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**Wioletta Nowak**

ORCID: 0000-0002-9200-2972

University of Wrocław

wioletta.nowak@uw.edu.pl

# Elderly employment in the European Union: Active aging or overcoming poverty?

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## Abstract

The aim of the paper is to identify scale of and trends in elderly employment in the twenty seven European Union countries and to show determinants of employment in the context of active aging and overcoming poverty. The paper is based on the analysis of empirical data and a critical review of literature. Empirical data for the study are the secondary data retrieved from Eurostat, ILOSTAT and national statistics. The employment rate of people 65 years of age and older has tended to increase in the EU-27 over the period from 2011 to 2021. However, the elderly's income situation has worsened. In a few countries that recorded a rapid growth of elderly employment, older workers continue to work in order to increase their current income. People 65+ were generally continuing to work based on a voluntary choice than a necessity to earn additional income in most of the richest EU-27 countries. Older European workers are more likely to be employees and own-account workers. At the aggregate EU-27 level, agriculture, forestry and fishing stopped to be the largest employer of people aged 65 years and more in 2021. Older EU workers have been more frequently engaged in human health and social work activities.

## 1. Introduction

In recent decades, all across Europe there has been a shift towards society predominated by older cohorts. The share of the population aged 65 years and more (hereafter also abbreviated as 65+) in the total population of the EU grew from 16% in 2001 to 21% in 2021 (World Bank, 2023). Population aging presents

a huge challenge to each and every country and demands significant adjustments to health systems and to many aspects of social and economic policies. National governments, international institutions and organizations have long been looking for ways to solve the problem of population aging. Significant attention is also paid to active aging.

There is no one definition of active aging in the literature. For instance, the OECD defines active aging as the capacity of people after a certain age threshold to lead economically and socially productive lives. In result, the elderly “can make flexible choices on the way they spend time over life — in learning, in working, in leisure and in care-giving” (Perek-Białaś, Ruzik and Vidovićová, 2008, 559). The World Health Organization in turn puts emphasis on the quality of life of older people and defines active aging as “the process of optimizing opportunities for health, participation and security in order to enhance quality of life as people age” (WHO, 2002, 12). For the European Commission (EC) the most important marker is the inclusion of older people into the labor market. In 2010, the EC announced that 2012 will be designated as the European Year for Active Aging and Solidarity between Generations. This initiative was supposed to help “create better job opportunities and working conditions for the growing number of older people in Europe, help them take an active role in society and encourage healthy aging” (European Commission, 2010). It is worth noting that, apart from the increased participation of women in the labor market, a raising participation of the elderly in employment is the most important change in the composition of the European labor force that occurred over the last century (Walker and Maltby, 2012, S118).

In 2021, there were 5.2 million people 65+ employed across the EU-27 (Eurostat, 2022a). However, there are differences in the chief motivations for people beyond the usual age of retirement to work. Very often they want to increase their pension entitlement by working more years or/and to supplement household income by earnings from employment (European Commission, 2016, 29). Older workers may continue to work for non-financial reasons, too. Hence the question arises: do older workers in the EU-27 continue to work in order to increase their current income voluntarily, or as a necessity to earn additional income because of their meagre pensions?

## 2. Theoretical framework of the research

In the literature population aging is analyzed from different perspectives. Papers and reports focus on independent, healthy and secure living of elderly people (WHO, 2015) and their opportunities to participate in society (Foster and Walker, 2013, 2015; Eurostat, 2020). They also present results of the analysis of engagements of the elderly in productive activities and relationships, and their capac-

ity to actively age (WHO, 2002; UNECE, 2019; European Commission, 2021; Zannella, Principi, Lucantoni, Barbarella, Di Rosa, Domínguez-Rodríguez and Soggi, 2021; Vilhelmson, Thulin and Eldér, 2022). Other paper focus on older workers returning to paid employment and their opportunities to participate in the labor market (Eurofound, 2012; Hardy, Kielczewska, Lewandowski and Magda, 2016; Kudins, 2021).

This paper focuses on a narrow economic perspective of active aging. It provides an overview of trends in terms of labor market participation of people 65 years of age and older in the EU-27 in the years 2011–2021. The aim of the paper is to identify scale of and trends in elderly employment in the twenty seven European Union countries and to show determinants of employment in the context of active aging and overcoming poverty.

The article contributes to the literature by investigating components of growth rates of elderly employment and reasons for the increase in number of older workers in the EU-27.

