

Non-Engagement in Productive Roles Among Retirees in Europe: A Comparison Between Different Types of Welfare States¹

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Non-engagement in retirement age: an underexplored phenomenon

Most European countries are facing a rapid aging of their population. This trend is accompanied by a discrepancy between increasing individual capacities and the availability of institutionalized productive roles for people in retirement age. In the absence of those roles, retirement can largely be seen as “unstructured time” (Riley, Riley 1994) or as a “roleless role” (Burgess 1969) leading to a lag between individual resources and abilities and social structures or institutions of contemporary societies.

Against this background, concepts of productive aging or later-life productive engagement (Butler 2008) are gaining prominence in scientific and public discourses as a strategy to cope with the challenges of population aging. The productive aging approach postulates that older people remain engaged in a way that benefits other people and themselves, and that society, economy and politics should provide or expand opportunities for those activities (Sherraden et al. 2001).

In general, productive engagement comprises all activities that could also be provided by third parties or purchased on the market (Hawrylyshyn 1977). Thus, productive activities refer not only to paid work, but also to various forms of civic engagement, which includes (formal) volunteering as well as informal helping (e. g. Hank, Erlinghagen 2010), civic participation (e. g. Burr, Caro, Moorhead 2002; Martinson, Minkler 2006) as well as support within one's own family, such as childcare or caring for a sick or disabled relative (e. g. Wija, Ferreira 2012).

There is a large amount of empirical evidence on each of the single dimensions of productive aging like paid work beyond retirement age (e. g. Hochfellner, Burkert 2013; Hofäcker, Naumann 2015; Cihlar et al. 2019) or volunteering and informal helping across the life course and in older age (e. g. Hank, Erlinghagen 2010; Hank 2011; Lancee, Radl 2014). Additionally, a number of studies observed patterns among multiple dimensions of productive activities against the theoretical background of role extension and role substitution (e. g. Burr, Mutchler, Caro 2007; Morrow-Howell et al. 2011; Morrow-Howell et al. 2014; Mergenthaler, Sackreuther, Staudinger 2019).

In the study of Mergenthaler, Sackreuther and Staudinger (2019), the largest cluster within the study sample of German retirees aged 60 to 70 years comprised a group of respondents that were not engaged in any formal or informal productive activity at all. Those non-engagers accounted for 16 % of the total sample. This finding suggests that non-engagement is a common phenomenon during the first years of retirement. However, there are currently only descriptive findings on non-engaged retirees (e. g. Mergenthaler, Sackreuther, Staudinger 2019). Therefore, a variety of research questions about non-engagement in retirement remains unanswered especially in cross-country and welfare state comparison, respectively.

This study aims at narrowing this research gap by observing the prevalence of non-engagement in retirement in an international comparative perspective. Previous studies have shown that country-level welfare-state measures play an important role in explaining individual level outcomes in older age (e. g. Richardson et al. 2019). Thus, on the macro-level, several types of welfare states – social-democratic, conservative, post-communist and

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rudimentary/Mediterranean – are compared regarding the prevalence of non-engagement beyond retirement age. This macro-level perspective is supplemented by micro-level predictors of non-engagement like the availability of individual resources (e. g. health or educational attainment).

Hypotheses

A gradient of the prevalence of non-engagement between different types of welfare states is assumed with the lowest proportions in social-democratic and the highest proportions in post-communist and rudimentary/Mediterranean models (H1).

The association between welfare state models and non-engagement in retirement is moderated by age and gender (H2). The more developed a welfare state model, the lower the association between age or gender and non-engagement.

Individual resources are directly associated with non-engagement in retirement age. The higher the amount of those resources, the lower is the risk of being non-engaged in older age (H3a). Moreover, there is a cumulative association between individual resources and non-engagement that can be observed regardless of the type of welfare state (H3b).

The association between welfare state model and non-engagement is mediated by demographic and economic macro-level characteristics (H4).

Data and statistical methods

The study uses data from the sixth wave of the “Survey of Health, Ageing and Retirement in Europe” (SHARE, release 1.1) which was conducted in 2015. Respondents who had completed the main questionnaire, who were retired and who were between 60 and 85 years of age at the time of the interviews were included into the analytic sample. In total, the unweighted sample consists of 9,907 respondents from 17 European countries (namely Austria, Belgium, Croatia, Czech Republic, Denmark, Estonia, France, Germany, Greece, Italy, Luxembourg, Poland, Portugal, Slovenia, Spain, Sweden and Switzerland). These countries were grouped into four types of welfare states: social-democratic (Denmark and Sweden, N=1,098), conservative (Austria, Germany, France, Switzerland, Belgium and Luxembourg, N=2,922), post-communist (Czech Republic, Poland, Slovenia, Estonia and Croatia, N=3,591) and rudimentary/Mediterranean (Spain, Italy, Greece and Portugal, N=2,296).

