



# World Scientific News

WSN 89 (2017) 249-263

EISSN 2392-2192

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## Unemployment among people aged 55-64 in selected Central and Eastern European countries

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### ABSTRACT

The main objective of this paper is to show the changes in the rate of unemployment of people in the old age in selected Central and Eastern European countries in the years 2007 - 2016. This phenomenon was shown both from the point of view of general population and gender. Additional analyzes were subjected to the phenomenon of unemployment in Poland. The aging of the population of European countries has also been analyzed, which is important for the professional activation of this group of people. The hypothesis of this work is that the level of unemployment in the elderly has deteriorated as a result of the economic crisis but after that has not improved in all analyzed countries. After the crisis for some countries, the situation started to improve (Czech Republic, Hungary, Poland, Slovakia), while other countries fluctuated (Estonia, Croatia, Romania). The conclusion is that the unemployment rate for women of a mature age is lower than for men.

**Keywords:** unemployment, unemployed people aged 55-64, aging population, Central and Eastern European countries

### 1. INTRODUCTION

Unemployment is one of the most frequently studied phenomena in modern economics since the late nineteenth century, when its definition first appeared. This is because of its importance, both in terms of macroeconomic impact on the economy of a given country, by the presence of unused labor in the labor market, and on the other hand, in a microeconomic

sense, on the individual's situation in life, particularly on its financial status (lack of earnings); psychological and sociological (related to its feelings, fears, lack of self-realization, lack of contact with other people or deterioration of mental health and worse functioning in society). This article shows the unemployment in older age categories - here defined as the unemployment of people aged 55-64. This is important because of the aging of societies, so the challenge of filling the labor supply gap in the labor market (due to the declining labor force of working age and pre-working population). This gap can be filled by unused labor resources in the economy including older workers.

The main aim of this article is to show the level of unemployment among people aged 55-64 in selected Central and Eastern European countries belonging to the European Union. This is also analyzed for gender reasons. The hypothesis, which will be further evidenced by the article, says that there has been a worsening of the situation of the elderly in CEE labor markets as a result of rising unemployment, and after the crisis has not improved in all countries. The article consists of several parts. The first shows the aging of the population of the European Union, the second one defines and shows the factors affecting the unemployment rate of the elderly, the third is the short history of the phenomenon of unemployment among the people in the EU labor market, fourth and fifth shows the unemployment rate in selected Central and Eastern European countries, with particular emphasis on Poland.

## **2. THEORY OF AGING AND UNEMPLOYMENT- DEFINITION, CAUSUES, EFFECTS**

### **2. 1. The demographic situation - the aging of societies in Europe**

For a long time there has been an aging population in the European Union. This is mainly due to low fertility and low death rates among older people. However, these changes occurred in different countries at different rates and times. For example, in the Scandinavian countries, the increase in the number of elderly people appeared in the first half of the twentieth century, while for the countries of Southern and Eastern Europe the changes occurred later and were more dynamic. The end of the 20th century was characterized by the proportion of elderly people in these countries at the level of 10-15%. In Europe, the decline in mortality among older people has been around since the 1970s. It is assumed that the decline in mortality among older people has a greater impact on population aging than is the case in the case of declining birth rates (Rechel et al., 2013).

The problem of aging is manifested in the name of Europe as "the old continent" – which does not mean of its history but of its demographic structure. In order to show the aging of Europe, we use the Aging Index, which is defined as the ratio of people aged 65+ to people aged 0-14. It is estimated that in 2005 the index was the lowest in Albania and was 33, the largest for Bulgaria - 126, Greece - 125, Germany - 132 and Italy - 138. The largest aging index is expected to be in the following countries: Germany (261), Italy (251) and Bosnia and Herzegovina (243) (Długosz, 2011). Attention should be paid to the different path of the aging population of Western Europe and Central and Eastern Europe. For example, the average life expectancy for a 65-year-old French woman in 1990 was 19.8 years, while for a Czech woman of the same age, only 15.3 years (Crespo Cuaresma, Lábaj, Pruzinsky 2014).

The age distribution of the population in the territory of the EU-28 in the year 2014 was as follows: people in the pre-working age (0-14 years) - 15.6%, persons in the working age (15-64 years) - 65.9%, older adults in the post-working age (65+) - 18.5%. The median age for the EU-28 was on January 1, 2014, 42.2 years. This implies that half the population of the European Union is 42.2 years old or younger and the other half of the population is older. It is worth noting the dependency ratio of the older population (over 65 years), to the working-age population (15-64 years). As of January 1, 2014 it amounted to 28.1%, which means that 3.5 persons of working age per one person aged 65 and over. This coefficient was the smallest for Slovakia and was 19%, and the highest for Italy - 33.1%. In the case of the dependency ratio of the elderly (65+) and persons in the youngest age category (0-14), to the working-age population is 51.8%, which indicates that one not-working-age person per two working persons. The smallest indicator of this type was observed in Slovakia (40.6%), while the largest was in France (57.6%) (Demography Report, 2015).

The aging process of the population initiated several decades ago will have its far-reaching consequences in the future. The proportion of older people is increasing, while the percentage of the working-age and pre-working population decreases. It is estimated that between 1994 and 2014, the post-working age population increased by 4 percentage points, which was compounded by a decrease in the working-age population (by 1 percentage point) and by the pre-working age (by 3 percentage points). In the analyzed period, the median age also increased - in 1994 it was 36.2 years old, while in the years 2014 - 42.2 years (Demography Report, 2015).

However, there are significant differences in the life expectancy of human life among The Member States. The lowest level of this indicator in 2013 for men was 68.5 years old and it concerned Lithuania, while in Italy it was the highest in 80.3 years. In the case of women, the best situation was in Spain - 86.1 years, while the lowest was in Bulgaria - 77.6 years. When analyzing the cases in 2003, we found that the lowest level of life expectancy for males was in Latvia (65.3 years), the highest for Sweden (78 years). In the case of women the worst situation occurred in Romania - 78.4 years, the best in Spain - 83 years (Demography Report, 2015).

