

NEW MODES, NEW CHALLENGES? THE INFLUENCE OF EXTENDED WORKING LIVES ON THE LATE EMPLOYMENT PHASE IN GERMANY

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RESEARCH MOTIVATION

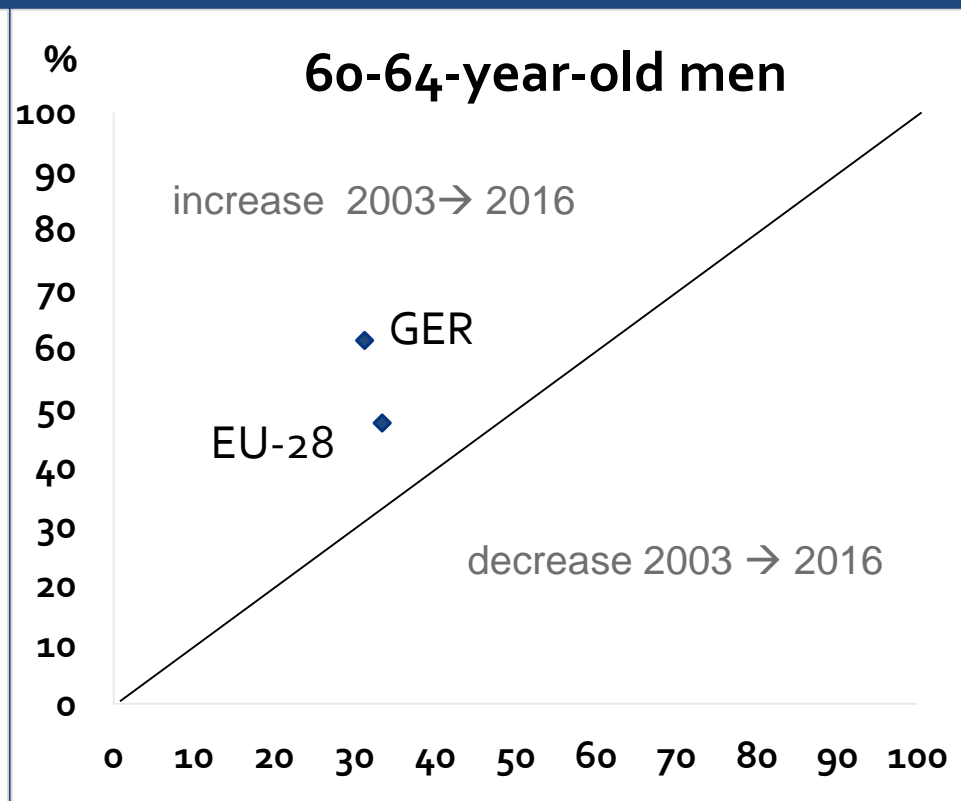
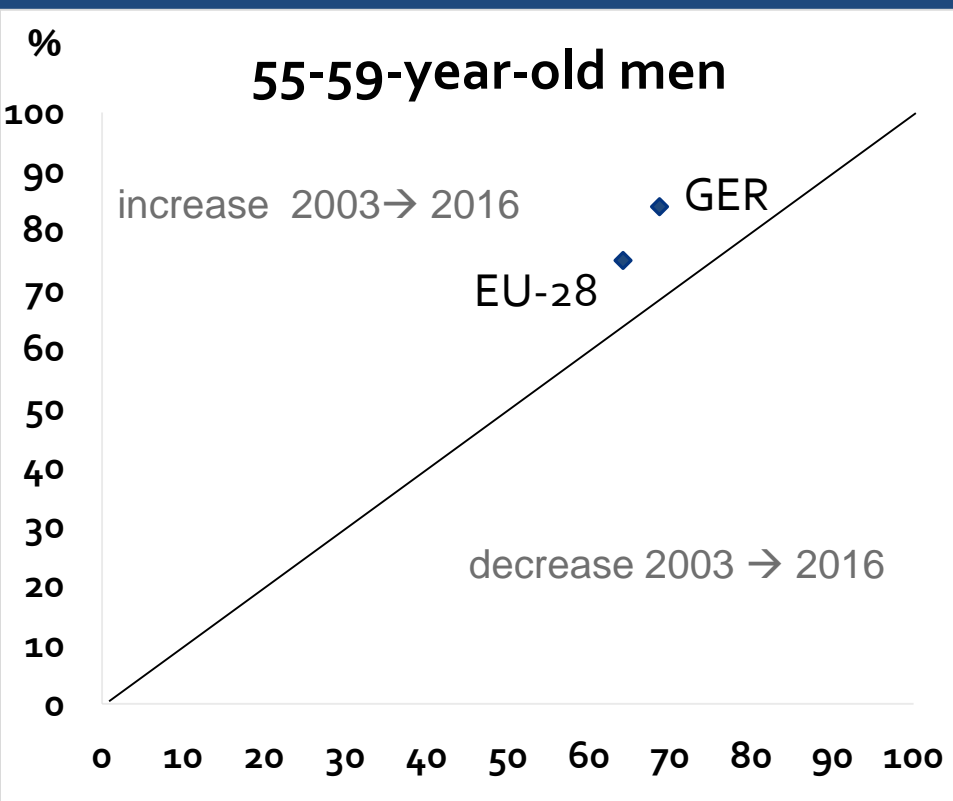
- Institutionalisation of Extended Working Lives in Germany:
 - Increase of labour market exit ages by five years until 2010 to 65
 - Closing state-subsidised early retirement pathways (*Altersteilzeit*) by the end of 2009
- **Affects transition decisions before retirement**

