

**Unit of Demography, Institute of Statistics and Demography, Warsaw School of Economics
Abstract**

Work ability of persons in the older groups of productive age

Changes in the population age structure as a result of population ageing bring far reaching consequences for the European economies, especially for Poland. The population forecast for the EU indicates deep changes in population structures revealed by growing number and share of people in older ages. An answer to challenges, called forth by population changes, is active ageing concept, which has been widely discussed in the literature. It is defined as a process of improving health, participation in social, cultural and economic activity, enhancing security in order to increase quality of life within a whole life cycle (World Health Organization, 2001). One of the element of active ageing concerns directly the necessity to increase economic activity of people in older ages by both discouraging them from early withdrawal from the labour market before the statutory retirement age and by delaying the moment of retirement over the statutory retirement age. This is based on the assumption that work decreases the probability of both social and economic exclusion.

In this context work ability concept (Ilmarinen, 1999) should be analyzed as a fragmentary theory under the broad active ageing concept. According to Ilmarinen the crucial role in projecting policies aimed at increasing economic activity of older persons is maintaining their work ability, which is influenced by the set of factors. The first determinant of work ability is health, physical and mental possibilities of older persons, the second concerns competences and skills. However, including norms and attitudes towards persons in older age groups, concerning their capacities and limits seems to play important role, too. The forth determinant, which joins the former ones, can be described as work environment, management and leadership. According to the concept work conditions and adjustments of the workplace to the needs of older persons should be taken into account when higher employment rate of older people is to be achieved. In the literature the first two determinants were analyzed in detailed manner, whereas influence of norms, attitudes and work environment on the economic activity of older people was not fully studied. Health and the level of competences are individual factors, whereas norms, attitudes and work environment have rather social character and are not directly related to the individual's choice. It is to mention also that the background of the analyses of the work ability of older persons constitutes such factors as family ties and kinship networks from one side, from the other the pension system, as well as the labour market situation - regarded as an employer's view.

Only complex and broad perspective, including both individual and social factors influencing economic activity of older persons let to create effective measures increasing employment rate of older persons. Moreover, transition into retirement module (LFS, II quarter 2006) shows that there is a distinct line in attitudes and work willingness among workers and non-workers. Older workers are more active in terms of the labour market, whereas people over 50, who do not work, in overwhelming part do not intend to work no matter what kind of measures are introduced to encourage them to do so. The basic aim of social policy in this respect is take measures directed onto older workers in order to make them stay on the labour market and maintain their jobs, because job resignation in the older groups of productive age usually leads to permanent withdrawal from the labour market. The analysis is focused on the European countries as an area of rapid demographic changes connected with population ageing.

The aim of the study is to analyze whether individual characteristics (education, health assessment, family or social responsibilities, financial situation) or social factors, connected with workplace, influence the probability of work at the same workplace till the age of 60. Special attention is paid

to the work conditions as factors which are often omitted in the quantitative analysis of these issues. The workplace factors concern the following features: physical risk factors at the workplace, work organization (motivation factors), discrimination at the workplace, working time arrangements or type of contract, and they have objective character. Analysis was conducted separate for the EU-15 and the new Member States-10 by the means of logistic regression. The analyses were made on data coming from The European Working Conditions Survey 2005. The analyses were restricted to worker aged 45-60. Some work conditions factors were extracted by the means of factor analysis from many variables (questions) included the survey. Norms and attitudes, being an integral part of work ability concept were not included in this analyses at this point. The preliminary results show that there are both similarities and differences in influence of particular factors on motivation to work longer in the same job in the EU-15 and NMS. The most distinctive results are as follows. Level of education in EU-15 seems to be more important than in the NMS. Moreover in the NMS self-employment strongly increases the probability to stay at the same work, whereas in the EU-15 fixed term contracts influence the probability negatively. Physical risk factors seem to act more strongly in the EU-15 than in the NMS. Work intensity is essential in both groups. There are differences observed in influence of work organization. In NMS modern work organization (team work, rotating tasks) demotivates people to stay longer at the same work, whereas in the EU-15 possibility to gain help at work is important. Moreover, working time arrangements play more important role in the EU-15. Financial factors seem to play more dominant role in case of the NMS. Both in the EU-15 and NMS women tend to stay shorter in the same job than men, the same strong influence is recorded for health affecting jobs. It is worth mentioning that the EU-15 are more homogenous than the NMS. The control variable is significant only in case of the NMS, the conclusion is that more detailed analysis is needed in this respect on the country level in the NMS. For further analysis Poland was chosen as the biggest new Member State.

However, the above analysis was not complete, only factors connected with supply side were included, without taking into account variability on the country level. The country context of labour market situation of older people and institutional country-level variable (pension system) were incorporated into further analysis, which was made by the means of multilevel logistic regression (estimation: Laplace and PQL – random intercept model) with countries as level 2 units. 27 EU countries were taken into account. The preliminary results show that in case of dependent variable stated as the possibility to stay at the same workplace till the age of 60 country context does not play very important role. Only 7% of total variability can be attributed to the country context. Pension system do not differentiate strongly the probability to stay at the same work in the longer perspective in comparison to the employment rate of older workers, which strongly affects the probability. Influence of other individual variables was consistent with the previous analysis for NMS and EU-15.

The analyses for Poland are made on data coming from the special survey '*Deactivation of people in preretirement age*', carried out in the third quarter of 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. The cultural factors were not included due to lack of the data. The dependant variable is working or not in the older groups of productive age. In case of inactive people questions on workplace concerned the last job. Workplace features were mostly of subjective character. The preliminary results for Poland show that for both men and women competences measured by the level of education have a strong influence on work probability in older age groups. The more educated person, the higher is the work probability. Health assessment also plays crucial role, the better the health status, the higher the work probability, especially for women. When it comes to care responsibilities, both for men and women it does not differentiate work probability in older age groups. When it comes to workplace factors, high wage assessment reduces the work probability in case of women in older age groups, whereas

in case of men it does not play significant role. It can be surprising on the first sight. The probable explanation lies in the retirement system for people included in the sample. Women, earning a lot deactivates early, because they count on high pension in the future on one hand, on the other they are afraid of decreasing their earnings in the future (what can decrease the pension). Also burdensome of work reduces the work probability, but only in case of men. Significant meaning can be attributed to work time arrangements, adjusted to the needs of older people. What is interesting high employment stability reduces work probability in older age groups for women. Respondents, indicating high employment stability of their last work, probably express in this way that the most important for them is security of future in general. Pension brings stability in the long run, although on a lower level. Self-employment significantly increased work probability, especially in case of women. Being entitled to pension benefits influences probability of work in the older age for both sexes.

From this preliminary analysis I conclude that both individual factors and workplace features significantly influence both: willingness to stay at the same work till the old age in the EU and work probability in older ages in case of Poland. Policy recommendations coming from this analysis are to focus not only on developing individual features such as health or competences, but also on workplace adjustments, as crucial factors in taking the deactivation decisions. Moreover when designing social policy in this respect the demand side of the labour market should be taken into account.

LITERATURE

Active Ageing, A Policy Framework, WHO, II UN World Assembly on Ageing, Madrid, April 2002.

Ilmarinen, J. (1999). *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.

Ilmarinen, J. (2002). *What the social partners can do to improve employment opportunities for older workers*, Summary of EU expert presentation on age management in the workplace and the role of the social partners at the 9th EU-Japan, Symposium "Improving Employment Opportunities for Older Workers", March 2002, Brussels.