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Ageing, Pensions and Retirement in Britain since the Late 19th century.

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Introduction

Retirement and income have always, not surprisingly, been indissolubly linked. Throughout history those with access to sufficient resources have been able to chose when to give up working for an income. The rest- the great majority in all populations in all recorded time until the very recent past- worked for as long as they were physically able, though often in increasingly irregular, low-skilled and low-paid work as their abilities declined. If they were lucky they might have children able to support them. More probably, until into the twentieth century (well into it in all too many poorer countries), their children were dead, had migrated out of easy contact in search of work or land; or were themselves too poor to assist their parents.

Even in medieval Europe ageing people with sufficient resources could buy rest and the care of servants in old age. Monarchs, bishops and aristocrats provided pensions and perhaps a retirement home in a monastery for favoured retainers too old for service. The not-so-wealthy, with some land or goods to trade, made agreements, sometimes formal contracts, with younger people, who might or might not be relatives, to provide them with house-room, food and other necessities until death in return for guaranteed inheritance of their property – an early form of equity release. Shrewdly, those who made such contracts did not normally hand over formal ownership before death (Shahar, 1997) Such practices continued in rural areas of northern Europe, including Ireland (Kennedy,1991) and Scandinavia (Gaunt,1987) into the late nineteenth and twentieth centuries. With the developing cash economy, by the seventeenth century landholders seeking to retire could sell their tenure, professionals or merchants their businesses, clergymen their livings, army and naval officers and civil servants their positions, for cash annuities which allowed them independent control of where and how they lived.

The emergence of modern occupational pensions

Such transactions kept the decision as to when to retire in the hands of the retiree. With the growing scale, first of government, then, much later, of private business, employers sought to control when an employee should retire, generally prioritising the needs of the organization over those of the worker. Pensions were established, initially on a discretionary basis, sometimes as an act of paternalistic generosity, sometimes as a convenient management tool for removing someone who became unfit for work, sometimes both. At a later stage, pensions and fixed retirement ages were introduced as a technique for management to evade the invidious task of telling an employee that he (or, much more rarely, she) was past work and of overcoming the inequity between those who did and did not receive pensions.(Russell, 1991; Fitzgerald, 1988). Such procedures were established first in the expanding state bureaucracies of Britain in the eighteenth century (Raphael, 1964), then of France (Troyansky, 1989) and Prussia in the early nineteenth, prioritising key, higher level employees. The efficiency of the state machine took

precedence over the needs and wants of the worker. Pensions for civil servants were established and systematised in all developed countries over the course of the nineteenth century, gradually overcoming the resistance of state employees in most countries to fixed retirement ages, normally 60 or 65.

Pensions and retirement spread to other public employees, such as schoolteachers, postal workers and local government officials in the later nineteenth and early twentieth century as their competence also came to be perceived as vital to the functioning of an efficient modern state. Veterans' pensions, for ex-servicemen who were early date, pensions for veterans of the Civil War, and increasingly for their dependants also, were paid to about one-third of all, mainly white, men aged 65 and over by 1900. (Skocpol, 1992). During World War 1 similar pensions were paid in Britain and the Empire for injured veterans and for their dependants and those of servicemen killed in action, including hundreds of thousands of parents of young servicemen who were dependant upon their earnings. (Thane, 2000, 302-4; Thomson, 1998).

The scale of private sector companies grew more slowly than that of state bureaucracies and their pension arrangements are not recorded so systematically. Discretionary payments to favoured retiring employees had a long history and were of more than casual importance to management, since the prospect of such a payment might improve employee loyalty and efficiency. But they were by no means the norm anywhere. Formal pension schemes with retirement ages were introduced from the later nineteenth century by the minority of firms which had grown too large to employ more informal practices effectively. Pensions were normally provided only for more senior white collar employees and employers frequently retained an element of discretion, for example to withdraw pensions from workers who took strike action, as, at least in Europe white collar workers did on occasion.

