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Mature workers, Training and Using TLM Frameworks

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Abstract

Mature workers have been at the centre of policies aimed at encouraging higher workforce participation, longer working life and enhanced savings for retirement. Low mature age workforce participation rates reflect labour market withdrawal in the face of multiple barriers to participation for many. Their apparent voluntary joblessness conceals the fact that mature workers endure longer periods of unemployment, discrimination, redundancy and other barriers to employment (hence the drift to 'early retirement'). The policy dilemma is not just about addressing discrimination barriers, access to appropriate retraining or skills enhancement for mature workers, but what this tells us about lifelong learning as a means of managing and mitigating risk. The mismatch between work opportunities/skills shortages and the low education and skills base of many mature workers, means it is simplistic to think that working longer might be a short term way to address skills shortages; without an enormous investment in the current ageing cohort. Drawing on Transitional Labour Market (TLM) theory and European reform agendas, this article argues that the link between investment in lifelong education/skills training and stronger labour market participation needs attention; not just for current cohorts of excluded or underemployed mature workers but to position strategically for future generations.

Introduction

By historical standards, Australia has comparatively low labour force participation rates for mature age men, 55 to 65 years (though there has been some recovery over the last five years)). While the labour force participation rate of mature age women is increasing it is still significantly lower than that of men (OECD 2006 Statistical Appendix, Table C). Access Economics (2001) argues that even a modest increase in employment among mature workers would make a

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difference to retirement savings (seen as enhanced quality of life) and government expenditure. The policy solutions are complex and cross sectoral. We focus here on two interrelated elements: mature worker labour markets and lifelong learning; finding there is a disconnect between the two. Increasing emphasis is put on training and lifelong learning as a means of reconnecting and retaining mature workers, but for the current mature worker cohort, basic education attainment and their participation in further education and training are comparatively low and the pathways and benefits obscure.

The TLM framework is a useful means for interrogating the institutional frameworks that mediate relationships between labour market marginalisation and the quality of working life transitions, focusing on mature workers. While lifelong learning applies across the lifecourse, it is important to assess how it has worked for particular age groups (in this case mature workers) and sub groups (for example men and women, people from different cultural and linguistic backgrounds and so on). By focusing on risk, lifecourse and transitions, TLM theory prompts both a facilitative and an 'upstream' preventative approach; in this case, how new institutional thinking and programmatic innovation based on principles of empowerment and investment can assist in opening up choices in the management of risk. Drawing on Günther Schmid's ideas, it also has a moral dimension, prompting a consideration of rights or entitlements to quality transitions and investment in capacity building.

The challenge is to see how lifelong education and training can facilitate increased skills development, increased workforce retention and participation, with longer-term benefits of enhanced earnings/savings, quality of life and life satisfaction. This involves both a short term intervention strategy to assist the employability of mature workers currently of working age and a more strategic approach, focusing on implementing strategies to encourage life long learning, skills up-grades and better quality of work, to enhance flexibility and employability for a diversity of Australians. (Employability refers to 'having the necessary skills and ability to either remain in a job, to switch easily between jobs or to find a new job in the case of job loss' OECD, 2004, p. 99—Norway).

Key questions include: Are there new TLM institutions that could more effectively manage the risks of transition between jobs, from unemployment to work and from full-time work to retirement for mature age workers? What financing and regulatory mechanisms might prevail and what might influence the quality of transitions from the point of view of those going through them? What will empower individuals to deal better with risk and marginalisation around retirement transitions? For
mature workers, these issues have gained some urgency with the demographic bubble of the first of the baby boomers reaching 60 and some bleak predictions of income sustainability for some.

The article starts with an overview of changes in the mature worker labour market followed by an assessment of educational background and access to life long learning, an overview of job re-engagement strategies and mature worker programs. The final section outlines a range of policy approaches that draw on the TLM framework.

1. **The Mature Worker Labour Market**

The ageing profile of the labour market is now well recognised. In contrast to previous trends where the major growth in labour supply was young people, from 2002-2012 it will be those aged 45-64. Both the Intergenerational Report (Australian Government 2002-03) and Australia’s Demographic Future (Australian Government 2003-04) sparked a rethink on early retirement and declining rates of mature workforce participation and retention. These reports questioned the benefits of early retirement and individuals’ capacity for self support in old age (people are living longer and costs are going up) and anticipated difficulties in supporting the demands of ageing and dependent populations (although some argue the costings have been exaggerated). There are now clear calls to keep people working for longer, alongside concerns about those facing barriers to workforce participation.

