). The reform also led to an increase in the number of seniors who are unemployed and economically inactive for reasons other than retirement (the number of people receiving disability benefits increased by nearly 150,000 between end-2010 and 2017, and the number of people receiving minimum social benefits had grown by 50% by end-2016),[c] although the labour force non-participation rate decreased for 60-year-olds in overall terms.

Table 1: Marginal impact of the 2010 pension reform on the likelihood of labour force status at age 60

	Employed	Unemployed	Economically inactive	Retired
Impact of a higher retirement age, measured in percentage points	+16	+7	+2	–25

Source: Koubi and Dubois (2017).

How to read this table: According to the study, the medium-term impact of the 2010 reform was a 25-point decrease in the likelihood that a person would be retired at age 60, and a 16-point increase in the likelihood a person would be employed at the same age.

a. Rabaté S. and Rochut J. (2020), "Employment and Substitution Effects of Raising the Statutory Retirement Age in France", *Journal of Pension Economics and Finance,* no. 19(3), pp. 293-308.

b. Dubois Y. and Koubi M. (2017), "Report de l'âge de la retraite et taux d'emploi des seniors : le cas de la réforme des retraites de 2010", *Insee Analyses*, no. 30.

c. Aubert P., Kuhn L. and Solard G. (2016), "Invalidité et minima sociaux : quels effets du passage de la retraite de 60 à 62 ans ?", *Dossiers de la Drees*, no. 6.

1.2 There is a lower proportion of unemployed people but a higher proportion of long-term unemployed people in the over-55 age group as compared to the rest of the population

Senior workers are less at risk of unemployment than the rest of the population, with 92% of them holding a permanent contract in 2019. Despite spikes in 2008–2010 and in 2012–2015, under the combined impact of the economic crisis and the elimination of the job-seeking exemption scheme, the senior unemployment rate remains nearly 1.5 points below the average of the working age population (see Chart 3). For comparison, the youth unemployment rate (15- to 24-year-olds) is three times higher than the rate for people 55 and older (20.4% vs 6.1% at end-2019). However, the proportion of long-term unemployed people (those unemployed for more than one year) among unemployed people 55 and older was 60% in 2018, compared to 42% for the entire over-15 population. Compared to the 25–54 age group, people 55 and older are half as likely to return to work after a period of unemployment.

There is a positive correlation between the senior employment rate and education level (ranging from 40.7% for those age 55–64 without a diploma to 72.8% for those university-educated, see Table 2). There is a weaker relationship between education level and unemployment: those age 55–64 with a secondary-school diploma or equivalent have a 11.9% quarterly probability of returning to work, versus 10.0% for those with a university education.

Table 2: The probability that an unemployed 55- to 64-year-old will return to work by education level, 2019

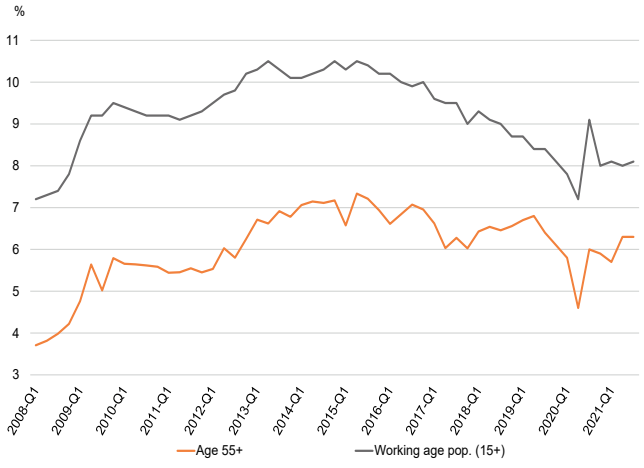
	No diploma	Vocational training or equivalent	Secondary school or equivalent	Post-secondary education (undergraduate)	Post-secondary education (graduate)	All
Employment rate (%)	40.7	50.8	60.5	60.5	72.8	53.8
Quarterly probability of returning to work (%)	9.5	8.8	11.9	8.6	10.0	9.6

Source: 2019 labour force survey; DG Trésor calculations. The probability of returning to work corresponds to the proportion of unemployed people (at a given age and education level) who find work from one quarter to the next.

