

## EMPLOYMENT OR SELF-EMPLOYMENT OF PEOPLE AGED 50 AND OVER IN THE EUROPEAN UNION?

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**Abstract:** *The article is a discussion concerning the essence and importance of use of available labour resources, including elderly people, in the European Union, with focus on their employment and self-employment opportunities. The European workforce is rapidly aging and the share of people aged 50 and over in the labour market is growing. Increasing employment opportunities among older workers is essential to ensure that the labour market and workforce adapt to meet the needs of an aging population. However, there are still many stereotypes and prejudices related to the employment of elderly people that employers usually exhibit to avoid employing them. In such situation, self-employment is often the alternative to unemployment. The questions that naturally arise from these considerations apply to the employment opportunities of people aged 50 and over. The main research questions are: “what is the scale and dynamics of employment and self-employment of elderly persons in the European Union?”, “how big are disparities across UE?”, “is there a relationship between low employment and high self-employment rate of people aged 50 and over”? The analysis covers the period between 2008 and 2016, the main source of data using in the article is Labour Force Survey, downloaded from Eurostat database. Considering the aforementioned conditions, the goal of the paper is to present spatial diversity of employment and self-employment of people aged 50 and over in EU-28 between 2008 and 2016. Implementation of the goal formulated in this way should be achieved through analysis concerning the following spheres: 1) definitions of “elderly” workers, 2) employment of older people in the EU-28, 3) self-employment of people aged 50 and over.*

**Key words:** *older workers, employment, self-employment*

**JEL codes:** *J14, J21, J70, O52*

### 1. Introduction

Age is highly important on labour market because it is one of the key elements that determine perception of an individual and their potential. This may expand or limit the opportunities for finding employment, improving qualifications or being promoted. Employers most often assess the potential of an individual through the prism of age, which represents the necessity to establish the age limit of “mature” or “elderly” worker. However there is no consensus in this area. In documents of the European Union the concept that people approaching retirement age, i.e. in Europe people aged 55-64 (European Commission, 2007), should be considered elderly workers is prevailing. In OECD studies the age between 50 and statutory retirement age is the age category for describing “elderly people” with reference to the labour market. In research conducted by Polish centres, various age

groups are adopted, e.g. 45 and older, 50 and older, 60 and older and 65 and older (Kotowska and Grabowska, 2007; Stypińska, 2015; Uścińska, 2011). On the basis of the literature review and the analysis of results of conducted studies, as well as considering comparative character of the analysis, the paper adopts the age limit of elderly people on labour market to be between 50 and 64. However, it must be remembered that adopted limit has contractual and flexible nature because limits of old age are not only determined by belonging to a specific age group. This is because being over 50 years old does not bring immediate and automatic changes in the way work is performed, even though the people aged 50+ are often approached as less efficient and less useful in an organisation. This proves employment discrimination.

Primacy of youth as such over maturity and its preference by the society, including employers is the major problem that elderly workers face. In comparison with younger people, elderly workers are often perceived as people who are less creative, less flexible, less mobile and rather reluctant to changes, as people who have weaker motivation to take trainings and improve qualifications, and also as characterised by lack of knowledge of new technologies and foreign languages. On the other hand, they are often neglected in trainings because employers think they will learn less than the younger. However, research does not confirm that cognitive capabilities decrease with age, but they are simply different (Ilmarinen, 2001; Reuter-Lorenz, 2002).

Experience, skills and knowledge are the strengths of these workers therefore they are a valuable capital for every organisation. They are loyal, responsible, hard-working and conscientious, as well as self-reliant; they also have a stable family situation which has impact on their availability (Heyma et al., 2014). Majority of elderly workers are characterised by accuracy, reliability and the skill of communication with customers and colleagues. It is extremely important as because of demographic changes, the number of elderly customers is going to grow. Elderly workers will be able to recognise and satisfy their needs better. Their professional and social skills constitute a unique capital of human resources that has not been acquired by younger people yet. This also concerns social capital that is build throughout the whole professional career. They can share and bring their knowledge, experience and contacts to younger workers, provided that conditions supporting this will be created.

In view of the above, the purpose of the paper is to present spatial diversity in the sphere of employment and self-employment of people aged 50+ in European Union states between 2004 and 2016.

## **2. Methodology and Data**

The analysis of the situation on labour market needs application of various economic measures and rates. In economic literature, focussing on general assessment of the situation on labour market, measures determining trends in the sphere of labour supply and demand are most often applied. These rates are to some extent interrelated, nevertheless, because of the subject area discussed in the text attention is mostly focussed on labour supply and factors determining its scale and structure. Analysing this subject area is associated with an attempt to answer the following questions: “what is the scale and dynamics of employment and self-employment of elderly people in the European Union?”, “how big are disparities across UE?”, “is there a relationship between low employment and high self-employment rate of people aged 50 and over”?