The life expectancy of people in the oldest age group increases. It is expected that between 2013 and 2060 the life expectancy of people aged 65+ will increase by 4.8 years for men and 4.6 years for women. It is estimated that in 2060 the expected life expectancy for men will be 22.4 years, and for women - 25.6 years. This difference will be 3.2 years and will decrease compared to the 2004 difference of 4.3 years. The longest life in 2060 will be characterized by people 65 years of age in France - for men 23 years, for women - 26.6 years. The elderly will live in Bulgaria in the shortest way - their life expectancy will be 20.3 years for men and 23.4 years for women.

Aging among the EU Member States is one of the most important factors influencing state policies, including: 1) reducing public debt, 2) increasing the employment rate (also among older people), 3) striving for increased productivity, 4) reforming pension systems, 5) reforming the public health service (Kolas, Rubaszek 2016, p. 50). Europe is particularly exposed to the negative effects of population aging - which include: 1) a decrease in equity investments due to an increase in savings on retirement benefits, 2) an increase in the disease in society, 3) a shortage of workers in the labor market, 4) the increase of taxes, 5) the need to adapt pension systems and health care to the needs of the elderly (Marešová, Mohelská, Kuč, 2015; Coleman, 1992).

## **2. 2. Unemployment of older people - definition, causes and effects**

According to the definition of the International Labor Organization, an unemployed person is characterized as a person aged 15 to 74 who: 1) does not work during the reference week - is not employed, does not receive remuneration and does not work as a self-employed person. 2) has and declares an immediate willingness to work, 3) actively seeks employment. In addition, a person considered unemployed must meet the following conditions: 1) actively works with the employment office to find suitable employment; 2) Uses a private agency to get employment; 3) contacts the employers directly. 4) uses help from family, friends and trade unions, 5) publish job search advertisements or respond to employer announcements by mass media, 6) analyze and study job content, 7) participate in recruitment processes for example interview and recruit exam 8) actively participates in the search for premises, equipment or land; 9) applies for permits, licenses or financial resources (Szwedzik, 2014).

It is also worth mentioning the definition of the unemployment rate. Unemployment rate is the share of the unemployed in the labor force, (persons employed and the unemployed) (Kiaušienė, 2015). In this article, we will analyze the unemployment rate of people in the older age category defined as people aged 55-64.

The essence of unemployment is a situation when a person is able to work immediately, wants to work, but does not have the opportunity. It is important to distinguish the unemployed from the economically inactive, because the latter is not working, is not actively looking for work and is not ready to take it in the near future. Unemployment can be divided into different types, among which are: 1) frictional unemployment (periodic), 2) cyclical, 3) structural (natural), 4) institutional – it means lack of interest among employers for activities aimed at obtaining employment, 5) Technological- New technology is less labor-intensive, and therefore has an impact on employment reduction (A. Szwedzik, Unemployment causes problems for man and his family [in:]: N.G.Pikuła, Marginalization on the labor market. Theories and practical implications Impuls, Cracow, (2014) 104-107).

Unemployment has major consequences. These include among others: loss of financial resources, and the loss of human relationships that accompany each working person. This loss may result in further consequence difficulties such as addiction, improper company, violence and aggression, and finally depression, which in its most severe stage may result in a suicide attempt. Suicide is the final stage resulting from lack of perspectives and negative references to the future. Negative effects of unemployment can also be attributed to the dependence on institutions helping the economically inefficient. For some countries, the amount of unemployment benefits can support a family at a relatively good level material, in other countries - including Poland- is virtually impossible. Therefore, in our country it is characteristic to seek additional sources of unemployment financing, including by giving loans or using gifts from various charitable organizations. In this case, the allowance is treated as a necessary provision to be from the state in a situation where there is no possibility of getting a job by the unemployed. Unemployment largely makes a man surrounded by other people is devoid of sensitivity and dignity as a human person, this leads to phenomena such as, among others, a sense of helplessness, a loss of respect for one another, humiliation, which in turn can lead to crime (Szwedzik, 2014).

The important problem of unemployment in Poland is that older people leave the active labor force and become passive categories on the labor market, despite the fact that they are They are characterized by the appropriate qualifications sought by employers and can continue to pursue their careers successfully. This is due to inadequate labor market policies

adopted by the state in the 1990s on early retirement incentives to make a place for young workers. Meanwhile, it turned out to be an illusion: many jobs instead of being occupied by younger workers were liquidated. Older people work in positions where the required knowledge and experience are lacking. In addition, young people require the necessary training and adaptive costs, which does not apply to older workers employed in similar positions. It is also worth noting that the exclusion of older people from the labor market results in an increase in early retirement expenditure, which leads to an increase in public debt.

One of the disadvantaged groups on the labor market is unemployed persons over 50 years of age. The problem is their professional activation due to: 1) the implementation of labor market policy by Poland in the 1990s, which focused on the professional inactivation of people 50+, 2) high labor costs, which leads to a decrease in the number of new jobs as well as to employ the least expensive employees by employers, 3) negative stereotypes of perceptions of older people by employers and also by society - which significantly limits their ability to take up employment on the labor market; 4) lack of high qualifications among this group of people concerning, inter alia, computer skills, or foreign language skills, 5) problems resulting from low self-esteem and "surrender" to older people on the labor market - which leads them to remain inactive. An additional factor is that people of a mature age are starting their careers in another economic system, in a centrally planned economy, and this is reflected in the negative habits of these workers at work (which does not mean that older people are unable to work and do not show competence, qualifications and experience appreciated by employers).