### 3. Research methodology

The paper is based on the analysis of empirical data and a critical review of literature. The empirical basis for the study are the secondary data retrieved from Eurostat, ILOSTAT and national statistics. To identify factors that contribute the most to the growth rate of elderly employment in the EU-27, the decomposition of the growth rate due to the status in employment was used. In this way the contribution of each segment of employment i.e. employees, employers, own-account workers, and contributing family workers to the average annual growth rate of employed people 65+ was analyzed.

For simplicity's sake, the decomposition of the growth rate of variable which is a sum of two variables  $X$  and  $Y$  is calculated in the following way

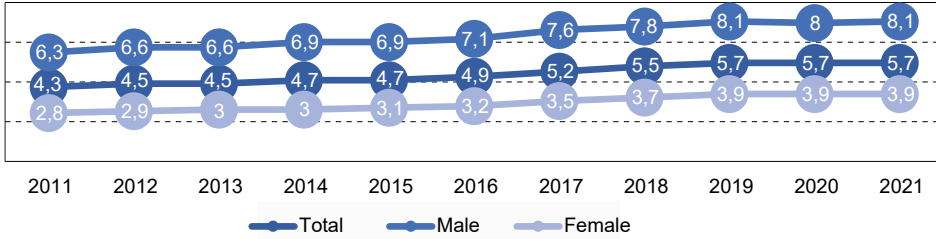
$$g_{X+Y} = \frac{X_0}{X_0 + Y_0} g_X + \frac{Y_0}{X_0 + Y_0} g_Y$$

where  $X_0$  and  $Y_0$  are values of  $X$  and  $Y$  at the beginning of the analyzed period,  $g_X$  and  $g_Y$  represent respectively growth rates of  $X$  and  $Y$  in the analyzed period. The decomposition shows that the contribution of a given component, for instance  $X$ , to the growth rate  $g_{X+Y}$ , depends not only on its growth rate but also on its (percentage) share in  $X + Y$ .

Moreover, six economic activities with the highest numbers of older workers were distinguished in the paper to identify the largest employers of people aged 65 and more. Additionally, mean equalized annual disposable income and risk of poverty and social exclusion were applied to estimate the elderly's income situation in the EU-27.

## 4. The scale of and trends in elderly employment in the EU-27

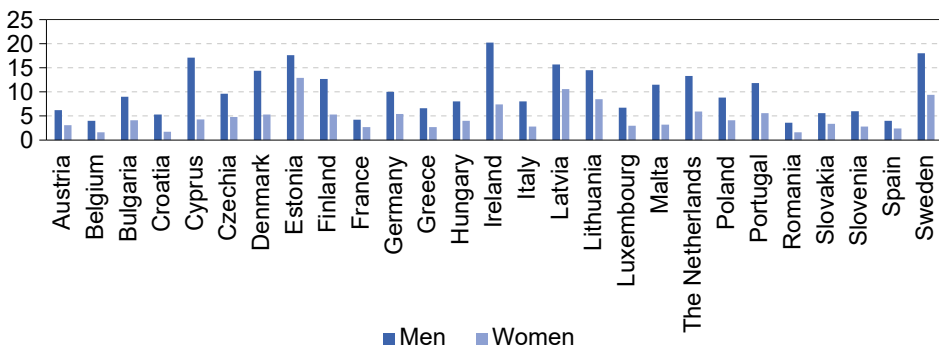
Between 2011 and 2021, the EU-27 employment rate for people 65+ increased by 1.4 percentage points. The proportion of men 65+ in the workforce rose from 6.3% to 8.1% while the corresponding rate for women increased from 2.8% to 3.9% (Figure 1).



**Figure 1.** Employment rate of people aged 65 years and more by sex, the EU-27, 2011–2021 (in %)

Source: Eurostat (2022a).

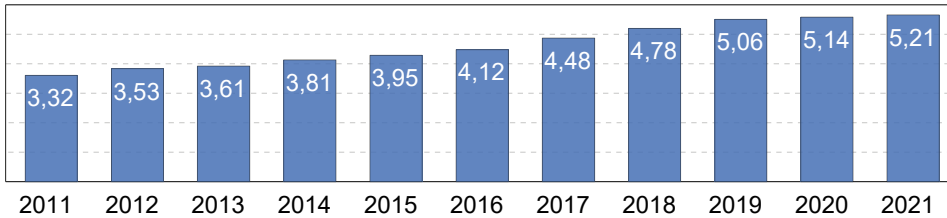
Across the EU-27, the highest employment rate of people aged 65 years and more in 2021 was recorded in Estonia (14.5%). This rate was also high in Sweden (13.6%), Ireland (13.4%), Latvia (12.3%), Lithuania (10.6%), and Cyprus (10.4%). The lowest proportion of people 65+ worked in Romania (2.4%), Belgium (2.7%), Spain (3.1%), and Croatia (3.2%). The employment rate for older men ranged from 20.2% in Ireland to 3.6% in Romania while the same rate for women ranged from 12.9% in Estonia to 1.6% in Romania and Belgium (Figure 2).