Sometimes pensions were introduced in order to attract high quality labour in a competitive market. This occurred in the British banking industry, for example, in the early years of the twentieth century. The demand of both the public and the private sector for clerical labour was outstripping supply and pensions were part of the banks' strategy to attract and keep good clerks. By the 1920s the costs of these schemes were such that the banks adopted a new strategy: appointing female clerical staff for low-level routine tasks. The reservoir of educated, under-employed women was vastly greater than that of suitably qualified men and they were much cheaper to employ. Not only were they paid less but they were required to retire on marriage with a gratuity in lieu of a (more costly) pension. Men were appointed in the expectation of promotion to senior positions which were effectively closed to women, a situation which continued in British banking until at least the 1960s. (Savage, 1993).

In lower status, blue-collar, occupations (and in Japan at higher levels also, as continues to be so) the common alternative to a pension was to keep the worker on in posts reserved for older workers , which were less demanding and less well-paid than their previous occupations but were essential for the running of the business, such as cleaning, security, carrying messages (Ransom and Sutch, 1986,1988). Similar 'retirement posts' were long established in rural employment. They survived well into the twentieth century though they declined after World War 2 when modern technology provided more efficient methods of cleaning and security than the labour of old men.

The mining industry in Britain, Prussia and elsewhere developed from the late eighteenth century distinctive systems of workers' mutual aid funds. Funded by a combination of employer and employee contributions and managed by miners, they provided benefits in sickness, accident and old age in one of the most hazardous occupations. They were attractive to employers partly due to the need to attract and keep workers in a hard, though relatively well-paid, occupation in often remote and inhospitable locations. Similar schemes were initiated by employers in other areas of German heavy industry as it expanded from the 1860s. (Ritter, 1986; Fitzgerald, 1988) .

Saving and Mutual Aid

Other workers had to provide for themselves as best they could, hence the proliferation in the nineteenth century of non-profit, mutual savings organizations for working and lower-middle class savers. Voluntary, collective, mutual organizations, privately initiated and managed by groups of people who were exposed to specific risks against which they could not otherwise protect themselves, including seamen (an occupation with an exceptionally high death and accident rate) and other blue-collar workers who risked losing their livelihoods and their capacity to support their dependants due to accident, illness, old age or unemployment, emerged in most countries undergoing industrialization during the nineteenth and early twentieth centuries. They developed mainly among better, regularly, paid workers, whose incomes were too low to enable them to insure individually against risk, but who were paid sufficiently well and (equally important) regularly enough to allow them to make weekly, contributions to a fund which gave payments on an agreed basis to all members when in need, though not normally to their wives or other relatives. Spreading the risk over large numbers of individuals of variable age and circumstances reduced the cost to each contributor. Examples of such institutions are the Friendly Societies which flourished in Britain, Australasia (Thomson, 1998) and Canada between the late eighteenth and mid-twentieth centuries (Johnson,1985). Similar mutual funds were common throughout Europe, though less so in the United States.

In most countries the only other sources of support available to such people or their families and to those too poor or too irregularly employed to join such schemes, were charity or publicly funded poor relief. The former was highly variable in availability, quantity and quality. Poor relief was normally minimal and granted on punitive terms.

The over-riding assumption in all societies before the mid twentieth century was that individuals should make all possible effort to provide for their own needs and those of their immediate families. As industry, commerce and government grew in the nineteenth century new institutions emerged to encourage small savers to protect themselves against the hazards of sickness and old age, such as the British Post Office Savings Bank, founded in 1861 to offer secure provision for financial transactions to small savers in whom commercial banks were uninterested. These flourished also in the British colonies of white settlement. The publicly owned Post Office later extended this service to include life insurance (a means of providing for surviving spouses) and old age annuities. However the problem everywhere was that only the better off, regularly employed, and normally male, worker, or those with independent means, could afford to insure or to save. The British Post Office schemes attracted mainly middle class savers,

including widows and unmarried women who had, often small, independent incomes. (Johnson, 1985). The great mass of poorer male workers and women, whether or not they were in paid employment, could not afford to save. Women were the majority in most national populations, were more likely to survive to old age than men, but were less likely to receive a pension from any source. They were likely to have lesser lifetime incomes and hence had less surplus for saving and were more prone to suffer poverty in old age.