The unemployment rate for people aged 45 to 64 is lower than the overall level of unemployment among OECD countries, but there is a greater risk of long-term unemployment among older people. This is mainly due to the low mobility of older people in the labor market, especially those who remain unemployed. It is stated that unemployment among older people is due to: 1) the difficulties that older people have on the labor market - bad prospects for re-employment, 2) significant factors that discourage older people from re-employment. Older people are able to leave the labor market more quickly because of the increased time for benefits and easier access to early retirement (Tatsiramos 2010).

Negative characteristics the elderly people (50+) are: 1) low occupational mobility - in spatial or qualitative dimension, lack of flexibility, reluctance to accept news, 2) habits of work in the previous regime, which are not desirable in today's employers. 3) lack of education appropriate to the needs of the contemporary labor market. 4) lack of qualifications in information technology and foreign languages, 5) low level of health, high morbidity in this group of people, 6) lower productivity in the workplace, more difficult to acquire new knowledge in training and work. Positive characteristics of older people are mentioned: 1) experience, 2) loyalty to the place of employment, 3) availability, conscientious performance, 4) high resistance to stress and difficult situations in the workplace, 5) high level of some qualifications and competences.

One of the most important skills appreciated by employers in the labor market is computer support. Women are eager to participate in computer literacy training, which is reflected in the perception of this type of training as important and useful in professional life. Unfortunately, more than half of women (56%) aged 55 to 59 are not able to operate the computer. Language skills are also important in today's labor market. It is estimated that 27% of all women do not speak a foreign language at all. Among older women the knowledge of

the Russian language is the best - mostly for women aged 40 to 54 years. In the case of English, only 13% of women aged 55-59 were know this language, only 16% in German. The lack of knowledge of any foreign language is characteristic of 45% of the elderly.

The level of unemployment and the level of outflow from unemployment to the category of employed are influenced not only by economic factors (incentives for taking up employment), but also psychological and personality factors on the part of the unemployed, such as motivation and internal discipline in the search for work. Personality characteristics of an individual also determine the possibility of receiving employment offers from the employer during the recruitment process. People with some specific characteristics can search for work with lesser cost, which is a right way to acquire the employment. This results in an increase in work search intensity (affects the optimum work search intensity). An example of this is the greater openness of the unemployed - the distribution of work offers in the case of such a person is wider than in the case of people with low levels of openness (but it is mainly for women and work seekers) (Uysal, Pohlmeier, 2011 ).

Some unemployed persons may be discouraged by the ineffectiveness of their job search, leading to their departure from the occupational category. This phenomenon is called the discouraging effect of the employee. However, on the other hand, some people entering the labor market to increase their income - this effect is called "additional effect of the employee". The first type of phenomenon affects men in particular, while the second one, especially women (Kiaušienė, 2015)

### **3. UNEMPLOYMENT OF OLDER PEOPLE (AGE 55 - 64) IN SELECTED CENTRAL AND EASTERN EUROPE COUNTRIES - EMPIRICAL PART**

#### **3. 1. Unemployment in Europe - historical outlook**

At the beginning of 2000, the number of unemployed across the European Union was below 20 million, which represented almost 9% of the total labor force. This number was reduced to about 19 million in 2001, which accounted for 8.5% of the workforce. In the meantime, the number rose to 21 million in the following year, and this trend continued until 2005, when a period of good economic conditions and a decrease in unemployment for countries EU-27 occurred. In the first quarter of 2008, the number of unemployed in the EU-27 was 16 million, which accounted for 6.7% of the working population. Unfortunately, as a result of the financial and economic crisis, the situation on European labor markets has deteriorated considerably after 2008.

Historically, women always had higher unemployment than men. In 2000, the unemployment rate for women was about 10%, while the rate for men was 8%. The difference between men and women amounted to around 1.3 p.p. at the end of 2002. In the years to come, the difference was blurred, while in the second quarter of 2009, the unemployment rate of men was higher than that of women. The overall unemployment rate in the EU-27 in 2009 was 8.9% Subsequent labor market worsened, leading to an increase in unemployment by 1.9 percentage points in 2009 compared to 2008.

In 2010 (the year of the biggest impact of the economic and financial crisis), the unemployment rate for people aged 65-74 was 1.7%, while for the age of 50-64 it was 6.9% for the average of 27 EU countries. This was lower indicator than for people aged 15-74 and it was 9.6%. In the previous period the level of unemployment of older women was higher than

that of older men. During the crisis, the situation has reversed, as a result of a greater crisis in highly masculinised economies (for example in manufacturing or in construction), which means higher unemployment among older men than older women.. The financial and economic crisis in 2009 was more likely to be felt by young people than in the oldest age. Unfortunately, in the case of the unemployed in the mature age, the long-term unemployed are predominant. This applies to over half of men (51%) and women (53.4%) in 2010, in which case long-term unemployment is defined as being unemployed for 12 months or more (Active ageing and solidarity between generations, 2012).

