

Late career instability among older workers in Europe: institutional influences and individual determinants

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- Dynamic **interrelation between institutional control and the development of individual biographies** is of critical importance to point out changes in the social organization of life and processes of social modernization. The life-course becomes the field in which **the interrelation among institutional control and individual agency** takes place.
- **Life-course has become a “flexible, time-dependent social configuration that is co-constructed by individuals and institutions**, a configuration that evolves in a loosely coupled relationship between social structure and the outcome of individual decisions” (Heinz 2003:13).
- Focus on employment: modern processes like globalization and de-industrialization have led to **increasing flexibility and discontinuities in employment patterns**, requiring an increased self-organization ability.
- The **possibility for individual for controlling transitions in their work career is broader but to an increased range of options corresponds an increased number of work-related risks**. In general, the level of security and predictability of employment biographies is strongly reduced.

Theoretical Background

- *Sociological life-course theories*
- *Sociological institutionalism*

- Sociological life-course studies have underlined the **interrelations among regime-specific configurations of welfare state and production system, individual characteristics and the nature and timing of employment transitions experienced by older workers.**
- The combination of institutional variables defining **different welfare** (Esping-Andersen 1999; Ferrera 1996; Mills & Blossfeld 2005) **and productive regimes** (Hall & Soskice 2001; Soskice 1999) **lead to different degrees of inclusion of older workers in the labour market and to different degrees of protection of older workers from work-related risks** deriving from the globalization process.
- The institutional setting also influences **the degree of significance** that **individual characteristics** have in shaping employment biographies in late life.

Theoretical Background (I)

- *Political economy of old age*
- *Comparative studies on older workers employment and retirement*
- *Welfare state studies and VoC*

Research questions

- We adopt the **institution-and agency-centered approach** (Henz 2003) of the life-course theories.
- We combine the **macro and micro perspective of analysis** as we are interested in understanding the prevalent late-career patterns in different European countries and the influences exerted on them by institutional contexts and individual characteristics.
- We conceive **employment biographies as trajectories within the individual life-course** including a number of different employment status (Sackmann & Wingers 2003) that refer to different degrees of labour market inclusion.
- We apply the concept of sequence (Sackmann & Wingers 2003) to **look at transitions between employment status in late career**: the concept also subsumes the duration of the status and their timing. In particular, we are interested in transitions among the status of employment, unemployment and retirement experienced by individuals in the last part of their work-career.

Starting from these premises, the research questions at the base of the study are:

- which are the prevalent late-career patterns (in terms of sequences among the status of employment (different forms of employment) – unemployment – retirement) in different European countries and how they change over time? Which is the degree of standardization/de-standardization across countries?



- «Share job episode panel» (Brugiavini *et al.*, 2013)
- Countries: Italy, Spain, Germany, Netherland, Denmark and Sweden

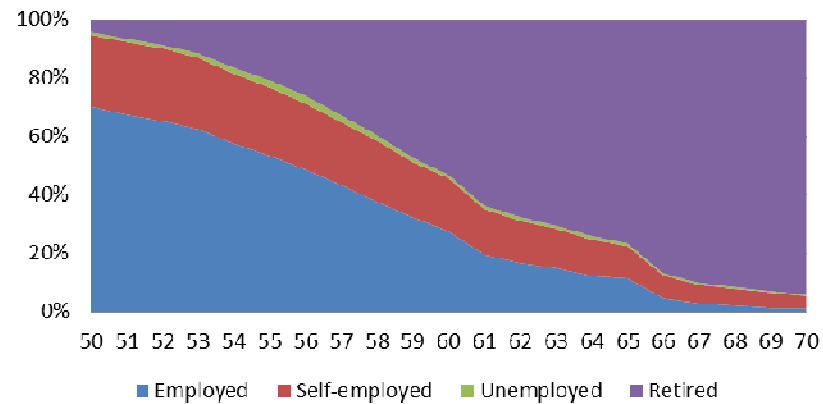
Descriptive approach:

- 1st step: Sequence analysis
 - Sample: 1797 male workers from 50 to 67 years (only work careers without empty episodes were considered)
- 2nd step: Kaplan-Meier estimates of unemployment risk
 - Sample: male workers at least 50 years old
 - 104114 total observations;
 - 5281 subjects;
 - 1693 failures