The emergence of state pensions.

Against this background, in the later nineteenth century pressure grew in most developed countries for governments to make some provision for the visibly large numbers of poor aged people. There is no sign that older people were more likely to be impoverished in urban, industrial societies than in pre- or non-industrial ones.(Grattan and Haber, 1994). Indeed, there were greater opportunities to accumulate savings and children were more likely to be able to assist as the living standards and survival rates of younger people slowly rose. Even if children migrated to the other side of the world, mechanisms for transmitting cash improved and were much used, for example by migrants to New Zealand or Australia to support ageing parents back in Britain, or by migrants from Italy and many other European countries to the US. This does not imply that living conditions were necessarily dramatically better for older people in the urban, industrialized societies of the later nineteenth century but there are no clear signs that they deteriorated.

But not everyone gained and the gap between the very poor-generally those who could not work regularly, which included many older people- and the increasing numbers of working people whose living standards were rising was large, visible and increasingly quantified and described by social researchers, such as Charles Booth in London in the eighteen nineties. The large numbers of poor older people in particular caused increasing disquiet in the most prosperous countries in the later nineteenth century. Also the numbers of older people were slowly rising. The proportions who were above the conventional age boundary of old age, 60, were lower than today, but not insignificant : in UK, c 6% of the whole population in 1901; in France, with its exceptionally low birth-rate, 10 % in 1860, 12% by around 1900 (Bourdelais, 1998); in the US 6.4% of the white population in 1900 (fewer African Americans lived to old age; the numbers among native Americans are unknown) (Achenbaum, 1978); in Ontario, Canada 8.4% in 1901 (Montigny, 1997); in New Zealand, 1% of white settlers in 1870, 4% by 1900 (Thomson, 1998). But it should be remembered that in the harder world of the nineteenth century many people 'aged' earlier in life than most in developed countries do today. Hence they were physiologically 'old' and had the needs of old people at earlier ages than today. People who 'looked old' were more visible than the crude statistics suggest.

The campaign for state action to diminish the problem of the aged poor developed first in Britain. It was initiated in the 1870s by a clergyman, Canon William Blackley, who had become concerned about the numbers of old people who were in poverty because they could no longer work for a living. He was convinced, in keeping with contemporary values, that the problem lay in the absence of appropriate savings institutions. He advocated the establishment by the state of a fund into which all young people would be obliged to make fixed payments between the ages of 18 and 21. These contributions, he believed, would mature to provide an adequate pension for the working

classes (only) when they reached old age. Better off young people would contribute but not receive a pension. The scheme was designed to encourage the virtue of philanthropy in better-off young people and the virtue of saving among the poor. He believed that young workers had, at this stage of their lives, surplus income for saving which, currently, they were wasting on idleness and drink.

This proposal was reviewed very seriously by the British government in an official enquiry lasting three years. This enquiry discovered that many young people, especially females, did not earn enough for regular saving; that very many of them paid their earnings over to their families until they married and so had no surplus for saving; and that Blackley had over-estimated potential interest rates and hence the probable yield. Blackley' s proposal was discredited, but it put state action on old age poverty, and the problems of finding an effective means to reduce it , onto the British political agenda. Through the 1880s and 1890s it gave rise to further proposals to assist saving and to further government enquiries which made detailed investigations into the incomes and living conditions of the poor, into existing savings institutions, the degrading inadequacy of the publicly funded poor relief system and the difficulty of improving it while it remained under the control of local government with its generally limited sources of revenue. They all failed to find workable proposals. They foundered over the difficulty that too many people, especially women, simply could not afford to save for old age as well as for the more immediate needs of life.(Thane, 1978, 2000).

