



Ageism and Age Discrimination
Some Analytical Issues

An ILC-UK think-piece by

Professor John Macnicol
London School of Economics

August 2010

ILC-UK

www.ilcuk.org.uk

The International Longevity Centre - UK (ILC-UK) is an independent, non-partisan think-tank dedicated to addressing issues of longevity, ageing and population change. It develops ideas, undertakes research and creates a forum for debate.

The ILC-UK is a registered charity (no. 1080496) incorporated with limited liability in England and Wales (company no. 3798902).

ILC. UK
11 Tufon Street
London
SW1P 3QB
Tel : +44 (0) 20 7340 0440
www.ilcuk.org.uk

Acknowledgements

John Macnicol is Visiting Professor of Social Policy at the London School of Economics. This paper was edited by Craig Berry. It is based on a paper originally presented to the Pensions Research Network at the University of Westminster on 21 May 2010.

This report was first published in August 2010
© ILC-UK 2010

Introduction

Ageism and age discrimination are very relevant to the current debates on the future of the state pension, the viability of raising state pension ages, and extending working lives. In essence, the question often asked is: are there discriminatory barriers to the employment of older people which could and should be removed?

In the last 20 years, there has been a revival of interest in the problem of age discrimination in employment. It is a revival, rather than a new discovery, because the question of whether the labour market problems of older workers have been caused by discrimination *per se* or by other factors (notably, economic restructuring) is one that has been debated since at least the 1930s (Macnicol, 2006). This recent revival is intriguing, because it has been built upon a combination of social justice and economic efficiency justifications. This is hardly surprising, since all anti-discrimination strategies have this dualism: the enhancement of individual rights is balanced by the aim of more efficient employee selection, via the merit principle. It is significant that, in most anti-discrimination legal cases, justified discrimination is that which is productivity-related.

The nineteenth-century meaning of discrimination was a neutral one: employers had virtually unlimited freedom to discriminate and there was widespread patronage. Over the course of the twentieth century, however, the term discrimination took on a more normative meaning, both negative and positive. *Effective* anti-discrimination laws are essentially a post-1960s phenomenon. Ostensibly, the timing of their introduction can be linked to the growth of individual rights (most notably manifest in the 1960s civil rights movement). But the legislative attack on employment discrimination also coincides with the enormous economic transformations that took place in Western societies from the late 1960s onwards: deindustrialisation, an expansion of low-paid, low-grade and often part-time service sector jobs. The male breadwinner model has been replaced by the adult breadwinner model with an attendant ideology that all citizens must support themselves through paid work.

1. Dimensions of Ageism

In analysing ageism, it is useful to make a threefold distinction:

(a) **Ageism in social relations and attitudes:** This refers to those attitudes, actions and vocabularies whereby we accord people a diminished social status solely or mainly by reference to their chronological age. Ageism can be directed against people of any age, although it is perhaps most egregious when directed at older people. It can operate at several levels, from the interpersonal to the institutional, and is seen by many gerontologists as equivalent to racism or sexism. Equally damaging, and perhaps even more corrosive, since it is more likely to be accepted as normal or inevitable. Ageism as a term dates from the 1960s, but we have to bear in mind that psychologists have long researched prejudice against older people. Ageism may therefore be a new name for an old problem.

(b) **Age discrimination in employment:** Since the 1930s, there has been a debate about the use of age-proxies in hiring, firing, promotion, demotion, remuneration, training, and mandatory retirement (which many anti-ageism campaigners see as the most objectionable example of age discrimination). Such crude age proxies are held to be unfair since heterogeneity in health status, cognitive ability and working capacity increases as cohorts age. Accordingly, it is often argued that age proxies should be replaced by individualised performance appraisal and mandatory retirement should be replaced by flexible or phased retirement, giving individuals a greater opportunity to choose the precise moment of their permanent labour market exit. Interestingly, there have been pronounced swings in governmental policies towards older workers: in the 1930s and the 1970s/80s, the emphasis was on the encouragement of early exit; by contrast, in the 1950s and the period from 1992 to the present, the emphasis has been on retention. If the UK experiences a worsening recession, and older workers' job prospects are adversely affected, it is quite possible that we will see a swing back to early exit policies.