- Research question:

What is the relationship between shifts in exit patterns and labour flexibility in the late employment phase?

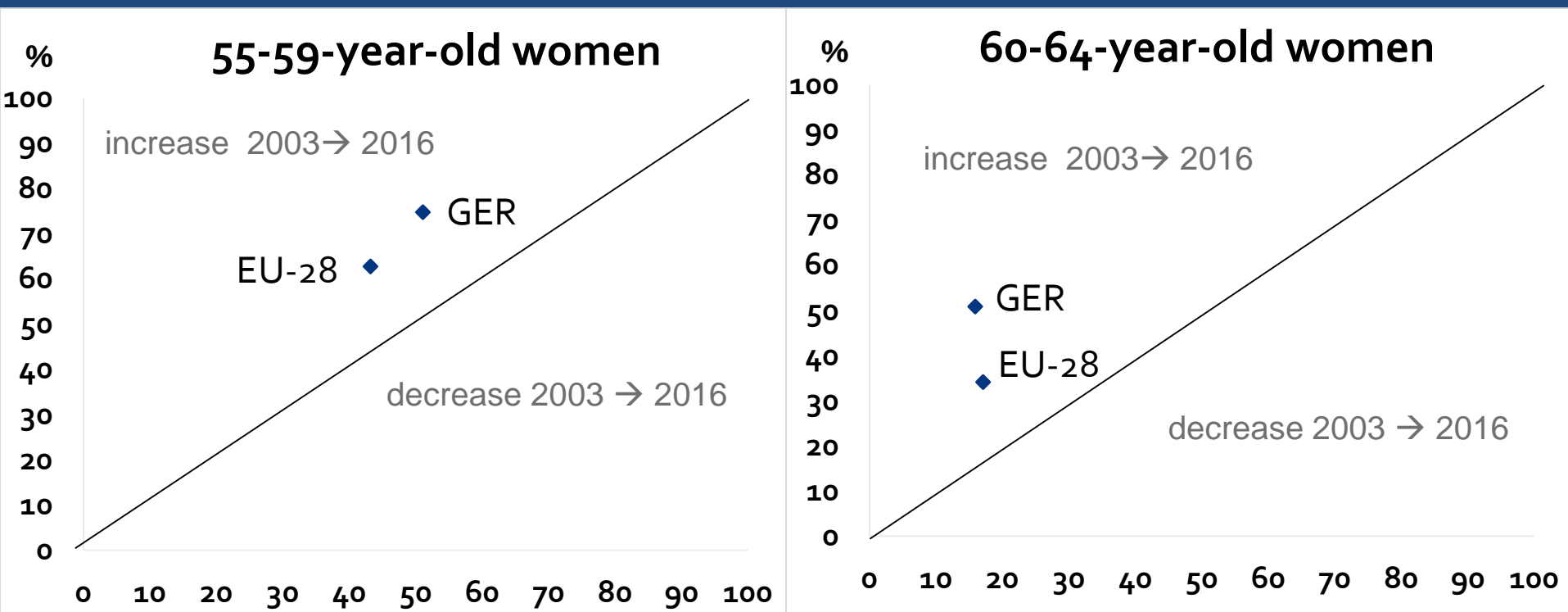
EMPLOYMENT RATES AMONG GROUPS

➤ Prolonged working lives



EMPLOYMENT RATES AMONG GROUPS

➤ Variance among labour market participants



DETERMINANTS OF LABOUR MARKET ATTACHMENT

Kinds of variation in exit patterns	Causes of varying exit patterns	
	<i>Supply</i>	<i>Demand</i>
Push-factors	<p>(Un)employment conditions, health issues</p> <p>(Komp, 2017; Tomlinson et al. 2017; Ebbinghaus/Hofäcker, 2013; Dorn/Sousa-Poza, 2007)</p>	<p>Individual differences, e.g. perforated life circles, qualification</p> <p>Eichhorst/Tobsch, 2013, Eichhorst/Marx, 2015, Hess et al. 2016)</p>
Pull-factors	<p>Incentives, unemployment, leisure time orientation, social constellations</p> <p>(Hofäcker et al., 2016, Sesselmeier et al., 2014; Pfau-Effinger, 2008; Anxo et al., 2006)</p>	<p>Population ageing, domestic labour, growing service and low wage sector, female employment</p> <p>(Engelhardt, 2011; Anxo et al. 2006, Engelhardt, 2011, Bosch et al., 2009)</p>

Hypotheses

- H1: Extending late employment has decreased working hours in exit patterns.
- H2: The decrease of working hours in exit patterns is stronger for women.