**Figure 2.** Employment rate of people aged 65 years and more by sex in EU countries, 2021 (in %)

Source: Eurostat (2022a).

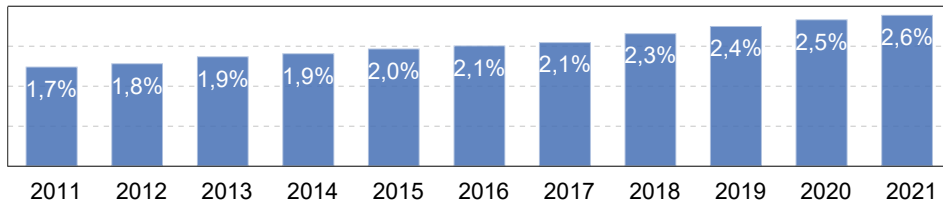
The number of employed people 65+ in the EU-27 increased from 3.32 million in 2011 to 5.21 million in 2021, i.e. by 57% (Figure 3). The employment of older people has tripled in Slovakia, Hungary, and Malta. It more than doubled in Bulgaria, France, Finland, Latvia, the Netherlands, Lithuania, Ireland, and Sweden. On the other hand, four countries recorded a decline in the number of employed people 65+. In Romania the employment of older people decreased by over 77%, in Portugal by 33%, in Croatia by 30%, and in Slovenia by almost 19%. In the remaining EU countries, a rise of elderly employment ranged from 5.8% in Austria to 93% in Czechia.



**Figure 3.** Number of employed people aged 65 years and more in the EU-27, 2011–2021 (in millions)

Source: own calculations based on ILOSTAT (2022).

Over the period from 2011 to 2021, the share of elderly employment in total employment in the EU-27 increased by 0.9 percentage points. In 2021 people aged 65 years and more accounted for 2.6% of the total workforce (Figure 4).



**Figure 4.** Share of employed people aged 65 years and more in total employment in the EU-27, 2011–2021 (in %)

Source: own calculations based on ILOSTAT (2022).

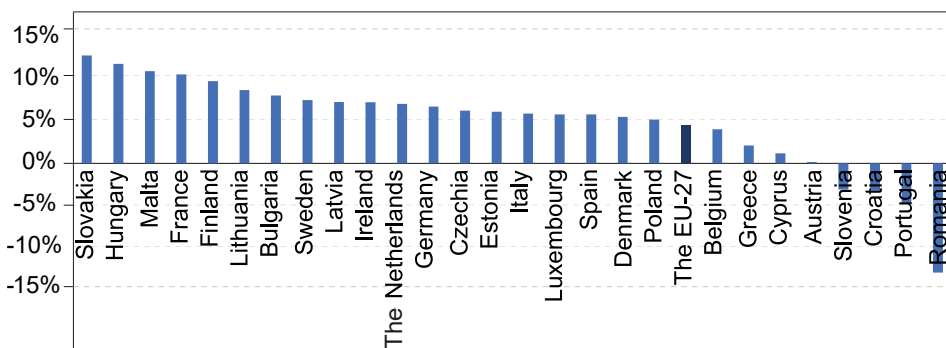
The greatest increase in the share was recorded in Latvia, Sweden, Estonia, Finland, and Lithuania. Contrarily, the share of employed people 65+ in total employment decreased in Romania, Portugal, Croatia, and Slovenia. From 2011 to 2021, the share remained almost stable in Austria, Luxembourg, Belgium, and Cyprus. In 2021, the share of the employed people 65+ in total employment higher than 5% was observed in Estonia, Latvia, and Sweden. A relatively large share was recorded in Lithuania, Ireland, Finland, Denmark and Portugal. On the other hand, elderly employment accounted about 1% of total employment in Romania, Belgium, and Luxembourg (Table 1).