How to read this table: The employment rate of 55- to 64-year-olds without a diploma is 40.7%. Among those who are unemployed, the probability of returning to work the following quarter is 9.5%.

Senior unemployment benefit recipients tend to receive more generous benefits, since they tend to have higher average reference wages and longer contribution periods.[4] They also tend to receive benefits for longer than other age groups: provided they have made sufficient contributions, jobseekers age 55 or older are eligible for up to 36 months of unemployment benefits; those age 53–54 are eligible for 30 months; and those under age 53 are eligible for 24 months. Some 74% of senior unemployment benefit recipients have made sufficient contributions to be eligible for benefits for up to two years or more.

Chart 3: Unemployment rate (ILO definition) up to Q3 2021



Source: INSEE, labour force survey. Data for mainland France up to 2014, and France excluding Mayotte thereafter.

How to read this chart: Unemployment is expressed as a percentage within the active labour force participants in each age group.

(4) In 2016, the average monthly gross pre-unemployment income of benefit recipients was €1,900, compared to €2,180 for those age 50 and older. See Guérin S. (2017), "Qui sont les allocataires indemnisés par l'Assurance chômage en 2016 ?", *Éclairage Unedic*.

1.3 Seniors and the 2020–2021 labour market

According to the INSEE's Labour Market at a Glance in 2020,[5] published in March 2021, the COVID-19 crisis did not have a significant impact on senior workers' employment situation in the short term. The age 50–64 employment rate continued to grow at the same pace as before the crisis (0.7 percentage points per year), standing at 65.4% in Q2 2021 (compared to 64.5% in Q4 2019). This could be attributed to the fact that this age group is less represented in some of the hardest-hit sectors, such as hospitality and retail trade (where the average worker age is 35, as compared to 41 for the economy as a whole) and less exposed to short-term or temporary contracts. They are therefore likely to have been better protected by the short-time work scheme. Furthermore, severance pay increases with seniority (after 10 years for the legal minimum payment), which could have had a short-term dampening effect on layoffs in this age group.

2. Constraints on labour demand for senior workers

There are both supply and demand constraints on senior employment. On the demand side, the main factors discouraging employers from hiring senior employees are a loss of employability (due to physical working conditions or inadequate vocational training) and wage levels (particularly with seniority-based compensation that is not always aligned with productivity). There may also be effects from age discrimination.