Meanwhile in 1884, the German Chancellor, Bismarck, introduced the world's first system of compulsory national insurance against disability due to accidents at work and sickness. This covered wage-earners who earned no more than 2,000 marks (c$500) a year. In effect it provided pensions for those permanently disabled from work. These payments were funded by contributions from employers and workers. Both contributions and pensions were related to workers' earnings and subsidized from national taxation. Most regularly employed German blue-collar workers thereafter paid weekly contributions into a national fund and received, when needed, health care and weekly benefits, though the amounts were low. In 1889 the scheme was extended to include old age pensions, payable at age 70, financed by further contributions. Like workers' mutual schemes, the German system was open only to those in regular employment, since only they could afford the required regular contributions. Hence it excluded some of the poorest men, since they were irregularly employed or too low paid to afford contributions, and the great majority of women for similar reasons. Classical contributory social insurance –compulsory saving- fitted excellently with cultures which valorized private saving, but they are not an effective means of remedying severe poverty. Alleviating poverty was not, however, Bismarck's chief concern. His explicit aim was to prevent the spread of socialism among German workers by demonstrating that their needs could be met by the liberal state. Socialism was most appealing to those male workers whose lives were not dominated by grinding poverty and these were the workers who benefited from the scheme. Bismarck's actions stood in a long-established Prussian tradition. Since the late eighteenth century, Prussia had provided certain social benefits, for example social insurance for miners, whilst vigorously suppressing labour dissidence. The German social insurance scheme was extended in 1911 to include white collar workers. This again mainly benefited males. (Ritter, 1983; Hennock, 1987).

Imperial Austria followed the German model, building on pre-existing schemes for state employees and for miners. It introduced compulsory sickness insurance in 1886 and compulsory pensions insurance in 1906, both on Bismarckian lines, covering mainly industrial labour- a minority of workers in the Empire. These measures applied throughout the Austrian part of the Dual Monarchy and, from 1907, were applied also in Hungary, fuelled by fear of contagion from the 1905 revolution in Russia. This was the legacy inherited by the new states of Czechoslovakia and Hungary after World War One. (Lindberg, 2003).

Following the German initiative, the problem of aged poverty was widely discussed in developed countries. The next national scheme to be introduced, in 1891 in Denmark (the wealthiest of the Nordic countries at this time, with a largely agricultural base) , was quite different in being targeted at the poorest. It aimed to reform the poor relief system by removing old people from it, on the grounds that very many of them were not legitimate objects of the punitive provisions of poor relief because they were poor due simply to their misfortune in living long, often after exemplary records of hard work and coping with risk on low incomes .The pension was funded wholly from taxation. It was means-tested and granted to full citizens aged 60 or above who had records of socially acceptable behaviour i.e. no record of crime, drunkenness or failure to work. Denmark was predominantly rural and most workers were too poorly paid for contributory insurance to be an option, especially for those at risk of greatest need in old age. The amount of the pension was locally determined, according to local needs.

Similar, though somewhat more generous, schemes were introduced in the prosperous, largely agricultural, British colonies of New Zealand, in 1898 and the Australian states of New South Wales in 1900, Victoria in 1901 and Queensland in 1907. These were extended to the whole of Australia in 1908. Throughout Australasia the introduction of pensions was driven forward by the world's first Labour governments. Neither country had a well-established poor relief system and, as immigrant countries, the proportion of old people among their white and predominantly male, settler populations was low. Excluded from the pension in both countries were their indigenous populations; all residents who were not British subjects; and 'asiatics' (primarily Chinese) who were British by virtue of having been born within the Empire. (Thomson,1998).

Similar proposals eventually emerged in the very different setting of highly urbanised, long settled, Britain. First, the social investigator, Charles Booth, following research into the incomes of a national sample of older people, concluded that unmerited poverty in old age could only be minimized by a pension that was non-contributory, tax-funded and paid universally to everyone at a certain age. He first proposed 65, as the closest approximation to the age at which most people ceased to be able to support themselves. He later retreated and proposed 70 when faced with calculations of the cost of his initial proposal. He argued, however, that a universal pension need not be more costly than a targeted one, in view of the costs of selecting qualified applicants. Also that it was , in reality, difficult to apply equitably the tests both of income and of 'character' and hard work which were deemed essential for any targeted scheme. William Beveridge, who was already active in social policy debates at the beginning of the twentieth century, agreed and proposed that if the government found the costs of universal pensions unacceptable they might consider paying them only to

women: the target population was unmistakable and the need overwhelming.(Thane 2000)