**Table 1.** The share of elderly employment in total employment and its change in the European countries

Country	Share (in %), 2021	Change in share (in % pts), 2011–2021	Country	Share (in %), 2021	Change in share (in % pts), 2011–2021
Austria	1.7	0.0	Italy	3.1	1.4
Belgium	1.2	0.4	Latvia	5.5	3.0
Bulgaria	2.9	1.6	Lithuania	4.3	2.1
Croatia	1.7	-0.8	Luxembourg	1.3	0.3
Cyprus	3.4	0.4	Malta	2.5	1.1
Czechia	2.8	1.3	The Netherlands	3.3	1.6
Denmark	3.9	1.2	Poland	2.5	0.9
Estonia	5.8	2.2	Portugal	3.9	-2.1
Finland	4.0	2.2	Romania	1.1	-3.4
France	1.6	0.9	Slovakia	1.5	1.0
Germany	3.2	1.3	Slovenia	1.8	-0.5
Greece	2.7	0.8	Spain	1.4	0.6
Hungary	2.3	1.4	Sweden	5.2	2.5
Ireland	4.2	1.7			

Source: own calculations based on ILOSTAT (2022).

In the years 2011–2021, elderly employment in the EU-27 was growing at 4.5% annually. It is worth noting that nineteen EU countries had average annual growth rates of employed people 65+ of more than 5% (Figure 5). The highest growth rates were observed in Slovakia (12.8%), Hungary (11.8%), Malta (11.0%), and France (10.6%), while in Romania elderly employment was decreasing annually by 13.0%, in Portugal by 4.7%, Croatia by 3.2%, and in Slovenia by 3.1%.

**Figure 5.** Average growth rate of employed people aged 65 years and more in the EU-27, 2011–2021

Source: own calculations based on ILOSTAT (2022).

The growth rate of employed people 65+ depends on shares of older employees, employers, own-account workers, and contributing family workers in total elderly employment, and on their growth rates. At the aggregate EU-27 level, older workers are more likely to be employees and own-account workers. In the years 2011–2021, among employed people 65 years of age and older, 47% were employees, while 35% were own-account workers, 12% employers, and remaining 6% were contributing family workers. The number of older employees was growing at 9.2% annually. The average annual growth rate of employers was 5.2%, while the number of older own-account workers increased on average at 0.5%. In the analyzed period, the number of contributing family workers in EU-27 was declining at about 4% annually. Due to decomposition, employees had the largest contribution to the growth rate of elderly employment in the years 2011–2021 (Table 2).

**Table 2.** Decomposition of the annual growth rate of elderly employment in EU-27, 2011–2021

Components	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Employees (% pts)	3.0	4.5	2.9	3.8	3.9	4.1	6.4	4.6	5.9	1.6	3.1
Employers (% pts)	0.4	1.0	0.6	0.8	0.9	0.3	0.8	0.5	0.7	0.0	0.9
Own-account workers (% pts)	0.2	1.5	-0.3	1.0	-0.3	0.4	1.6	1.5	-0.4	0.2	-2.7
Contributing family workers (% pts)	0.0	-0.7	-0.6	0.0	-0.9	-0.4	0.1	0.0	-0.3	-0.3	0.1
Growth rate (%)	3.6	6.3	2.5	5.6	3.6	4.5	8.8	6.6	5.9	1.5	1.4

Note: A sum of components in a few years is slightly different from the growth rate due to rounding to the first decimal place.

Source: own calculations based on ILOSTAT (2022).

The status of elderly employment varies greatly among EU countries. Between 2011 and 2021, employees accounted on average for more than 85% of employed people 65+ in the Baltic countries, above 70% in Slovakia and Bulgaria and nearly 70% in Denmark. Employees accounted for more than half of employed people 65+ in Czechia, Germany, Sweden, Malta, France, Hungary and Poland. Employees accounted over 40% of elderly employment in the Netherlands, Spain and Finland. In all of these 16 countries the second most important group were own-account workers. It is worth noting that in the Netherlands and Finland own-account workers accounted for more than 40% of employed people 65+. In terms of employment status, a group of own-account workers predominated in Portugal (66.0% of elderly employment), Romania (65.2%), Greece (51.2%), Croatia (49.8%), Belgium (48.1%), Ireland (46.5%), Italy (45.6%), and Cyprus (41.2%).

Slovenia is the only European Union member in which contributing family workers constituted more than 40% of elderly employment. The status of elderly employment was the most diversified in Austria. To sum up, employees predominated in 16 out of 18 countries<sup>1</sup> in which the growth rate of elderly employment was higher than the average one in the EU-27. Own-account workers were the second most substantial group in these countries. Italy and Ireland were the only countries in which own-account workers (followed by employees) predominated in the group of employed people 65+. In the countries that recorded a negative growth rate of elderly employment, own-account workers or contributing family workers constituted the majority of employed people 65+.