The issues are well identified:

- Australia has an ageing workforce with labour force participation declining with age; especially after age 55 (we lack the year by year facts but it rises with age, is pretty stable from 35-54, then falls). Australia’s labour force participation rate for those aged 55-64 (66 percent in 2005), compares unfavourably with New Zealand, and Scandinavian countries[The OECD Employment Outlook 2006 has ours at 66%, ahead of the US, but the ABS has ours at 56% so I don’t know where the discrepancy lies. But you can’t compare the ABS for Australia with the OECD for everyone else.];

- The ageing workforce will skew average participation rates, which are projected to decline from 63 percent to 56 percent over the next 40 years (Productivity Commission 2005), hence concerns about the tax base for supporting non employed Australians;
Mature workers are a significant group of the long term unemployed, the under-employed trapped in casual work, and those disengaged workers who prefer to identify as retired rather than unemployed. (About one third (32.95) of unemployed workers over 45 were unemployed for 12 months or more in May 2003, compared with 23.4 percent of those aged 15-24) (ABS 2003);

Older male workers (50-64 years) are at particular risk of involuntary separation from work due to redundancy/retrenchment (women are more likely to leave for family reasons, including synchronising retirement with husbands or partners) (DFACS 2003);

There are well-identified barriers to increased workforce participation of mature workers, including:

- poor quality jobs and work conditions which deter workers;
- perceived and real barriers to performing some types of work due to work-related injuries and disabilities; and high rates of withdrawal from the labour market of older workers due to injury and ill health;
- workplace barriers to transitions from full time to part time work as a 'graduated' process of retirement from paid work;
- prolonged unemployment as a function of time spent out of work—especially for unskilled workers and carers wishing to re-enter the labour market;
- significant reporting of discrimination against certain categories of mature worker—despite legislation; and
- mismatches between the jobs skills required (labour demand) and held (labour supply); dispelling the simplistic suggestion that stemming the trend of early retirement will reduce the skills shortage.

Globalisation and the Mature Worker Labour Market

Changing employment patterns raise significant issues for the over 45s with increases in casual, contract and part time work, tele-working and multiple job holding. Redundancies are higher for older workers, especially men. While women’s full time employment rate has remained fairly steady over years (28%) (mature women’s full-time employment rates have increased dramatically and continuously since the mid 1980s), men’s has decreased from over 70 percent in...
the 1970s to 57 percent in 2001. Australia has an increasingly ‘dual track’ labour market where casual jobs growth has been twice the rate of full time jobs; to the point where Australia has one of the highest rates of non-standard work in the OECD (Watson et al 2003). The biggest story is the growth of part-time compared with full-time jobs both over time (ABS Labour force survey data) and in relation to other countries. Work intensification and increased hours of work encroach on work/life balance. Jobs growth has shifted from direct production industries to consumer and producer services sectors, impacting on skill levels of available jobs. New jobs tend to be either low skill (hospitality and retail, often casual) or higher skill (professionals) with declining jobs at intermediate levels (Webber & Weller, 2002, p. 11). Structural changes in industries driven largely by globalisation and competitiveness are reflected in trends in job retrenchments, focused in the early 1990s on low skill jobs in industries exposed to international competition and in the mid 1990s on intermediate skill occupations reflecting privatisation and restructuring of services and utilities (Webber and Weller 2002, P. 14). As pointed out in Keating’s contribution in this collection, much of the decline of full time jobs is attributable to the loss of traditional blue collar jobs over the 1990s. More recently, the relocation of Australian manufacturing to India and China is resulting in firm rationalisations, closures and redundancies.

There are rising concerns of skill shortages but in highly specialised areas – professionals, para-professionals and tradespeople. In the professions, shortages are occurring across a range of occupations, from civil engineers to accountants to health care workers such as registered and enrolled nurses, dentists, pharmacists and radiographers. Trade shortages are reported in the traditional areas of manufacturing, building and construction and in the personal services sector (such as hairdressing). But, these do not necessarily match the pool of those looking for work or for increased hours of work. Those lacking the appropriate skills base tend to be locked out of new opportunities or may churn between precarious low paid work and welfare benefits.

**Work/Retirement Patterns**

Paradoxically, while people are living longer, there has been a trend to earlier retirement from full time work, especially for men. Despite an upward trend over the last 20 or so years, workforce participation rates for women at all ages are still lower than men’s. Australian life expectancy is now 77.2 years for men and 81.8 years for women (with projected increases to 83.3 years for males and 86.6 years for females by 2051 (Commonwealth Department of FaCS 2003a, p.1)). Women will live longer than men but have fewer resources (men’s life expectancy is increasing faster than women’s, retirement resources for both sexes are
increasing, but men have and probably will continue to have more resources than women at all ages). With Australia's traditional breadwinner model of work, many women in currently ageing cohorts did not work outside the home except in voluntary or community work. Despite increasing labour force participation over the last 30 years, women's labour market participation rates are still lower than men's and are concentrated in part time work, their workforce lives are shorter and they earn significantly less and take into retirement significantly less resources. Concerns have been mounting that intermittent work life or premature disengagement from paid work impacts on the capacity to have a reasonable standard of living in retirement. Compared to current retirees, for whom home ownership has provided a hedge against poverty in old age, succeeding cohorts with diminished access to home ownership are at greater risk of poverty.