This was too much for the British government to accept, though for them also the clinching argument against an insurance scheme was that the majority of the neediest old people were women and no way could be found to include the great majority of women in a social insurance system. For this reason also trade unions and friendly societies supported state non-contributory pensions for those unable to afford to join their own mutual funds, including their own wives. Very few working men could afford to contribute for their wives as well as for themselves.

Having accepted the principle that a manifestly needy and deserving section of the population should be paid a non-punitive cash benefit (itself a major shift in the accepted responsibilities of government), the concern of the British government was above all with cost, at a time when an outdated fiscal system was already straining to cope with the expanding activities of government. Hence the pensions were paid at age 70, despite overwhelming testimony that 65 was the age at which need most often became apparent. The sum paid- a maximum of 5s per week- was deliberately set at below subsistence level, explicitly to provide an incentive to save and/or for children to assist. In addition, pensioners had to demonstrate that they had not been imprisoned for any offence, including drunkenness, during the ten years preceding their claim and could satisfy the authorities that they had not been guilty of 'habitual failure to work according to his ability, opportunity or need, for his own maintenance and those of his legal relatives'. Attempts were made to implement this clause, though it proved difficult. Also contentious was the restriction of benefits, as in Denmark and Australasia, to naturalized citizens (or, rather, in Britain 'subjects' of the Crown) and wives of citizens/subjects, even those who were British by birth. Initially this excluded mainly the large numbers of recent Jewish immigrants. British born widows of Jewish migrants were bewildered to find themselves excluded from the pension when they reached age 70. Protests forced modification of the scheme in 1911 to include them but not British born wives whose husbands survived (Feldman, 1994). As the twentieth century went on and flows of international migration intensified, the range of excluded groups increased. (Thane 1998).

However, as with all other pension schemes of this period, contributory or non-contributory, pensioners were not required to retire from work. Work was encouraged, provided that it was miserably enough paid to keep the pensioner within the stringent limits of the means test. Strict though the conditions were, almost half a million old people qualified immediately for the British pension, two-thirds of them female. According to the census, the pension had little effect on employment rates. It may, however, have enabled some old people to give up casual work which was often unrecorded in the census. In effect the pension served as a substitute for some of the low-paid casual work with which old people had struggled to survive, while subsidizing other 'retirement jobs'.

Also immediately the government realized that it had underestimated the cost even of these far from generous pensions because they has underestimated the numbers who would meet the stringent qualifications. They had estimated 572,000 claims in the first year , on the mistaken assumption 'that people will not rush for these pensions in the first year'. There were 650,000 claims within the first three months and the Treasury had to increase the allocated expenditure.(Thane, 2000, 226-7). Partly in consequence, when

health and unemployment insurance were introduced in 1911, it was on the less costly national insurance basis, though this was designed less to reduce poverty than to maintain the efficiency of key, mainly better -paid workers.

Similar non-contributory pensions were introduced in the Netherlands and Sweden in 1913. Nowhere was it expected that such schemes would be permanent. Rather they were envisaged as short-term solutions to poverty, on the assumption that in future generations all old people would have the advantage of higher capacity for saving during their working lives.

In France compulsory sickness and old age insurance was introduced in 1910 for 8 million mainly urban workers, essentially, as in the British schemes of 1911, providing state subsidies for existing mutual funds. As elsewhere, this excluded the large, self-employed peasant population and most poorer and female workers. (Bois, 1989, 389-91).