All analyzed countries recorded positive growth rates of older employees. In Romania, Slovakia, Croatia, Italy, France, Hungary, Malta, Finland and Poland the number of employees grew on average at above 10%. Numbers of own-account workers increased in all countries in which the growth rate of elderly employment was higher than the average one in the EU-27. Moreover, Belgium, Austria, and Greece experienced a positive growth rate of older own-account workers. On the other hand, the number of own-account workers decreased in five EU countries. The number of own-account workers contracted by more than 12% annually in Romania, Croatia and Portugal, by 9% in Slovenia and by 0.5% in Cyprus, while the percentage of older employers increased in all countries except Belgium and Cyprus. The growth rate of employers above 10% was observed in Slovakia, Malta, Hungary, Bulgaria, Estonia, France and the Netherlands. The percentage of contributing family workers have shrunk significantly in Romania, Poland, Slovenia, and Greece. A negative growth rate of contributing family workers was also recorded in Croatia, Austria, Cyprus, Germany, Czechia, and Spain. On the other hand, numbers of contributing family older workers grew rapidly in Hungary, Ireland, Sweden, and Denmark.

Employees had the largest contribution to the growth rate of elderly employment in Slovakia (during 8 out of 11 years of the analyzed period), Hungary (6 years since 2016), Malta (6 years), France (9 years), Lithuania (8 years), Bulgaria (7 years in 2013–2019), Sweden (7 years), Latvia (10 years), the Netherlands (6 years), Germany (10 years in 2011–2020), Czechia (8 years), Estonia (9 years), Italy (8 years), Denmark (8 years), and Poland (9 years). Employees followed by own-account workers generated the growth rate of elderly employment in Spain (5 and 4 years respectively) while own-account workers followed by employees played an important role in Finland (5 years both) and Ireland (6 and 5 years respectively).

There is no clear trend in the group of countries which had a growth rate of elderly employment lower than the average one in the EU-27. Employees followed by own-account workers generated the growth rate of elderly employment

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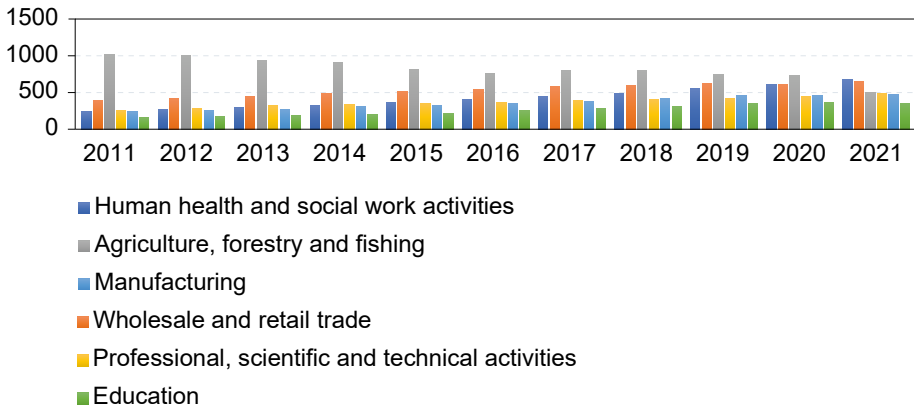
<sup>1</sup> Due to a lack of detailed data Luxembourg was excluded from the analysis.



in Belgium (6 and 5 years respectively) and Austria (3 and 4 years). In Greece and Cyprus employees contributed the most to the growth rate of elderly employment for 6 years.

A sharp decline in the number of older own-account workers for 9 years in Croatia and Romania and for 8 years in Portugal and negative growth rates of contributing family workers for 6 years and own-account workers for 8 years in Slovenia were the main causes of negative growth rates of elderly employment in these countries.

Between 2011 and 2021, agriculture, forestry and fishing as well as wholesale and retail trade were the main activities for people aged 65 years and more in the EU-27. These sectors employed respectively 19.2% and 12.5% of the workforce for this age group. However, agriculture has been steadily losing its importance as a major employer. In 2021, human health and social work activities followed by wholesale and retail trade were the largest employers of people 65+. They employed respectively for 12.9% and 12.3% of the older workers. The employment situation for the six economic activities with the highest numbers of older workers is shown in Figure 6.



**Figure 6.** Employment of people aged 65 and more in the EU-27, by selected economic activities, 2011–2021 (tens of thousands)

Source: own calculations based on Eurostat (2022b).