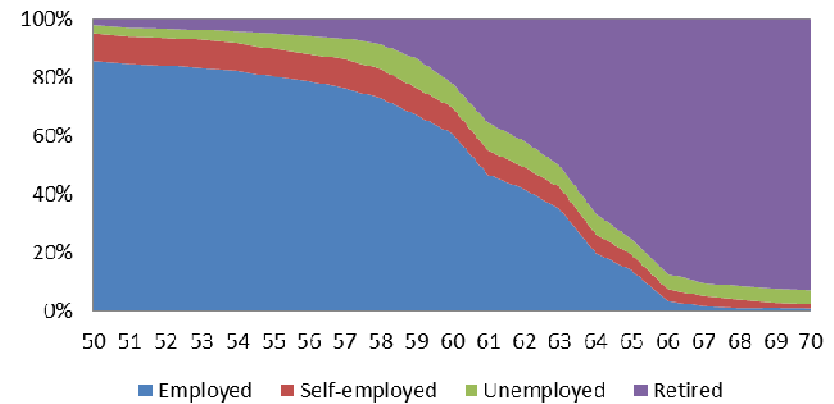
Data & Methods

SHARE Job Episode Panel: allows us to consider the whole career of European male workers from 50 to 67 years old in 6 countries of interest: Denmark, Germany, the Netherlands, Italy, Spain and Sweden.

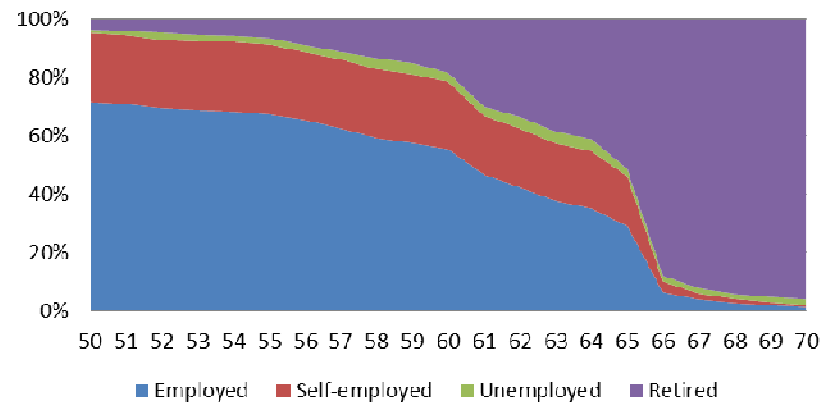
Italy



Germany



Spain

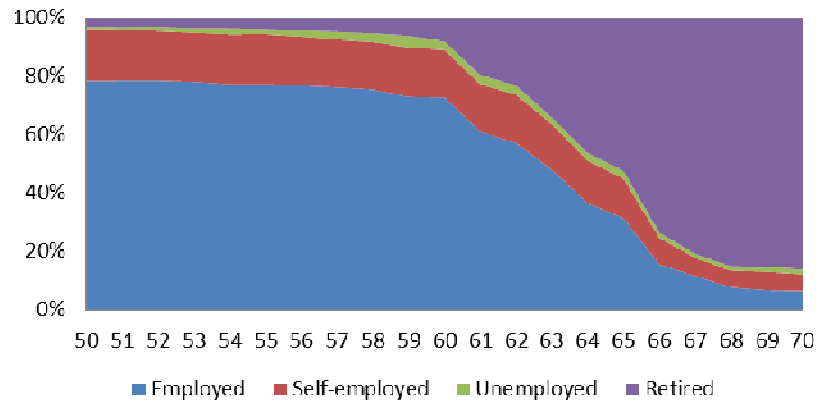


The late career and retirement process

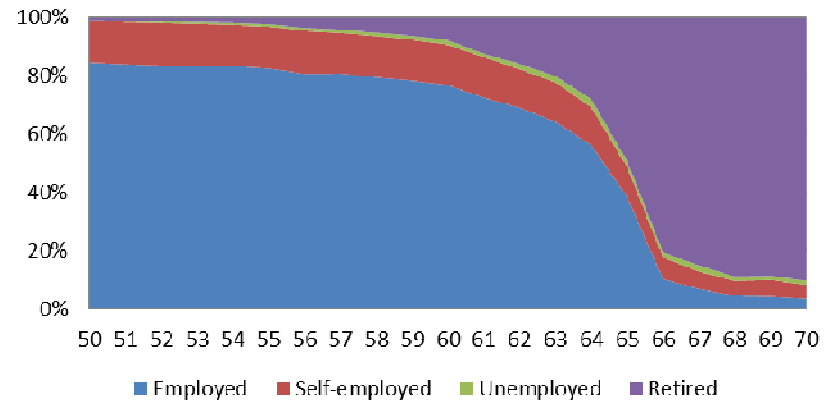
Aggregate career sequences
(employment status of men,
age 50-70)



