Older Workers and Socioeconomic Transformation[1]

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Outline

- The life course in the era of work careers
- New instability in the working life course
- The new meaning of retirement
- Anxiety and the individualization of risk
- Releasing potentials and erasing prejudices

The Life Course in the Era of Work Careers

The working life course

- Leonard Cain (1964):
- Preparation for work
- Breadwinner
- Retirement

- Martin Kohli (1991):
- Preparation (prework)
- Activity (work)
- Retirement (postwork)

The traditional model

The 'economic security package' (Doeringer, 1990)

- A stable working career
- Private and government pensions
- Predictable promotions and advancement
- Protection from layoff
- Use of seniority

Policy implications

- Tripartite view seen as normal, typical
- Also seen as 'ideal' or to be valued
- Tripartite view is basis for welfare state provisions such as retirement pensions

New Instability in the Working Life Course

Objective changes in work

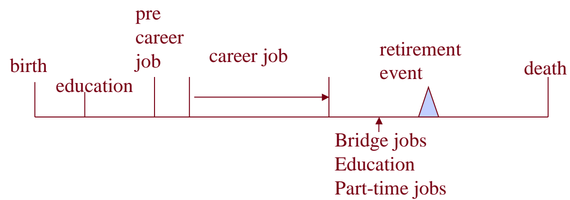
- Decline in average size of firms
- Growth of contracting out
- International contracting out
- Focus on "core" activities
- Downsizing people of all ages
- Stimulus to "early" retirement
- Growth of contingent workforce

The New Meaning of Retirement

Structural changes blur work/retirement

- Gap between official and actual retirement age
- Unanticipated early retirements
- Growth of part-time and self-employment
- Bridge jobs
- Reduced length of jobs for older workers
- Blurred exits

The emerging model of the life course



Causes of structural changes

- Public policies
- Corporate policies
- Demographic changes
- Economic pressures in new global economy
- Technology

Career, Anxiety and the Individualization of Risk

Predictability and the life course Leonard Cain, 1964

- Life course: successive statuses individuals are called upon to occupy in various cultures and walks of life as a result of aging
- Age status: the system developed by a culture to give order and predictability to the course followed by individuals

Releasing Potentials and Erasing Prejudices

When I was a child, I thought of Singapore as a tropical island, a lush, green, jungle paradise. I did not think of it as a large urban area. This is my second trip to Singapore and I am struck by how the business district looks so much like Toronto, Canada, where I lived most of my adult life. I find the same tall skyscrapers; the same hustle and bustle of business; the same atmosphere of economic growth and the accumulation, and expenditure, of wealth. And of course much of this region of the world – or at least that small part of it I have experienced, has a similar air of economic development, urban growth, and rising standards of living. In many dimensions, cities like Singapore, Hong Kong, Bangkok, Jakarta, Sydney, Melbourne, Taipei, Auckland, are similar to the large metropolitan areas of Canada, the United States and Europe. However, the ways in which older people are integrated into the societies of these cities probably differ greatly. In turn, this has a great deal to do with the ways in which work has been a part of their lives. People make work, but work makes people as well. It shapes their current and future life chances and the very meanings which they attach to their lives.

I face a great challenge in this opening address for a conference bringing together people from a region that I know very poorly, and which leaves me astonished when I have a chance to visit it. I know very little about older workers in Singapore or, more broadly, this region. Frankly, there is not much reported in the literature about older workers in this region. If there has been as much attention to aging and work as there has been to aging and family in the scholarly literature of this region, I might have something to say on that topic. I cannot tell you about aging, work and economic transformation in your own societies, but I hope to learn more about that at this conference. What I will do, however, is describe some dimensions that link aging, work and economic transformation, as described in the much larger body of research from other parts of the world. This will hopefully provide a general framework, and a few stimulating ideas or challenges, to give you a way to look at what is happening in your own region.

The general framework is the life course perspective, which is now increasingly popular in social gerontology. Some years ago, Martin Kohli set forth the view that the life course is highly structured by work – so strongly structured that it could be conveniently divided into just

three segments denoting preparation for work, the period of work, and the post-work period. Seeing the life course as divided into three distinct stages, pre-work, work, and post-work, was not original to Kohli but had been antedated by Leonard D. Cain, Jr..

I shall criticize the application of this very simplistic view to societies of the past, the present or the future, anywhere in the world. Nevertheless, I begin by articulating this view because it does point to something very important in terms of social structure and culture that has influenced, and continues to influence the social worlds and activity patterns of people as they age through the later phases of the life course.