In conducted analysis measures concerning aforementioned economic rates are applied. They include employment rate and the rates related to flexible employment forms. Data come from Eurostat and cover the period of 2004-2016. Referring the rates to people aged over 50 allows for diagnosis and assessment of their situation on labour market. It is especially important because people of that age constitute one of the groups discriminated on labour market, and the oversimplified way in which this social group is perceived brings a lot of negative consequences (Topgul, 2016). At the same time it must be stated that they do not form a uniform group, they differ with respect to sex, education, professional experience, position and occupation. However in many cases their early withdrawal from the labour market is a common feature. Such a situation is determined by many factors, including health problems, disability, too low or outdated professional qualifications, stereotypes among workers related to labour efficiency of middle-aged people, as well as mental barriers including lack of self-confidence.

## **3. Results and Discussion**

The paper is characterised by complexity, multidimensionality and specific nature that results among others from conditions determining it. Its heterogeneous character is the consequence of social and demographic characteristics of workers including their age, sex, education, skills or health situation. Considering these circumstances it is necessary to present changes occurring in the area of employment of people aged over 50. Furthermore, their early deactivation brings numerous negative consequences both in individual dimension and in terms of the whole society (D'Addio et al., 2010; Heywood and Jirjahn, 2016; Warr et al., 2004; Palmer et al., 2017). Due to low pension benefits, labour is an important and often indispensable income support for elderly people. It gives meaning to life, motivates to care about health, physical fitness and mental well-being. For many elderly people it is one of few opportunities to establish relationships with other people and to feel the need to

leave home. The loss of work or retirement, and consequently a dramatic change of previous lifestyle can bring apathy, indifference and decline in other areas of life activity of elderly people. Occupationally non-active elderly people do not generate national product, do not share knowledge and experience gained throughout the years of employment, and they bring burden to the public budget with the costs of benefits resulting from unemployment. Moreover, there is a decrease in tax revenue, decline in the number of people paying social insurance and health insurance contributions (Lassus, 2015).

### 3.1. Employment of elderly persons in the European Union

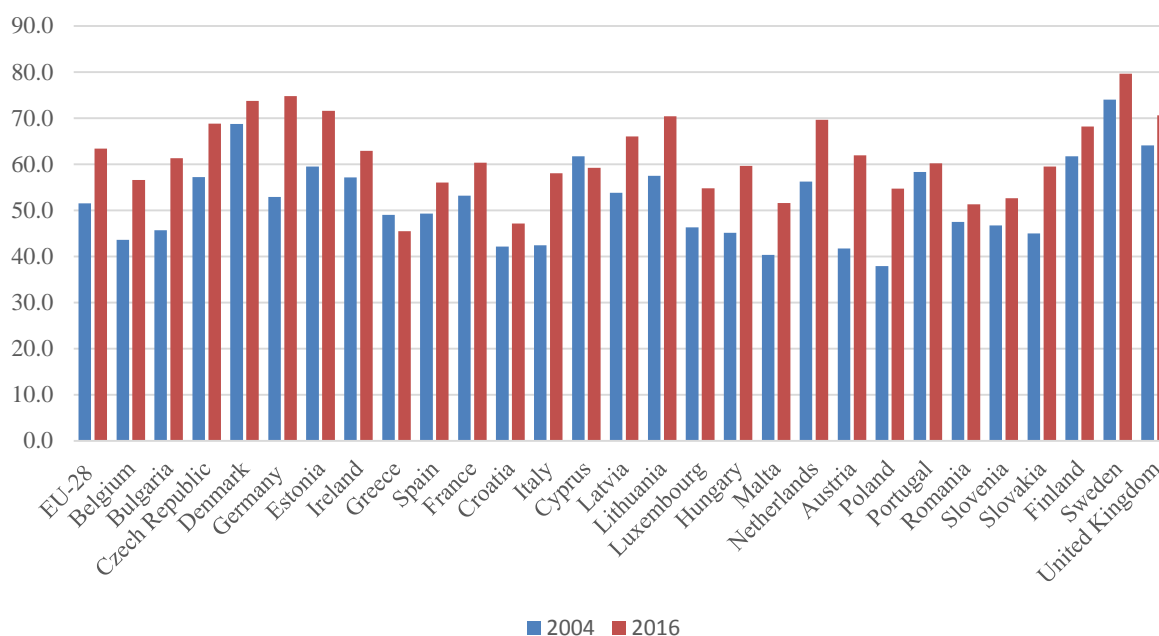
In the EU-28 employment rate of people aged 15-64 in 2016 was 66.6% whereas among people aged 50-54 it was by 3.2 percentage points lower. The gap between the rate of elderly people employment in Poland and in the EU-28 is high (almost 9 percentage points in 2016), even though it considerably decreased in the analysed period (almost by 5 percentage points since 2004). Poland is still the country of one of the lowest employment rate in the EU, although lower value of employment rate of people aged 50-64 was reported in Greece (45.5%), Croatia (47.1%), Malta (51.6%) and Slovenia (52.6%), which is shown in figure 1.