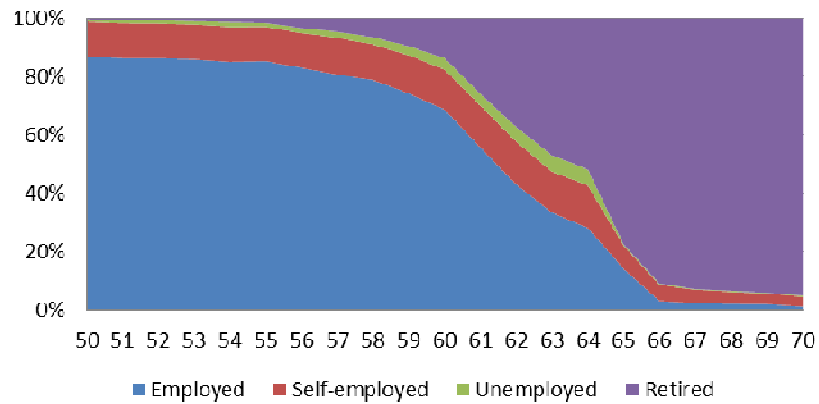
Denmark



Sweden



Netherland



The late career and retirement process

Aggregate career sequences
(employment status of men,
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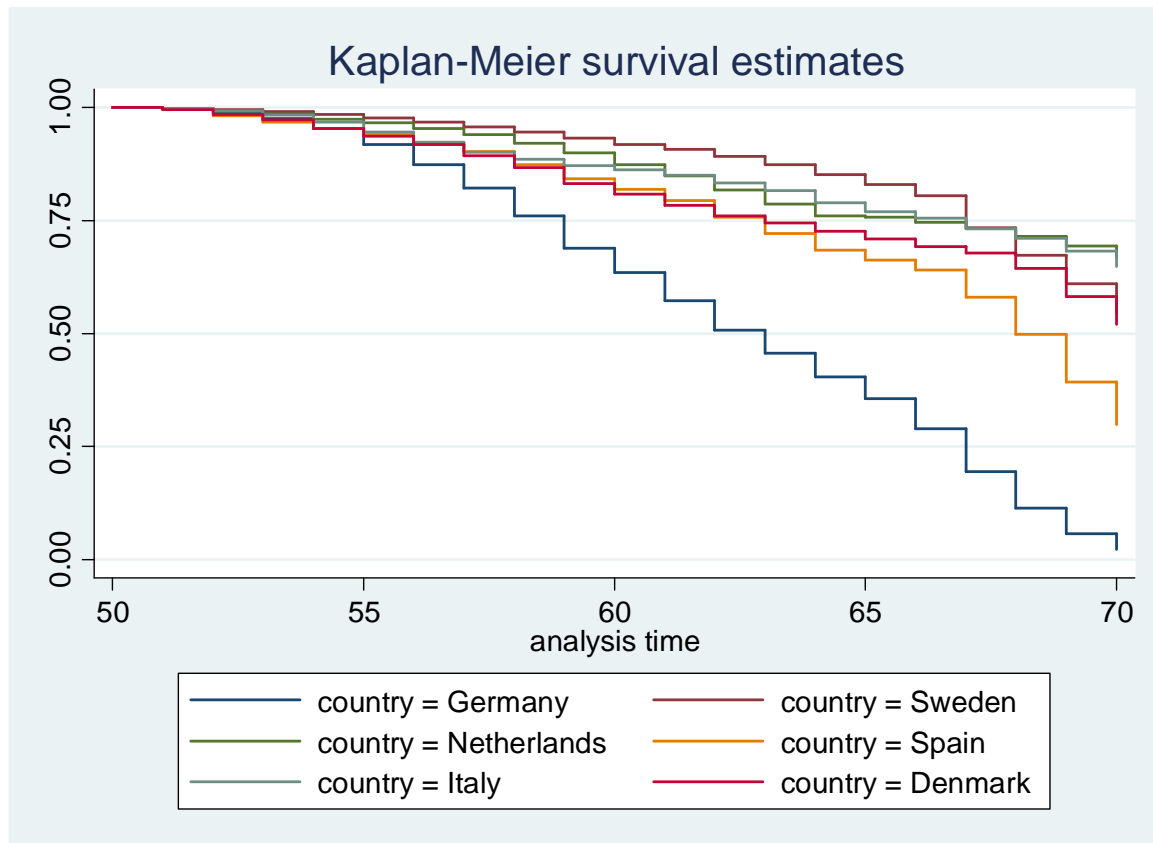
	Ger	Swe	NL	Spa	Ita	Dk	Tot
<i>Employed</i>	2,27	8,68	4,35	5,29	3,08	22,44	6,12
<i>Employed-selfEmployed</i>	0,65	2,25	1,24	0	0,19	1,92	0,83
<i>Employed-selfEmployed-Retired</i>	0,32	1,29	0,62	0,59	1,15	1,92	0,95
<i>Employed-Unemployed</i>	5,5	1,61	0	1,76	0,38	1,92	1,84
<i>Employed-Unemployed-Retired</i>	8,41	0,96	4,35	0,88	0,38	0,64	2,34
<i>Employed-Retired</i>	68,93	67,2	59,63	59,41	65,96	36,54	62,33
<i>self-Employed</i>	4,21	6,11	10,56	2,65	7,31	12,82	6,46
<i>self-Employed-Retired</i>	5,18	5,14	11,8	24,71	15,38	7,69	12,63
<i>Unemployed</i>	0,65	0	0	0,29	0,19	0	0,22
<i>Retired</i>	0,97	0,32	1,24	2,94	3,85	3,21	2,28