Slide: Outline

My paper is organized as follows: I will first review the conception of the life course in the era to which both Cain and Kohli referred when they gave primacy to work – actually, a specific pattern of work– as organizing the life course. I will then describe the recent emergence of instability in the ways in which the life course is organized by work. Following this I show how the new organization of work also leads to new meanings of retirement. This will set the stage for a much more speculative consideration of anxiety and the individualization of risk under the new work regime. I will conclude by turning to the sub-theme of this conference – that as we enter the new millennium we should be thinking about releasing potentials and erasing prejudices. However, I confine myself to introducing this latter topic, because I shall consider it more fully in a companion paper.

Slide: The Life Course in the Era of Work Careers

The life course in the era of work careers

As a sociologist of aging, I want to pay tribute to one of the pioneers in this field, Professor Leonard D. Cain., Junior, of Portland State University, in the United States. In a sociology journal of the United Nations, he published a monograph in 1959 called, The sociology of aging:

A trend report and bibliography (Cain, 1959). Although this work drew heavily on comparative research from anthropology, it can be taken to have first defined the sociology of aging as a field. Five years later, in 1964, he developed the analysis of age and aging further by developing what has come to be called the 'life course perspective'. This was in an article, Life course and social structure (Cain, 1964). In it, he talked about age status systems, which refer to "the system developed by a culture to give order and predictability to the course followed by individuals" (Cain, 1964: 278). Cain observed (1964: 298) that "In a sense, during the life course an individual experiences his personal division of labor, including minimally a 'preparation for work' stage, a 'breadwinner' stage, and a 'retirement' stage. The breadwinner stage frequently involves a periodic modification or reassignment of work; this, strictly speaking, encompasses a career".

Slide: the working life course (Cain and Kohli)

Remember that Cain said this a third of a century ago, and speaking from an American perspective. Martin Kohli, a Swiss sociologist working in Berlin, (1986: 272) echoed this view twenty-two years later, arguing that "The life course is organised around the system of labor that prevails in society. This applies to the shape of the life course – its most obvious temporal ordering today has become the *tripartition* into periods of preparation, 'activity,' and retirement – as well as to its organizing principle" (see also Kohli and Rein (1991). Kohli was describing the life course, as he saw it, in the developed world of Europe and North America. A simple schematic view of the life course, as organized in this way, is the following:

Slide: The Traditional Model

The traditional model did describe the life course experiences of some people in some countries in at least one historical period of time. Let me say a bit more about the middle, or 'work', category in terms of this model. Capelli and associates, in their wonderful book, Change at Work (1997:4) describe work that conforms to this model as the:

> “traditional system of employment ... that developed skills inside the organization and then worked to keep them there. In its most stylized form, the internalized arrangements involved hiring unskilled workers and management trainees with no experience and then insulating them – especially management – from variations in both product and labor markets. These arrangements placed a premium on planning and predictability”.

These authors point out the historical specificity of this traditional system, noting that it became widespread only at mid-century, in the ‘post-Fordist” period following the Second World War. After World War II, corporate policy in the United States sought to increase worker loyalty, while unions strove to reduce job insecurity by regulating internal labor markets. Even with economic downturns and repetitive layoffs, production workers maintained an attachment to the company and seniority increased job security. On-the-job training increased the company’s sense of investment in its workers and the specificity of this form of training tied workers to the employer as many of the learned skills were not transportable (Hardy et al., 1996). Doeringer (1990:7) calls this idealized pattern the “economic security package”, which included a stable working career, private and government pensions, predictable promotions and job advancement, protection from layoff, and the use of seniority. I this system, since aging brought more seniority, aging could be seen as good.

Slide: Doeringer- The “Economic Security Package”

In short, when this model was widely accepted in the decades following the Second World War, an individual could expect to have a quite stable occupational career, with a defined transition from early education into a starting position in employment, and stable upward mobility in a job with benefits, leading to a defined, predictable retirement event at or about age 65, and followed by retirement supported by a mix of company and public pensions.

This model was historically specific, and also applied much more centrally to men than to

women, more to workers in large and unionized firms than in small and non-unionized firms, more in certain sectors of the core economy rather than the periphery, and no doubt more in North America and Europe than in South-east Asia. Nevertheless, as a sociological ideal type, the vision of a tripartite life course organized around pre-work, work, and post-work phases gained popularity among scholars and it is still often mentioned in contemporary gerontological literature.

