Foreword

In recent years, older workers' late careers and their retirement transitions have become a 'hot topic' for social scientists, policy makers and the public audience. This is partly due to the looming financial crisis of the national public pension systems, resulting from a combined effect of both rising life expectancy and declining fertility rates. In addition, globalization has triggered increasingly rapid economic and social changes that have profoundly transformed national employment systems. Earlier research has demonstrated how these unprecedented changes have altered the employment careers and family decisions of young adults entering the labor market as well as men and women in the middle of their life course. Based on this empirical evidence, it is especially youth that can be regarded as the 'losers of globalization', as their job security and wage levels declined and their employment relationships became ever more flexibilized (see Blossfeld et al. 2005; Buchholz et al. 2009). While women have become more integrated into paid employment (though often at the expense of more flexible forms of work that have become more widespread under globalization), the employment lives of mid-career men have remained remarkably stable under globalization, with only moderate increases in shifts between unemployment and employment (Blossfeld and Hofmeister 2006; Blossfeld, Mills and Bernardi 2006).

Given these developments regarding gender and labor market cohorts, the question arises how older employees and those approaching retirement age fare under globalization. Have they been able to profit from the often strong employment protection which they acquired throughout their mid-career ages? Or has their labor-force attachment weakened as their qualifications and skills have become increasingly outdated in the process of accelerated globalized change? Indeed, comparative evidence shows that both have been the case: on the one hand, older workers' labor-force attachment has weakened in most industrialized countries, and their employment participation has declined quite steadily between the 1970s and the late 1990s (Blossfeld, Buchholz and Hofäcker 2006). At the same time, these developments often were supported by so-called 'golden handshakes', i.e. generous early retirement benefits offered by either the welfare state or the employer. They made early employment exit an attractive option for a group of workers that otherwise enjoyed high

employment protection and seniority wages. Only in very recent years has this decline come to a halt. In some countries, most recent labor market figures even indicate early signs of a trend reversal, though even in these cases older workers' employment rates have remained far below the levels of the 1970s.

This early retirement trend, however, has become increasingly disputed in an era characterized by demographic aging and rising social expenditures for the elderly. In recent years, many policy makers thus have developed strategic targets for raising employment among older men and women. Most notable examples in this respect have been the so-called Stockholm and Barcelona targets by the European Union which aim to reach an average employment level of 50 percent among older workers aged 55 to 64 years and a five-year delay in the average age of retirement. However, it is still unclear which strategies should be implemented to achieve these goals. Does it suffice to raise only the formal retirement ages, as has been done in a number of countries such as Germany, Italy or France? Or do further measures need to be taken to enhance also the employability of older workers?

Despite the fact that there have been an increasing number of studies that have analyzed these issues (e.g. Gruber and Wise 1999, 2004, 2007), most current reforms have tended to concentrate on a one-eyed reform of pension systems and the cutback in early retirement incentives to achieve the much-required trend reversal. Even though in a number of countries the employment rate of older workers has risen, the still unsatisfactory magnitude of late-career employment indicates that a more comprehensive policy approach will be required. It seems to be not sufficient to focus on the retirement decision of older workers alone. Instead, one needs to take into account the entire labor market situation of late-career employees and the institutions affecting it. Politically relevant studies of early retirement thus have to go beyond an investigation of the economic attractiveness of retirement incentives. Simultaneously they have to consider also the country-specific characteristics of labor markets, production systems and systems of education and training which determine the employment chances of older workers in modern societies. This means that a mere 'incentive strategy' by the state does not seem to work. The fact that employers often still typify older workers as 'redundant', 'inflexible' and 'physically or emotionally less resilient' (see Schröder, Hofäcker and Müller-Camen 2009) indicates that a joint strategy of employers, unions and policy makers is necessary to bring a lasting increase in employment levels among the older work force.

In this respect, Dirk Hofäcker's work on globalization and older workers constitutes a considerable advancement in cross-nationally

comparative research on late careers and retirement. It builds a bridge between the previously often disconnected scientific areas of economic retirement research and the sociological life-course approach. His simultaneous focus on both welfare and production regimes provides a helpful 'key' to understanding the origins and the country-specific developments of early retirement, as well as the difficulties in reversing them. Hofäcker's book is thus able to identify the ideal-typical political strategies by which modern societies have responded to the critical situations of older employees in a rapidly changing global labor market. He shows that nation-specific approaches molded by different 'institutional regimes' have been quite divergent, resulting in cross-nationally varying degrees of older workers' labor-force participation. The combination of aggregated evidence from large-scale data sources such as the OECD or Eurostat data with individual-level longitudinal data from the European Community Household Panel allows Hofäcker to do both: (1) adequately disentangle the dynamic nature of late-career trajectories and retirement transitions; and (2) point to the inter-individual variation of late careers even within countries, for example between workers with different human capital resources.

His book, though, does not just stop with a convincing scientific analysis of late-career processes of senior workers in globalized labor markets. In his final chapter, Hofäcker also develops concrete policy suggestions for an integrated strategy to reverse early retirement. Moreover, he identifies the respective problematic groups on national labor markets that policies would need to take specific care of to avoid detrimental consequences for social inequality. That makes this book highly valuable not only for a general academic audience, but also for policy makers and practitioners in the field of labor market analysis and intervention.

I wish this book a large readership. Only by applying such an integrated approach as presented here will modern societies be able to adequately deal with the double challenge of demographic aging and early retirement.

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