The Spread of Retirement

The pensions that were slowly introduced in Europe and Australasia in the late nineteenth and early twentieth centuries generally provided, minimally, for some of those who had already been forced by decrepitude to 'retire' from regular paid work. Since they rarely provided sufficient income to live on, they generally did not prohibit supplementary earnings. There is a major difference between retirement enforced by physical incapacity, which was the experience of very many people who survived to old age in developed economies before World War 2, and retirement stipulated by legislative or management regulations. Retirement before it was physically imperative was not a common or an eagerly anticipated phase of the life-cycle before World War 2, except for the comfortably off , for white collar workers and a small number of senior blue-collar employees of governments or large private-sector undertakings. It is only since World War 2 that 'retirement' , or its linguistic equivalents, has become a normal term of everyday discourse and a normal expectation of life for most people in medium and high income countries.Most people came to experience an abrupt shift from full-time work to full-time leisure in place of the more gradual transition that had previously been commonplace.

Census statistics are an imperfect guide to the pattern of retirement before World War 2 since they depended upon self-ascription of work status and older people were often reluctant to admit to census takers that they would never work again. However they give an indication of trends. In the British census of 1891 about 65 % of men were recorded as being in employment at age 65; in 1901 61%; in 1911, 56 %; by 1931 47.5%. These figures are, and were at the time, sometimes interpreted as evidence of the increasing obsolescence of older workers with the advance of technology. They appear however to be, rather, evidence of the decline of agriculture, from which rates of retirement were higher than in industry throughout the more developed economies of Europe and in the United States from the 1860s. In the US, rates of retirement of men from industry were flat from 1860-1930 (Gratton and Haber, 1994,32), as they were in Britain (Johnson, 1985) and in Germany and France 1880s-1920s (Conrad, 1996) and the Netherlands (Bulder, 1993). In most countries the employment of older people plunged in the inter-war years due not to industrial advance but to the high unemployment of the Depression years. Older workers were not more likely than younger men in the same occupation to become unemployed, but they had greater difficulties in finding work again

once they were unemployed. Also they were especially heavily concentrated in the older industries, such as textiles and mining which were particularly hard hit by unemployment; and they were less likely than younger people to be recruited into the new expanding industries such as electricals and motor-car manufacture. In both World Wars demand for the labour of older people increased, to replace younger men absent at war.

Rates of retirement among women are harder to assess since in all countries many of them were in casual or part-time work which they either preferred not to declare to the census takers or which were overlooked. Censuses up to World War 2 tended to show those women who were recorded as employed admitting to retirement at later ages than men. This probably expresses both the greater longevity and the greater poverty, and hence greater need for work, of women.

Retirement at around the state pension age increased dramatically in developed countries after World War 2. The statistical picture in Britain is clear and similar to that of other industrialized countries. According to the censuses 31% per cent of men over 65 were in paid work in 1951; 23 % in 1961;19% in 1971 ;13% in 1980. The percentage of women over 60 (the female pension age in Britain from 1940) recorded as being in paid employment fell from 13 to 5% from 1901 to 1951; by 1991 it had risen to about 7%, most of them employed part-time and in service occupations, an outcome of the general increase in female employment in these sectors in the post-war years. The bulk of older people in paid work after 1945 were in their first five years past the state pensionable age. (Johnson and Falkingham, 1992).

Averting the old age crisis? 1920s-1950s.

The chief reason for the spread of retirement in the second half of the twentieth century was higher retirement incomes, mainly from pensions. Post-war state and occupational pensions normally assumed, and sometimes mandated, that the pensioner must retire from work. The spread of retirement was not due to low levels of demand for labour in the 'golden age' of postwar full employment from 1945 to the early 1970s. Indeed the British government, among others, sought, unsuccessfully, to encourage workers to stay on at work past the pensionable age.

The urge to keep older people at work was reinforced by the fact that from the nineteen twenties to the nineteen fifties, Europe was seized by panic about the ageing of its population. Pessimistic forecasts were published of the coming increase in the proportions of older people, as birth-rates fell and life expectancy rose. In Britain it was estimated that the percentage of over 65s would rise from 7.2 in 1931 to 17.5 in the late 1970s (Thane, 1990). Similar calculations caused alarm in France, where the birth-rate was even lower (Sauvy, 1948; Bourdelais, 1998); and led nazi Germany and fascist Italy to introduce rewards for mothers of numerous children and tax penalties on the infertile (Quine, 1996). Politicians and economists (including Keynes and Beveridge) warned of the coming burden of costs on a shrinking younger work-force of health care and financial 's Report of 1942, which provided the blue-print for British social insurance reforms after the war, recommended that , to help remedy the looming crisis, incentives should be built into the social security system to keep people at work past the minimum pension age: the rate of pension should rise with every year worked past the minimum pension age.