Slide: Policy Implications of Tripartite model

More than that, this vision or image of the life course came to be both widely shared and widely valued in the industrialized societies of late modernity. It is, in short, not just a scholar's view of the life course, but it a view that is part of the culture. The widely shared belief that this is not only the normal or typical life course, but also the 'ideal' or best form of the life course to live through is reinforced by the fact that much of the welfare state is predicated on the same view. In many countries of the world, both state and private sector pension schemes rest on the same tripartite view of the life course as organized by work. I shall return to this important point about policy.

Slide: New instability in the working life course: Changing patterns of work

New instability in the working life course: Changing patterns of work

These ideas of Leonard Cain and Martin Kohli have formed the basis of a sociological ideal type, guiding research on older workers and retirement. But much of this research has used this model as a foil, in order to show that life, and the life course, is by no means as simple as Cain and Kohli described it. Notably, Winfried Schmähl brought together a group of mostly European scholars to produce a volume, Redefining the process of retirement: An institutional perspective (1989), to show that there were many different pathways from employment to retirement, and that the boundary between two of the working life course stages – the work and the retirement

stages – was by no means clear. In 1991, another mostly European collection edited by Kohli and associates (1991) introduced the term "early exit" in order to disentangle *work force* transitions from the transition of becoming a recipient of public retirement pension contributions; and the authors in that book characterized the rapidly changing balance of work and retirement in several countries.

With economic transformation, both work and retirement have been changing. I will first consider work.

Slide: Objective Changes in Work

There is a weakening of the traditional system of employment. This idealized system lasted, in North America and much of Europe, until the early 1970s, with the limitations of gender and class that I mentioned already; but it is still present in the late-modern industrial economies to some extent. The underlying pattern for work changes is a decline in agricultural and manufacturing jobs and an increase in service jobs throughout the industrialized societies. Since the 1970s, the average size of firms, at least in the USA, has declined (whether measured by volume of sales, value added, or number of employees) (Hardy and Hazelrigg, 1999). It is increasingly recognized that small firms generate many of the new jobs -- but this is partially the result of contracting out of functions as large companies shrink to their 'core' activities.

Downsizing of employee complements has resulted in lost jobs for people of all ages (Cappelli, 1997). However, this may have a specific impact on older workers because the most favored mechanism for a company to downsize has been to encourage workers to take early retirement, often with generous incentives to do so; and also because, if thrown onto the labor market, the older person faces greater job discrimination than the younger displaced worker.

The concept of companies maintaining long-term relationships with employees who have careers within the firm is being replaced, or at least complemented, by the growth of the

contingent work force, in which the ties between workers and jobs are much less orderly, and much more short-term, and in which the 'contract' between the employer and employee is much more specific to work performance and less linked to long-term careers (Calasanti and Bonanno, 1992; Heisz, 1996). There is much to be said about the rise of contingent work and the decline of the old model of the working career (see Cappelli, et al., 1997) , and about the "end of work" in general (Rifkin, 1995) and the "jobless future" (Aronowitz and DiFazio, 1994), but I want to focus now on the impact of these changes on the experience of the retirement transition.

Slide: The new meaning of retirement

The new meaning of retirement

Sociologists recognize that the life course is socially constructed, and this is also true for retirement. Retirement is a social institution that was humanly produced. Retirement as an event marks a boundary between work and non-work –a boundary that we shall see is far from clear- but a boundary nonetheless. The boundary is established by complex social conventions, reified in laws and corporate practices governing pension and retirement benefits policies. But it is arbitrary.

In Canada, for example, the institutionalized age for retirement, enshrined in pension arrangements, is 65.[2] But the *average* age of retirement is 62 for men and women, and the *preferred* age (for those who state a preference) is 58 (Lowe, 1992). The 1992 Survey of Persons not in the Labour Force" estimated that 211,000 Canadians had retired earlier than they had planned. Economic reasons accounted for 42% of these unanticipated early retirements. About half of these were due to early retirement incentives and the other half to plant closures or layoffs (Lowe, 1992).

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[2]For example, it is at age 65 that one is eligible to receive the Old Age Security pension, and also the Canada Pension Plan. While the latter can be accessed as early as age 62, with prorated benefits, this is defined as 'early' retirement.