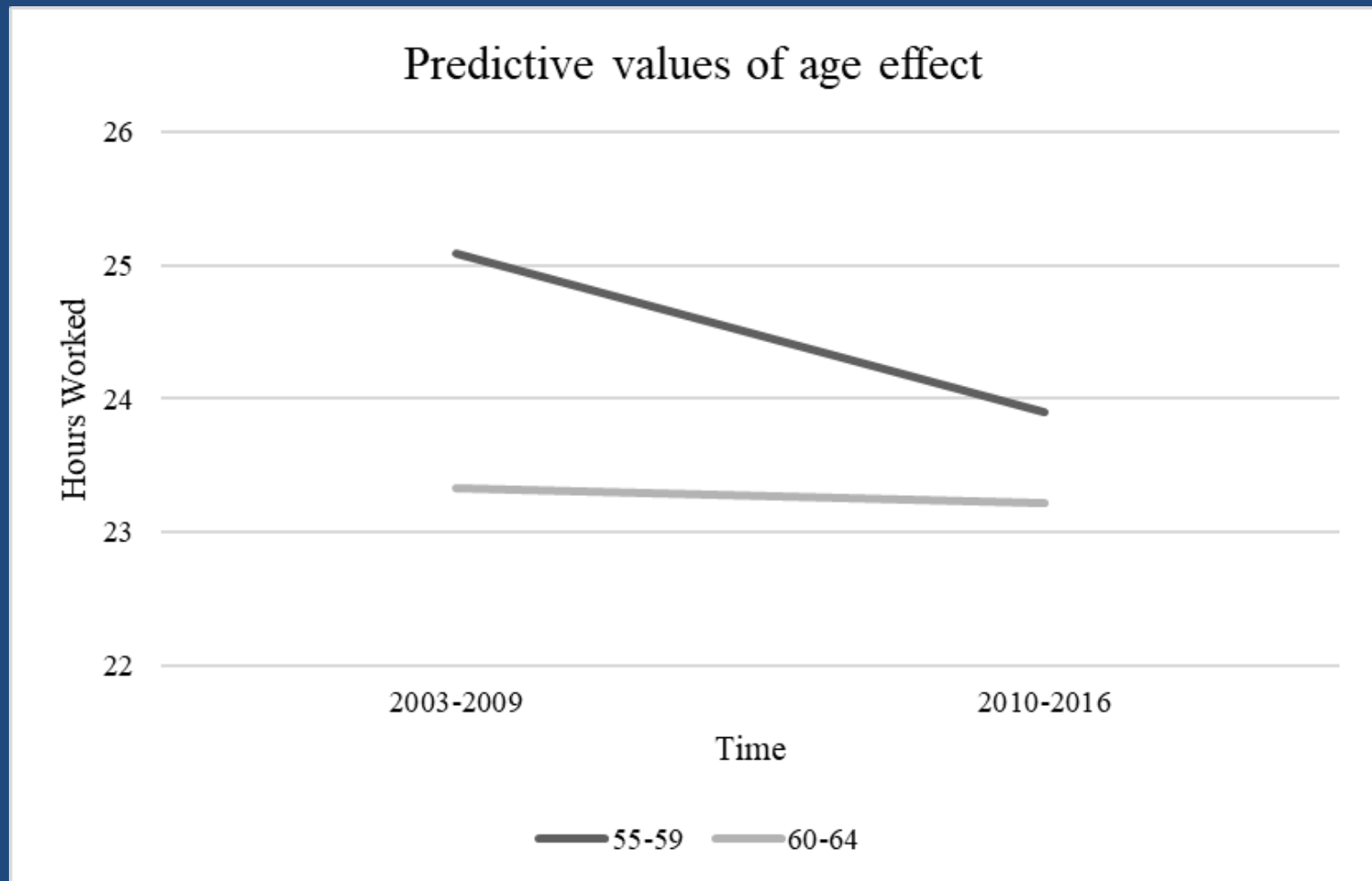
ANALYSIS OF CHANGE IN EXIT PATTERNS

German Socio-Economic Panel	Fixed Effects Regression Models
<p>Data structure Yearly measured observations on same unit and on new units</p>	<p>Dependent Variable (Contracted) working hours per week</p>
<p>Sample 55-64 year old in the years 2003-2016</p>	<p>Main independent variables Policy change of 2010-2016 (ref. 2003-2009), age group 60-64 (ref. 55-59)</p>
<p>Included observations 24,477 observations on 6,639 (un-)employed units</p>	<p>Control variables Employment careers (stable, de-standardised) Marital status (married, divorced, single, widowed), Health (intermediate, good, bad), Education (low, intermediate, high), Sector (service, agriculture, manufacturing)</p>

RESULTS

Variables	Coefficients	Clustered SE	
<i>Hypothesis 1</i>			
<i>Time effect</i>	-1.198***	0.179	
<i>Group effect</i>	-1.760***	0.217	
<i>Age*Policy Change</i>	1.078***	0.252	
<i>Constant</i>	29.31***	R ²	57.1