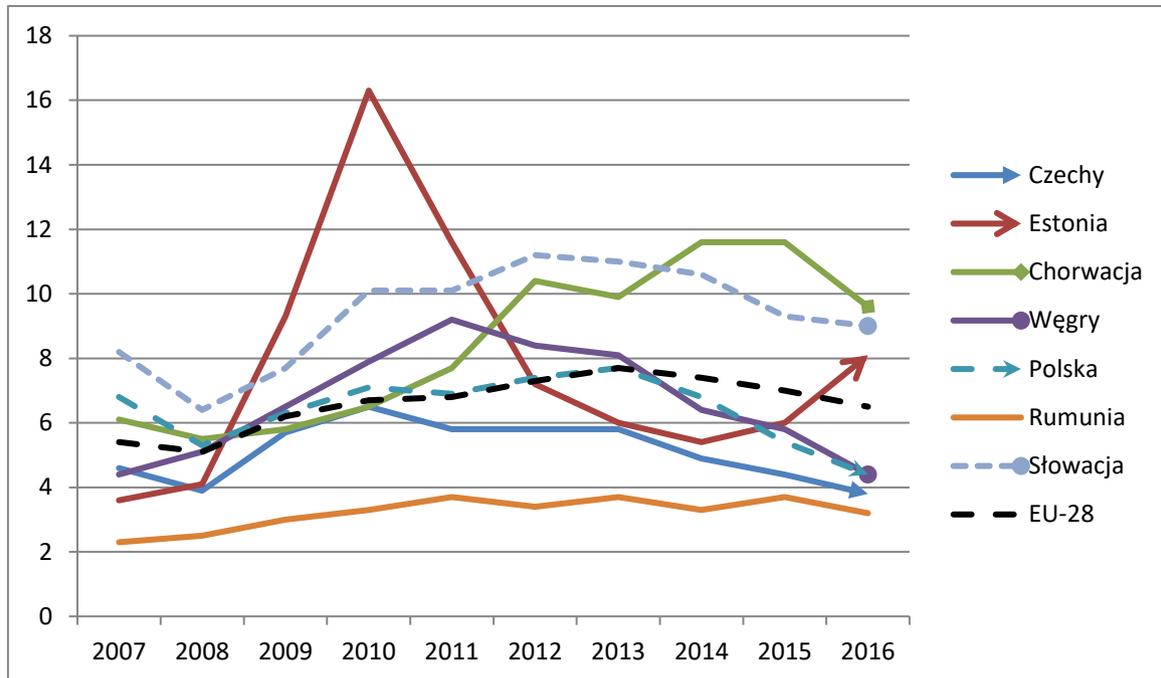
The problem is the occurrence of high long-term unemployment among the elderly. Long-term unemployment is assumed to remain unemployed for more than one year. It is harder for older people to escape from long-term unemployment and re-engage with the labor market. In 2013 the long-term unemployment rate among older workers was 4.3% (Smarter, Greener, More inclusive? 2013).

### **3. 2. Unemployed people aged 55-64 in selected Central and Eastern European countries**

When analyzing the unemployment rates of people aged 55-64 (Figure 1), the impact of the financial and economic crisis in Europe on the deterioration of their value is noticeable. By 2013, the unemployment rates have increased in the analyzed countries, and the situation was improving after 2012/2013, when the unemployment rate has fallen or fluctuated in the analyzed countries. The average for all EU-28 countries in 2007 was 5.4%, while in 2013 it rose to 7.7% and then fell to 6.5% in 2016. Of the analyzed countries in the worst case was Estonia, where the unemployment rate of elderly people rose to 16.3% in 2011 (it was an increase compared to 2007 by 12.7 p.p.), in Slovakia, where the rate increased by 3 p.p. (2007-2012) and in Croatia, where the growth in the years 2007- 2015 was 5.5 p.p. This means that after the financial and economic crisis in 2008, not all countries recorded an improvement in the unemployment rate of people aged 55 -64 for example Estonia. Croatia and Romania. In the case of the Czech Republic, Hungary, Slovakia and Poland, after the economic crisis, the value of the unemployment rate among this group of people is clearly improved. In the Czech Republic this is a decrease of 2 p.p. (in the years 2013 - 2016), in Hungary - decrease by 4.8 p.p (in the years 2011 - 2016), in Poland - by 3.3 p. p, for the years 2013 - 2016), while for Slovakia - by 2.2 p.p. (for the years 2012 - 2016). This means that Hungary, then Poland, Slovakia and the Czech Republic improved their situation better.

If we look at the period 2007- 2016, the only country in the analyzed countries that has managed to lower the pre-crisis level is the Czech Republic - the difference between 2007 and 2016 is 0.8 pp. (from 4.6% to 3.8%) and Poland - the improvement was greatest and amounted to 2.4 pp. less (from 6.8% to 4.4%). Hungary achieved to reach the same level as before the crisis - to 4.4%. In the case of the other analyzed countries, the increase was in comparison with the pre-crisis period - the highest was characteristic for Estonia (4.5 p.p.) while the lowest for Slovakia - 0.8 p.p.). It is worth paying attention to Poland, where the initial unemployment rate was higher than the European Union average of 1.4 p.p.

After leaving the crisis Poland has this index below the EU-28 average of 2.1 p.p. The characteristic situation concerns Romania, where the unemployment rate of older people is only about 2-3%, but this does not necessarily mean that the situation of the elderly is best in this country (the employment rate for older people is slightly above 40% in 2016).