In the years 2011–2021, agriculture, forestry and fishing were the principal employers of older people in Croatia, Romania and Slovenia. Agriculture followed by wholesale and retail trade were the key activities for older workers in Austria, Cyprus, Greece, Ireland, and Portugal. Agriculture was also a major employer of people aged 65 years and more in Finland and Poland. In Finland the next largest portion of the workforce in this age group was composed of people who performed professional, scientific and technical activities, while in Poland by workers in the manufacturing sector. In Belgium, Denmark, Germany, the Netherlands,

and Spain older workers were primarily employed in wholesale and retail trade or they performed human health and social work activities. Wholesale and retail trade was also the main activity for older persons in Bulgaria, Hungary, and Italy. However, the second most common activity varies in those countries. In Bulgaria it was agriculture, while in Italy — professional, scientific and technical work and in Hungary — manufacturing. In France, Slovakia and Sweden the highest number of older workers were engaged in human health and social work activities. The second most important employer in these countries was respectively wholesale and retail trade, professional, scientific and technical activities and education. The education sector employed the highest number of older workers in the Baltic countries. In Lithuania the second sector was agriculture, while in Latvia that spot went to human health and social work activities, and in Estonia — manufacturing. In Czechia people aged 65 years and more were principally employed in the manufacturing sector or they did professional, scientific and technical work.<sup>2</sup>

## 5. Active aging or overcoming poverty?

The retirement age in the EU was raised over the second decade of the 21st century. In 2011, it ranged from 60 years in France to 65 in Austria, Belgium, Cyprus, Denmark, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Poland, Portugal, Slovenia, Spain, and Sweden for men. The state pension age for women ranged from about 59 in Romania to 65 years in Belgium, Cyprus, Denmark, Germany, Ireland, Luxembourg, the Netherlands, Portugal, Spain, and Sweden. In 2022, the retirement age for men in the EU ranged from about 63 to 67 years and for women from 60 to 67 (Table 3). Additionally, in Sweden people have the right to work until they are 68 and they can only work for longer if their employers agree on this. The pensionable age in EU countries varies depending on the person's date of birth, gender, number of children, contribution periods and the changes in life expectancy at age 65. In several countries the age has been changing until it reached 65–67 years.

**Table 3.** Statutory pension age in the EU-27 (as of 2022)

Country	Men	Women
Austria	65 years	60 years
Belgium <sup>a</sup>	65 years	65 years
Bulgaria <sup>b</sup>	66 years 10 months	66 years 10 months
Croatia	65 years	63 years
Cyprus	65 years	65 years
Czechia <sup>c</sup>	63 years 10 months	63 years 10 months
Denmark	67 years	67 years

<sup>2</sup> Due to a lack of detailed data Luxembourg and Malta were excluded from the analysis.

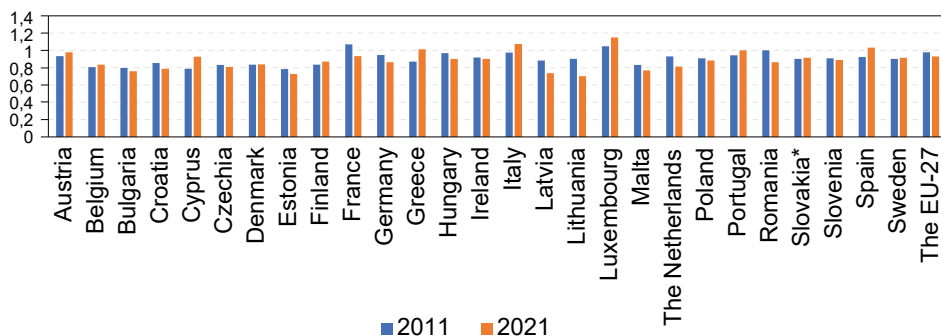
Country	Men	Women
Estonia <sup>d</sup>	64 years 3 months	64 years 3 months
Finland <sup>e</sup>	64 years	64 years
France	66 years 7 months	66 years 7 months
Germany <sup>f</sup>	65 years 8 months	65 years 8 months
Greece	67 years	67 years
Hungary	65 years	65 years
Ireland	66 years	66 years
Italy	67 years	67 years
Latvia <sup>g</sup>	64 years 3 months	64 years 3 months
Lithuania <sup>h</sup>	63 years 9 months	63 years 9 months
Luxembourg	65 years	65 years
Malta <sup>i</sup>	63 years	63 years
The Netherlands <sup>j</sup>	66 years 4 months	66 years 4 months
Poland	65 years	60 years
Portugal	66 years 7 months	66 years 7 months
Romania <sup>k</sup>	65 years	61 years 9 months
Slovakia <sup>l</sup>	62 years 10 months	62 years 10 months
Slovenia	65 years	65 years
Spain	65–66 years 2 months	65–66 years 2 months
Sweden	65 years	65 years