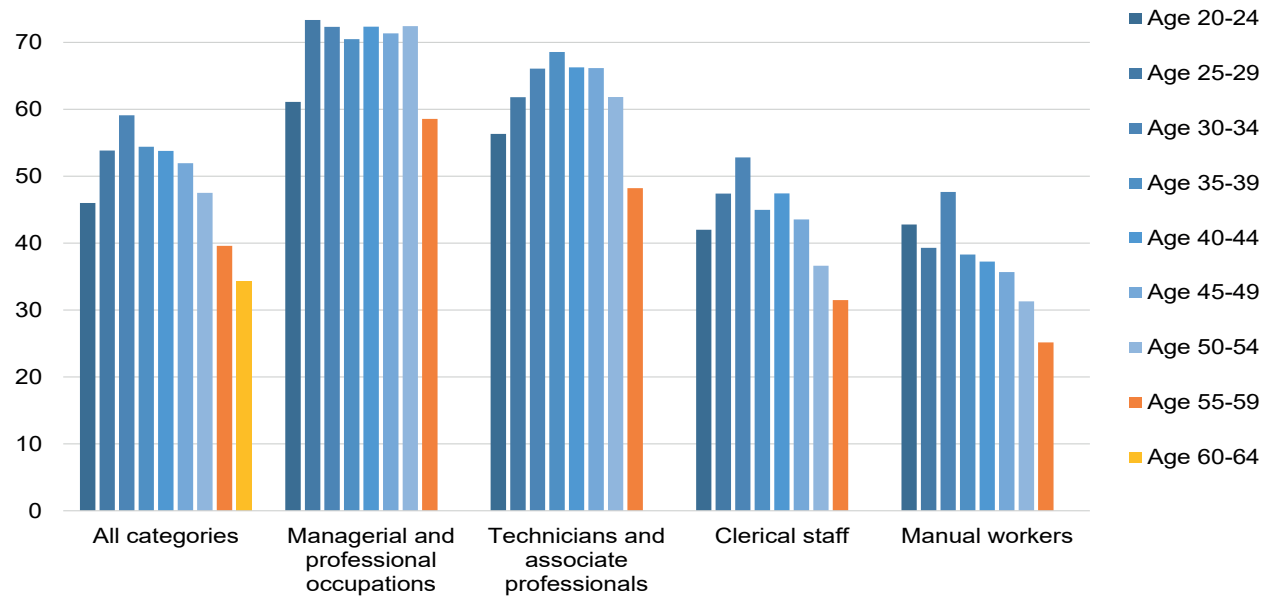
2.1 Loss of employability with age

Employees may decline in productivity with age, for instance because of physical or mental strain, or because their skills are out of date. A controlled experiment conducted by the Public Policy Theory and Evaluation (TEPP) Federation[6] tested the hypothesis that the low employment rate among seniors is due to obsolescence of human capital. The results show that, educational credentials being equal, the rate at which candidates are invited to a job interview declines more sharply with age for professions more exposed to technological shocks than for other professions. According to the authors, this selection bias can be attributed to recruiters' perceptions of skills obsolescence.

It is true that senior workers are less likely to access vocational training than younger workers. Training uptake begins to decline from age 50, and to a greater extent from age 55 (see Chart 4). All other job features being equal, there is lower training uptake among senior workers: an employee age 40–44 is twice as likely as one age 55–59 to take training. In 2018,[7] the rate at which individual training accounts (CPFs) were used by workers above age 45 was one-third that of those age 26–44. Among the unemployed, the training uptake rate of people over age 45 was 1.7 times lower than that for all age groups combined in 2015, according to INSEE. During the vocational training reform and the introduction of the skills investment plan (PIC), which were designed to help those furthest removed from the labour market, among which seniors are overrepresented, there was no specific programme targeting this age group. However, due to the structure of their unemployment rate, seniors should benefit from the "long-term job seekers" measures of the government's plan to reduce labour market tightness announced in late September 2021.

(5) Insee, Photographie du marché du travail en 2020, 2021.
(6) Challe L. et al. (2016), "Accès à l'emploi selon l'âge et le genre : les résultats d'une expérience contrôlée", *TEPP Rapport de recherche*, no. 016-02.
(7) Balmat C. and Corazza E. (2020), "Le compte personnel de formation en 2018", *Dares Résultats*, no. 009.

Chart 4: Vocational training rates by age and job category in 2012, as a percentage of each category



Source: INSEE adult education survey (2012) and Demailly (2016).
Scope: People employed at the time of the survey in mainland France. For some job categories, the data is not significant above age 60.