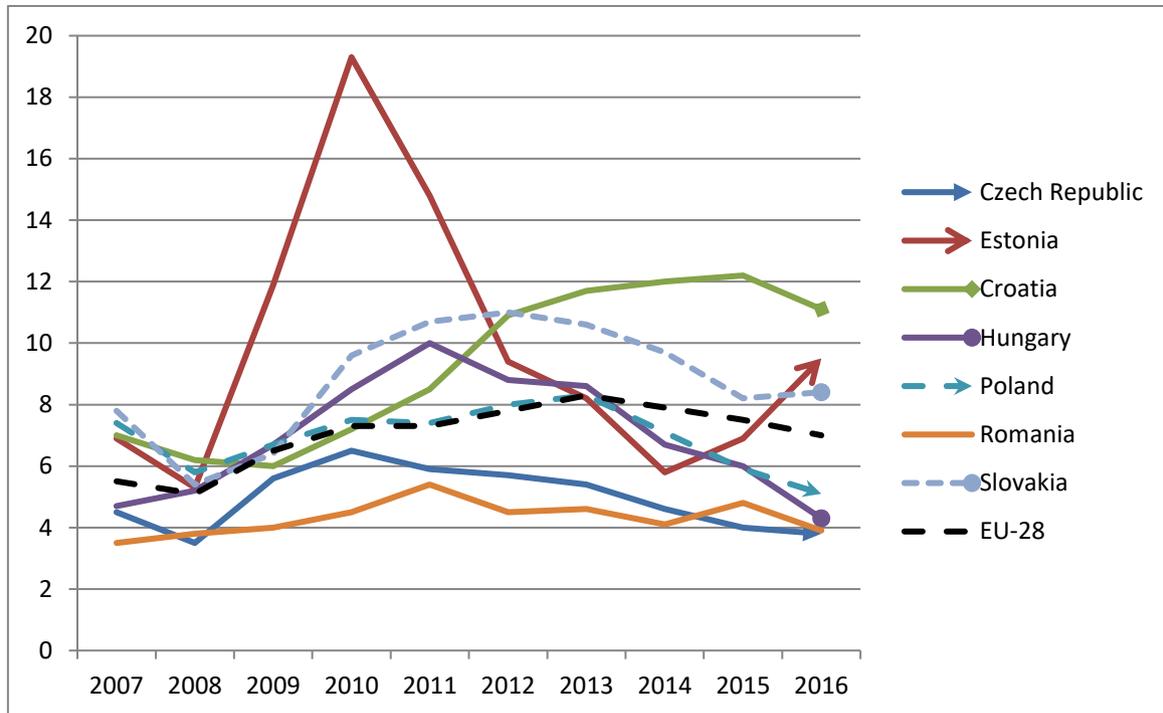


**Figure 1.** Unemployment among 55-64 year olds in selected CEE countries  
(Source: Eurostat)

Looking at Figs. 2 and 3, we come to the conclusion that the unemployment rate of men aged 55-64 in these selected European Union is higher than in the case of female unemployment at the same age. This can be due to two reasons: the early retirement of women, which lowers the size of the unemployment rate for older women, and the transition to economically inactive women (for the care of a grandchild or for older parents, the so-called Sandwich Generation. In the previous work, the lower level of employment of mature women was reported than that of mature men. By combining these two facts, we find that mature women are more likely to become passive than men (who are more likely to work, but more often, to feed on the unemployed). It does not automatically mean that they had better situation in the labor market - in that more women in this age are passive than in the case of men. For example, between 2007 and 2016, the level of men's professional activity was between 45% and 58%. %, in the case of women it was only from 21% to 39% in the analyzed period. However, this means that the majority of women in the labor market remain employed rather than the unemployed than men, but this concern for the subgroups women aged 55-64, which should be remembered, because in the later part of the study will be show the age 45+ which will change the relationship between unemployed men and women.

Now let's look at the unemployment of older men. In analyzing the years 2007 -2016, we conclude that in the period under review, in Estonia (3 p.p.), Croatia (4.1 p.p.), Romania (0.4 p.p.) and Slovakia (0.6 p.p.) the unemployment rate of elderly people has deteriorated compared to the pre-crisis level. In the Czech Republic (0.7 p.p.), Hungary (0.4 p.p.) and Poland (2.3 p.p.), the situation has improved - unemployment has decreased. Estonia suffered the most from the crisis (the rate in 2011 among the analyzed countries amounted to the most - 14.8% from 6.9% in 2007, the increase was 7.9 p. p. and later (after 2012) decreased by 5,3

p.p., to 9.5%) and Croatia (the rate rose from 7% in 2007 to 12.2% in 2015, 5.2 p.p. higher and began to decline only in 2016). The positive situation of Poland was noted, where the rate in 2007 exceeded the EU average by 1.9 points, whereas in 2016 it was lower than the EU average by 1.9 p.p.



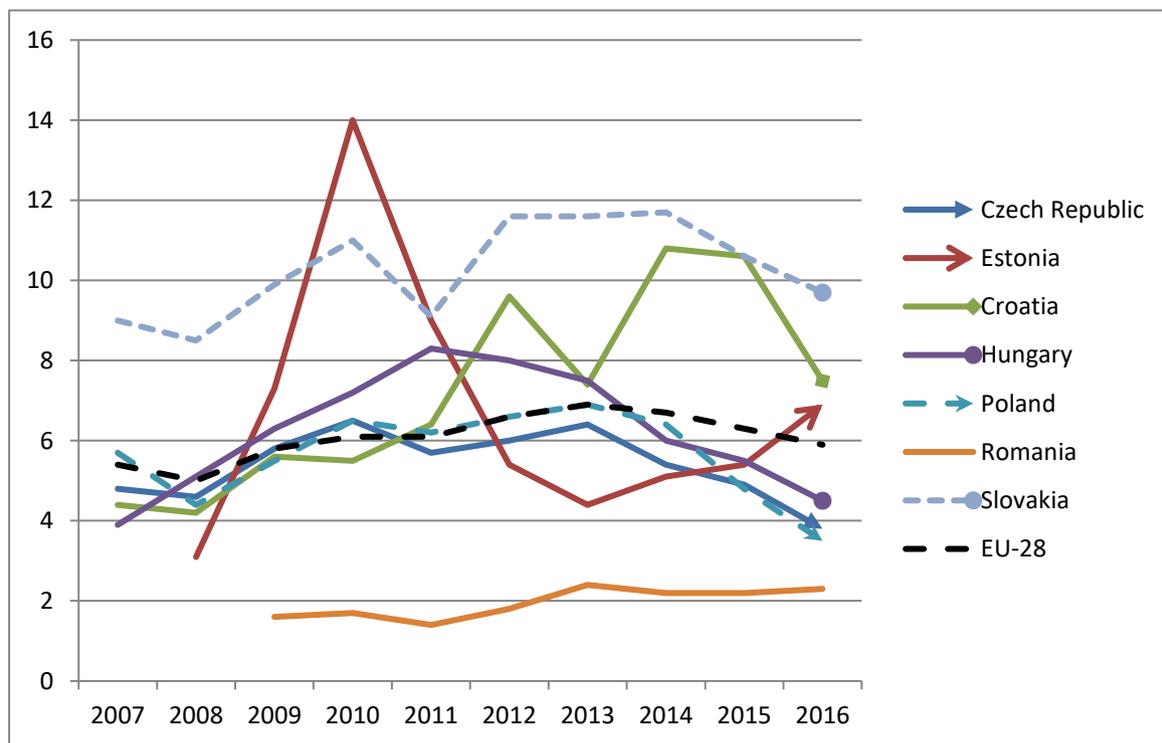
**Figure 2.** Unemployment in men aged 55-64 in selected CEE countries  
(Source: Eurostat)

