

Expert Round Table on Older Workers

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Montreal, Quebec

Rapporteur's report

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I. Background

On May 23, 2007, the Expert Panel on Older Workers held a round table jointly organized with the Institute for Research on Public Policy.

Held in Montreal, Quebec, the round table assembled 27 experts and practitioners representing government, academia and the nonprofit sector to reflect on the challenges faced by displaced older workers and the ways in which policies might be strengthened to address them.

The results of that exercise are contained in this report.

This document summarizes the comments and views expressed by the roundtable participants, each of whom has reviewed its contents for accuracy. The document does not necessarily reflect the views of the IRPP or the Expert Panel.

II. Round Table Objectives

Round table chair **Sarah Fortin** (Research Director – Social Policy, IRPP) launched the round table by welcoming participants and summarizing the group's task for the day, and **France St-Hilaire** (Vice President – Research, IRPP) described IRPP's research activities and interest in the issue. The Honorable **Erminie Cohen** (Chair of the Expert Panel) then summarized the mandate of the panel and its activities to date.

W. Craig Riddell, a member of the Expert Panel, noted that the panel's mandate includes two broad themes, and asked that participants bear both in mind throughout the day:

- The narrower issue of displaced older workers; that is, workers near the age of retirement who involuntarily (and permanently) lose their jobs due to structural changes in the economy, foreign competition and other non-cyclical factors. What do we know about their behaviour? Where are the gaps in public policies?
- The broader issue of population aging and the role of older workers in society. As the population ages, older workers may become an increasingly important source of labour supply, but there is much we do not know about barriers to participation, factors affecting the decision to retire, and appropriate roles for the government and private sector.

III. Highlights of Discussions

Several broad themes arose from the discussions:

- **Labour force participation rates have increased among Canadians age 55 and over in recent years, reversing a long-term secular decline.** It is critical for policy makers to understand the forces underlying this change, particularly whether it reflects a one-time deviation or a more long-lasting change in trend.
- **The decision to work or not varies widely among older Canadians,** with some feeling obligated to work for financial reasons and others wanting to work primarily for the social ties and personal satisfaction that employment brings. There is also considerable diversity in older workers' situations with regard to geographic location, health status, job characteristics, educational background and family obligations, all of which must be taken into consideration when developing policy.
- **Retirement is a social construct in constant evolution.** As recently as the 1920s, the vast majority of Canadians "worked until they dropped." With the advent of public pensions and the Canada Pension Plan, most workers are now able to retire with sufficient income to maintain a reasonable standard of living. More recently, many workers seek to ease into retirement over a period of years, rather than retire "cold turkey," and labour market and income security policies that facilitate this are productive options to explore.
- **Approaching older workers' challenges as a labour force issue or an income security issue leads to very different policy responses.** If the objective is to increase labour supply in order to address perceived future labour force shortages, incentives to delay retirement, or to encourage part-time work during retirement, are in order. However, such measures, if not properly designed, could lead to reduced income security for older Canadians, particularly those who cannot or do not want to work.
- **Labour market policies should address issues faced by older displaced workers, but not exclude other groups who could benefit.** The kinds of programs that would benefit older workers (such as retraining, relocation assistance) could also help younger displaced workers, and no one voiced the opinion that such programs should be *restricted* to older workers, even though they may be the ones who use them the most.
- **The importance of training was highlighted throughout the day,** with an emphasis on the particular needs of older workers. Nonetheless, evidence shows that firm-sponsored training declines markedly after the age of 50. The consensus view was that one can "teach an old dog new tricks," but programs need to adapt to the fact that older workers are often intimidated by classroom training and may prefer self-paced programs with more flexible schedules. Coupled with this is the challenge of understanding why past efforts to encourage firm-sponsored training have had limited success.
- **Firms need to be educated about the value that older workers can bring them.** It was pointed out that businesses do not hire older workers out of charity, they do so because they add real

value. Nonetheless, many firms hold preconceptions about the productive potential of older workers that are simply not true, and disseminating best practices with regard to employing older workers will improve their labour force prospects as well as reduce the prevalence of real or perceived age-based discrimination.

