



Institute of Sociology
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Employment in Ageing Europe

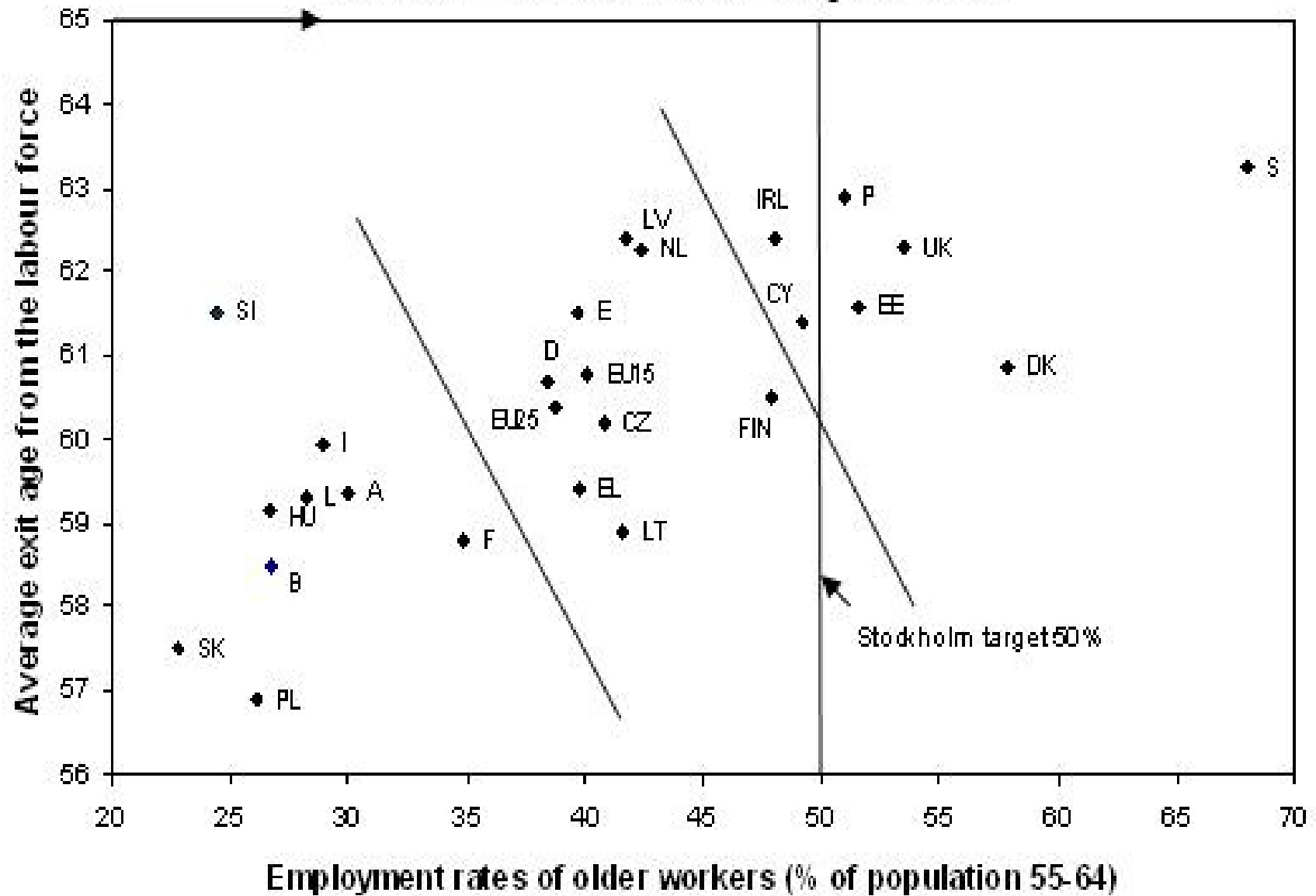
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Aims

- to present briefly employment in ageing Europe **but** mostly in CEE countries, like Poland and Czech Republic
- to explore mostly the possible causes of the existing situation (barriers)
- to discuss how it could be changed in future (opportunities)

The Barcelona and Stockholm targets in 2002



Source: Eurostat, Labour Force Survey, annual averages.



Active Ageing?

- OECD (1998): *“...the capacity of people, as they grow older, to lead productive lives in the society and the economy. This means that they can make flexible choices in the way they spend time over life – in learning, in work, in leisure and in care-giving”* (p.84) (see Ney, 2003).
- WHO (2002): *“Active ageing is the process of optimising opportunities for health, participation and security in order to enhance quality of life as people age”* (p.12)



Active ageing?