Indicators of (non-)engagement

The study focuses on seven formal and informal activities that are used as the basic criterions of non-engagement in retirement: paid employment, volunteering, political or community-related participation, informal helping for (non-)family members, grandchild caring and caregiving as well as education and training. To measure labor force participation of retirees, the respondents were asked whether they did any paid work in the last four weeks.

Engagement in informal activities outside of one's own family or household was measured by the following questions: “Done voluntary or charity work in the last year?”, “Taken part in a political or community-related organization?” and “Gave help in the last twelve months?”. Productive activities within the family were measured by the following two questions: “Looked after grandchildren?” and “Given help to someone with personal care in the household?”. Additionally, the respondents were asked whether they “attended an educational or training course”.

These indicators of productive activities were coded as binary variables (1 “engagement in productive activity” 0 “non-engagement”), respectively. Altogether, they were combined to an additive index with respondents that were not engaged in any of the above mentioned activities being coded as “non-engaged”.

Individual level covariates

Basic socio-demographic characteristics of the respondents include gender and age. Age was centered on the grand mean of the sample (71 years). In SHARE, a number of variables are used to measure the health of older people as an important dimension of individual

resources. Since an indicator of the number of chronic conditions fails to measure the everyday life impact on older people, an indicator of functional health was used for the multivariate analysis. The respondents were asked "To what extent have you been restricted with everyday activities at least in the past six months due to a health problem? Severely limited, limited but not severely, not limited". The three categories of this question were coded as a binary variable (1: not limited, 0: severely limited or limited but not severely). Additionally, educational attainment as an indicator of individual skills and knowledge as well as socio-economic status was measured using the categories of ISCED-97, which were recoded into three categories of formal education (low: ISCED 0-2, middle: ISCED 3-4 and high: ISCED 5-6).

Country level characteristics

Following the hypothetical assumptions, several country level variables were considered as covariates for the association between welfare state models and non-engagement. These macro-level variables comprise the health ratio at ages 60 to 85, labor force participation in the age group 55 to 64 years, poverty ratio among in the age group 60 years and older and the GINI-coefficient of income distribution and inequality.

Results of the analyses

In the total sample, 42.1 % of the persons were classified as non-engagers while 57.9 % were engaged in at least one productive activity. Among the welfare state models, a gradient of non-engagement could be observed with the social-democratic showing the lowest (26.4 %) and the post-communist displaying the highest proportion (52.4 %). Therefore, the welfare state context plays a significant role for the prevalence of non-engagement in retirement age.

Further descriptive analyses reveal that age, functional health and level of formal education are associated with non-engagement on the individual-level. Non-engagement becomes more frequent with rising age, when health-related limitations of daily activities are reported and when the level of formal education is low. No significant differences between men and women could be observed.

Regarding the descriptive results of country level characteristics, non-engagers are living in countries with a lower health expectancy at ages 60 to 85, a lower labor market participation rate between 55 to 64 years, a higher poverty ratio among persons aged 60 years and older as well as a higher GINI-coefficient.

The multivariate analyses show similar associations. The odds ratios for non-engagement were significantly higher in the conservative (OR: 1.335, SE: 0.274), the post-communist (OR: 3.176, SE: 0.877) and the rudimentary/Mediterranean model (OR: 2.021, SE: 0.539) compared to social-democratic welfare states (reference category). Age, functional health and formal education remained significant predictors on the individual level in the overall model. Moreover, the association between welfare states and non-engagement was moderated by age but not by gender. The moderation resulted in an accumulation of the risk of non-engagement with rising age for both men and women for all types of welfare states. However, the rate of acceleration with rising age was higher for the post-communist and the rudimentary/Mediterranean welfare state models.

Although functional health shows a negative association and formal education displays an inverse gradient with non-engagement, the interaction between the two indicators was not significant. Thus, the models did not show a cumulative association on the individual level.

With respect to country level variables, only the GINI-coefficient showed a positive association with non-engagement in the multivariate analysis (OR: 1.051, SE: 0.023). This finding suggests that non-engagement in retirement is more likely in European countries with a higher inequality of income distribution.

Conclusion

The findings show that welfare state models are an important predictor of non-engagement in retirement age in a pooled data set of 17 European countries. The associations remained stable after controlling for individual and country level covariates. The individual level

variables show stronger associations with the outcome in the multilevel models than country level characteristics. Especially rising age and a low level of individual resources like health and education are risk factors for non-engagement. On the country level, only the GINI-coefficient was positively associated with non-engagement.

Those results point at the benefits of a multilevel perspective to understand different aspects and predictors of non-engagement in retirement age. Especially aspects of the welfare state context should receive more attention in the understanding of (non-)productive aging.

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