Box 2: Obstacles to training for senior workers

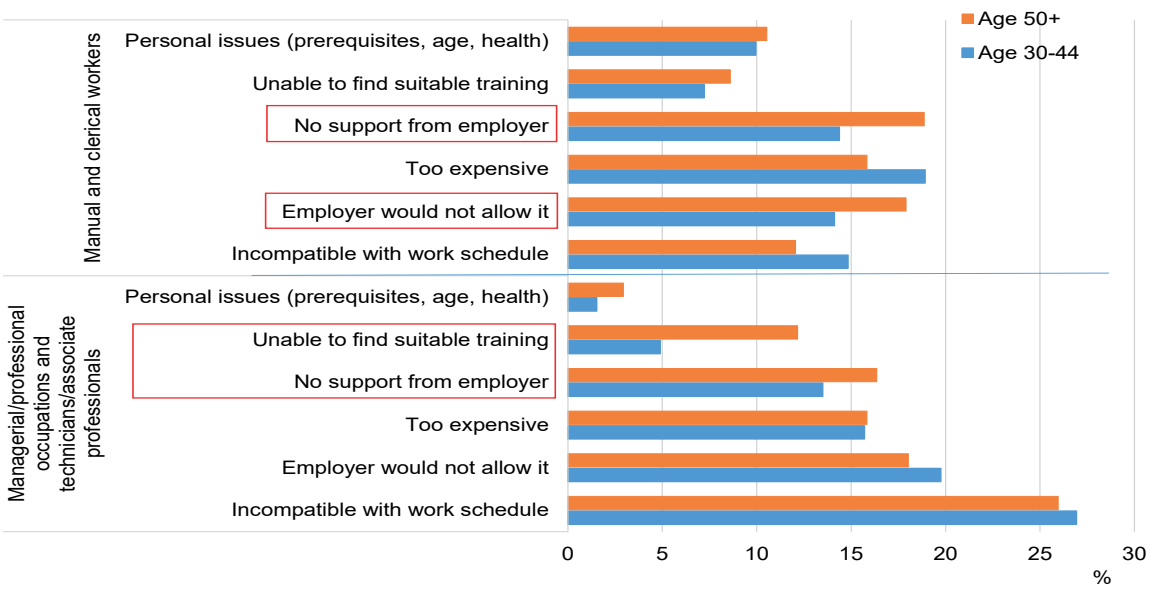
The discounted benefit that an employee or their employer is likely to derive from a given training activity over the remaining years of their career decreases as they approach retirement. This explains the two main reasons for the low rate of training uptake among senior workers. First, the perceived utility of and interest in vocational training decrease after age 55: only a quarter of those over age 55 feel they need training for the coming years, compared to two-thirds of those age 30–40. This varies by job category: among the senior age group, manual workers are more likely (85%) than managers and professionals (66%) to say they are not interested in further training because there is no need for it.[a] The proportion of respondents who said they took training in order to improve their career prospects or avoid losing their job was nearly 40% lower among senior workers than those age 30–44, which partly explains the perceived lack of utility.

There is also a lack of employer support that limits senior workers' access to vocational training, particularly among manual workers and clerical staff. Among the over-50s in these two job categories, 37% cited a lack of support or their employer's refusal as the main reason for not accessing training, compared to 28% for those age 30–44 in the same job categories. In comparison, there is only a 1-point difference between these two age groups for those in managerial and professional occupations. Once again, it may be that employers perceive a lower marginal gain in training senior workers (whether this is because they feel the training is not a good fit, is too expensive or is not a worthwhile investment for the amount of time left in the employee's career): only 60% of manual workers over age 55 report using the skills they learned in training, compared to 80% of those under age 30.

The availability of information about training opportunities is much better among managerial and professional occupations compared to manual workers and clerical staff. In 2016, 89% of older managers and professionals reported having heard of the *Bilan de compétences*, a government-provided skills assessment, compared to only 38% of older manual workers. This lack of awareness could also explain the perception of not needing training.

Age-related loss of employability is therefore likely to occur earlier for manual and clerical workers, who begin to see lower training rates from age 35, compared to age 50 for managers and professionals. And yet the majority of the jobs most threatened by digitalisation and automation are held by the least qualified workers.[b] Furthermore, these job categories are the ones most exposed to strenuous work; further training could lead to a transition toward less strenuous work that is more ageing-friendly.

Chart 5: Reasons for not accessing training despite interest in doing so, by age and job category



Source: INSEE adult education survey (2012) and Demailly (2016).
How to read this chart: 18% of employees age 50 and over reported not being able to access training because it was not approved by their employer.

a. Demailly D. (2016), "Formation professionnelle : quels facteurs limitent l'accès des salariés seniors ?", *Dares Analyses*, no. 31.
b. According to the OECD Employment Outlook 2019, the occupations most at risk of automation are primarily low-skilled jobs held by manual or clerical workers, with the exception of some occupations such as personal care services.