- “...active ageing does **not** concern **a certain age** but is something which should be included in **individual planning for life** but which should be pre-structured by society. And the distinction between phases of life is certainly not a question of biological age“. (Active Ageing project, Hinrich & Aleksandrowicz, 2003)



Health status: -Healthy life expectancy

<i>Country</i>	<i>Males At Age 60</i>	<i>Females At Birth</i>	<i>Females At Age 60</i>	<i>Expectation Of Healthy Years Lost At Birth (Males)</i>	<i>Expectation Of Healthy Years Lost At Birth (Females)</i>
Austria	15.7	73.0	18.5	7.0	8.8
Czech Republic	12.8	69.5	16.0	8.1	9.3
Finland	15.2	72.5	18.1	6.8	8.8
France	16.1	73.5	19.1	6.6	9.5
Germany	15.0	72.2	17.7	6.8	8.9
Italy	15.5	72.9	18.2	7.0	9.3
Norway	16.2	73.6	18.9	5.9	8.1
Poland	11.9	66.6	14.6	7.8	11.5
Switzerland	16.9	74.4	19.4	6.2	8.4
United Kingdom ^b	15.0	70.9	16.9	6.6	9.0

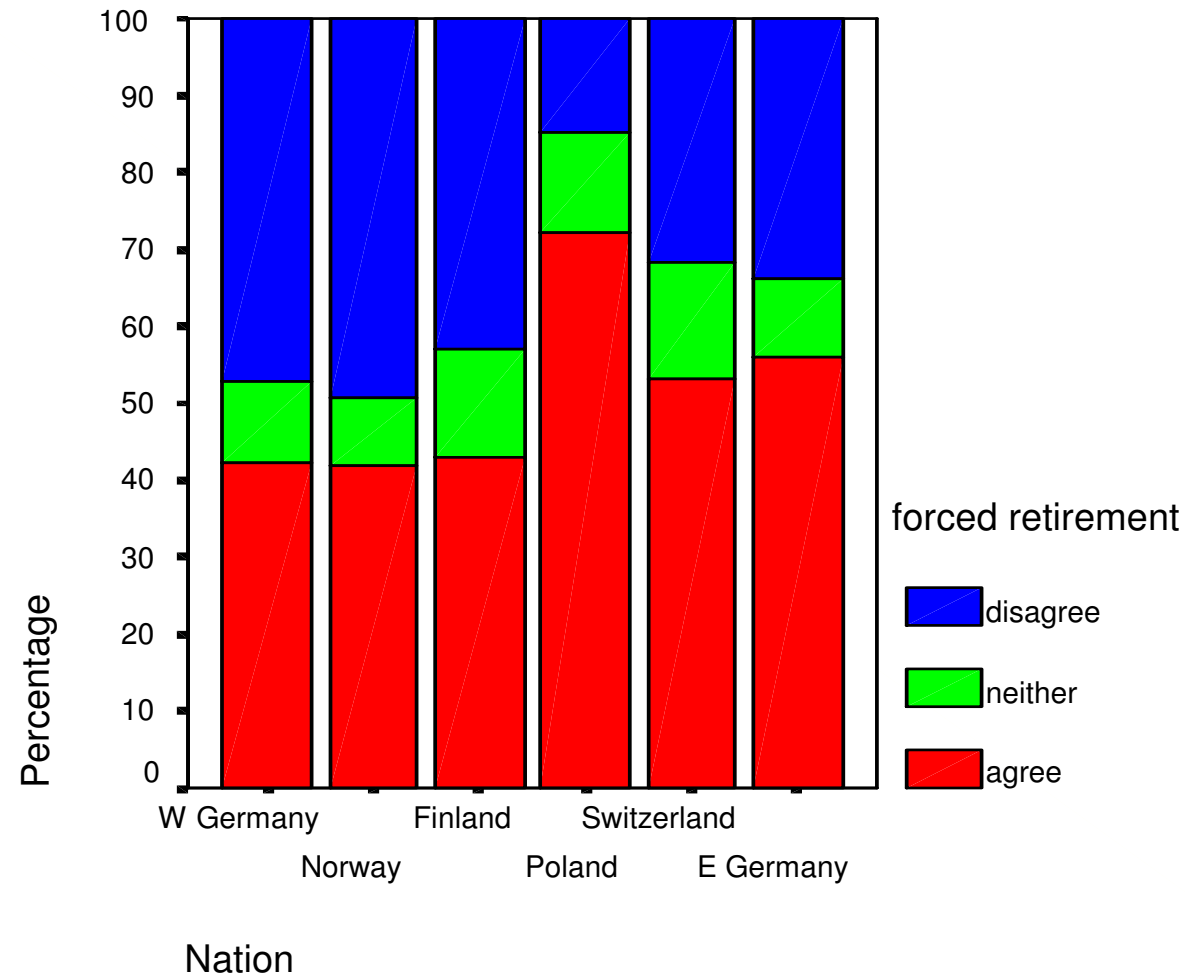
Key points:

- The French and Swiss have longest healthy life expectancy at 60 (M&F)
- Poles have the lowest life expectancy and lowest healthy life expectancy and can expect to spend the most years in disability and ill health

Retirement Preferences



*When jobs are scarce,
older people should be forced to retire from work early?*



Source: own calculations WVS, 1995-1997



The situation of older people on the labour market in Poland

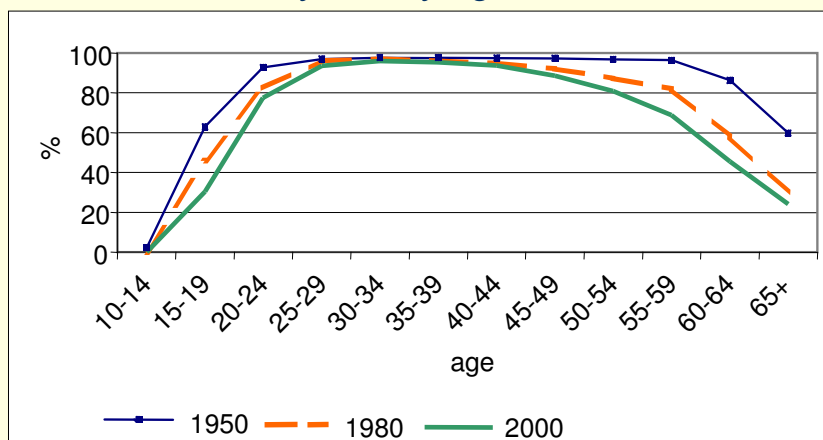
- Labour market in Poland in general:
 - Still struggling with the negative effect of the transition from centrally planned economy to market
 - Unemployment (18%) with regional differentiation

- Older people on the labour market:
 - Low economic activity



Economic Activity in Poland

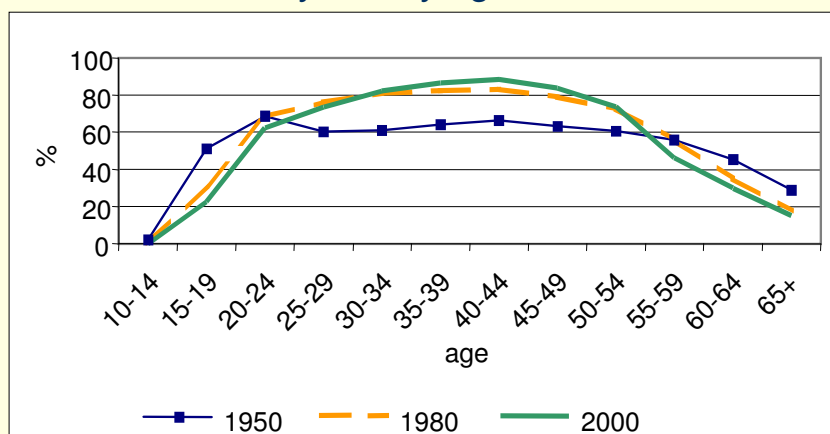
LFPR in selected years by age cohorts - men



