

Economic activity of persons in the older working age in the European Union

1. Introduction

Population ageing, which changes the population age structure, brings far reaching consequences for the European economies. The population forecast for the European Union indicates deep changes in population structures revealed by growing number and share of people in older ages (EUROPOP2008). In this context increasing labour market participation of people in the older groups of working age is considered as a measure of development policy in conditions defined by changes in the age structure and on the labour market, such as: population and labour force ageing, decrease in number of people in the working age and relatively low economic activity of persons in the older working age (Nimwegen, 2008, Kotowska, 2003). The above goal is possible to be reached by retaining the persons in the older groups of working age on the labour market. When planning policy designed at increasing labour force participation of older persons it is necessary to analyze the impact of different factors on their employability (understood as acquiring features such as knowledge, skills, opportunities that increase labour market success probability) and work ability.

2. Socio-demographic and economic context.

The socio-demographic and economic context of the analysis of factors influencing work ability and employability of persons in the older working age will concern three fields: population ageing as a basic process influencing the labour market in future, labour market situation of older workers and intensions concerning withdrawal from the labour market. These fields will illustrate the possible range for intervention.

3. Theoretical framework

The basic recommendation coming from the literature on economic activity of persons in the older ages of working age says that in order to retain older workers on the labour market special attention should be paid to complex measures aimed at individuals, employers, as well as institutions and organizations having influence on politics towards older persons. It is also essential to take into account the social context of retirement decisions. This concerns mostly values and attitudes connected with work and work environment of older people. Changes, taken place at the work environment, have made it necessary to formulate precisely the work ability concept, which encompasses all basic groups of factors influencing employability of

persons at all ages, with a special focus on the older. Research conducted for recent years have provided such a precise definition of a work ability concept (Ilmarinen, 1999, 2001). Dimensions of work ability can be presented as 4-level house. Three lower levels reflect individual potential, whereas the fourth concerns all aspects connected with the work environment. Work ability concept emphasizes the meaning of the balance between work environment and individual potential. Moreover, it is also necessary to incorporate external environment outside work, such as family, friends and relatives. Other social factors as: legislation, infrastructure, economy, services etc. create a broader background for an individual work ability. However, it is worth mentioning that a workplace is most crucial for individual work ability, because it links people and tasks they do. The basic floor of the house is created by health and functional capabilities: physical, mental and social. The second floor encompass competences, the third values, attitudes and motivations. The role of health and competences has been examined broadly in the literature. The meaning of values, attitudes and motivations, although less known, gains importance in the context of increasing employment rates of persons in older groups of working age. The fourth and the biggest floor of work ability is work environment. Management has had possibilities to organize and conduct activities on this level. Increasing work demands, constant changes in work organization results in imbalance between the forth and the remaining three levels. Well-being of an employee depends mostly on the fourth level. The first (health) and the forth (work environment) levels are related most strongly with work ability.

4. Determinants of working in the same job in longer perspective in the EU

The above described work ability concept is a theoretical background of analysis presented in the paper. Utility of this concept is going to be examined by the analytical model describing how determinants of the work ability concept influence probability of doing the same job in the longer run. The aim of the model is to compare European countries, also by adding country covariates.

The research question is how different factors of individual, workplace, as well as country level influence the probability of work intentions of people in older groups of working age. Special attention is paid to work condition. In this respect results will be commented more broadly referring to other studies. The task of the paper is especially to analyse whether and how work related factors influence further work intentions of older workers and whether country differences (institutional and cultural) matter (see also Villosio, 2005). The data used in the analysis comes from the “*European Working Conditions Survey*” (EWCS) – the research undertaken by the European Foundation for the Improvement of Living and Working Conditions. Data used are taken from the fourth wave of the survey, carried out in 2005. The total number of interviewed respondents reached almost 30 000 workers aged over 15 in 31 countries: European Union – 27, Norway, Croatia, Switzerland and Turkey. Analysis is restricted to EU-27. The model was done separately for men and women. Methods used are: multilevel logistic regression, latent class analysis, factor analysis, two step cluster analysis. Results will be compared with other studies conducted for Poland, which concern the influence of workplace features on employability and work ability of persons in the older working age, especially with results of analysis carried out under the survey “*Deactivation of*

persons in pre-retirement age". The survey was carried in Poland in 2007 on the sample of 7,000 persons aged 50-65 for women and 55-70 for men, either economically active at the time of the survey or economically inactive no longer than 5 years before the survey. The analysis is conducted separately for men and women. The method used is logistic regression.

5. Conclusions

The analysis of factors determining staying in the same job till 60 years old for older workers revealed that there are gender differences in factors determining work intentions. It is of crucial importance when planning policy designed at preventing earlier withdrawal from the labour market. The measure should be directed to workers in their life course and especially when they are over 45 and still work, because leaving job in that age is connected with high risk of earlier withdrawal from the labour market. Generally, for men more determinants connected with individual and workplace covariates are crucial than for women when analysing possibility to stay in the same job till 60 years old. However, country specific is more important in case of women than men. This suggests that cultural context is crucial for female labour market participation in older ages. So, special focus should be paid to norms and attitudes to work of older persons and their intentions connected with the labour market.

6. Literature

Deactivation of persons in preretirement age, Ministry of Labour and Social Policy, Poland, 2007.

EUROPOP2008, Eurostat.

European Working Conditions Survey, 2005, European Foundation for Improvement of Living and Working Conditions.

Ilmarinen J.E., *Ageing workers in the European Union – Status and promotion of work ability, employability and employment*, Helsinki: Finnish Institute of Occupational Health, Ministry of Social Affairs and Health, Ministry of Labour, 1999.

Ilmarinen J.E., *Ageing Workers*, *Occupational and Environmental Medicine.*, 2001;58,456 (August).

Kotowska I.E., *Older workers in the labour market and retirement policies*, [w:] R.Palomba, I.E.Kotowska, *The economically active population in Europe*, Council of Europe Publishing, Population Studies, No. 40, August 2003.

Labour Force Survey, Eurostat.

Nimwegen N., van der Erf R. (eds.), *Demographic trends, socioeconomic impacts and policy implications in the European Union*, Social Situation Observatory Demography Monitor 2008, Demography Network 2008.

Transition from work to retirement, Labour Force Survey, Eurostat 2006.

Villosio C. (eds), *European Working Conditions Survey*, 2005, European Foundation for Improvement of Living and Working Conditions.