Note: <sup>a</sup> for those retiring on or before 31.01.2025, <sup>b</sup> for those who have a period of social insurance cover of at least 15 years, <sup>c</sup> in Czechia the retirement age depends on the person's date of birth, gender and number of children, <sup>d</sup> the age is gradually changing until it reaches 65 years by 2026, <sup>e</sup> the retirement age is raised by 3 months annually until reaching 65 years in 2027, <sup>f</sup> for anyone born after 01.01.1964, the basic age threshold will be 67, <sup>g</sup> the retirement age will be 65 by 2025, <sup>h</sup> 65 years by 2026, <sup>i</sup> 65 years by 2027, <sup>j</sup> 67 years in 2024, <sup>k</sup> for women 63 years by 2030, <sup>l</sup> in Slovakia the retirement age depends on the person's date of birth, gender and number of children, a maximum retirement age 64 years.

Source: own compilation based on Eurostat (2022c) and European Commission (2022).

Between 2011 and 2021, the elderly's income situation in the EU-27 has worsened. At the beginning of the analyzed period, people aged 65 years and more had on average 2.3% less disposable income per household member than the total population, while at the end their income was 7% lower. In 2021, only in Luxembourg, Italy, Spain, Greece, and Portugal people 65+ had more disposable income higher than the total population. In Luxembourg it was 15% higher on average while 7.5% in Italy, 3.2% in Spain, 1.3% in Greece,<sup>3</sup> and 0.2% in Portugal. Disposable income per household member higher than the average in the EU-27 was also recorded in Austria and France. The worst income situation of people 65+ was noted in Lithuania (29.8% lower than in the total population), Estonia (27.3%), Latvia (26.2%), Bulgaria (24.2%), Malta (23.1%) and Croatia (21.1%) (Figure 7).

<sup>3</sup> It is worth noting that the improvement in Greece was caused by a slower decline in average disposable income of people 65+ than in the income of the total population.



**Figure 7.** The percentage share of disposable income of people 65+ in the disposable income of the total population, 2011 and 2021

Note: \* The share in Slovakia for 2011 and 2020.

Source: own calculations based on Eurostat (2022d).

In the analyzed period, the elderly's income in the EU-27 grew at 1.7% annually, while the disposable income of the total population was growing at 2.2%. Only in eleven EU countries older workers experienced a growth of their income larger than in the total population. Disposable income of people aged 65 and more has been steadily shrinking in France and Greece (Table 4).

**Table 4.** Average growth rate of disposable income, 2011–2021

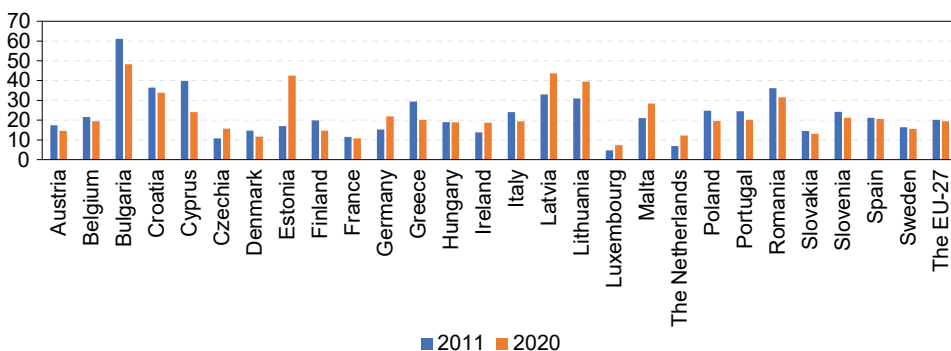
Country	Average growth rate of disposable income (%)	
	All age groups	People 65+
Austria	2.3	2.8
Belgium	2.5	2.9
Bulgaria	7.0	6.5
Croatia	3.6	2.8
Cyprus	0.01	1.7
Czechia	3.6	3.3
Denmark	1.99	2.03
Estonia	8.0	7.2
Finland	1.7	2.1
France	0.8	-0.5
Germany	3.0	2.1
Greece	-2.4	-0.8
Hungary	3.8	3.1
Ireland	3.4	3.2
Italy	1.1	2.1
Latvia	8.2	6.3
Lithuania	10.2	7.5
Luxembourg	2.8	3.7

Country	Average growth rate of disposable income (%)	
	All age groups	People 65+
Malta	5.1	4.3
The Netherlands	3.1	1.7
Poland	4.7	4.4
Portugal	2.3	3.0
Romania	8.5	7.0
Slovakia*	2.9	3.0
Slovenia	2.6	2.4
Spain	1.1	2.2
Sweden	1.9	2.0
The EU-27	2.2	1.7

Note: \* The growth rate in Slovakia for 2011–2020.