When analyzing the situation of women (Figure 3), we see that the unemployment rate was lower than in the case of men which was already mentioned. Situation has improved in countries such as Czech Republic (unemployment rate was fallen by 2 p.p.), Hungary (by 1.8 p.p.), Poland (by 2 p.p.), Slovakia (by 0.2 p.p.) and Estonia (0.4 p.p.) but deteriorated in Croatia (increased by 1.9 p.p.) and Romania (by 0.7 p.p.). There was an increase in the unemployment rate for women in this age group. Similar to the previous one, the worst impact of the crisis on this indicator was observed in Estonia (in 2010 the figure was 14%, which was an increase of 10.9 p.p. compared to 2008), Croatia (in the year 2014 the rate was 10.8%, which was an increase of 6.6 p.p., compared to 2008), and Slovakia (in 2012 the rate was 11.6%, compared with 2008 - 3.1 p.p.). Positive attention should also be paid to the positive changes in Poland - in 2009 the indicator was lower than the EU-28 average by 0.3 p.p., while the difference in 2016 was already 2.4 p.p.). There is also a low level of unemployment among older women in Romania, which is only 1 to 2%.

The Figure 4 shows the unemployment rate for different age groups for the average of all countries and for the new Member States of the European Union (here called Central and Eastern Europe.) It appears that almost all age groups (excluding the two) the unemployment rate in the EU-11 is lower than that for the average of the whole group. Just in two age

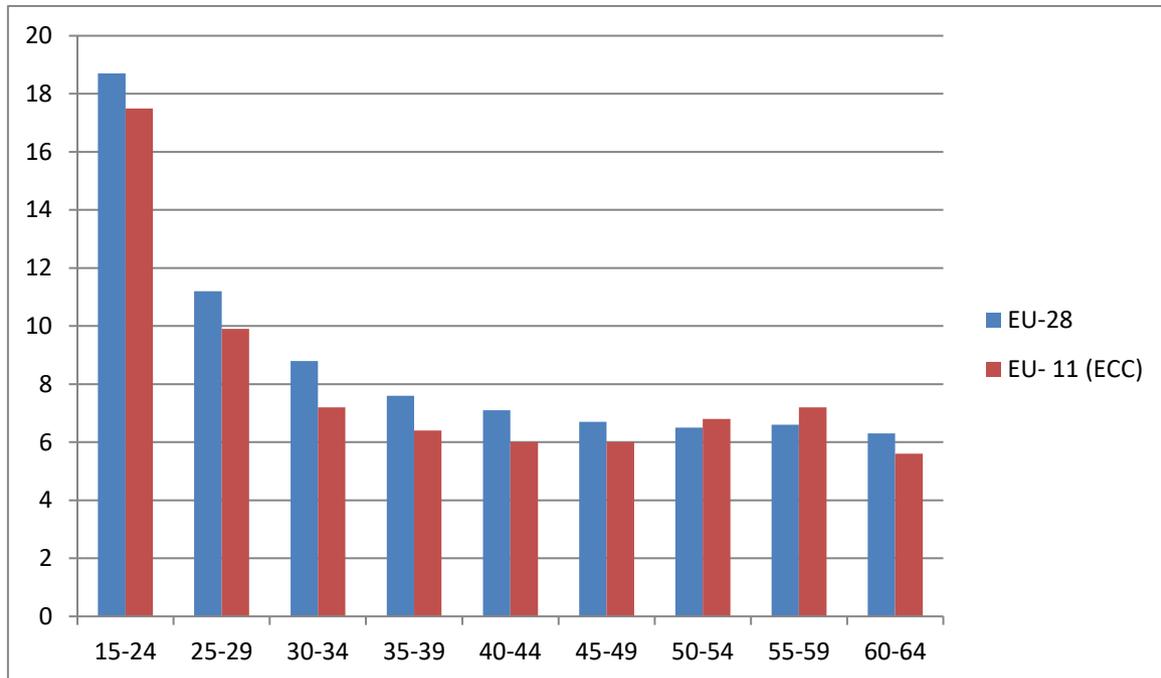
categories (50-54 and 55-59 years), the unemployment rate for EU-11 countries is higher than that for the EU-28 average. In the case of younger generations, this situation may be due to their outflow from the domestic labor market to the countries of Western Europe, which improves the unemployment rate of those in the EU-11 and may further aggravate the situation of young unemployed people in the labor markets of the old EU15 countries.

In the case of older people aged 50-59, this situation is not a problem (due to low spatial mobility). In addition, the negative habits of older workers resulting from functioning in the previous communist system - which are not so more attractive to the labor market than their counterparts in the EU-15. On the other hand, the lower age of unemployment among the oldest age group may be due to the earlier retirement of these persons in the EU-11 than in the EU-15. In 2006, the average age of retirement in the EU-15 was 58.5 years. The age in the 10 Central and Eastern European countries (excluding Croatia) was 57.4 years.