Declines in male labor force participation of those aged 55 and older have followed the general pattern in Canada as the other OECD countries (with the US recently becoming exceptional). Hardy and Hazelrigg (1999), focusing on American data, point out that there is great heterogeneity in labor force participation by age and gender. For example, they note that for men, rates declined over the 25 years following 1970 by 17% for those aged 55-64, whereas for women the rates increased by almost 20%. Moreover, and this is critical for the understanding of the new faces of retirement, some people retire from career jobs and completely withdraw from the labor force, others resume full-time employment, others part-time or self-employment, and others move back and forth across different work and non-work statuses. These patterns vary not only by age but by race and ethnicity, gender and social class (Hardy and Hazelrigg, 1999, citing Hayward, Hardy and Liu, 1995; Honig and Hanoch, 1985; Ruhm, 1990.

An OECD (1995) report notes that, for ten European countries, in the age group 60-64, the proportion working part-time is greater than that for the workforce as a whole, and this is so for both men and women. Quin, Burkhauser and Myers emphasize that the situation of older American workers is quite different from that of younger workers. Thus, in a finding that parallels the OECD pattern noted above, while overall patterns of part-time labor force participation have change little in the past two decades, they note that the rates for older workers increased strongly. Part-time workers accounted for 15% of non-agricultural American workers in 1968, and just 18% by 1989; but the proportion of men aged 65 and older to work part-time rose from 35 to 48%; for older women the proportion rose from 50 to 58% (the definition of part-time is fewer than 35 hours per week) (Quinn, et al., 1990: 26).

About one-third of all career jobs in the United States have ended by the time the incumbent is 55, and about half have ended by age 60 (Doeringer, 1990, p. 6). Earlier departure from career jobs is now increasingly followed not by complete and permanent exit from the paid labour force, but by an experience of one or more additional jobs that "bridge" to complete retirement (Quinn, Burkhauser and Myers, 1990; Ruhm 1990). There are many routes to retirement, and today about 30%-40% of people who move into a "final" retirement and

completely leave paid employment do so through a process that includes some part time employment or work in bridge jobs before the final exit from the labour force (Doeringer, 1990). The instability inherent in this emerging pattern is evident in American data showing that three-quarters of all *bridge jobs* for older male workers involve a change in occupation or industry, and more than half lead to pay cuts of 25% or more (Doeringer, 1990, p.7; see also Ruhm and Sum, 1989).

It is difficult to ascertain just how much of this shift to a new pattern of employment is voluntary. As noted above, much of the shift is unanticipated. American data suggest that about 95% of part-time employment among older workers reflects a positive choice to work part time and is thus voluntary (Sum and Fogg, 1990: 57, in Hardy and Hazelrigg, 1999). Canadian data suggest that the discouraged worker phenomenon is greatest among those aged 55 and older and lowest for workers aged 25-54. This refers to those who want to be in the labor force but have given up the job search (Sunter and Bowlby, 1998).

Sunter and Bowlby state that (1998: 20), "... the continued decline in participation among older men has led to concern that this group may now face a greater risk of involuntary job loss than younger workers – in a labour market that increasingly values postsecondary education, technological skill and flexibility". Older workers are indeed vulnerable to loss of the career job. In addition though, many an older person who ceases employment involuntarily or even voluntarily, either becomes a discouraged worker or remains in or reenters the labor force, finding not career jobs but non-standardized or contingent labor force jobs. There may be complex patterns of unemployment, full-time employment and part-time employment. Instead of the 'crisp exit' from employment to retirement, the working career of these people is unstable, or 'blurred'.

A more recent American study (Mutchler, Burr, Pienta and Massagli (1997) from the 1984 panel of the Survey of Income and Program Participation, focuses on White and Black men

aged 55-74 at the first interview, who report having had at least 6 months of continuous employment at some point during their lives. At each observational period, over 32 months, respondents were classified as to whether they were working, unemployed or not working during the month preceding the interview. They are reporting on only one of four months in the interval, and the method thus underestimates movement between employment and unemployment states. A simple classification distinguishes "blurred" from "crisp" transition patterns and non-transition patterns. A respondent could be working at all eight observations, nonworking at all periods, exiting work and remaining non-working, or moving in and out of working-non-working states. About one-third of the sample worked in all waves of the survey, although some moved between full-time and part-time work. Forty-one percent of the sample remained non-working through the period. "Crisp exit" characterized 10% of the sample, and 15% were classified as "blurred exits".