AGE DIFFERENCES ACROSS TIME



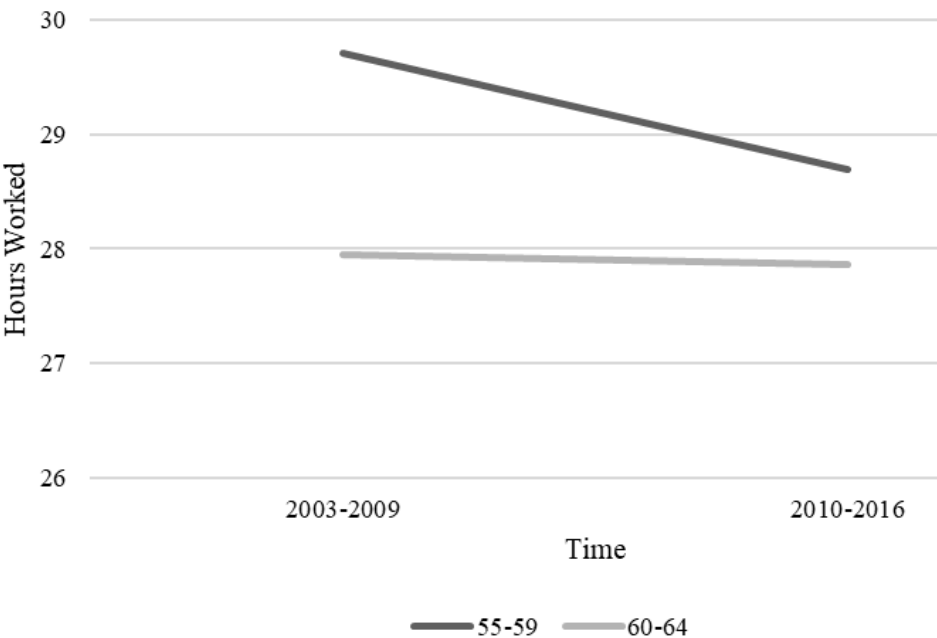
GENDER SPECIFIC RESULTS

Variables	Male model	Female model
<i>Hypothesis 2</i>		
<i>Time effect</i>	-1.018***	-1.268***
<i>Group effect</i>	-1.761***	-1.838***
<i>Age*Policy Change</i>	0.939*	1.171***
<i>Constant</i>	31.59***	29.29***
R ²	63.1	52.2