**Figure 3.** Unemployment in women aged 55-64 in selected CEE countries.  
(Sours: Eurostat)

For example, we analyze the situation in Romania. Unemployment in the country during the economic crisis increased from 7.2% in March 2008 to 10.1% in March 2011. In order to cover the debt resulting from the economic crisis, the Romanian government fired 100,000 workers. No better situation was recorded in the private sector, where the number of employees decreased by 150,000. Measures taken to improve the situation on the labor market in some cases, however, are counterproductive. In 2009, the number of unemployed in Romania exceeded 8% and amounted to 1.2 million (Șfichi, Măiorescu, 2011).



**Figure 4.** Unemployment in various age groups in EU-28 and CEE (EU-11)  
(Source: Eurostat, own calculations).

Analysis of the unemployment rate in Romania between 1996 and 2013 consists of three periods. In the first period 1996-2002 there was a high unemployment rate resulting from the restructuring of the economy and a negative economic boom occurring between 1997 and 1999. In the next period there was a significant decrease in the unemployment rate (in the years 2003-2008), because of increased through domestic and foreign investments in that country. Unfortunately, on the other hand, easier rules on access to labor markets in Western Europe have led to a massive outflow of workers from Romania to the Western European Union, which has also contributed to the decline in unemployment in this country. The period 2008-2013 marked a recession in the labor market as a result of the increase in the value of unemployment. It is also characteristic that there is a higher level of unemployment among men than among women - men are more likely to be released from work. This is mainly due to the nature of the economic crisis, which is more strongly affecting the sectors of the economy mainly employed by men than women, such as production and construction. This may well explain why the unemployment rate of men aged 55-64 is higher than the rate of unemployment of women of the same age. It is characteristic that the level of unemployment has not returned to the pre-crisis level - even the improvement of the economic situation did not completely absorb the surplus of the unemployed people formed during the crisis. It is arguable that overcoming these difficulties is possible by increasing the employment of older people and those with low qualifications. (Palade et al., 2014)

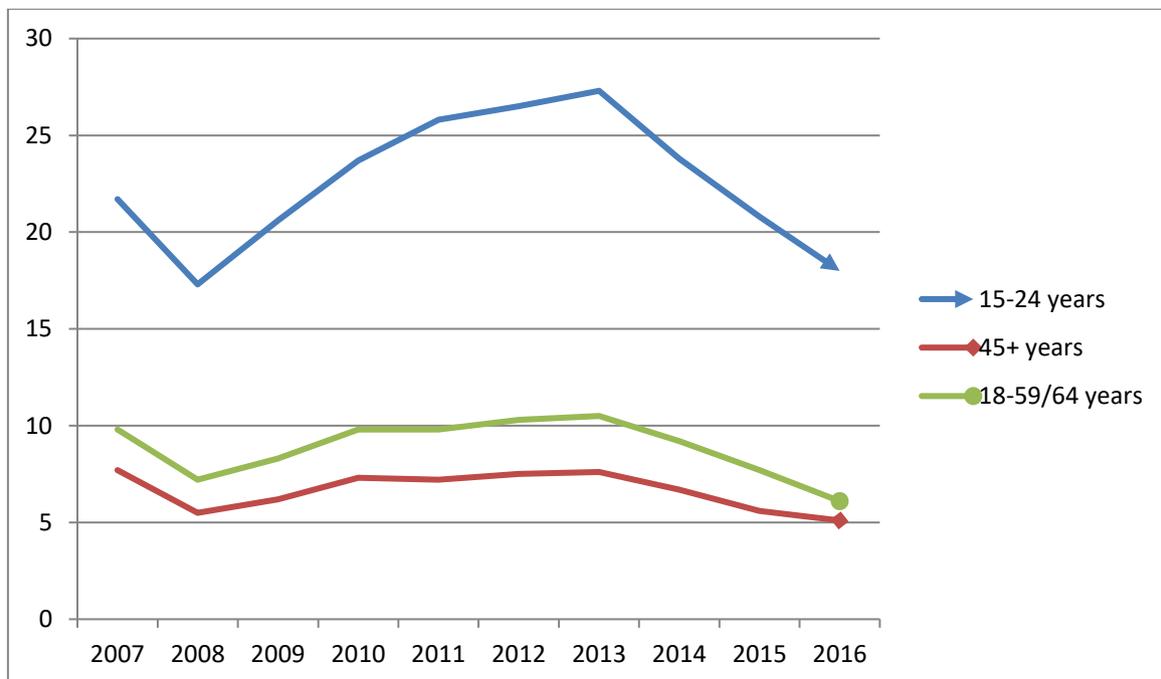
Another situation occurred in Estonia. Before the onset of the financial and economic crisis, economic growth in the Baltic states was very high against the background of the European Union - hence the name of the Baltic states - Baltic Tigers. However, the crisis

caused the greatest economic downturn across the European Union. However, the problem is low employment rate and low wages in Estonia.

In addition, the situation is exacerbated by the outflow of young workers to Western Europe as a result of free movement of workers. This applies mainly to earnings, in countries such as Sweden and Finland, earnings are four times higher than in Estonia (Tanning and Tanning, 2012).

Characteristic for Estonia in the years 2000-2008 was a positive situation on the labor market, where the unemployment rate fell from 12.6% in 2001 to 4.7% in 2007 (a drop of 7.9 p.p.). Since 2009, the biggest recession has occurred: the unemployment rate has risen from 5.5% in 2009 to the level of 16.9% in 2011 (11.4 p.p.), it was a threefold increase in the value of unemployment in this country. The long-term unemployment rate (unemployed for 12 and more months) for Estonia was 52.6 thousand people, which accounted for almost 39% of the unemployed. It is worth noting that in the worst case of 2010 the number of unemployed people amounted to 115.9 thousand people. The situation began to improve only in 2012, where the decline in the total unemployment rate amounted to 4.4 points (from 16.9% to 12.5%). P.47. The rising unemployment rate was in parallel with the declining number of job vacancies, mainly due to the decrease in the supply of skilled labor force in the labor market. The occurrence of the economic crisis has also affected the situation of older people in the labor market, which was previously analyzed. The situation in Estonia and other Baltic states confirms that no economy is completely detached from the situation and trends in the world economy (Tanning and Tanning, 2012).