Those with partners and an unbroken working life can retire early with more confidence of maintaining a secure income. However the work/retirement picture is complex. For many, retirement comes earlier than planned and is forced. Many mature workers (aged 55-65) have withdrawn involuntarily from the labour market due to disability, ill health or redundancy. Many women, in particular, have caring responsibilities for dependent children, disabled or ill family members, and may not want or be able to work or need other supports to do so. Towards the end of working life, many want better work/life balance but find gradual retirement without diminished quality of work and/or remuneration unattainable. For some, especially those from non-English speaking backgrounds, job mobility is hampered by low formal education qualifications and lack of appropriate skills. Others experience the social exclusion that comes with workplace discrimination, targeted redundancies, long term unemployment and underemployment—all well documented.

2. Life Long Learning – How is it Working and is it Worth it?

High levels of participation in education and training reflect the belief that skills enhancement is worth the personal investment, and that raising skills is important to employability. Lifelong learning and the learning society have been major policy thrusts in recent years both in Australia and internationally. (See Watson 1999, OECD 1996; European Commission 1995, ANTA 1998.) Lifelong learning refers to the nexus of qualifications and training, both on and off the job, that contribute to the skills base that underpins employability—and encompasses both formal and informal education and training dimensions (Watson, 1999, p. 3). Lifelong learning recognises that building up a ‘stock of skills’ in the workforce is important to the prospects for economic growth. A range of skills and competencies are important, including technical, cognitive and behavioural skills (or what Europeans
refer to as 'soft' skills) and the social skills that contribute to employability (Watson 1999, p. 151).

In Australia, the opening up of mass upper secondary and tertiary education was an important precursor to the union campaign for a lifecourse approach to skills building, the focus on competency-based training and 'a shift from up-front training to lifelong learning' (Watson, 1999, p. 153). Participation in formal education and training is no longer restricted to school leavers and youth prior to working life. Nor is it necessarily full time, with many both studying and working and much of retail labour supplied by full time secondary and tertiary students. Between 1991 and 2000, as shown in Table 1, participation in vocational education and training in Australia increased for all age groups, but is still focused on younger age groups.

Table 1: Increase in Vocational Education and Training 1991-2000 (per cent of population)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>1991</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 to 19 years</td>
<td>18.7</td>
<td>28.5</td>
</tr>
<tr>
<td>20-24 years</td>
<td>14.2</td>
<td>20.2</td>
</tr>
<tr>
<td>25-39 years</td>
<td>8.3</td>
<td>12.6</td>
</tr>
<tr>
<td>40-64</td>
<td>3.8</td>
<td>8.6</td>
</tr>
<tr>
<td>All students aged 15-64</td>
<td>8.4</td>
<td>13.2</td>
</tr>
</tbody>
</table>

Source: NCVER 2002

Similarly, ABS figures show a fall off in participation in study with age, with 5.6 percent of men and 8.3 percent of women aged 45-54 and 2.6 percent of men and 2.9 percent of women aged 55-64 undertaking study in 2001.

Table 2: Proportion Undertaking Study in 2001 by Age and Sex (Per cent of Population)

<table>
<thead>
<tr>
<th></th>
<th>15-19</th>
<th>20-24</th>
<th>25-34</th>
<th>35-44</th>
<th>45-54</th>
<th>55-64</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Males</td>
<td>78.1</td>
<td>37.5</td>
<td>15.9</td>
<td>8.4</td>
<td>5.8</td>
<td>2.6</td>
<td>19.0</td>
</tr>
<tr>
<td>Females</td>
<td>81.5</td>
<td>37.4</td>
<td>15.9</td>
<td>11.7</td>
<td>8.3</td>
<td>2.9</td>
<td>20.3</td>
</tr>
</tbody>
</table>

Source: ABS (2001) cat no 6278.0
There has been an increase in traineeships (that combine work and training but which are shorter than apprenticeships, lasting from 9 months to 2 years). These are subject to the criticism that they are more similar to labour market programs rather than skill-formation programs (Cully & Curtain 2001). Notably, engagement in apprenticeships (lasting 4 years) remained virtually unchanged from 1985 to 2002 with traineeships being the main area of growth; increasing from none in 1985 to 248,400 in 2002 (Watson et al 2003 p. 155). These authors also note that national statistics on apprenticeships conflate traineeships with apprenticeships and have tended to mask the lack of growth in apprenticeship training; now becoming clearly identified with skills shortages in the trades. In any event, apprenticeship training has traditionally favoured younger workers.