(c) **Age discrimination in the distribution of goods and services:** This has entered the public policy agenda only recently, but for a long time anti-ageism campaigners have argued that older people are unfairly discriminated against in such areas as motor or holiday insurance, or in health care (where there are long-standing and well-justified allegations of much informal discrimination against older patients). Belatedly, this area of discrimination is being tackled by the 2010 Equality Act.

In many ways, the emergence of concern over age discrimination in employment has pulled the other two aspects of ageism into prominence.

2. The Origins of Ageism

Where does ageism originate? A number of possible sources have been suggested, of which I will only deal with three. First, there are *psychological*, *sociobiological* or *human capital* explanations, which see ageism as stemming from our deeply-internalised fears of our own ageing, decrepitude and death. Sociobiologists would argue that, in all human societies, youth has been associated with energy, strength, quickness, resilience, biological fertility, and so on. We therefore accord older people a lower social status, since they have fewer life years ahead of them. Of course, this raises the awkward question: if we are psychologically hard-wired to prioritise youth, can we ever eliminate ageism? Logically, we can only do so once we eliminate ageing and death itself. Second, *cultural* explanations would point to the slow marginalisation of older people since preindustrial times . the controversial *generation to degradation* thesis. Third, we might argue that *economic* explanations are the most plausible, and that the spread of male retirement over the past 120 years has been accompanied by a more negative perception of the economic value of older people (who are frequently portrayed as a fiscal burden with regard to their pension, health and social care costs).

3. Why a Revival of Interest?

There are a number of reasons why ageism and age discrimination returned to the social policy agenda from the early 1990s onwards. The debate on age discrimination in employment has been inextricably linked to wider economic concerns and associated strategies. First, there is the fall in economic activity rates of older men, especially since the early 1970s. Interestingly, male ~~early~~retirement (that is, before age 65) originated in the 1920s, intensified in the 1930s recession, stabilised in the 1950s and 1960s, and then spread rapidly from the early 1970s with the massive economic restructuring and shedding of older workers that began in that decade. Second, there are concerns over a future ageing population after the second decade of this century. The proportion of people in Britain aged 65+ is forecast to rise from 16 per cent now to 22 per cent by 2030, and it is estimated that by 2020 there will be some 3 million more people above the age of 50 and 1 million fewer under the age of 50. There is concern over skills shortages, loss of corporate memory and other depletions of human capital consequent upon early leaving. On a personal level, there is the human tragedy of deindustrialised older men, concentrated in areas of high unemployment, facing the prospect of never working again (see Berry, 2010). Finally, running through all current debates on age discrimination has been the macro-economic strategy (which dominated economic policy-making between the early 1990s and 2008) of creating non-inflationary economic growth by expanding labour supply and driving down wages. As one government publication on age discrimination put it:

Increasing the number of people effectively competing for jobs actually increases the number of jobs in the economy....More people competing for jobs means that people are less keen to demand wage increases (Cabinet Office, 2000: 39).

The recent debate on age discrimination in employment has therefore been an integral part of the prevailing ~~workfarist~~agenda.

4. Some problematic issues

There are many difficult issues to be confronted in analysing ageism and age discrimination, some of which will be summarised here. The first is how to distinguish our deeply-internalised notions of age-appropriate behaviours and age norms from prejudice-driven ageism. We all deploy what sociologists have termed ~~markers~~ of ageing~~in~~ making sense of the world about us, and the biological and social changes that affect us. Again, there is the question of rational versus irrational discrimination. How ~~reasonable~~are age proxies? Are they based upon correct averages or incidence by age . as in the case of motor insurance premiums and age-related risk? Or are they based upon false stereotypes that bear little relation to reality? There has also been endless debate on whether ageism is akin to racism or sexism. Many campaigners against ageism argue that it is as unjust, but there are grounds for arguing that ageism is qualitatively different. Most notably, age is a relative characteristic, whereas sex and race are, by and large, immutable characteristics. Again, ageism has no tragic historical legacy in the way that slavery does, and this

can weaken the case for a corrective justice approach to righting past wrongs. The whole question of intergenerational equity has become fashionable again, yet there are real difficulties in arguing that one particular generation (the baby boomers) have somehow managed to act in concert and monopolise a disproportionate share of public resources. Indirect discrimination is also notoriously difficult to prove in the case of age: for example, statistical discrimination tests will not be applicable, since the age profile of a firm tends to reflect factors other than discrimination. Again, we must recognise that older people enjoy the benefits of substantial positive discrimination, and in fact there is a delicate balance of both positive and negative discriminations across the lifecycle. Finally, replacing age-based personnel decisions in the workplace by individualised performance appraisal could create a new and equally unfair form of discrimination against those with sub-optimal productivity. Indeed, some critics would argue that this is exactly what legislation against age discrimination in employment is fundamentally designed to do.

