

## **Beschäftigung und Arbeitslosigkeit älterer Arbeitnehmer**

**Eine mikroökonomische Evaluation der Arbeitslosengeldreform von 1997**

### **Employment and Unemployment of the Elderly**

**A Microeconomic Evaluation of the Reform of the Unemployment Compensation System in 1997**

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Unemployment insurance, early retirement, administrative data.

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#### **Summary**

In 1997, the German government enacted a reform of the unemployment insurance system which lead to a reduction of the maximum entitlement length for unemployment benefits of the older unemployed in the subsequent years. This paper analyses the effects of this reform on the risk of unemployment and on unemployment duration of the older unemployed aged 54-56. This group is of particular interest because it lost a smooth early retirement path via the unemployment benefits scheme. In our empirical analysis we use German administrative individual data drawn from the registers of the federal employment agency and of the public pension funds. After the reform we expect a lower risk of unemployment and shorter unemployment durations for the considered age group. This is confirmed by our empirical analysis. We show that the reform effectively reduced the amount of early retirement at the expense of the unemployment insurance. In particular larger companies and their employees use extended entitlement periods for unemployment benefits for early retirement purposes.