Only recently have Canadian data been adequate to address changing labour force patterns in later life with any detail. For example, it is apparent that older workers are less likely to lose long-term jobs than younger workers but that, should they do so, they face longer periods of unemployment and also greater instability in subsequent labour force participation (Lauzon, 1995; Picot and Pyper, 1994). In the Survey on Ageing and Independence (conducted in 1991), almost one in five (17%) of Canadian retirees over the age of 45 reported having returned to paid employment, with men being almost twice as likely as women to have done so (Schellenberg, 1994: 50). The earlier the retirement, the more likely the retiree was to return to work. For men, but not women, the higher the retirees' educational and skill level of the last job prior to retirement, the more likely he would return to work. In another Canadian national survey, the General Social Survey of 1994, approximately 26% of retired people aged 55-59, 16% of those aged 60-64, and 12% of those aged 65-59, went back to work after retiring (McDonald, 1997: 94). The extent of labour force disruption is further indicated in the Survey on Ageing and Independence by the fact that 76% of men and 45% of women who returned to paid employment did so through part-time work.

Returning to the issue of part-time work, the 1989 General Social Survey found that the

proportion of older people in part-time work was low -- less than 5% of men aged 55-64 and 24% of women aged 55-64 (Krahn, 1991: 37). By the 1993 GSS, these figures had risen to 7% for men and 30% for women (Schellenberg, 1994: 45).[3] Fully 41% of men and 27% of women aged 55-64 who were working part time reported they did so from necessity and not from choice (Schellenberg, 1994: 45).[4] The OECD study suggests that for fourteen OECD countries (including Canada) the percentage of part-time workers aged 55 and older who are doing so involuntarily ranged from a low of 7% in Portugal to a high of 59% in Greece (male workers), and between 4 and 39 for women in that age category.[5]

Additional evidence for the instability of the transition period following career jobs is a recent Statistics Canada report by Heisz (1996), which asked a number of questions about whether short-term jobs are becoming more common and "life-time' jobs less common. Heisz estimates the average length of a new job created over the period 1981 to 1994, and examines job length for new jobs entered by people of different ages.[6] The average duration of a new job start over this period was 3.7 years, with little variability over time. However, a polarization occurred in which the proportion of jobs which lasted between 1 and 5 years dropped from 21% to 16%, and the proportion of jobs lasting less than 12 months increased from 59% to 64% (jobs lasting

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[3]It may also be noted that the OECD study noted above suggested that the shift to part-time work was most marked after age 60. Thus, the age breakdowns employed by Krahn and Schellenberg might underestimate the importance of part-time work for those over age 59.

[4] The importance of category boundaries must be emphasized. Thus, a more recent study of involuntary part-timers (Noreau, 1994: 27) used age 45+ to describe "older workers" -- a classification widely accepted by labour force researchers -- but concluded that "by far, the highest rate of involuntary part-time employment occurs among men aged 25-44". If the socio-economic factors leading to loss of full-time work, or the inability to find it, are largely operative at later ages, as is suggested by the studies reviewed here, then this conclusion might require specification. The rates for those age 45-54 are undoubtedly lower than for those aged 55+.

[5] Definitions varied by country and can be found in the OECD (1995: 33). Canada's percentage, reported for 1988, was 23.4% for men and 19.0% for women.

[6] The data are from the monthly Labour Force Survey for the period 1976-1994. Job tenure refers to number of consecutive months a person has worked for the current employer. The survey excludes the self-employed, which restriction may have particular relevance for post-

between 5 and 20 years remained constant at 6%). Workers who accumulate more than one year of seniority in a job have greater chances of long-term job tenure, but it is becoming harder to get past that first year. Picot and Pyper's report (1994), based on the Labour Market Activity Survey (LAMAS) and the Longitudinal Worker File is consistent, in concluding that most displaced workers had been with their firm three years or less. Few (in 1991 only 15%) displaced workers had been with the firm for more than three years. Reporting on 1988 data from the LAMAS, they note that if the probability of permanent layoff for a worker aged 16-24 is 1.0, it falls to 0.8 in the category 25-34, 0.7 in the categories 35-44 and 45-54, but then rises to 0.8 in the age category 55-64.

Of interest for our purposes is the age distribution of short-term jobs. While the proportion of new jobs that lasted more than one year dropped for all groups, it dropped the most for workers aged 45 and older. The proportion of one-year jobs (those that made it past the first barrier) that went on to last more than five years rose for both young and old age groups.[7] Over the period of study, the situation for older workers who found themselves in the labour market worsened. As Heisz (1996, p.3.6) puts it, "... workers aged 45-54 and 55-64 when they started their jobs experienced shorter job tenure at the end of the period than at the start. For both of these groups, the average length of a job fell by 0.8 years, or 9.5 months, between 1981 and 1994". In short, there are great changes in the regularity and stability of work, and older workers are more highly affected by these changes than are younger workers.