In the past – relatively high activity

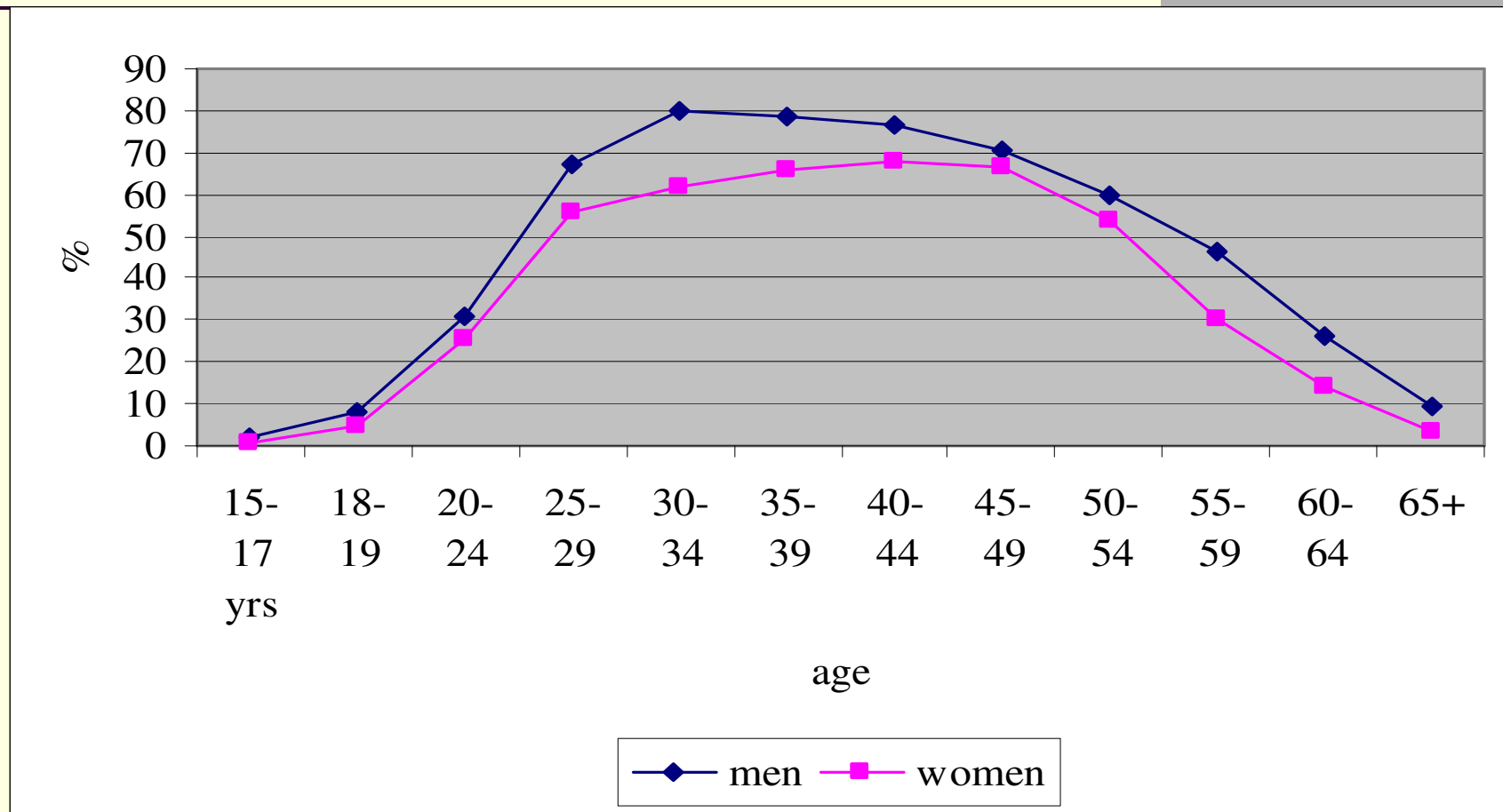
Today - much lower and decreasing for younger and older persons

LFPR in selected years by age cohorts - women



Older persons leave the labour market using possibility of early retirement and disability schemes

Employment rate by gender and age 1st quarter 2003



Source: Polish Labour Force Survey, 2003

EU members: Poland and the Czech Republic



- The retirement age was low in the former socialist regime. Good workers continued working beyond the legal retirement age, and financially advantageous but not any longer.
- Poland and the Czech Republic forced to develop policy strategies for reintegrating older workers into the labour market, includes income assistance to those not able to participate in the labour force.
- People aged 50-69 years are considered by many employers to be too old for the labour market, and this attitude is very rigid.
- New EU members suffer from the general absence of the custom of firms to invest in the development of its workers' human capital, multinationals can differ in this respect since more resources for education and innovative human resource practices.



Effect of Transition on the Labour Market

- Increase in unemployment
- Revealed mismatch between labour supply and skills demanded in market economy
- Introduction of wide possibilities of early retirement for older persons laid-off from companies undergoing restructurisation

These phenomena are treated as main causes of decrease in economic activity in the last decade



Barriers

- Bad economic situation and high unemployment
- The Polish social security system and benefits it provides
- The lack of clearly stated governmental policy towards older workers
- The stereotype, that older persons are worse workers, less productive and less eager to adapt to changes



Barriers, cont.

(...) employers are in favour of “exchange of generations”. Due to many reasons, due to sometimes different skills, so called educational and professional mobility; often a kind of elasticity, desire to invest in a young worker.