Source: own calculations based on Eurostat (2022d).

In 2020, 19.4% of people aged 65 and more in the EU-27 were at risk of poverty or social exclusion. The situation was most dire in Bulgaria, where half of people 65+ lived in households experiencing at least one of the three poverty and social exclusion risks.<sup>4</sup> Moreover, more than 40% people 65+ in the Baltic countries and about 30% in Croatia and Romania lived at risk of poverty or social exclusion. On the other hand, only 7.3% of people 65+ were at risk of poverty in Luxembourg (Figure 8).



**Figure 8.** Persons 65 years and more at risk of poverty or social exclusion (in %), 2011 and 2020

Source: own compilation based on Eurostat (2022e).

It can be assumed that older workers in Bulgaria, Latvia, Estonia, Lithuania, Croatia, Romania, and Malta continue to work primarily to supplement their household income. In these countries there is high proportion of people aged 65 and more at risk of poverty or social exclusion and a significant gap in disposable

<sup>4</sup> Risk of poverty, severe material and social deprivation and/or living in a household with very low work intensity.

income between people 65+ and the total population. Despite a rapid growth of elderly employment, a gap in disposable income between people 65+ and the total population has been increasing in the Baltic countries, Bulgaria and Malta. It may be due to low average wages in the most popular sectors among employed people 65+ in these countries. It is worth noting that the proportion of people continuing to work despite receiving a pension for financial reasons in these countries was also very high at the beginning of the analyzed period. For instance, in 2012, 98.4% of respondents aged 65–69 in Romania declared that they worked for financial reasons. The proportion of such people was about 90% in Estonia and Latvia, 86.7% in Lithuania and 84.1% in Bulgaria (European Commission, 2016, 30).

On the other hand, it is quite likely that people 65+ in Luxembourg, France, Denmark, the Netherlands, Slovakia, Austria, and Finland were continuing to work as more of a voluntary choice than a necessity to earn additional income. In these countries the proportion of people aged 65 and more at risk of poverty or social exclusion sits at below 15%. It is worth noting that in 2012 the proportion of people aged 65–69 continuing to work for non-financial reasons was above 70% in Luxembourg, Denmark, the Netherlands, Austria, and Finland. Only in France and Slovakia more than a half of respondents declared that they continued to work for financial reasons (European Commission, 2016, 30).

## 6. Conclusion

Between 2011 and 2021, a low but growing share of the EU-27 population aged 65 years and more continued to work. Employment rates in this age group rose in all EU countries except Austria, Croatia, Cyprus, Portugal, Romania, and Slovenia. The employment rates increased the most in Latvia, Sweden, Lithuania, and Estonia. Across the EU-27, the gender gap in employment rates increased by 0.7 percentage points. In the considered period, the number of employed men aged 65 years and more in the EU-27 increased by 1.15 million while 0.74 million more older women worked in 2021 compared to 2011. Generally, the importance of older generations in the labor market slightly rose in all EU-27 countries except Croatia, Portugal, Romania, and Slovenia.

European older workers are more likely to be employees and own-account workers. It is worth noting that employees had the largest contribution to the growth rate of elderly employment in the 2011–2021 period. At the aggregate EU-27 level, agriculture, forestry and fishing stopped being the largest employers of people aged 65 years and more in 2021. This sector decreased its share in elderly employment by 21 percentage points during the analyzed eleven years. European older workers were more and more frequently engaged in human health and social work activities. There are of course differences between EU members in the occupations in which older workers are employed.

The number of employees and own-account workers increased in all countries in which the growth rate of elderly employment was higher than the average level in the EU-27. Employees and own-account workers also had the largest contribution to the growth rate of the employment of people 65+ in those countries. Older workers in countries which had the highest growth rate of elderly employment primarily performed human health and social work activities or were employed in wholesale and retail trade.

Employment among older people in the group of countries which had a growth rate of elderly employment lower than the average one in the EU-27 was concentrated primarily in agriculture, forestry and fishing. In addition, the number of own-account workers and/or contributing family workers overcame that of employed people 65+ in these countries. A decline in older own-account workers and contributing family workers resulted in a negative growth rate of elderly employment in four European countries.

Across the EU-27, the elderly's disposable income decreased between 2011 and 2021. Only in five EU countries people 65+ had disposable income higher than the total population. It seems that in the few countries that recorded a rapid growth of elderly employment over the 2011–2021 period, older workers continue to work in order to increase their current income. Only in the richest of EU-27 countries people 65+ were continuing to work as more of a voluntary choice than a necessity to earn additional income.

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