

## Box 4: Fighting Ageism, the last frontier of diversity

In order to prevent a rise in the retirement age merely resulting in longer periods of unemployment before retirement, the participation, employability and acceptance of older workers in the labor market must be increased. These efforts will not only improve the situation of older workers but also help companies to mitigate labor shortages – one of their main problems post Covid-19 – which is likely only to grow in future.

The key to increase the participation rate of older workers is more flexibility in the transition phase from working life to retirement. This includes part-time work and permitting the acquisition of new (additional) pension rights when postponing retirement beyond reaching the statutory retirement age. Other measures are lower social security contribution rates for employees aged 60 and older and temporary wage subsidies when hiring unemployed workers/employees aged 60 and older.

Measures to improve the employability of older workers include, for example, subsidies for internal training measures in order to promote lifelong learning and skill building, the adaptation of the workplace to the needs of an aging workforce and the promotion of healthy working conditions.

However, most important are changes in attitude. Age discrimination in the recruitment, employment and retaining of workers is still the most common form of workplace discrimination. The efforts in the fight against ageism have to be stepped up significantly.

All factors combined, Denmark and the Netherlands, both countries with strong capital-funded pension pillars and comparatively high public pension benefit levels, have the most adequate pension systems. The overall score is a very good 1.4 in Denmark and 1.7 in the Netherlands. In both countries, the activity ratios of men aged 65 and older are already markedly above 10%, which also reflects the increases in the retirement age in both countries. At the bottom end in terms of adequacy is Laos, joined by Lebanon and Uzbekistan, where both the coverage of the pension system and the development level of the financial sector remain low.