Analysis of employment rate of people aged 50-64 allows for dividing the EU into 4 groups:

- countries of the lowest employment rate in 2016 (below 55%) – Greece, Croatia, Malta, Romania, Slovenia, Poland and Luxembourg,
- countries of average-low employment rate (56-60%) – Belgium, Spain, Italy, Hungary, Cyprus, Slovakia,
- countries of average employment rate (61-70%) – Bulgaria, Czech Republic, Ireland, France, Lithuania, Austria, Portugal, Holland, Finland,
- countries of high employment rate (over 70%) – Denmark, Germany, Estonia, Latvia, Sweden, Great Britain.

It must be emphasised that the largest growth in employment rate was reached in Germany and Austria (over 20 percentage points), in Bulgaria, Italy and Poland (over 15 percentage points), whereas decline was observed in Cyprus and Greece.

**Fig. 1** Employment rate of people aged 50-64 in 2004 and 2016 in the EU-28 in %



Source: Eurostat (www1)

Elderly people employment rate is internally very diversified by age. Dividing the group of elderly people into five-years' subgroups with the growth of age in each successive group, the employment rate is lower – starting from the average EU-28 reaching in 2016 almost 78% for people aged 50-54, to 5.6% for people aged 70-74 and 1.4 for people aged over 75. In Poland the rates in all age groups are lower than the EU average although in the studied period the dynamics of changes (except for the workers of the oldest age groups) was considerable. At the same time it is noticed that if limiting the right to early retirement and investments in development of their qualifications contributed to the growth of the level of employment among people aged over 60, in the case of

people aged over 60 raising the retirement age and implementation of financial incentives that encourage delaying the decision of retirement is highly important.

Implementing actions in this sphere is particularly important in the case of women whose level of occupational activity and employment are remarkably lower in comparison with men. Their early deactivation is a problem in many European countries. The analysis of data presented in table 1 shows that in majority of EU states, except for Estonia, Latvia and Finland, regardless of age group, employment rate of women is lower than men. In 2004 in EU-28 it was slightly over 55% and in 2016 it was almost 2 percentage points higher. The highest employment rate of women aged 55-64 in 2016 was reported in Sweden, Germany, Estonia and Denmark – over 70%, whereas the lowest in Malta (32.2%) and Greece (35.4%). Poland belongs to the group of states of relatively low employment rate for women (47.5% in 2016), even though the dynamics of changes in the analysed period was high (increase by 16 percentage points). In the case of Slovakia, Germany and Austria, the growth was higher than 20 percentage points, whereas in Romania it remained almost on the same level.

Economic and social determinants, including traditions of professional work of women, preferred family model, retirement age but also the state policy affect shaping of differences in the sphere of employment by sex (Zaccaria, 2014). The share of women aged over 50 in labour market decreased significantly. While employment rate of women aged 50-64 in 2016 was 72.5%, among the 70-74 age group it was 3.7% and in the case of women aged over 75 it was marginal and was not higher than 0.7%. In Poland the conviction that elderly women should devote themselves to taking care of grandchildren or other dependants rather than continue occupational activity is quite common. On the other hand, smaller share of elderly women in labour market or their earlier retirement age increase the risk of poverty. Therefore actions aiming at promoting sex equality also in the sphere of employment are essential.

Both in the case of women and men employment rate grows with the increase in their level of education. Employment rate of people aged 50-64 with primary or junior high school education grew in EU-28 from 41.2% in 2004 to 47% in 2016. In Poland it is considerably lower than in EU-28 (26.4% in 2004), and at the same time one of the lowest among analysed countries (beside Slovakia, Croatia and Lithuania), i.e. on the level of 30% in 2016. It grew by 4.4 percentage points in the studied period. Among analysed countries employment rate of elderly people with at least junior high school education increased most between 2004 and 2016 in Germany (by over 20 percentage points), whereas the largest decline was observed in Lithuania (by almost 13 percentage points).