With both work and retirement changing dramatically, the structural dimensions of the life course changes. These changes are summarized in the next slide, which contrasts the traditional model of the life course and that which is now coming to prominence.

Slide: The new model of the life course

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career job incumbents.

The causes of these structural changes are political, social and economic. This slide summarizes five possible causes of the changes that are most important in later life, centering on the retirement transition.

Slide: Causes of Structural Change

It is important to reject the view, often offered by business, that restructuring of work follows by some inevitable logic from economic pressures. The need to seek greater efficiency, to be leaner and more nimble in order to compete in the new global economy is often invoked to legitimate corporate restructuring and downsizing; but there is no simple relationship between broader demographic and economic conditions and such policies (Quadagno et al., 1995). Had the European countries paid more attention to demographic projections and the impact of a declining labor (and taxpayer/pension contributor) pool on the ability to meet demands for old age pensions, they might have refrained from developing the early exit policies that were implemented in the 1980s (Kohli, et al.,1991; Schmähl,1989) and subsequently partially reversed. A belated recognition of demographic pressures may have eventually contributed to a reversal of these policies. Our own research in Canada and the United States, based on case studies of corporations, showed that the ways in which they manage the retirement planning aspects of human resources is quite independent of broad-brush economic pressures, technological changes, and demographic changes. Even two major insurance companies, which ought to have the expertise in demography, appeared to ignore demographic considerations in their labor force policies. In our case studies, in roughly the same demographic, technological and economic climate, one company will decide to downsize its work force while another will not; and if three companies decide to do so, one might do it through attrition, another through layoffs, and a third through retirement incentives (Marshall and Marshall, 1999).

Most European research emphasizes the role of public policies in shaping new working career

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[7] We must here ignore interesting sector and gender differences presented in the article.

patterns (Schmähl, 1989; Kohli et al., 1991). A recent OECD report (1995:9) summaries the role of public policies:

> In many countries, early withdrawal from employment has been financed either directly or indirectly by the state: through the right to early old-age pensions, through relaxing eligibility requirements for invalidity pensions, through extending the period for which older unemployed people can claim unemployment compensation, or, less directly, by according tax privileges to employers' and private pension schemes".

North American research (e.g., Hardy, Hazelrigg and Quadagno, 1996; Marshall, 1997; Quinn, Burkhauser and Myers, 1990) has paid more attention to broad industry or sector-level processes of structural adjustment (Grenier, 1985; Marshall, 1995a; 1996; OECD, 1995; Quinn, Burkhauser and Myers, 1990) and to firm-based policies, including the nature of the private pension plan and the use of early retirement incentive programs as motivators for early retirement. In North America, where unemployment rates are very low at present, we may see demography stimulating changes in policies that have an affect on the nature of the working life course. For example, in order to meet labor force needs, there may be increased support for day care provisions or even for pro-natalist positions in order to increase the supply of younger workers; and, at the other end of the life course, we may see additional raises in the age of retirement (as defined by eligibility for pension), and the increased flexibilization of work (as such through partial or phased retirement programs) as a means to increase retention of older workers.

Slide: Career, anxiety and the individualization of risk

The new meaning of career, anxiety and the individualization of risk

Let me turn now to the new meaning of career, anxiety, and the individualization of risk, and to do so I will return to Leonard Cain's earlier work on the life course, which I discussed earlier (1964). Cain says that the life course refers "primarily to those successive statuses individuals are called upon to occupy in various cultures and walks of life as a result of aging, and 'age

status' refers to the system developed by a culture to give order and predictability to the course followed by individuals".

Slide: Leonard Cain quote

To understand the implications of the changing patterns of the retirement transition for individuals, it is important to place their experience of retirement in the broader context of their working biographies. The most fruitful way to pursue this issue is through the "life course perspective". This will focus attention on the emergence of a variety of transition pathways to complete exit from the labor force. Retirement is best seen not as an event but as a process, and variability in retirement transitions can be investigated as to their implications for the individual. Moreover, in the life course context, later life or 'end-stage' developments are contingent on the nature of working experiences and other life experiences and transitions earlier in the life course (Hayward, et al., 1998; Pavalko, Elder and Clipp, 1993).