IV. Record of Proceedings

Session 1: The labour market status of (displaced) older workers: current situation and future prospects

Opening remarks

Frédéric Lesemann (Institut national de recherche scientifique) kicked off the discussion during the first session. As a general point, he noted that data must be disaggregated in order to understand the challenges facing older workers, something that many analyses of the issue do not do sufficiently. He framed the issues for discussion around the following points:

- The economic situation of older Canadians *in general* is not a problem. However, since the 1980s, certain groups of older workers whose skills are not easily transferable to other industries – largely in declining industries such as forestry, pulp/paper and textiles – are having problems adapting to changing labour market conditions. If we want to keep those workers in the labour force, there are some changes needed in terms of training and general support.
- There is not a looming labour shortage generally speaking (if this were so, he pointed out, then unemployment rates would be much lower than they actually are), but there will be shortages for certain high-skill occupations. Public policies should take account of these nuances.
- At the same time, data indicate that 20 percent of university graduates are “overqualified” for the jobs they hold, in the sense that their educational attainment exceeds the minimum required.
- Older workers would like to make retirement a more gradual process, and their top priority is to be able to reduce their hours gradually several years before stopping work completely. By giving them the opportunity to adjust their work life to their needs at this stage of their life, appropriate public policies could bring about a generally more welcoming marketplace for them as well as raise the country’s productivity.

Lesemann noted that retirement ages have been increasing in Canada in recent years, and there is no indication that this will change. Indeed, as Canada faces slower labour force growth due to the impending retirement of the baby boomers, the prospect of delaying retirement (or working part time in retirement) could prevent or at least mitigate potential high-skilled labour force shortages.

He then sketched a general portrait of the post-retirement workers in Canada, noting that 56 percent of Canadians near retirement intend to continue working in retirement. However, the vast majority are seeking “non-standard” employment; that is, jobs that entail fewer hours and more flexibility. The fact that the majority of those workers are economically at-risk (i.e. insufficient pension and RRSP income to assure the quality of life they are expecting in retirement) shows that financial need is an important driver of the desire

to work, and public policies must acknowledge this reality. Even so, staying at work means not only earning money, but also enhancing self-worth and maintaining social and professional ties.

He also suggested that age discrimination is largely a myth. The trend toward “forced” pre-retirement in the 1990s was in some sense a form of age discrimination since it was used as an alternative to generalized layoffs, but has largely disappeared. One must bear in mind that older workers have less ability than younger workers in some respects (such as rapidity, ability to learn and absorb new knowledge), which puts them at a disadvantage not due to age *per se*, but to ability to perform the job.

General discussion

Displaced older workers

Several participants noted that geographic diversity is another dimension along which the older displaced workers issue needs to be examined. Older workers in rural areas will have more difficulties finding jobs if they are displaced, whereas in urban centres, they are more likely to find a new job faster. Furthermore, a single industry community that sees its only plant close may induce younger families to move, but what about the older residents who have lived their entire lives there? For them, the cost of moving is higher for many reasons related to the stage of their life. In Canada, the gap between rural and urban areas is large and future policies must consider that challenges are greater in some regions (Atlantic Canada in particular) than others.

One participant suggested that it might be a mistake to try to postpone the decline of one-company towns via demand-side employment subsidies, arguing that doing so only makes the inevitable that much more economically and socially painful. Rather, he suggested that a supply-side approach (by which vouchers would be distributed to displaced workers) would give displaced workers the flexibility of choosing whether to move or not. However, several participants were strongly opposed to this policy direction, with one pointing out that in the 1970s, there were successful programs aimed at relocating governmental jobs from Ottawa to rural regions. Those newly created jobs weren't artificial and provided employment outside big cities.

There was some disagreement about labour shortages being limited to high-skill “new-economy” jobs. One person pointed out that some more traditional economic sectors (particularly those for which seasonal work is important) are in shortage of labour and must rely on foreign migrant workers. Increasing the level of education and training cannot necessarily help improve the labour market in these sectors.

Training programs

It was suggested that policies to aid displaced workers be “preventive,” by offering retraining programs to workers in their late 40s and early 50s employed in industries at risk of decline. One participant described a study conducted in Trois-Rivières that showed displaced workers with a high school diploma or less tended to refuse training to get new skills even when they were aware their factory would close in the near future. Thus, the more the worker is educated, the more he's willing to get training and find a new job.