2.2 Wage level

The risk that a loss of employability will present an obstacle to employment for seniors increases if there is a gap between their productivity and their effective compensation. There have not been many French studies conducted to measure this gap. According to Roger and Wasmer (2011),[8] the productivity-to-wage ratio decreases for workers above age 50. The ratio is particularly low for low-skilled senior workers in the manufacturing, trade and services sectors and for high-skilled senior workers in manufacturing and services.[9] A study using Belgian data showed that labour productivity increases over the first 23 years of job tenure, on average, after which it begins to decline.[10]

The high level of wages earned by senior workers is often put forward as an argument against hiring a senior candidate or keeping on a less productive senior worker. Within a given cohort, employees with secondary education or better saw their average net wages grow by 86% between age 25 and 50, and by 60% for those who did not complete secondary education. [11,12] This is due to the way salary scales work, awarding pay rises based on seniority. On average in OECD countries, for example, ten additional years of job tenure increase wages by nearly 6% for people age 50–60.[13]

(8) Roger M. and Wasmer M. (2011), "Heterogeneity Matters: Labour Productivity Differentiated by Age and Skills", *DESE Working Paper*, *INSEE*, no. 2011-04.
(9) Unlike the manufacturing and services sectors, high-skilled senior workers in the trade sector have a higher productivity-to-wage ratio than young workers (under age 30). This could be due to the importance of networks and relationships in this sector.
(10) Gagliardi N. et al. (2021), "Can You Teach an Old Dog New Tricks? New Evidence on the Impact of Tenure on Productivity", *IZA Discussion Paper,* no 14432.
(11) Flamand L. et al. (2018), "Les salaires augmentent-ils vraiment avec l'âge ?", *La note d'analyse, France Stratégie*, no. 72.
(12) See also Aubert P. (2005), "Les salaires des seniors sont-ils un obstacle à leur emploi ?", in *Les salaires en France, Insee*, éd. 2005, pp. 41-52.
(13) OECD (2019), "Working Better With Age", *Ageing and Employment Policies, OECD Publishing*.

These wage trajectories are not inconsistent with economic theory: Lazear's incentive contract models (1979)[14] support this increase, in that there is an implicit contract between workers and their employer that they will be underpaid relative to their productivity at the start of their career and vice-versa at the end. This is the principle behind salary scales. There is, however, a weakness in this system: if an employer experiencing economic hardship needs to let some staff go, it would be in its best interest to start with those with the biggest gap between compensation and productivity.

Empirically, a study by *France Stratégie*[15] finds that some seniors could be excluded from employment for having overly high salary expectations in relation to their skills. The authors posit that the increase in late-career wages observed in the statistics is due in part to a selection effect, since the average wage is calculated based only on those who are still working and does not reflect those who have exited the labour market. The study recalculates the average late-career wage assuming all full-time workers remained employed. Using simulated trajectories, the authors find that, to compensate for the resulting surplus of seniors, it would require them to accept a lower average wage than the status quo, with wages possibly even declining with age for low-skilled workers.

2.3 Age discrimination

All other factors being equal, age could be a source of discrimination and a barrier to employment. Several studies flag up hiring discrimination based on sex,[16] perceived origin,[17] place of residence[18] and perceived religion,[19] but few have focused on age. The main difficulty is isolating age from all other variables liable to influence recruitment decisions, such as past experience or future career ambitions. Despite these difficulties, there are some studies that have attempted to measure employer discrimination towards seniors.

A TEPP report[20] designed an experiment to measure the likelihood of being invited to an interview for a position as a sales assistant. There are two reasons this particular position was chosen: it has little exposure to technological shocks, and it involves a high degree of customer contact. Because of this, any biases held by the recruiter should be more apparent, making it easier to determine whether there is an ageist culture within the company. The results confirmed the hypothesis that there is a social norm impeding senior people's access to employment. Furthermore, a 2015 study[21] conducted across all European Union countries showed that 75% of French managers believed that a candidate older than 55 would be at a disadvantage in a hiring decision against someone younger than them with the same qualifications and skills. This puts France third after the Netherlands (77%) and Cyprus (76%), against a 60% EU-wide average.