As a by-product of the structural changes to the Australian labour market and the increase in non-standard work, on the job training and accredited training tend to be concentrated among the higher educated and those in good jobs. Hence access to training favours those in public sector and full time employment or the 'standard employment relationship'. Outside of this, access to training is limited to individual effort. It is now well accepted that over the 1990s, there was little growth in full time jobs and most of the new jobs created were part-time and casual (Boreham, Gregory and Sheehan 2001). One in four Australians is employed on casual terms (but with average tenure of over 2 years) and most part time jobs are casual (Pocock, Buchanan and Campbell 2004, p. 3). Casuals receive a pay loading as compensation for loss of leave and other entitlements but they have limited access to training and to career advancement, frequently receive low pay, have low hours, limited job security, unpredictable work time and earnings and limited access to superannuation. Whereas casual jobs used to be dominated by youth and women; they are increasingly held by non-students, prime-age and mature age workers, as well as students and women. That is, they are no longer held as much by peripheral workers or those using casual work as an interim or secondary measure.

To further confirm the picture, in terms of training provided by employers, in 2001-02:

- 24% of employers provided nationally recognised training
- 22% of employers provided structured training to non-standard workers
- 13% of employers provided apprenticeships/traineeships

(ABS cat no 6362.0 2001-02)
Employer-provided training tends to favour those in full time and standard jobs and has remained static at 1.3 percent of payroll from 1996 to 2001/2 and despite an increase in the proportion of employees gaining access to training, hours of training fell (for men from 32 hours per year in 1989 to 22 hours per year in 2001) (Watson et al 2003, p. 158).

Explaining these trends, Watson et al (2003, p. 154) argue that in the 1990s, advocates of market regulation replaced established apprenticeship systems for trade training with a 'training market' characterised by strong industry influence over publicly funded Vocational Education and Training (VET). They further argue (2003, p. 153-4):

- ‘policy has become preoccupied with establishing the training market, and the rhetoric of life-long learning survives as merely a side-product’;
- ‘Workers are obliged to retrain according to the changing skills needs of employers’ hence, responsibility for learning rests on individuals; and
- ‘Formal moves to extend vocational training to formerly excluded groups of workers, particularly women and older workers, were not matched by a substantive increase in real choices’.

Their overall assessment is that quality on the job training has been undermined by work intensification, impacting on opportunities for quiet time, formerly used for learning and enhancing skills. Moreover, participation in training at work is higher for those with prior qualifications, in higher status/paid jobs, and falls with age, especially over 50. Non-native English speaking migrants receive less training, in all forms, than native English speakers (Richardson 2004, p. 18).

Hence, both formal education and workplace training fall dramatically with age. Even if Australians over the age of 40 have high participation rates in education and training (5 times the OECD average), ‘participation is skewed towards those with higher initial and post-school education. Significantly, ‘57.4 percent of unemployed people aged 45-54 had no post-school qualifications and 44.6 percent had not completed the highest level of school’ (Department of FaCS, 2003c, p. 13-unpublished paper). Although increased secondary school retention will benefit future generations with a better level of basic education, the currently ageing worker cohort are much more likely to have left school at year 9 (30 percent of those aged 60 compared with 3 percent of those aged 25 at the 2001 census (ABS 2001).

In the longer term, this may be less of a concern, due to greater take-up of
education by younger cohorts. NCVER projections to 2043 indicate a decline in the proportion of older persons with low-level qualifications in 2043 due to increases in those with both university and vocational educational education and training qualifications (Karmel & Woods, 2004, p. 4).

In line with the emphasis on lifelong learning, evidence refutes claims that resources expended on education later in life are wasted. In the longer term, NCVER (National Centre for Vocational Education Research) analysis of Education and Training Experience Surveys between 1993 and 2003, point to the following conclusions:

- More educated people have a stronger attachment to the workforce at any age; especially strong for women
- ‘Qualifications acquired later in life have as good, and in some cases, better, pay-off to employment-to-population rates for older age groups as do qualifications obtained at a young age’—especially for women
- The ‘education effect’ means that the better qualified work more hours (and are more likely to be engaged in full time employment)
- The more (completed) qualifications the better
- Older persons who have undertaken on-the-job training are better off than their employed peers who do not undertake training
- To increase workforce participation generally, a multi pronged approach is needed combining an emphasis on education and training, work incentives and community attitudes
- ‘Education is an effective strategy for older individuals seeking employment’

(although the evidence of impact on improved employment rate is mixed with regard to incomplete qualifications and future study intent) (Karmel & Woods 2004, p. 2-3)

In confirmation of the importance of lifelong learning, the strong message from Australian NCVER research is that ‘the more qualifications the better’ in line with projections that the labour market of the future will demand more educated workers (Karmel & Woods 2004, p. 4).