One participant pointed out that academic research shows that older workers have difficulty absorbing traditional classroom-based training, which may be one reason why they are less likely to accept it. However, these obstacles can be overcome with properly designed programs.

It was also noted that lack of training seems to be a major cause of unemployment for older workers, particularly among women. Training remains the best way to give self-confidence, assurance and dignity to older workers.

The different context of older workers' jobs

Several participants picked up on the theme of older workers' labour force participation, echoing the point that older workers have different work preferences (more independence, fewer hours of work, etc.) than younger workers.

It was pointed out that the desire for nonstandard employment among older workers reflects two related factors: a bridge for those who are transitioning to retirement, and those already retired who desire to work part time. To the extent that this work is voluntary, there may not be a need for governments to "protect" these jobs. Nevertheless, removing the barriers that prevent older workers from adapting employment options to their lifestyle is a big incentive to stay in the labour market. However, several participants noted that at least some (and possibly the majority) of older workers must work for economic reasons.

One participant raised the health issue by asking whether the baby boomers will be as healthy in old age as they are now. The capabilities of older workers often depend on their health. As the baby-boomers retire over the next 20 years, this question is going to be crucial for productivity in Canada. In addition, public policies implemented to support older workers will in fact affect all Canadians, including younger cohorts. This life-cycle approach is supportive of early interventions that may prevent early retirement in the future.

Age discrimination

Several participants took issue with the idea that age discrimination is not a problem – though it may not be detectable by academic research. One participant cited Ontario human rights commission cases as anecdotal evidence, and another noted that management policies at some firms are such that they refuse to consider older people as possible candidates for jobs, while some firms favour younger workers with regard to career development and training opportunities.

Older workers should not be laid off because, for example, some work responsibilities require skills training that can easily be provided to longstanding employees. Age discrimination is a human rights issue, and the problem is especially serious for older women living alone.

It was noted that the perception of what constitutes "old" varies widely by industry. For example, in information technology, the notion of old is actually quite young compared to other standards. The fundamental problem is that workers who conclude that their age is primarily responsible for their ability (or not) to perform their job well are precisely those who are less likely to ask for accommodation or additional training from their employers.

One participant cited evidence that discrimination is not present with regard to offering skills training, but older workers are less inclined to accept it. As an aside, she noted that when a firm offers skills development opportunities to its employees, there is a direct impact on the duration of the workers' employment in the same company.

Mr. Lesemann closed the session with two remarks:

- Older workers' skills are related to their work environment and their personal attitude towards change and learning.
- The key for effective policies is to avoid universal approaches to addressing the issue and instead try to deal with all the specificities affecting older workers to bring about more flexible policies that would actually retain them for a longer time in the workplace.

Session 2: Barriers and incentives to labour market participation for (displaced) older workers

Opening remarks

Terrance Hunsley (Policy Research Initiative) led off the discussion by noting that the labour force participation of older workers has trended downward over the past several decades. However, in the 1990s, labor force participation increased for those 55 and older, which means workers now tend to retire later than at any time since the end of World War II. As Lesemann noted in the previous session, Hunsley is wondering if that trend could solve or not the upcoming shortage in labour force by itself without any policies implementation. Furthermore, one hour of work in the future will likely present a level of productivity that is different than what we have today due to many factors like technological evolution. If we add that to the potential future increase in life expectancy that is likely to happen in Canada, one could expect older workers to have a more important role in shoring up the workforce in the near future.

He then noted that the factors affecting the decision to retire are numerous and interrelated, and stem from individual circumstances, government policies, and practices of firms and unions. For instance, there are strong financial incentives against working in retirement under current CPP rules as well as under most private pension provisions. Rigidities in collective bargaining agreements and lack of flexibility in work arrangements are also significant barriers to labour force participation and may discourage those older Canadians who otherwise might work.

Knowing that a growing proportion of older workers is going to stay in the marketplace in the future, policies must aim at offering them greater flexibility. At the same time, the incentives to retire early and the barriers to get back into the marketplace must be removed as much as possible so that this workforce can adjust itself in an effective and lasting way to a longer work life.

Discussion

Pension plans

We need more discussions on policies rather than focusing on issues. For example, do we implement public policies that would influence the CPP (differing the age of takeup) or focus more on private pension plans? There was considerable discussion about the fact that, other than public-sector workers, relatively few Canadians are enrolled in private pension plans. In addition, most people have insufficient RRSP assets to offset the absence of private pension benefits. It is thus worthwhile exploring options that

encourage private-sector asset building, such as mandatory contributions to private pensions or incentives to encourage RRSP contributions among low- and middle-income Canadians.