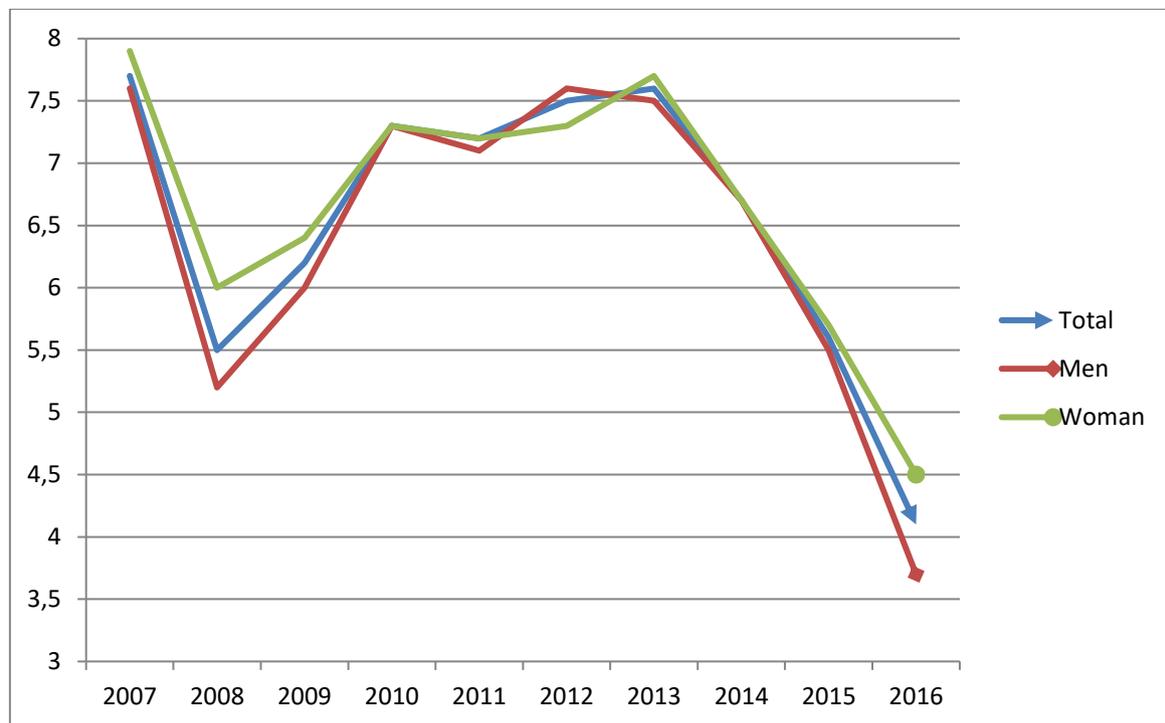
### 3. 3. The situation of unemployment of older people in Poland



**Figure 5. Unemployment rate by age in Poland.**  
 (Source: Labour force survey in Poland, III quarter 2016 (2017) Gus, Warsaw. pp. 90-92)

In the case of the unemployment rate in Poland (Figure 5) as a result of the 2008 financial and economic crisis, the situation of all analyzed age groups has worsened. However, it should be noted that for those aged 45 and over, this deterioration was much lower (in the years 2008-2013 the unemployment rate of those persons increased by 2.1 pp on a percentage basis it would increase by 38% than the situation of youngest age group (here the deterioration was 10 percentage points, the increase was 57.8%). This means that the transition from the crisis to the older age group is considerably slower - it results from the fact that younger workers are much more exposed to the general economic situation and the labor market than older age groups.

It is interesting to capture the level of unemployment among people aged 45+ in Poland due to gender. It appears that in the initial phase of the crisis (2008- 2010), mature women in Poland had slightly higher unemployment than men. In 2010 and 2014, the level of unemployment among men and women was equal and after 2016, the level of unemployment was again higher for women than that for men. However, this is a different situation than that of older women aged 55-64, where their unemployment actually shows a lower level than that of men. This may be due to: 1) problems with the impact of the crisis on the male sector such as manufacturing and construction; and 2) early retirement of women in retirement age than men, which means that outflows from the labor market to the retirement age category.



**Figure 6.** Unemployment rate of people aged 45+ by gender in Poland Unemployment rate by age in Poland.

(Source: Labour force survey in Poland, III quarter 2016 (2017) Gus, Warsaw. pp. 93-98)

#### 4. CONCLUSIONS

The phenomenon of unemployment among the labor force in the labor market has its practical dimension. It depends on whether the gap in the labor force is effectively filled by activating resources outside the labor market. Although the level of unemployment of older people is relatively low (eg compared to youth unemployment), the activation of older people should have a positive impact both on the labor market and on the individual situation of the unemployed.

By analyzing the unemployment rate in each country, we have come to the conclusion that in each of these countries, the financial and economic crisis of 2008 has reemerged on the professional situation of people in the old age by increasing their unemployment in the labor market. There was no country in 2008-2012 where the unemployment rates would not increase. The situation in each of these countries is also different after the crisis: in some (Czech Republic, Hungary, Poland, Slovakia) the situation has improved, in others (Estonia, Croatia, Romania) the situation is becoming less stabilized due to numerous fluctuations. Not all countries have returned to the level of unemployment before the crisis. The situation arises from the different economic paths that countries have experienced during the crisis, and much depends on the appropriate actions of the state authorities activating the elderly as well as on the behavior of the interested unemployed. Action against unemployment in old age seems difficult and, arduous but it is one of the ways to ensure that there will be an effective labor market in the future, involving prospective and valuable resources in the market such as the unemployed in the mature age (55-64).

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