Jim Dowd, of the University of Georgia, has been conducting a remarkable study that helps us to understand the impact of restructuring work and the life course on individuals, because he has been interviewing members of a profession which epitomizes the stable career. Dowd (in press, 2001) has interviewed 58 retired US Army generals about their careers and the relationship of these careers to the retirement years. What is of interest is the social psychological implications of the highly structured careers experienced by army officers.

Mannheim (1952, cited in Cain, 1964: 298) noted that a career is only possible "in societies where the future is predictable, where the distribution of power is no longer a matter of dispute, and where some sort of plan can be made and executed on the basis of pre-existent decisions". And, Cain notes, Mannheim thus argued that jobs most easily become careers in bureaucracies. But with the changing nature of work, we can now question if the bureaucratic organization of contemporary work settings facilitates careers. The US army, it appears, is designed to facilitate careers. Their retirement, which is normally at age 55 after 35 years of

service, will follow a highly bureaucratized career marked by stable progression through the ranks. They will have been given guidance and mentoring throughout their careers and, in turn, will have given guidance and mentoring to those under them, because that is an important duty of any officer. Dowd sees them as having unusually stable and well-grounded senses of self. The lifelong socialization influences of the military build a strong sense of continual self-improvement, striving to overcome obstacles, self-sacrifice and a critical stance. They also feel a strong sense that they have made a contribution – to the service, to their country, and to those who serve under them. All this creates a strong sense of biographical connectedness, stability and resilience, such that they look forward to the retirement years without anxiety. Of course, they have also had economic security throughout their working lives, and they can anticipate their retirement years being spent in the familiarity of a continuing military environment (many retire on or near military bases, have mess and similar privileges).

The army officer context seems to be radically at odds with what is happening in the broader world of work. As the retirement process is changing, so too is the workplace itself. The old, post-Fordist social contract, designed to foster mutual loyalty between employer and employee, is being replaced by new, task-specific, or short-term contracts: that is, by contracting for piece work or for only fragments of an employee's life rather than the entire career.

As the Vice-President of Human Resources for a large telecommunications company we were studying put it, the company does not want to have new employees who think they will be with the company for life. Her own business card read, Vice-President (T), Human Resources -- and the T stands for temporary. After assisting in a large corporate downsizing, she herself had retired before our study was completed. A large American insurance company refuses to use the word, 'career' in any of its human resources documents because it does not want to set false expectations for employees, and it includes in its training program courses that will enhance the employee's ability to leave the company for a job elsewhere. A petrochemical and gas utility company tells its employees, "You are your career" – "Life is a highway and you are in the driver's seat", and it offers an 'entrepreneurial' outplacement program in which company

mangers will help an employee to develop a business plan, and then provide some start-up money, should the employee wish to leave the company to found a company of his or her own. And then, if the new company can provide appropriate services, the parent company will endeavor to out-source some contractual work to the new company.

As I see, it, the restructuring of work is not only affecting individuals, it is affecting social cohesion, the main symptoms of which are declining company loyalty (Cappelli, 1997; Rubin, 1996), declining working solidarity (Bourdieu, 1998) and increasing individuality (Beck, 1994).

The companies we studied, like many companies all over the world, are fostering a corporate culture that in effect says (if I may translate it into sociological language), career is not a series of status positions in this corporate setting. Find stability, continuity and growth elsewhere. Rely on yourself, not this company, to provide it. Career is not an aspect of social structure, it is something individual. You are your career.

And what does this do to you if you are an "older worker"? These effects, at the individual level, can be on those still in the workplace, on displaced workers, and on those experiencing unstable occupational careers following loss of the career job. What if you see other older workers being tapped on the shoulder and told it is an appropriate time to take early retirement and leave gracefully? Cappelli and colleagues (1997: 201) suggest that the strongest adverse effects of corporate downsizing might be on the survivors: employees who remain in work environments subject to uncertainties and also work overload.[8]

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[8]Fenwick and Tausig found that the macro-economic effects of job loss were associated with reported stress indirectly through changes in the amount of control or decision-latitude experienced in routine, day-to-day job structures of those still working:

> Whether consciously or not, firms appear to pass any increased uncertainty in the marketplace to their workers in the form of increased job demands, decreased decision latitude, and increased job insecurity. Because of the deteriorating labor market situation

Quinn and Kozy (1996) have pointed out that a combination of public and private sector policies creates contradictory pressures on working people – to remain working but to exit from the career job. This could lead to job stress, psychological distress, and a lower social integration that follows from reduced commitment to work or to the employer. There is an emerging literature showing that companies who treat employers in this way do gain lower levels of loyalty from their employees (Cappelli, et al., 1997; Rubin, 1996). The old, implicit contract linking a loyal employee to a loyal company through the prospects of stable career development in the internal labor market is eroding, replaced by short-term contracts devoid of loyalty.