5. Age discrimination against older workers

The question of how far age discrimination has been the principal cause of the labour market problems of older workers has been discussed ever since the 1930s. Negative perceptions of older workers have undoubtedly played a part as a *contributory* cause, but it is unlikely that policies like mandatory retirement have played a major part. I would offer the following justifications for my scepticism:

1. Between 1881 and 2008 the economic activity rates of UK men aged 65+ fell from 74 per cent to 10 per cent. Can this really be attributed to a sevenfold increase in ageism at work? In the early 1950s, two-thirds of men worked past the state pension age of 65 (often mistakenly assumed to be a universal mandatory retirement age); now two-thirds have left work by age 64. Clearly, being forced out of work at the age of 65 has not been a major factor in the spread of retirement. The major cause has been declining labour market demand in those sectors of the economy that have employed high proportions of older workers.
2. There have been variations in this long-run downward trend: a rapid fall in the 1930s, a rise in the Second World War, a stabilization in the 1950s and 1960s, a precipitous fall in the 1970s and 1980s, then a slight rise since the early 1990s. It is implausible to argue that the explanation is to be found in concomitant fluctuations in the intensity of ageism.
3. Most male early retirement (that is, occurring before the age of 65) has been *involuntary* (caused by redundancy or ill-health) rather than a result of employers' ageist hostility.
4. There are marked sectoral variations in the employment rates of older men. The oldest workforces are to be found in agriculture and fishing, manufacturing, construction, transport, and so on. This is not the result of less ageism in these sectors, but there being long-established industries with more labour-intensive methods.

5. Again, there are pronounced regional variations in the economic activity rates of older workers. To state the obvious, such rates are lowest in areas of deindustrialisation. If ageism is held to be the explanation, then why exactly would ageism be regionally patterned?
6. Much of the discussion of ageism at work is at the level of the individual firm, and on how human resources policies can become less ageist. But the real problem is sectoral shifts in labour market demand in the economy at large.
7. Finally, there is the possibly facetious but telling point that, if ~~discrimination~~ is the cause, it must be sex discrimination against older men, since it is they whose employment rates have fallen most sharply in the last forty years.

Conclusion

In conclusion, ageism in all its forms is a complex and convoluted topic to analyse, especially as its recent revival has been closely associated with governmental efforts to encourage (and force) older people back into paid employment. Successive British governments have said that they wish older people to have more choice about when they wish to retire. This is entirely laudable, but it will not be achieved merely by raising state pension ages and forcing people to work later in life or rely on welfare benefits for a few more years. Likewise, the forthcoming abolition of mandatory retirement at age 65 will enormously benefit those who are forced to leave work at that age but still wish to continue working; but their numbers are probably small. What is needed is some way of subsidising the earnings of older people - perhaps via in-work benefits - so that working becomes more attractive. Such suggestions may appear impossibly utopian in the current economic climate, but they would be consistent with the aim of combating age discrimination in employment by policies based upon positive action.

I will leave this brief discussion with some deliberately controversial questions which are merely intended to stimulate debate.

- Would the creation of an ~~ageless~~ society be in the best interests of older people?
- Should true ~~age equality~~ involve treating older people *unequally*, via positive discrimination in their favour?
- Would individualised testing be fairer than the use of age proxies, or would it be more discriminatory?
- Do anti-discrimination laws allow employers to discriminate *more*, but on the 'rational' grounds of productivity?
- Is the movement against age discrimination in employment a profoundly conservative movement associated with an attack on the welfare rights of older people?
- How can we reconcile the right to retirement with the right to work later in life? What positive steps could we take to really ~~make work pay~~ for older people?

References

Berry, C (2010) *The Future of Retirement* (ILC-UK).

Cabinet Office (2000) *Winning the Generation Game* (The Stationery Office).

Macnicol, J (2006) *Age Discrimination: An Historical and Contemporary Political Analysis* (Cambridge University Press)



ILC. UK
11 Tufton Street
London
SW1P 3QB
Tel. +44 (0)20 7340 0440
www.ilcuk.org.uk