AGE EFFECT IN GENDER COMPARISON

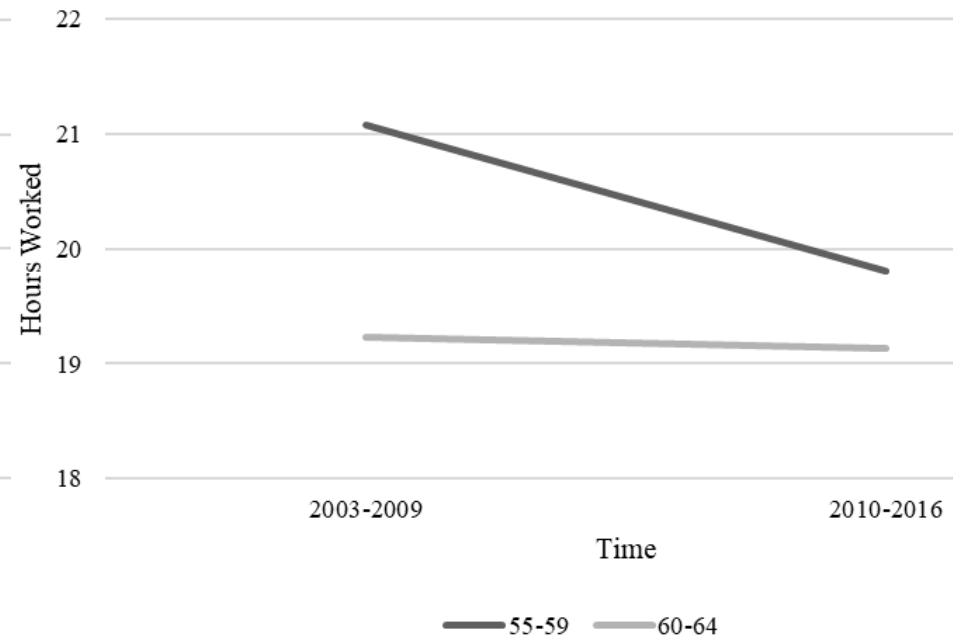
Male Model

Predictive values of male age effect



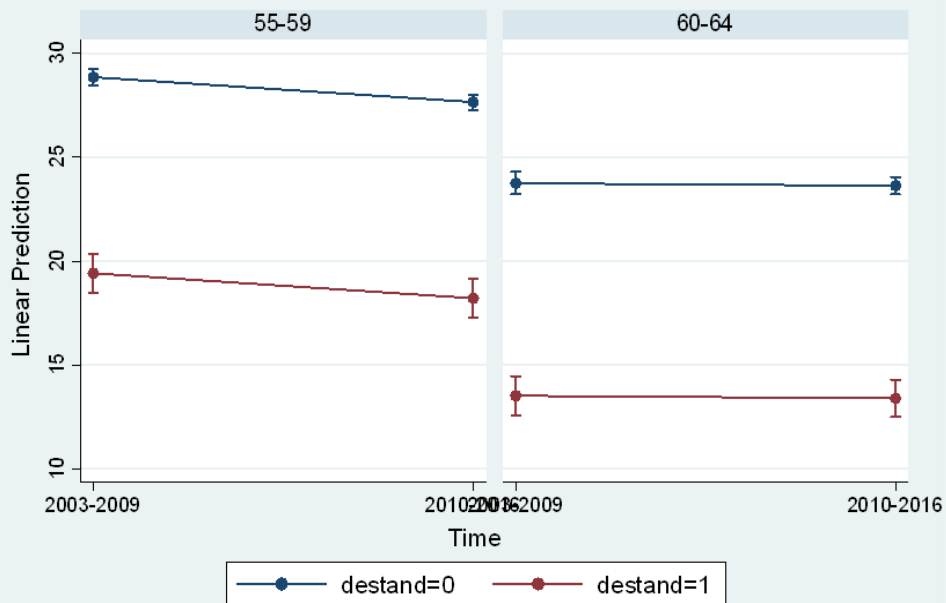
Female Model

Predictive values of female age effect

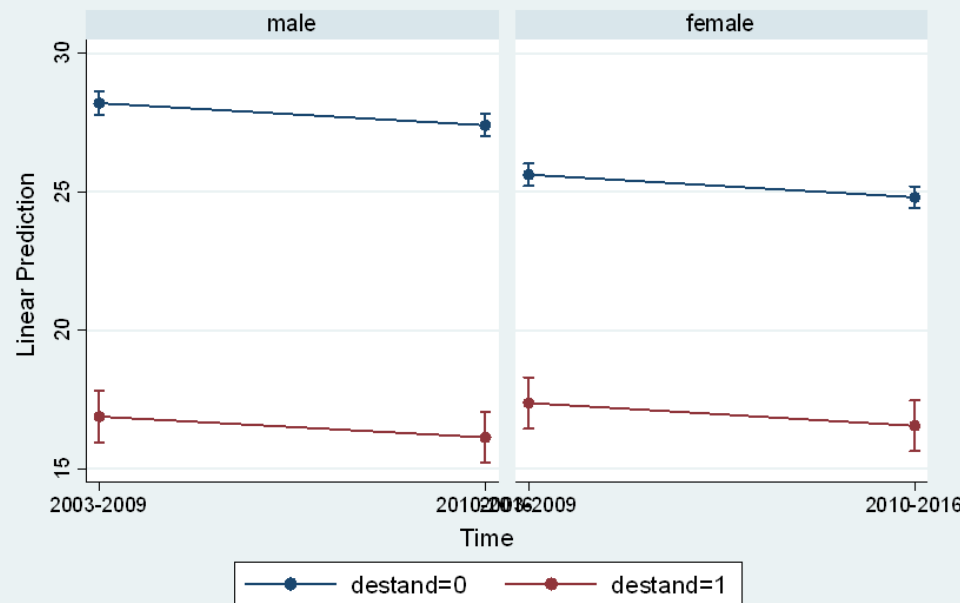


INEQUALITY DIMENSIONS IN EMPLOYMENT BIOGRAPHY

Adjusted Predictions of time with 95% CIs



Adjusted Predictions of time with 95% CIs



DISCUSSION

- Extending late employment has decreased working hours in exit patterns (H1).
- The decrease of working hours in exit patterns is stronger for women (H2).
- Controls: Compensation through more employment?

- Active Ageing measures consistent with prolonged employment among older individuals, which is increasingly organised through flexible working arrangements (Jossoula/Hinrich, 2012).
- Higher shares of female old age employment in late career on the basis of labour flexibility (Menke/Klammer 2017).
- German welfare model shows elements of a liberal welfare state (Hofäcker et al. 2016).
- Questions emerge about how social policy will adapt to this change in regard to sustainable life courses (Barr/Diamond, 2009; Bosch et al., 2009).

THANK YOU FOR YOUR ATTENTION!

PIECEMEAL REFORMS

- New modes of welfare state intervention cause political challenges:
 - Minimum pension within the statutory pension insurance in reaction against the polarisation between high- and low-qualified individuals
 - Expansions of compulsory contributions for non-standard forms of employment to account for labour flexibility
 - Re-organisation of private funds by offering an affordable standard product of private provisions to strengthen the individual pillars of the German retirement system