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## Raise the retirement age: operation successful, patient deceased

The Dutch Cabinet and social partners got there in the end: retirement at 67 unless the social partners can come up with a better plan before 1 October. Good news? No, because all the Cabinet does is to cut off its nose to spite its face. By raising the retirement age the Cabinet may have addressed its housekeeping for the longer term but it has failed to create what is needed now: more employment and productivity. Because, crisis or no crisis, when the next period of scarcity in the employment market come around we will need all hands on deck, young and old.

Why? The negative image of the older employee is familiar: too expensive, inflexible and a slow learner. If relatively expensive employees stay on for a further two years, this just costs employers more. They therefore want to get rid of these expensive resources. Employees over the age of 57 can often retire early with a generous early retirement scheme, but this does not apply to employees who are 57 or younger. They can only expect an austere unemployment benefit of three years at most. Given their poor employment market position, they will be on benefit from the age of 60, unless you believe that there is hope that they will find work that will take them through until they reach 67.

### Then what can be done?

What supplementary measures are needed to ensure older people can remain productive? Firstly, introduce compulsory schooling for those who have lost or are likely to lose their jobs! Older people do learn well, albeit differently than their younger counterparts, so education has to bear this in mind. Moreover, the courses must overlap sectors so that employees can more easily move from one sector to the other. The building and construction sector has already attended to this. Prompted by the high disability benefit percentages of the past they have realised the importance of timely schooling to offering employees a second career when they reach 50. There also has to be better supervision of work to work. Employees of 30 and older currently get a raw deal. There is no second-chance education in the Netherlands, certainly for the lowest educated. This is also something that has to be organised in an intersectoral way in order to boost mobility.

### Employment is not the same as productivity

Like employment, productivity is not something that can be increased by raising the age of retirement. Take the mass of 'attendees': employees present at work but not fully productive.

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### Our reference

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### Contactperson

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### Five core areas:

- TNO Quality of Life
- TNO Defence, Security and Safety
- TNO Science and Industry
- TNO Built Environment and Geosciences
- TNO Information and Communication Technology

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For instance, because they are no longer or not in the right place or because their work is not effectively organised. Studies have shown that this overhead is twice as high as that of absence through illness. The care sector, education and government are all crying out for drastic process innovation. Productivity book-keeping for 2020 (in which production per hour worked is doubled) seems to be just as important as the Cabinet's housekeeping book, with the slogan: operation successful, patient deceased.

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