Many participants echoed the need to address financial incentives against working currently in the CPP. One possibility raised was simply to allow workers to continue to contribute to the CPP while receiving benefits. By raising their lifetime benefits received over their lifetime, this would considerably reduce work disincentives. Another option would be change the tax treatment of CPP income.

Factors affecting the decision to retire

Many participants pointed out that in order to remove barriers to employment, one must understand the reasons older workers choose to retire. One participant suggested that the most important factors are, in order of descending importance: health status; flexibility of retirement transition; retirement income level (influenced by RRSPs, pension income and employment opportunities in retirement); spousal retirement plans; and the probability of being laid off. Much of the discussion focused on flexibility and employment opportunities.

One participant added that retirement ages tend to vary widely by industry and occupation, and cited the health-care sector in particular, with its high stress levels and physical demands, as an example where workers do not necessarily want to delay retirement.

A second important point is to determine whether the recent change in older workers' labour force participation rates is a one-time blip or a structural change in trend. Although the recession in the early 1990s and stock market crash in 2000-2001 may have contributed to the change, the consensus around the table was that rising participation rates are here to stay. But we need to understand the causes of this change in trend.

It was pointed out by several participants that, while many older workers may work for financial reasons, most older Canadians would like to work in retirement for personal reasons. Continuing attachment to a professional life provides a sense of self-worth and maintains social networks, which are often as important as the income that work generates.

The absence of fringe benefits for many part-time and nonstandard jobs sought by older workers serves as a significant disincentive, and companies and policy makers would be wrong to assume that such fringes are unimportant to them.

Another participant noted that retirement is primarily an individual decision, and employer/government incentives are secondary and will only affect behaviour at the margin. Related to this, family situation plays a large role in the retirement decision. In today's world, there are many trends that were less common in the past (such as supporting not only a spouse but one or more ex-spouses, caring for elderly parents, and delayed childbearing) that may in fact increase the financial need to continue working.

Accommodating the limitations of older workers is a good way to encourage later retirement but one participant noted that this can have unintended consequences outside of the targeted group. His research showed that many companies who provided incentives to keep older workers found that younger workers had to take on more tasks and bear a greater burden in response, leading to higher incidence of disability and stress, which ultimately undermined firm productivity. Another participant echoed this point by noting

that retaining older workers should not be seen as an act of charity, but good business sense, and cited cases in which the accumulated experience of older workers means that their work requires two or even three younger workers. Employers often do not realize the value of this experience.

One participant noted that in many cases, it is more cost-effective to adapt the work requirement to a person's ability rather than to replace the worker, citing the example of Ontario Hydro using automated hoists for scaling utility poles. Initially, this was done to accommodate women (who lacked the strength to climb the poles) but now hoists are used by all employees, making them much more productive. Such measures could also be used to keep or attract older workers.

Session 3: Roles and responsibilities of government, employers, unions and individuals

Opening remarks

Benoît Dostie (HEC Montréal) opened the session by outlining trends in firm-sponsored training, noting that in this respect business has a potentially large role to play in helping older workers adapt to changes in the labour market. However, he presented data that show clearly that the incidence of firm-provided training is steady at between 3 and 4 percent, but decreases substantially to the range of 2 to 3 percent for workers over 50.

These trends are present irrespective of firm size, unionization, and industry and occupational group, though Dostie noted two interesting exceptions – real estate and sales – where training rates actually increase with age. He speculated that this may reflect retirees taking on second careers in these occupations (which often offer the flexibility that older workers seek) and seeking relevant training.

He then offered some potential reasons why training rates decline for older workers. Standard human capital theory suggests that training is most cost effective when done early in one's career, since this leaves more years for returns on that investment. For this reason, firms may be hesitant to invest in workers who are close to retirement. Age discrimination may also be a factor.

Dostie also evoked the possibility that the reduced incidence of training may in part be due to older workers refusing training that is offered to them. He noted that 10 percent of workers aged 55 and over refuse training because they feel they are too old, while 32 percent of them report that the training offered is not suitable for them. He then enumerated several policy options for encouraging training (including regulatory measures, subsidies, lifelong learning initiatives and incentives such as awards and prizes) to stimulate further discussion.