One can also surmise that this process of individualization will reduce loyalty of workers to one another. As Pierre Bourdieu has recently remarked (1998), "Those who have become known as 'the excluded' – those excluded provisionally, temporarily, long term or forever from the market-place of work - are almost always those who have no voice, and who are excluded from collective action....".

The profound restructuring of work, perhaps especially the severing of the long-term career contract between worker and employer, throws people back onto their own resources. The impact of this on social cohesion is likely to be profound as we enter the next millenium.

The social categories of later life, and the security provided to people in the old age or retirement phase of life, are changing markedly with work restructuring. The process involves complex social relations of regulation involving both the state and the corporate sector. As we near the end of the twentieth century, these processes have acted to weaken the power of work to provide stability, predictability and long-term security to individuals. Risks are less secured by social institutions than by individuals – perhaps accounting in some degree for the increased interest of social theorists in human capital. Companies are telling their employees to increase their individual ability to make career moves. The capacity for upward mobility is with the

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(i.e., high unemployment) workers become less able to resist this restructuring (Fenwick and Tausig, 1994: 278).

individual's human capital rather than with the organization of the firm's labor market.

Slide: Releasing potentials and erasing prejudices

Releasing potentials and erasing prejudices

Let us now turn to the sub-theme of this conference, which is "releasing potentials and erasing prejudices". I have described how work has been restructuring and how this, in turn, shapes the life course and affects older workers before, during and after the retirement process. Work restructuring is in a sense work de-structuring. How we judge this morally is quite open to debate. It should be clear from my remarks that I see strong threats to both social cohesion and individual well-being. The work-structured career provides stability and predictability that might enhance personal integrity and coherence. Yet, Weber deplores the 'iron cage' of bureaucracy. Do we really want the United States Army officer corps to be our model for how to institutionalize the life course? Should we not rejoice in a move away from state and corporation-regulated life course regimens toward a 'free market' of biographical self-construction? Beck (1994: 14) agues that "'individualization' means the disintegration of the certainties of industrial society as well as the compulsion to find and invent new certainties for oneself and others without them. But it also means new interdependences, even global ones". Will the diminished ability of work to provide stability and coherence to identity lead people to seek it in other domains such as the family?

How can a contract worker have a sense of continuity to his or her life, or a sense of an anticipated future? How can a 55 year old displaced worker link past, present and future to achieve a sense of constancy over time? Does he or she accomplish this solo, or do we want to have social institutions in our society to nourish such constancy?

I want to avoid romanticizing work, or a culture which takes work to be the most salient defining characteristic for identity. We must remember than the vast majority of working people wish to retire. I have not even had to the time today to address the important gender issues

which, in particular, might expose to ridicule a notion that identity validation through paid employment is a good thing. And certainly the nature, the benefits and the unpleasantness of work are class conditioned – yet another factor I have ignored.

I believe that the state will continue, as it has in the past, to contribute to structuring the life course (Mayer and Schoepflin, 1989), although others (Procter, in press, 2001; Roberts, Clark and Wallace, 1994) suggest that without the institutional backing of strong welfare state policies, class, gender and ethnicity can be expected to play more important roles in shaping the life course experiences of people. Yet, the state shapes class, gender and ethnicity. We need more theorizing, and more research, about the intersection of the state, the corporate sector and labor in structuring work, and we need to give more consideration to the intersection of work, family, and other social institutions.

People do not lead their lives in work settings independent of their other social relations. I have left relatively unconsidered, in my remarks today, the role of ageist attitudes and the fact of age discrimination on older workers and on older people in the labor force seeking work. Attitudes about the value and potential of older workers are important, and I will consider these in my second address, tomorrow. But they are not the only thing that is important. Attitudes do not equate to behavior. I believe that we are entering an era in which older people will be called upon to play an increasingly greater part in the world of work, mostly because of fertility declines and the resulting shortages of entry-level workers. We need to adjust our attitudes towards older people and to recognize their strengths as workers. But we need to go further than that. We can employ technologies to overcome health or strength declines that accompany aging. We can design flexibly working arrangements that make work not only more possible but more attractive to older people. My talk today has focused on the newness of the current situation in which older workers find themselves. Tomorrow, I will turn to the challenges we face in recognizing their potential and re-organizing work so as to benefit from it.

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