Similarly, European research indicates the benefits of education and training. Participation and employment for older workers and average exit ages are higher for the more formally qualified; older workers have lower training levels than
prime age workers and the high skilled receive more training than the low skilled. 'Training in this context emerges as a powerful tool for employers to increase the average productivity of their workforce' (Employment and Social Affairs 2003, p. 173-4). As the OECD report on Sweden commented; 'less training results in lower employability and thus a greater risk of unemployment, which should be factored into the social returns on training' (2003, p. 102).

3. Are Current Institutional Frameworks Meeting Current Needs for Lifelong Learning and Skills Enhancement?

A range of government reforms include: aligning the pension age for men and women, reforms to making superannuation more compatible with on-going work, encouraging greater workforce participation of people with a disability and particular assistance aimed at mature workers under Australians Working Together and Welfare to Work. The main vehicle for assisting mature unemployed workers is the Jobs Network.

*The Jobs Network: Can Jobs Network Fill the Training Gap for the Unemployed?*

Eligibility criteria for assistance limit accessibility to the Jobs Network. Only unemployed persons who qualify to register with Centrelink can gain access to Jobs Network funded assistance. Hence, those disengaged from the labour market, or with employed partners or not registered as unemployed are not eligible for assistance. There are also funding issues, with the change of government and reduction of $2.8b from the budget in 1996, there was a shift from Working Nation assistance programs to a leaner Jobs Network program. Australia spends 1.46 percent of GDP on labour market programs compared with Denmark's 4.6 percent (OECD 2004b, p. 319).

The jobs network comprises a mix of non profit and for profit providers. Critics raise questions concerning diversion of funds into profit making enterprises. A related issue is the funding gap between government expectations of outcomes of labour market assistance and the capacity to meet these expectations under current funding formula. Jobs Network providers themselves raise sector sustainability issues. They argue contracting out has shifted financial risks onto boards of management, given unsustainable infrastructure demands on services. Due to an estimated 35-50 percent turnover of clients within the Centrelink system, those left in the queue are increasingly more complex. Currently, funding per client limits the scope of re training options to TAFE type short courses or longer self funded options. HECS or similar type funding for tertiary under graduate or post
Some providers have devised innovative ways of matching job seekers with work experience in areas of local skill shortage and using training funding for TAFE skilled training to match retrained jobseekers to these vacancies. Others may ‘park’ (do nothing for) the more complex cases and cross-subsidise those deemed more employable (Since Jobs Network funding is tied to successful employment outcomes, this tends to drive incentives for any job placement rather than longer term case managed planning based on individual need and investment in skills building). Formal measures of success count job placement within a 13 week period and do not track outcomes over time, or the quality or sustainability of outcomes.

The Commonwealth announced a program targeted especially at mature age workers. However, a commitment of $12.1 m over 3 years ($3.1 m in 2005) in the Mature Age Employment and Workplace Strategy would seem a small commitment, with patchy coverage (confined to 10 regions) and a focus which misses the mark for real job matching and for identifying training needs. The focus is on information sessions, self help groups in the selected regions ‘getting together groups of mature age people, usually not on income support, to work together with a facilitator to enhance their job search skills, identify opportunities in the local labour market and move forward together’ (Senate Estimates, 2005, February 17, p. 93).

For the unemployed, there is some scope for enhanced training and outcomes within the Jobs network model; although current structure and funding for assistance tend to reinforce a primary focus on job search training rather than vocational and longer term skills enhancement. Also, Jobs Network completely misses the mark on those job seekers who do not qualify for assistance. Compared to previous programs open to all job seekers such as the old CES (Commonwealth Employment Services) shop fronts, assistance is now targeted to those who qualify for it and there is little on offer to others. With over 1.3 million Australians over 15 or 12.5 percent of the workforce (589,000 men and 678,000 women) identified as seeking more work or wanting to work more hours, opportunities for meeting these needs through labour market programs is limited (ABS Cat 61050.0 2004).

Other Mature Worker Support Programs to Complement Jobs Network

State governments are hesitant to fund what they see as Commonwealth responsibilities. Victoria and more recently NSW, have disbanded state funded
mature worker programs on this argument. The NSW program (Perry 2001) demonstrated the usefulness of a locally devolved counselling and career advice network and the need for community based networks outside more limited labour market employment programs.

A targeted education and training allowance could be coupled on to such counselling services aimed especially at low skill and longer term disengaged or unemployed; especially in regions of high unemployment aimed at disengaged workers who have dropped out of the labour market. Workers taking sabbaticals could be replaced by trainees from the pool of people who are unemployed or underemployed. In addition to an enhanced Jobs Network program for mature workers and a combined Commonwealth-state approach to case managed job assistance, the following are some ideas for enhancing the employability and participation of mature workers.