Barbara Jaworski (Workplace Institute) shared her experiences as the head of an organization that seeks to share best practices with regard to human resource development. She noted that, as the baby boomers enter a "second adulthood" (as evidenced by the large number who intend to continue to work after age 65), major changes are afoot in the labour market.

In her view, there is a major disconnect in the labour market for older workers, because there are many people looking for work who can't find it, while at the same time many employers say they are having difficulties finding qualified workers. One of the fundamental reasons is that employers tend to discount the

value that older workers can bring to their organization, and there are few resources available to help them understand this.

She emphasized that hiring older workers is not an act of charity (as some businesses erroneously believe), but makes good business sense, especially in occupations where the value of general workplace experience is important. But the only way businesses can learn to exploit these talents is by trial and error, though organizations like hers are beginning to encourage sharing of best practices in this regard. She felt strongly that there was a role for government in educating businesses about the value of older workers that they too often overlook.

She concluded her remarks by describing a Workplace Institute contest that offers prizes to firms that creatively use the talents of older workers, which has been successful in encouraging firms to look more closely at older workers as a productive human resource as well as sharing best practices across firms.

Discussion

Roles and responsibilities

One participant echoed the view that human capital investments late in life have a relatively low return, and for this reason felt that government subsidies for employer-provided training would probably be ineffective. A more potent tool is taking steps to attract and retain older workers, and he cited the example of Japan, which encourages firms to make investments that accommodate older-worker limitations. Another participant suggested that the advent of new technologies often moves faster than government policies, and that firms have strong incentives to adopt them without government help.

Another suggested that the presence of unions may contribute to older workers remaining employed longer, collective bargaining agreements generally stipulate that workers with greater tenure are generally not the first laid off in case of job cuts. He also cited the example of Argentina, where older workers have begun to form nonstandard worker unions.

It was pointed out that companies may regard successful use of older workers as a competitive advantage, and thus might not be inclined to share best practices even though the total benefits of doing so would be large. This could provide a rationale for government intervention.

One participant noted that HRSDC has a program called the Workplace Skills Initiative, which offers awards for innovative programs to promote skills development among older workers (as well as other groups), and could provide useful information for the panel. There was a general feeling around the table that award programs held promise for diffusing best practices in terms of productively employing older workers.

Incidence of training

One participant picked up on the fact that nearly one-third of older workers refuse training on the grounds that it is not suitable for them, and suggested that this implies that training programs need to be adapted to their needs. Many older workers are intimidated by classroom-based training and prefer nonstandard

hours or self-guided programs. Evidence shows that such changes enable older workers to absorb new knowledge and cited IT training as a specific example.

It was also pointed out that, in an international perspective, training rates in Canada are very low compared to other OECD nations. In addition to echoing the fact that training rates decline for older workers, the participant pointed out that training rates are significantly lower among low-paid workers, arguably those who need it the most.

Another participant noted that, because older workers are less likely to change jobs than their younger counterparts, the payoff for employer-provided training is greater than standard human capital theory would suggest.

Financial assets of older Canadians

The subject of how financially prepared Canadians are for retirement came up at several points during the session, sparked by a comment that 50 percent of Canadians retire with debt (though it was pointed out that the magnitude of this debt varies widely, from small credit card bills to unpaid mortgages). The financial situation of older Canadians has important ramifications for the role of government.

One participant noted that there is considerable inequality of wealth among older workers, with a very significant fraction of them without sufficient assets for retirement (supporting data presented by Frédéric Lesemann in session 1). Furthermore, the shift from defined-benefit to defined-contribution pension plans has shifted market risk to individuals, meaning that swings in financial markets can have a large effect on the value of retirement assets. It was also noted that 34 percent of older Canadians receive Old Age Assistance, the basic means-tested benefit for Canadians over 65, which illustrates their economic precarity. Nonetheless, one participant reminded the group that in historical perspective the economic well-being of seniors is one of the great Canadian success stories, because the creation of the CPP and QPP succeeded in drastically reducing elderly poverty rates.