Retirement becomes the norm.

The postwar Labour government in Britain was sympathetic in principle to these arguments, but in practice had been long committed to earlier retirement for working people and was under trade union pressure to honour this commitment. Also employers, in Britain and elsewhere, were unconvinced of the value of older workers. The British government urged older workers to remain in the workforce and employers to keep them on. It funded campaigns to seek to persuade employers and research into the work capacities of older people which demonstrated their continuing value, but provided no serious incentives. The new pension system introduced in 1946 gave higher payments to late retirees, but the increments were small and the earnings permitted to those receiving pensions were tiny. Generally, however, improved, though low, state pensions and perhaps more help from children who were benefiting from full employment, enabled more older people to contemplate giving up work with a greater sense of security and optimism than at any previous time.

However, British research at the time revealed that not everyone was happy to give up work at a time not of their choosing and many would have preferred to have continued in part-time or lighter work, but this was becoming harder to find. Many among this first generation of working men who retired while still quite fit and active felt bewildered and depressed by the unaccustomed prospect of limitless leisure. They might have been open to more serious incentives to delay retirement. Later cohorts of retirees, with time to prepare for retirement, adjusted more easily and came to expect this period of leisure in later life. (Thane, 2000). Retirement became a conventional luxury of the developed world, still unavailable in the many countries with large subsistence and informal economies.

Professional people, such as lawyers and doctors, and others with independent control of their working lives, such as politicians, sometimes but by no means routinely (I know of no systematic research on he topic) resisted earlier retirement and worked to late ages. Winston Churchill had reached the state pension age of 65 when World War 2 began in 1939 and he sustained a punishing work-load as leader of a country at war for the next six years. He became Prime Minister again in 1951, aged 77, though by then he was in poor health and he retired, reluctantly, four years later. Charles de Gaulle became President of France in 1958, aged 68 and remained in office for eleven years. Dictators have been notoriously reluctant to retire for any reason but death. Stalin died in office in 1953, aged 74; Francisco Franco in 1975, aged 83.

In the nineteen sixties even British governments stopped trying to stem the tide of retirement. Concern about old age went out of fashion in the youth decade of the 'swinging sixties' , largely because the worst predictions had not been fulfilled. The thirty year panic about the ageing of populations was forgotten. Birth-rates rose after the war (though it took a while for this to register) and remained above pre-war levels, until another sustained fall began in the later sixties. Labour needs were supplied by the increased employment of female labour and migration of young workers from poorer to richer countries: from Turkey to Germany, North Africa to France, the Caribbean and South Asia to Britain where, initially, at least they were welcomed as relieving the labour shortage. The belief that it was no longer necessary to try to keep older people in the labour force was reinforced by the fashionable belief of the nineteen sixties that modern

technology would soon reduce the demand for labour of all ages, creating a future problem of surplus leisure rather than surplus of work (Thane 2000; Bagrit, 1965).

Retirement at 65,60 or earlier became an unquestioned, normal fact of life in developed countries and an aspiration elsewhere until in the nineteen eighties the world again woke up to the statistics of population ageing and panicked, again, about an 'old age crisis' (World Bank, 1994), forgetting that it had been there before. Yet through the nineteen eighties and nineties the trend continued towards even earlier retirement. By the mid nineteen nineties almost one- third of west European workers had retired permanently by the age of 60 (Kohli et al., 1991). Some left the workforce willingly, on comfortable pensions, to enjoy relaxation, travel, consumption. As both savers and spenders they contributed to the economy of their own and other countries. Others left reluctantly, feeling forced out, when they still had much to contribute to the economy. There were occasional moves against the grain: retirement ages were abolished for academic faculty in the United States and for public servants in New South Wales, but these were rare before 2000.