4. **TLMs in Practice: European Approaches to Education and Training**

With the recognised movement to a knowledge based economy and a diversity of jobs predicted over a working life, lifelong learning is recognised as a means of enhancing skills building across OECD countries (OECD 2004). Education is also valued as an individual risk management strategy, given uncertainties and the proliferation of alternative forms of employment in contrast to standard, permanent, full time employment relationships. The TLM approach highlights differences in the extent to which individuals or innovative 'risk pooling' on a more collective basis, may bear the costs of lifelong learning.

Schmid sees TLMs as a way of mediating 'the risks of social exclusion associated with critical transitions' (2002, p. 188) and TLMs as 'bridges' between various forms of paid and unpaid activity; and as an equalising mechanism in a polarised and volatile labour market that marginalises the low skilled and unemployed. Under this approach, institutional design can be used strategically to create incentives and supports for transitions, to provide social protection and to mediate risks.

As Gazier suggests, TLMs can work across enterprises to co-fund some training and integration costs for low skilled workers via incentives and firms contributing to joint funding for local networked training programs and training leave as a way of promoting external job mobility. 'TLMs could help to establish a new culture or risk taking inside firms and in the labour market: not the current individualised risk, with winners and losers trapped in their failures, but a socialised risk' (Gazier, 2002, p. 215).
The overall framework for Education and Training 2010 by the European Commission emphasises the urgency of reforms to implement the Lisbon strategy and the goal of 12.5 percent of 25-64 year olds participating in education and training by 2010 (European Commission 2004\(^5\)). The strategy set out four key messages based on investment in human resources through education and training; immediate action to secure greater and more effective public and private investment in education and training to make lifelong learning a concrete reality; higher participation rates in education and training and more rapid system reforms (CEDEFOP, p. 38).

The Danish Example: combining guidance training and education, practical introduction to enterprise and wage subsidies

Given the focus of Schmid in this collection on assessing European programs against the principles underpinning flexicurity, only the Danish approaches to 'flexicurity' combining labour flexibility more characteristic of liberal market economies and income security based on the solidaristic Scandinavian welfare state model are outlined here. These combine low job security (resulting in 12 percent annual worker turnover), with generous unemployment benefits and government support for activity/retraining education and labour market assistance. The 'golden triangle' of the Danish employment system includes elements of work, welfare and active labour market programs:

- A flexible labour market with a high level of external numerical flexibility indicated by high levels of worker flows in and out of employment and unemployment
- A generous system of economic support for the unemployed
- Active labour market policies aimed at upgrading the skills of the unemployed, that are unable to return directly from unemployment to a new job' (see Madsen 2004, p. 7, 10).

As Madsen notes, 'a large number of workers are affected by unemployment every year, but ... most of them return to employment after a short spell of unemployment. Those who do not quickly go back into employment, are assisted by active labour market programmes, before re-entering a job' (2004, p. 10). In comparison, Australia appears to have the first element of this triangle (high levels of worker mobility with low levels of employment protection) but not the other two in sufficient strength to provide adequate re-employment or upskilling. In the Danish case, mandatory activation (requirements for training or other measures to maximise the chances of employment) occurs after 12 months of unemployment for adults and 6 months for those under 25 in line with the
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European Union emphasis on early activation. From the Australian perspective, the costs of the Danish approach, at the upper end of OECD expenditures and the role of corporatist structures in containing wage demands need to be taken into account.

In the Danish example, active labour market policy includes three main instruments; guidance training and education, practical introduction to enterprise and wage subsidies. Job search is reduced during periods of program participation and a positive value is placed on the benefits to employability of qualifications upgrades during activation. In contrast to Australia, the costs of university education, including bachelors and postgraduate professional training are free. In terms of measured benefit (economic self sufficiency) greatest improvements in employment come from private job training with positive but smaller gains for education and public job training (although job training in private firms was the most cost effective). As Madsen notes, Denmark is a top performer on other measures of labour market performance including life-long learning, gender pay gaps and employment rates of older workers; and part of the Danish success story may be attributable to internal pressures for restrained wage rises (2004, p. 20). In the Danish context, a 1998 national review of labour market reform cited the ‘significant positive employment effects of both job-training and education’ for the unemployed (Larsen and Langager 1998 cited by Madsen 2004, p. 23). Reciprocally, given the emphasis on education and training, active labour market policies play a crucial role in a changing and expanding labour market, of keeping up the supply of skilled labour (Madsen, 2004, p. 31).