This raised the issue of whether the appropriate way to deal with income insecurity among older workers is via labour market policies (in order to increase employment opportunities) or income security policies (which boost income irrespective of employment). It was noted that there appears to be a trend toward the former, but this leaves out the many older Canadians who may both be unable to work and lack sufficient retirement assets.

Session 4: Current Canadian policy framework, program design and new options

Opening remarks

Patrik Marier (Concordia University) kicked off this session by describing some of the approaches taken in other countries with regard to older-worker policies and lessons on which Canada might draw. Some of the policies to encourage delayed retirement pursued include the following:

- Adjustment of pension income based on actual age of retirement (Scandinavia)

- Lengthening years of service requirement for receiving full pension, which has largely the same effect as increasing the retirement age (France)
- Tax breaks and other bonuses for working in retirement (Australia)
- Cut back or eliminate early retirement packages (proposed in Quebec but never implemented, due primarily to union resistance)

Marier pointed out that, among these options, the first has had the most success both politically and economically. Sweden in particular has calibrated its pension system such that delaying official retirement actually increases benefits that will be paid, and the government provides each individual with this financial information annually to help inform his or her decision.

Marier asserted that the fundamental problem with policies for older workers is that many ministries get involved in policy development, but lack of communication leads to incentives that work at cross-purposes and goals that are contradictory. Norway is a good example of collaboration between key stakeholders and ministries, which has integrated different dimensions of aging policy and produced flexible and successful policies for older workers.

He also suggested that the 2004 plan to reform the Régie des rentes du Québec could be dusted off as an inspiration for federal reform.

Marier concluded by reminding the group that there are important gender differences with regard to aging policies. Women are generally three times poorer than men as they near retirement, and this inequality must be kept in mind in any policy reform.

David Gray (University of Ottawa) noted that Canada needs to improve labour market policies as a general matter, not just for older workers, citing interprovincial trade barriers and high taxes on investment as two obstacles to a well-functioning national labour market. He cited data from the OECD that demonstrate Canada spends relatively little on active labour market policies (such as training and job search assistance) and too much on “passive” policies (income support for unemployed workers).

He cited EI as an example of the tilt toward passive policies. Since its 1996 reform, EI has drifted back toward increased generosity to seasonal workers and habitual users. Gray suggested that benefits should instead be made more generous for displaced workers, especially those with a long working history.

There are many ways in which those benefits can be granted to workers. Gray gave the example of France, which in the 1980s offered special one-time training and assistance benefits for workers displaced by permanent plant closures. These proved to be fairly effective packages, and had the added advantage of being one-time temporary measures, which helped control costs.

Gray concluded by noting that there is no “silver bullet” with regard to retraining programs for displaced older workers. There is a lack of rigorous evidence regarding their effectiveness, and he urged the resurrection of randomized policy experiments to learn more about what works and what doesn’t.

Discussion

Policy design and coordination

Several participants echoed the importance of cooperation across ministries, warning policy makers to avoid “cookie-cutter” approaches. One cited the example of increasing retirement ages, which may be attractive for those able and willing to work, but financially debilitating for others. New Zealand and British Columbia were identified as jurisdictions that have successfully integrated policies toward older workers.

Any policy directed at older workers must support diversity, increase productivity and take into account the impact of the massive replacement of the aging managers in big companies by the younger generation, which leads to one important question: how is it going to affect older workers’ weight in the leading positions of enterprises?

Demographic trends make it easier to build and legitimize policy reforms with the consent of its citizens. That was not possible 20 years ago, but it can be easily done nowadays, especially with the prospect of worker shortages. Other countries have been able to adjust their stance to face the demographic changes because of a shift in orientation of their policies aimed at older workers. For example, Finland and Denmark moved from a retirement culture to a life-long training culture to overcome work force shortages.

Public policies must consider the differences in firm size when addressing older workers issues. In addition, education of stakeholders on the matter should be enhanced and a debate needs to take place at a national level on how to share (or separate) responsibilities between the private and the public sectors in providing services to older workers.

Labour market policies

There was debate about the impact of the 1996 EI reforms, with some participants noting that, while generosity toward seasonal workers has increased since then, it is still lower than prior to 1996.

Another participant cited an Ontario study that showed 30 percent of displaced workers were still without jobs after three years, suggesting that benefit periods for them are not long enough. He also suggested adjusting EI benefit periods for tenure, allowing longer-serving laid-off employees to receive higher replacement rates for longer periods.