Employment transitions

Same order sequences by countries

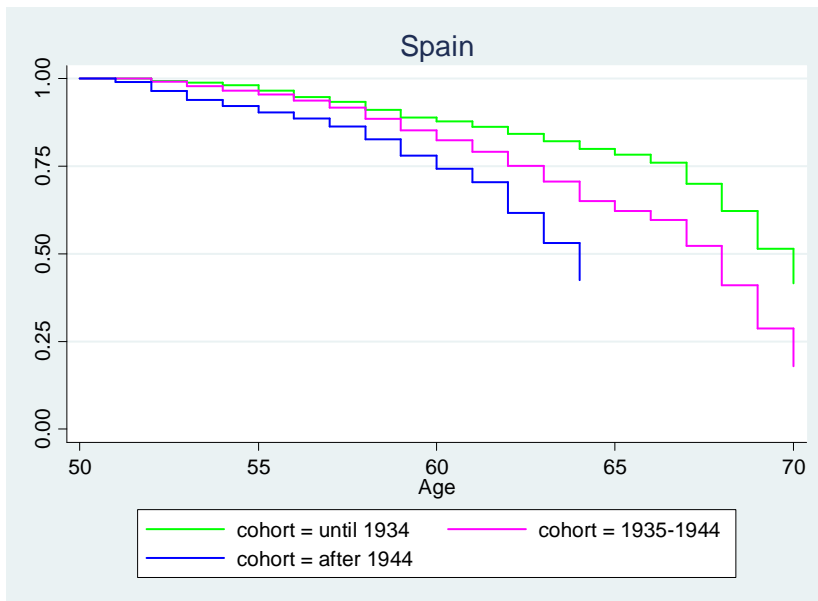
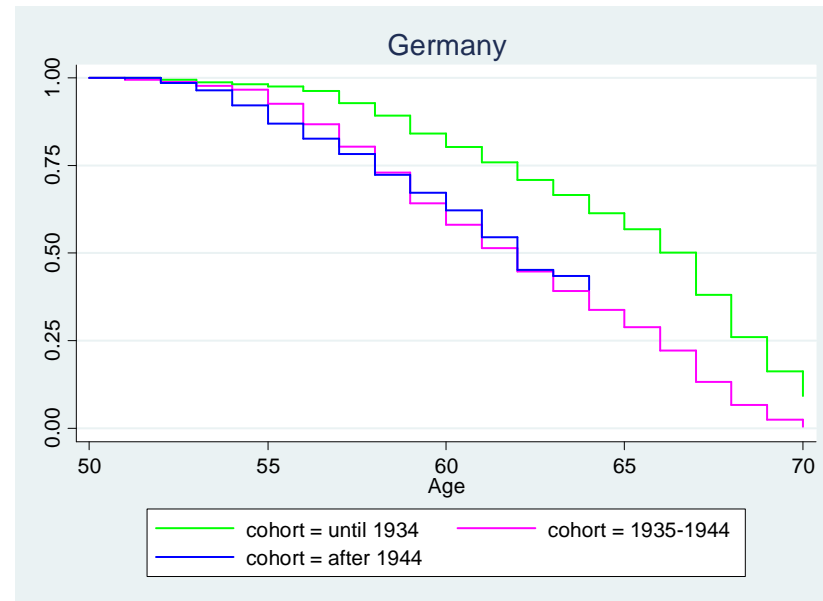
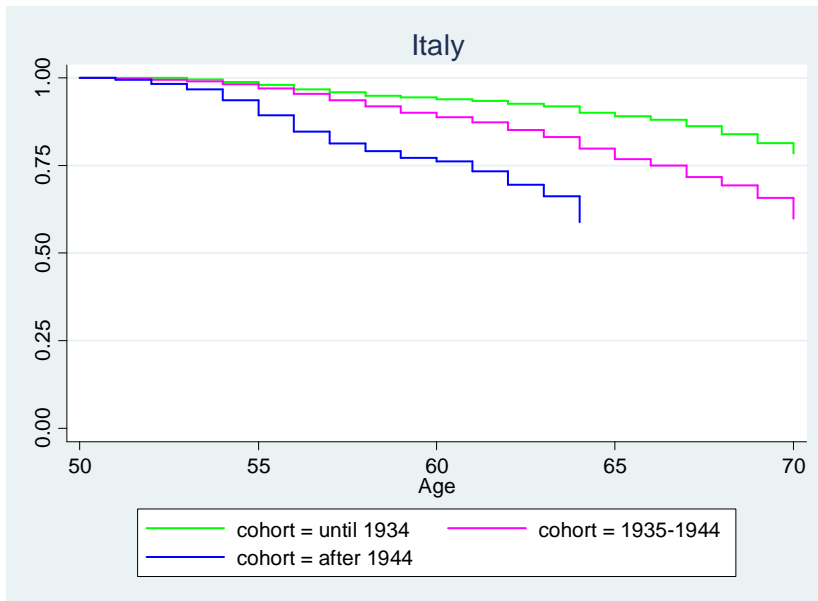
1797 observed sequences