5. **Facilitative TLM Approaches to Mature Age Labour Market Marginalisation**

The challenge is to systematically use some of the insights from the TLM approach for a comprehensive development of policy packages. The dual focus on integrative and maintenance transitions urges a new value on integration of paid and unpaid activities. Welfare policy has tended to concentrate on integrative transitions (eg welfare to work and activation policies). However the TLM focus on ‘maintenance’ transitions, referring to other socially useful and not necessarily paid activities (child raising, elder care, further education) allows a more positive recognition of non-market activities.

In light of the discussion above, a range of instruments may be drawn upon to facilitate a TLM approach to mature worker issues that could be developed in relation to Schmid’s focus (in this collection) on a complementary relationship between flexibility and security, ‘building bridges’ and the four underpinning TLM
organisational, empowerment, co-financing and co-operation principles.

Training Allowance

A one off training allowance could be targeted to job seekers without work (or low hours of work) for say, two or more years, to enable for example, single parents, carers or those out of the workforce for long periods to undertake return to work training. (The Victorian government has had over 2000 people take up a $1000 return to work incentive payment aimed at women returning after child birth.) Arguments about the availability of HECS for tertiary training overlook barriers to study such as early school leaving, lack of confidence and the direct, indirect and opportunity costs of study. A stand-alone allowance could deflect criticism from arguments that HECS and TAFE fees need reform; especially for those on income support. The aim would be a more flexible arrangement where a Centrelink payment could include support for job search, study or a combination; with an additional income tested allowance for education expenses such as books, transport and basic living costs.

Skill Shortage Linked Payments

Currently there is a tax offset for further education skills enhancement for self education for teachers, lawyers and nurses. While this is only accessible to skilled work, it could be explored for other skills shortage areas as well as for skills enhancement of unskilled workers.

Enterprise Level Assessments of Quality of Work

Quality of jobs and of work at the enterprise level has potential to recognise what changes in work conditions need to be made to retain and attract quality workers, including mature workers with high expectations of flexibility (on their terms) and work combined with other unpaid activities including caring, lifestyle and voluntary work. For example, Linjegods, a company in Norway has introduced measures to retain mature workers for longer by job rotation, reduced working time, changes from inconvenient hours to standard hours with wage compensation and exit bonuses payable to employees who work up to 65-67 (OECD, 2004, p. 98- Norway). Similarly, Australia could benefit from some of the European programs for assessing health risks in working environments via monitoring of sick leave and assessment of programs such as Sweden’s 11 point programme for better health in working life, instigated in 2001 by the Ministry of Health and Social Affairs and comparative monitoring in the European Survey on Working Conditions (OECD, 2004, Sweden, p. 105). The Finish researcher, Ilmarinen (1999) has emphasised the importance of assessing the ‘workability’ of work places at the level of the
organization, focused on adapting the work environment to the needs of mature workers by reorganising work tasks, implementing flexibility that is individualised, and implementing ergonomic improvements and measures aimed at preventing occupational risk and preserving capacity and enjoyment of work.

**Traineeship Payments, Wage Subsidies**

While apprenticeships tend to be aimed at the young, there is some advantage in work-based traineeships aimed at blue collar or low skill workers. This could pay an allowance to supplement wages and or training, with time off, free training and so on especially in identified areas of skill shortage (currently including a long list of trades). Wage subsidies have been used for older workers in some European countries. For example, in Denmark, under the Service Jobs Scheme, local governments hiring people who are over 48 years and have been unemployed for at least 18 months and in Germany and ‘integration subsidy’ (50% of wages) is available for hiring long-term unemployed people 55 and over. Similarly, Sweden’s Special Employment Subsidies programme pays employers up to 75 percent of wages for 2 years for recruitment of long-term unemployed aged over 57. In these instances, wage subsidy programs are aimed at increasing participation of formerly excluded older workers (OECD, 2004, p. 92-Norway).

**Enterprise and Small Business Skills Seeding Programs**

Support to the unemployed (and disengaged) to start up in self-employment is an area requiring more attention, especially in relation to those with workforce skills who have left the workforce. Microfinancing models used in development contexts could be used in this instance, with small start-up operations.

Added to these, other European TLM innovations could be considered: including sabbatical leaves and job rotation for training purposes, combinations of new working time with learning opportunities, targeted interventions aimed at groups confronting severe disadvantage (such as non-English speaking refugee and migrant groups) and strategies aimed at preventing labour market attrition through training as a preventive form of labour market policy (Schömann, 2002; Schomann & O’Connell 2002).