(14) Lazear E. (1979),"Why Is There a Mandatory Retirement?", *Journal of Political Economy*, no. 87(6), pp. 1261-1284.
(15) Flamand L. et al. (2018), op. cit.
(16) Duguet E. and Petit P. (2005), "Hiring Discrimination in the French Financial Sector: An Econometric Analysis on Field Experiment Data", *Annals of Economics and Statistics*, no. 78, pp. 79-102; and Petit P. (2007), "The Effects of Age and Family Constraints on Gender Hiring Discrimination: A Field Experiment in the French Financial Sector", *Labour Economics*, no. 14(3), pp. 371-391.
(17) Berson C. (2011), "Testing sur les jeunes français issus de l'immigration en fonction du degré de concurrence", *Rapport final d'évaluation du Fonds d'Expérimentation pour la Jeunesse*, AP2 091.
(18) Bunel M. et al. (2015), "Discrimination Based on Place of Residence and Access to Employment", Urban Studies, no. 53(2), pp. 267-286.
(19) Adida, C. L. et al. (2010), "Identifying Barriers to Muslim Integration in France", *Proceedings of the National Academy of Sciences of the United States of America*, no. 107(52), pp. 384-390; and Pierné G. (2013), "Hiring Discrimination Based on National Origin and Religious Closeness: Results From a Field Experiment in the Paris Area", *IZA Journal of Labor Economics*, no. 2(1).
(20) Challe L. et al. (2016), op. cit.
(21) Eurobarometer (2015), "Discrimination in the EU in 2015".

3. Constraints on labour supply of seniors

On the supply side, replacement income may diminish the financial incentives for seniors individuals to return to work, and a lack of ageing-friendly working conditions could persuade some to exit the labour market early.

3.1 Fewer late-career financial incentives

The size of the financial gain derived from working depends on whether or not the individual has a replacement income (unemployment benefits, pension) and how it compares to their earned income. If their fixed costs go down (e.g. from owning their home, which is the case for some active labour force participants at the end of their careers[22]), they may be content with a lower replacement income, which diminishes the financial incentive to work. For senior workers, the reservation wage therefore increases with age, even when accounting for their employability[23] or past wages.[24] For this age group, in weighing the trade-off between work and leisure, the balance is skewed towards the latter.

In France, long unemployment benefit periods may also reduce employment incentives for seniors.[25] Further to a 14 April 2017 labour agreement, the maximum benefit period is 30 months for jobseekers age 53–54, and 36 months above that age (compared to 24 months for other age groups). This age effect is heightened by the fact that some senior jobseekers are able to keep receiving benefits beyond the cut-off until they qualify for full retirement,[26] which can be up to age 67, the age at which there are no more early-retirement benefit reductions.

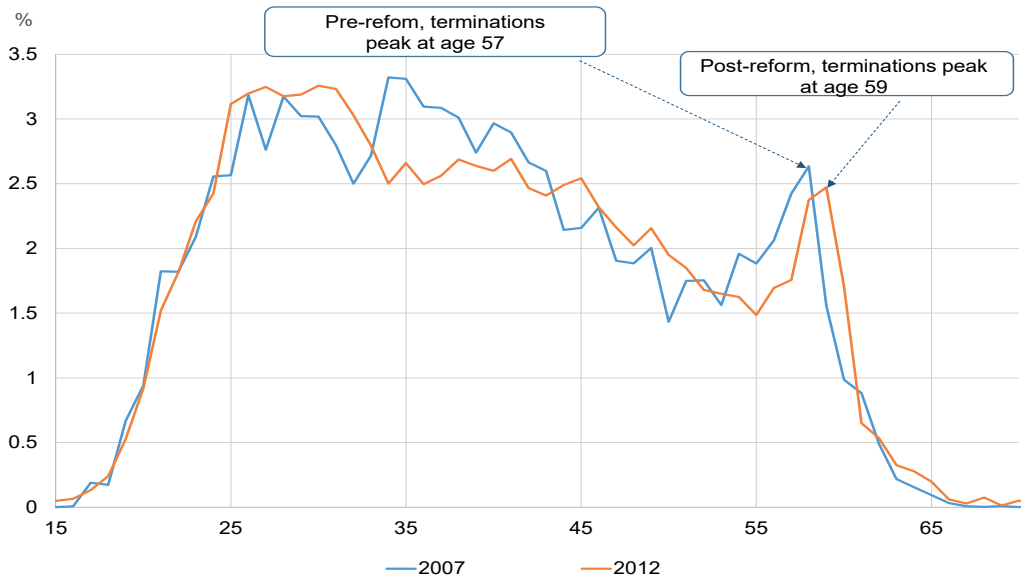
Box 3: The time horizon effect[a] on late-career redundancy and termination settlement agreements