[labour office 1 representative]

*I think it has changed, because now there is market economy and employers pay attention mainly to profits. Such a situation makes an employer, a private one, **must** employ a younger person that is more productive than an older person.*

[labour office 2 representative]



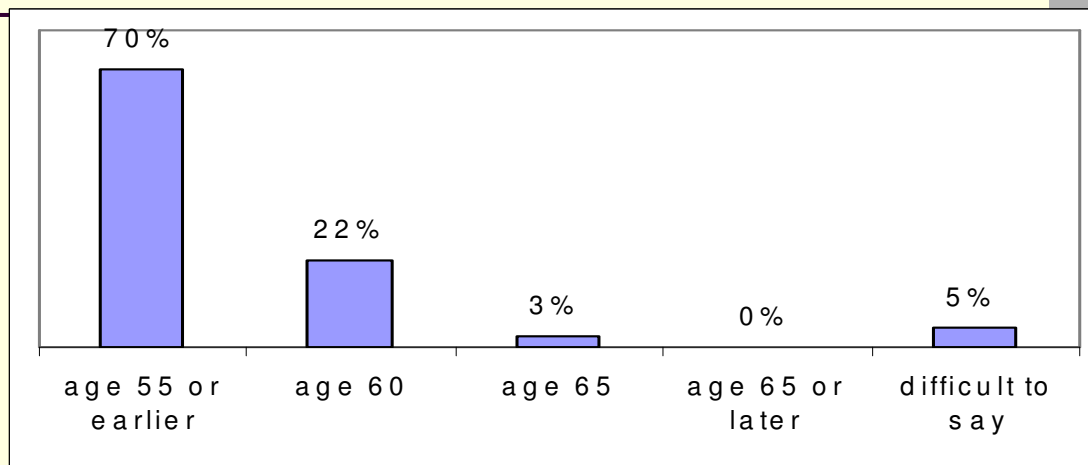
Poland - opportunities

- The problem has been noticed, debate emerged („Program 50+” European Social Fund)
- Changes in the pension system
- Demographic changes and lack of the skilled labour force could make employers be more interested in maintaining older workers
- Longer activity on the labour market as the way to have satisfactory life and become active until late in a natural way (*Active Ageing concept*)

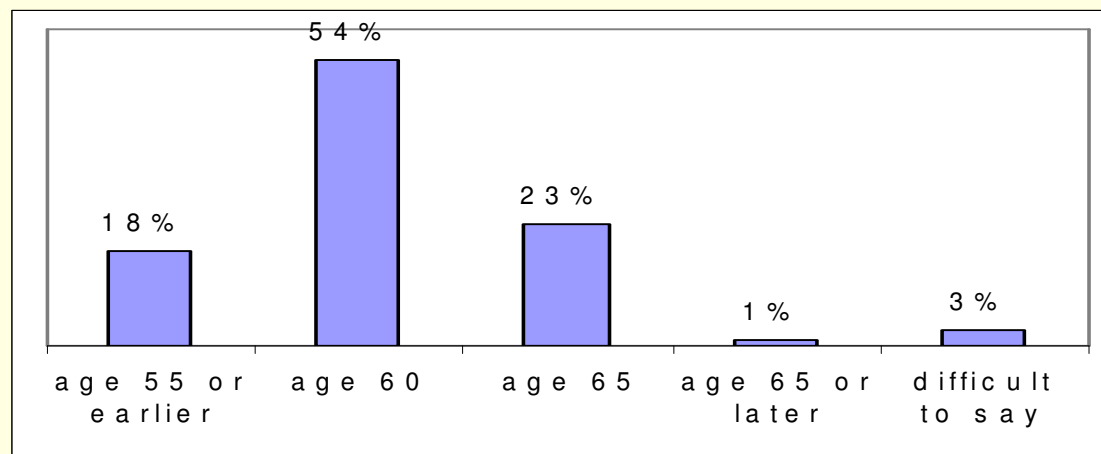
Why? Look at Polish Retirement Preferences



Preferred retirement age for women



Preferred retirement age for men



Source: CBOS, 2003



Maybe there is a change?

- *It has been the change in the employees' attitude, not of the employers'. Independently, in the last 10 years people have learned one thing, they have learned how to fight for themselves, as they have to fight. (...). For the young – to get the job to have something for the future; the old have to fight to keep their workplaces, because they know that if they fail their future pension benefits will be very low. (trade union representative)*



Conclusions

- The present situation of the older workers has been influenced by past political decisions
- Unfavourable economic climate
- Relatively low preferred retirement age
- No comprehensive policy towards older people in the labour market
- Discriminatory socio-cultural perception of older workers

Link to the Active Ageing project:

- www.iccr-international.org/activage