OECD reports suggest innovative arrangements in various countries for sharing the financial responsibilities and risks of lifelong learning. These include:

- Savings accounts (third part matching of individual's financial and or in-kind contributions to cover the costs of learning)
• Time accounts (where overtime is converted to training leave)
• Interest rate subsidy (where government pays a share of the interest on loans to cover direct costs of study in private institutions)
• Tax deductions and tax credits (where individuals and employers can deduct education and training costs from taxable income or take a share of costs as a tax credit)
• Income contingent loans (where fees are paid as a fixed percent of taxable income above a pre-determined threshold)
• Transferable training loans (where individual debts for training, amortised over the life of the skills acquired are assumed by a new employer when the person changes jobs). (See Bredgaard and Larsen 2005 and Schömann and O’Connell 2002).

Australia has some of these in some form but little real knowledge as to how motivations are shaped, for example whether the fees structures of PELS (HECS-like deferred payment for post graduate coursework) have reached levels where mature workers are deterred from the self ‘investment’ as fees have risen too high as universities chase fee-paying revenue.

Conclusion: What Does the TLM Framework Have to Offer?

This paper has focused on relationships between benefits of lifelong education and better outcomes for mature worker labour markets, in the context of policy emphasis on increasing levels of mature worker workforce participation. There are other inter-related dimensions that would need analysis in considering work/retirement transitions-social security, superannuation, quality of work at the enterprise level, intergovernmental agreements on education and training and the financing of family and elder care, and so on. TLM theory is a development on social capital theory in that it not only looks at direct relationships but includes consideration of the broader matrix: financing mechanisms, regulatory environments (legislation and entitlements that govern individual’s participation in transitional activities); and the quality of transitions.

TLMs offer no magic bullet or single answer. Importantly, the TLM theoretical framework offers a normative and evaluative framework that is focused on how complex and multiple interactions with a range of institutions and systems impact on differentially placed individuals. In the policy area of life long learning, education and training, TLM theory takes us beyond social capital theory, which, with its
focus on individual responsibility for investment for individual gain, is more attuned to market models and a diminished role for the state. TLM theory proposes a shared responsibility framework with the state as enabler and facilitator and a focus on social partners rather than individuals bearing risk and responsibility. TLM theory tunes us into the quality of transitions and inspires an analysis of what factors contribute to good and poor quality transitions and how various players (workers, enterprise, governments) might be motivated to share responsibility for a common goal.

Internationally, lifelong education and training are seen as enhancing employment participation and outcomes. The motivation to undertake education/training especially for those less well supported or resourced, hinges on broader policy frameworks including access to training subsidies and allowances and other facilitative means such as childcare, health care and work practices that favour family/work balance. With regard to women’s workforce participation, neutral tax treatment of second earners’ work incentives can give incentives for spouses to share market work; better access to full time jobs would reduce the negative career impact of spells of part time work to accommodate childcare; childcare subsidies would buffer the costs of return to work; paid parental leave would stimulate female labour participation; supply of affordable childcare would help retain workers with children and childcare subsidies particularly for low income women, would assist labour retention (drawing on Joumotte 2003, p. 25-26).

Skill shortages and a reservoir of untapped, competent mature age and disengaged labour may drive new perspectives on work place conditions, quality of work, labour retention strategies, on-the-job training, labour substitution strategies, innovative sabbatical leave schemes and reinforce the ‘business case’ for family friendly work practices. It might also drive a new focus on groups suffering compounded exclusion, including non-English speaking migrant process workers (including refugees and longer term migrant workers laid off due to plant closures). The current focus on improving mature age workforce participation may also drive a new look at the need to extend lifelong learning to those aged 25-44 who will be the mature workers in 15 years time (Ball 2003, p. 10); greater attention to quality of work. Identifying the workplace reasons for stress and illness-related withdrawal from the labour market may precipitate a pairing of ‘employability’ strategies such as training and income smoothing with those related to ‘workability’ (Ilmarinen 1999) and new enterprise level strategies to attract and retain mature workers.

Endnotes

1 Access Economics argues that average per capita incomes of Australians could increase by
4 percent if workforce participation of 55-57-year olds rises by 10 percentage points.

\(^2\) OECD and ABS figures causes some confusion here, as the OECD Employment Outlook 2006 has Australia's participation rate at 66 percent, ahead of the US, but the ABS has it at 56 percent.

\(^3\) Overall, Australia's workforce participation rate of 69.3 in 2003, is behind that of other OECD countries; with the US, Canada, UK and New Zealand around 72 percent and the Netherlands, Sweden, Denmark and Norway 73-75 percent and Switzerland, 77.8 percent. (OECD 2004, p. 294).

\(^4\) A London study found that those who were out of the labour market in 1991 were more likely to be in work in 2000 if they had participated in lifelong learning between the ages of 33 and 42 (Jenkins, et al. 2002)

\(^5\) Currently the UK, Sweden, Finland, Denmark and the Netherlands have the highest participation education and training rates for 25-64 year olds (about 20 percent) and Greece and Portugal the lowest (under 3 percent) (CEDEFOP, 2004, p. 39).

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