Redundancy and termination settlement agreements are ways for senior workers to make an early exit from the labour market. With the 2010 reform, when the minimum age for entitlement to non-reduced pension benefits was pushed back by two years, it was observed that the age at which there is a peak in permanent contract terminations due to redundancy or termination settlement agreement also moved back two years, such that the gap to retirement is bridged by unemployment benefits. Prior to the reform, permanent contract terminations peaked at age 57, three years before the legal retirement age, which corresponds to the maximum unemployment benefit period for late-career jobseekers. Post-reform, the peak shifted to age 59 – in other words, still three years out from the legal retirement age (see Chart 6).

In 2018, unemployment benefit payments associated with a termination settlement agreement accounted for 21% of total benefit payments,[b] and 24% of these recipients were age 50 or older. In 2017, 11% of unemployment benefit recipients age 57 or older were receiving benefits following a termination settlement agreement, compared to 7% for the rest of the population. This figure has been steadily increasing since termination settlement agreements were introduced in 2008, which could explain a relative increase in terminations among older workers, who are protected from redundancy on economic grounds by criteria setting out the order of departures (seniority, dependents, skills).

(22) Cusset P-Y. et al. (2021), "Les dépenses pré-engagées : près d'un tiers des dépenses des ménages en 2017", *La note d'analyse de France Stratégie*, no. 102.
(23) De Coen A. et al. (2015), "The Impact of Age on the Reservation Wage: The Role of Employment Efficacy and Work Intention", *Journal of Applied Gerontology*, no. 34(3), pp. 83-112.
(24) Le Barbanchon T. et al. (2017), "Unemployment Insurance and Reservation Wages: Evidence From Administrative Data", *NBER, working paper* no. 23406.
(25) For a literature review on the subject, see Schmieder J. F. and von Wachter T. (2016), "The Effects of Unemployment Insurance Benefits: New Evidence and Interpretation", *Annual Review of Economics*, no. 8, pp.547-581.
(26) Unemployment benefits can be extended beyond the initial period on the condition that the recipient does not meet the conditions for a full pension, has been receiving benefits for at least one year, has been paying into the benefits system for at least 12 years (including one continuous year or two non-continuous years in the past five years) and has at least 100 qualifying quarters of old-age insurance contributions.

Chart 6: Distribution of terminated permanent contracts due to redundancy or termination settlement agreement, by age



Source: Minni C. (2013), "Les ruptures conventionnelles de 2008 à 2012", Dares analyse, no. 31.

a. The time horizon effect is the phenomenon of career stages shifting based on the anticipated retirement age (e.g. an employee's decision to seek out training or an employer's decision to send an employee for training, the decision to stop working). See Hairault J-O. et al. (2006), "Les effets à rebours de la retraite sur le taux d'emploi des seniors", *Économie et statistique*, no. 397, pp. 51-58.
b. Unedic (2019), *Perspectives financières de l'assurance chômage 2019-2022*.