There was some worry about incentives and equity in special programs for workers displaced by plant layoffs: treating such workers differently than other unemployed workers is inherently inequitable, and some workers and employers may try to game the system by trying to disguise temporary layoffs as permanent. This points to the need to design such programs carefully.

It was noted that the issue of pension portability and (increasingly) supplemental health insurance portability needs to be addressed in Canada. We have a flexible labour market in terms of ability to hire and fire, but the inability to transfer benefits across jobs is an obstacle to labour market efficiency.

Another participant pointed out that the problem with “special programs” is that there are so many of them targeted at so many different groups that they lose their “specialness.” This lends support to flexible, but more general programs that can provide benefits to different groups of workers.

This point was echoed by one participant who noted that many of the policy options under discussion today (notably EI reform, training and preventive policies), while motivated by older workers' needs, actually would benefit individuals in all age groups, increasing their political appeal. Another cautioned, however, that the question of who pays is critical: we want to avoid the situation with the CPP, where younger generations have seen their contributions rise to sustain benefit levels of their parents and grandparents.

Pension reform

The panel was particularly interested in the life-income approach taken in Scandinavia, and it was noted that in Sweden, pensions are adjusted for prices, wages and even demographic change. It was also noted that Swedes can also choose to invest a portion of their pension contribution into mutual funds, and other policies serve to encourage what has been come to be known as "flexicurity" during retirement.

One participant cautioned that "flexicurity" approaches only work well in countries that have generous pension and social security systems in place, like Scandinavia. She pointed out that such programs have been less effective in the Netherlands, and may not be appropriate in Canada.

It was pointed out that delaying childbearing means that some families have important financial obligations (such as financing university education for children) into retirement, and policy reforms need to account for this new trend.

Concluding comments

The Hon. **Erminie Cohen** thanked all the participants for their participation and adjourned the meeting.

APPENDIX: List of Participants

CHAIR			
Sarah	Fortin	Research Director	Institute for Research on Public Policy
EXPERT PANEL			
Hon. Erminie	Cohen	Chair	Expert Panel on Older Workers
Dougall	Aucoin	Director of Communications and Consultations	Expert Panel on Older Workers
Kelly	Bestland		Expert Panel on Older Workers
Richard	Chaykowski	Research Director	Expert Panel on Older Workers
Ross	McKean		Expert Panel on Older Workers
W. Craig	Riddell	Member	Expert Panel on Older Workers
Patricia	Smith	Head of Secretariat	Expert Panel on Older Workers
PARTICIPANTS			
Charles	Beach	Department of Economics	Queen's University
Roderic	Beaujot	Department of Sociology	University of Western Ontario
Martin	Cooke	Department of Health Studies and Gerontology	University of Waterloo
Pierre-Marcel	Desjardins	Département d'économie	Université de Moncton
Benoit	Dostie	Institut d'économie appliquée	HEC Montréal
Natalya	Dygalo	Department of Economics	University of Saskatchewan
Ginette	Galarneau	Ministère de l'emploi et de la solidarité sociale	Gouvernement du Québec
David	Gray	Department of Economics	University of Ottawa
John	Greenwood		
Marie	Grenon	Ministère de l'emploi et de la solidarité sociale	Gouvernement du Québec
Morley	Gunderson	Department of Economics	University of Toronto
Terrance	Hunsley	Senior Project Director	Policy Research Initiative
Mobinul	Huq	Department of Economics	University of Saskatchewan
Doug	Hyatt	Rotman School of Management	University of Toronto
Barbara	Jaworski		Workplace Institute
Frédéric	Lesemann		Institut national de recherche scientifique
Patrik	Marier	Department of Political Science	Concordia University
Doug	May	Department of Economics and Division of Community Health	Memorial University
Julie Ann	McMullin	Department of Sociology	University of Western Ontario
Lars	Osberg	Department of Economics	Dalhousie University
Tania	Saba	École des relations industrielles	Université de Montréal
Wayne	Simpson	Department of Economics	University of Manitoba
France	St-Hilaire	Vice President - Research	Institute for Research on Public Policy
Leroy	Stone	Associate DG, analytical studies	Statistics Canada
Brigitte	Thériault	Ministère de l'emploi et de la solidarité sociale	Gouvernement du Québec
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