**Unemployment
risk by country**

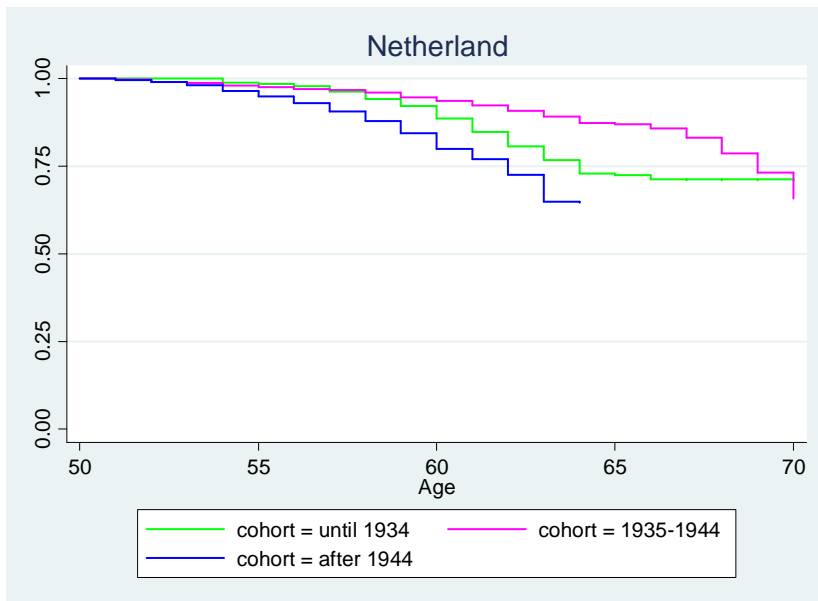
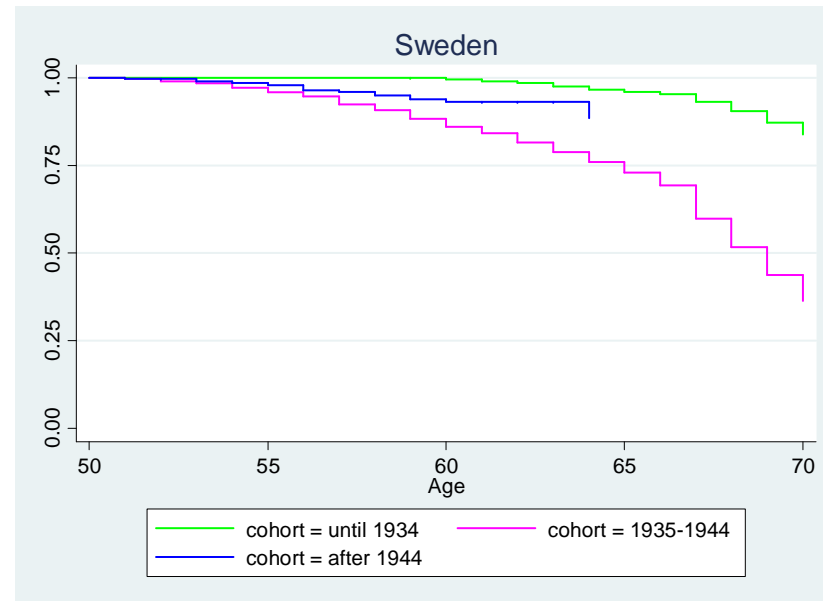
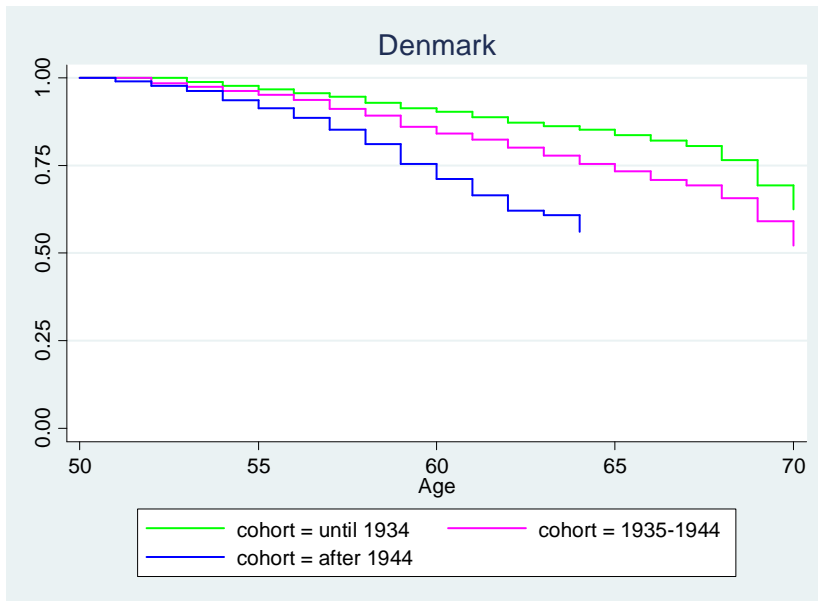




Unemployment risk by birth cohort

Kaplan-Meier survival estimates





Unemployment risk by birth cohort

Kaplan-Meier survival estimates





- Differentiated late career paths and retirement transitions across countries
- Retirement: the direct transition from employment and retirement (as full inactivity) is still prevalent in all the countries
- Late career instability and unemployment are still a residual phenomenon
- BUT is becoming more frequent for individuals born from about the '50s, especially in some countries
- The effect of past legislation based on the young in/old out logic are still visible

Final remarks

Next steps

- Which are the main **individual determinants (socio-anagraphic variables)** of employment transitions in the last part of the career, referring in particular to unemployment risk and transition to retirement?
- Do individual determinants exert a stronger influence than institutional contexts?