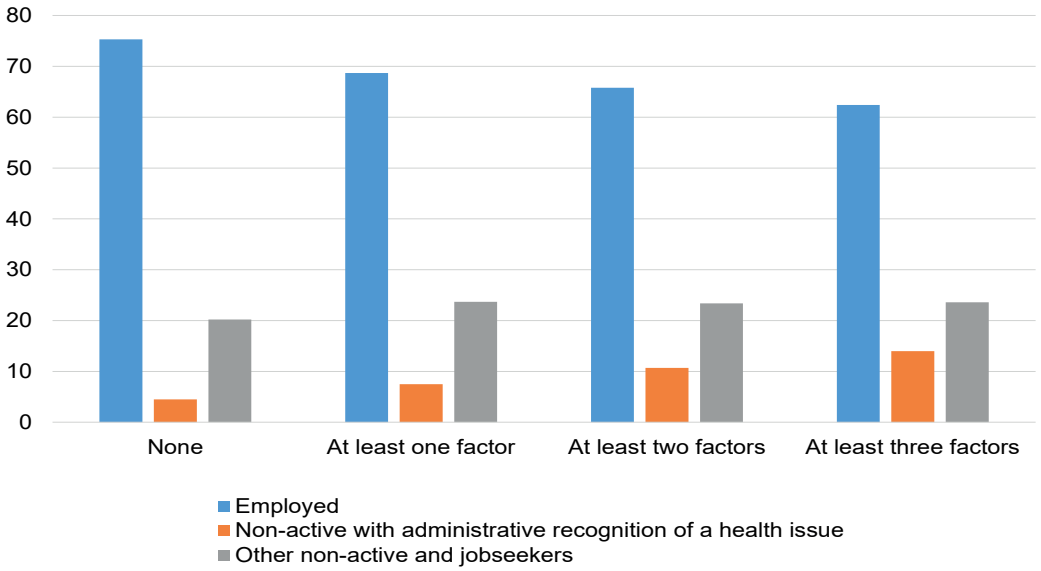
3.2 Hard working conditions

Hard working conditions can contribute to early exits from the labour market. A study by the French Directorate of Research, Studies, Assessment and Statistics (DREES)[27] shows that, among people age 52 to 69 who are neither employed nor retired (or pre-retired), 29% report being in ill health, compared to 7% of seniors and 10% of retirees. This state of affairs among the neither employed nor retired senior population appears to be more predominant in France than in its European neighbours.[28] A 2016 meta-analysis turned up several studies showing that poor working conditions, whether physical or mental,[29] had a negative impact on health and retirement age. Although roughly a third of senior labour force non-participants under age 62 are non-participants because they took early retirement after a long career, the same number report health problems as the reason they are not seeking employment (50% more than the wider population of non-participants age 25–54).

According to a DARES study,[30] a history of hard working conditions tends to be associated with a lower employment rate. A 2007 health and career (SIP) survey found that among senior workers exposed to at least one physical risk factor[31] for a sustained period of time, 68% were employed in 2007, compared to 75% for those with between zero and 15 years of exposure. As more risk factors are combined, the employment rate drops further: 66% for two factors, 62% for three or more.

(27) D'Isanto A., Hananel J. and Musiedlak Y. (2018), "Un tiers des seniors sans emploi ni retraite vivent en dessous du seuil de pauvreté", *Études & Résultats*, no. 1079. The study looks at older people who did not receive any employment income or pension benefits in 2015.
(28) Debrand T. et al. (2017), "Pénibilité au travail et santé des seniors en Europe", *Économie et statistique*, no. 403-404, pp. 19-38.
(29) Nilsson Kerstin (2016), "Conceptualisation of Ageing in Relation to Factors of Importance for Extending Working Life – A Review", *Scandinavian Journal of Public Health,* no. 44(5), pp. 490-505. Contributing factors to a mentally difficult work environment include stress, unclear targets, absence of information, lack of inclusion in a working group, and bullying and scapegoating.
(30) Coutrot T. and Rouxel C. (2011), "Emploi et santé des seniors durablement exposés à des pénibilités physiques au cours de leur carrière", *Dares analyses*, no. 20.
(31) For the purposes of this study, exposure to a risk factor is defined as having been regularly or often exposed, over a period of 15 years, to toxic substances, night shift work, repetitive tasks or physically demanding work (heavy lifting, strenuous positions, excessive noise, extreme temperatures).

Chart 7: Percentage of 50–59-year-olds on the labour market by combination of long-term (15 years or more) exposure to physical risk factors



Source: SIP survey; Coutrot T. and Rouxel C., Dares Analyse, 2011.

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