It was argued, for this period as for the later nineteenth century, that this process of ever earlier retirement was the unavoidable consequence of changing technology: skills and knowledge became obsolescent ever faster in a 'runaway world' and older people could not keep pace. But evidence also accumulated at a rapid pace pointing in the opposite direction. Older workers suffered from the belief of employers and others that their capacities were limited and they were not adaptable. But, wherever it was put to the test, older people proved highly adaptable and capable of learning new skills (e.g. with IT) in their seventies and beyond. In fact, they were better adapted to the changing labour market than earlier generations because, not only were they much fitter, but the high-tech labour market of the late twentieth century required less physical power. There was strong and growing evidence that people were not only living longer but were remaining physically and mentally fit to later ages (Kirkwood, 2002; Bass, 1994). Older workers were rejected from above all because they were more costly than younger people for firms that were downsizing. But by the end of the century it was increasingly recognized that when older people left an organization, their experience went too and also their often greater reliability compared with younger workers. Younger people were not necessarily more competent. Also enterprises and governments became concerned about the growing costs of pensions. Their first moves were to cut back their pension schemes. In the first years of the twenty-first century they were, again, increasingly looking for ways to keep workers in the labour force to later ages and the trend to earlier retirement slowed and began to reverse.

Conclusion

Both employer and state pensions were driven forward by the twin imperatives of governments to win the trust of key voters and of employers that of workers in democratizing, economically growing countries. The responses to these imperatives varied in the differing political, economic, institutional and cultural contexts of each country .At the same time mass retirement, at progressively lower ages, gradually became a normal fact of later life in high and medium income countries. In all countries tensions surrounded all episodes of policy change, but in general they were resolved peaceably because they represented improvements in the quality of life for most people over the 150

years or so which saw the most dramatic improvements in quality and length of life in history. But these very improvements were the seed-bed for what was seen as the 'pensions crisis' of the late twentieth century. More people were living to later ages. Lower birth-rates, and hence smaller populations of people of conventional working age, were, internationally, a feature of these modern improved life-styles. People had higher expectations of desirable living standards at all stages of their lives, including in later life. Maintaining these standards, e.g. of medical care, was very costly. In consequence the challenge for policy makers was no longer how to keep pensions and retirement patterns moving forward in what could be widely accepted as a progressive direction, but how to reverse what were widely seen as improvements in quality of life, in particular early retirement and pensions subsidized by the taxpayer or the employer. Such reversals are hard to implement in democratic societies except in situations of extreme crisis. It is difficult to think of successful precedents. Proposals for change were likely to provoke tension and clearly were doing so in most countries in the early twenty-first century.

Yet though much changed over time, certain things remained the same. A central problem faced by all poor relief systems historically was that a significant section of all populations have been unable, even with all due effort, to save for more than a minimal contribution to their incomes in old age. This was especially the case for women, who outlive men but generally have fewer resources to support their longer lives. This remains a problem for modern pension systems. Even in prosperous Britain in 2006 the average income of working age adults is only about £25,000 per year, which leaves little margin for saving even for the most risk averse. In consequence, it is not impossible that the future will look like the past we thought we had left behind, with poorer older people having, involuntarily, to work to ever later ages to survive as state and employer pensions are cut back, while the better off retain, indeed enhance their freedom of choice about retirement.

The majority of poor old people, indeed of all old people, have always been and continue to be female. Despite real improvements in women's access to employment, income and employer pensions in the later twentieth century, gender inequality in all these respects continues to be stark in all countries. The extent to which gender inequality in earlier life continues into later life and impacts upon the costs of supporting the elderly population, as well as being undesirable in itself, requires more prominence in the discourse around pensions and retirement than it normally receives.

This paper has focused upon the place of older people in the formal economy. If I have time I hope to comment on their role in the informal, unpaid economy, mainly within the family and the community.

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