Among studied countries, Germany, Malta, Poland and Austria are characterised by the highest growth of employment rate of people aged 50-64 with vocational or secondary education. In Poland it grew from 38% in 2004 to 54.3% in 2016. In this way Poland is reducing the distance from EU-28 where unemployment rate in this group is almost 67%. On the other hand, the largest decline in this rate between 2004 and 2016 occurred in Greece (by over 6 percentage points); the country has still been experiencing the effects of global economic crisis that finds reflection in difficult situation on labour market among others. The gap between Greece and European average EU rate is higher than 33 percentage points and in comparison with Sweden by 38 percentage points (employment rate is almost twice lower).

Similar situation is observed in the group of elderly people with university education. Average employment rate in EU-28 for this group in 2016 reached 78.7% and in comparison to 2004 it grew by 5.5 percentage points. In Poland employment rate in this group increased in this period by almost 12 percentage points from 64.5% to 76.4%. In this way a part of the distance from the average EU-28 was reduced. A similar, or even higher dynamics was observed in Austria (increase by 19.1 percentage points), Bulgaria (15.5 percentage points) and Germany (15 percentage points). This was contrary to Greece and Cyprus where employment decline among people aged 50 – 64 was higher than 12 percentage points. Summing up, in majority of EU states convergence of the scale of employment among elderly people occurs, however this may not be perceived as a trend occurring generally.

A change in the structure of people's education is occurring together with population ageing – successive age groups aged over 50, especially women, are increasingly better educated. This is because among women the impact of education on probability of employment is even higher than among men. Although the employment rate regardless of the level of women's education is lower than in relevant groups of men, the dynamics of changes among better educated population remains higher. The lowest employment rate (22.2% in 2016) and the smallest dynamics (growth by 1.3 percentage points) is typical for women having primary or junior high school education. The difference between their level of employment in Poland and the average for EU -28 is the largest and reaches almost 17 percentage points. Disparities are decreasing together with better education – in the case of women with secondary education the difference is almost 15 percentage points, whereas among women with higher education it is only 2.2 percentage points.



**Tab. 1** Employment rate of men and women aged 50-64 in EU-28 between 2004-2016 (in %)

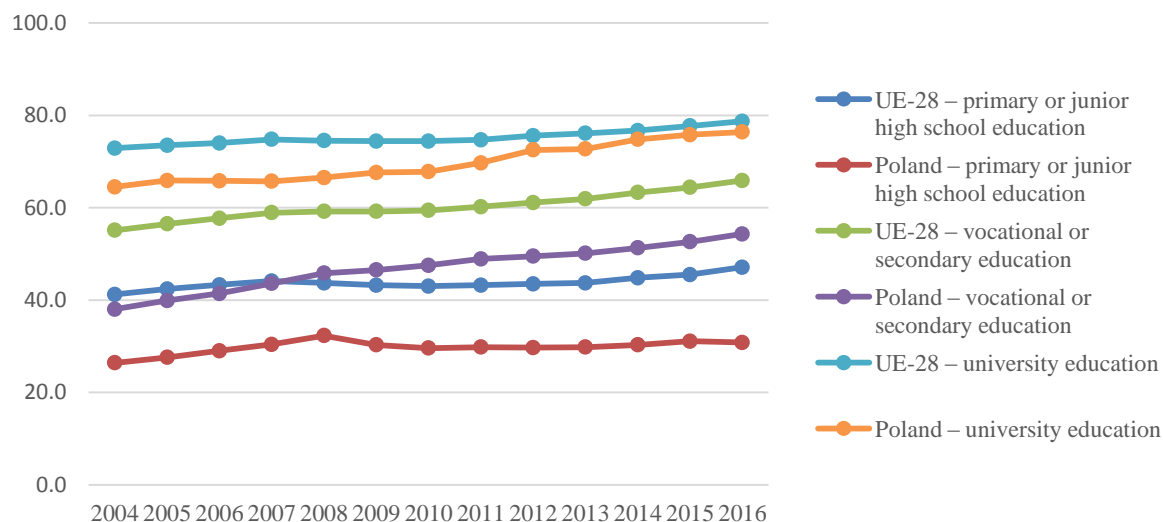
Country	2004		2006		2008		2010		2012		2014		2016		Changes 2004-2016- p.p.	
	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W
EU-28	60.9	42.6	63.3	45.7	65.1	47.9	64.3	49.3	65.4	51.7	67.1	54.3	69.7	57.3	8.8	14.7
Belgium	54.1	33.2	55.9	35.6	57.2	38.9	59.4	42.5	59.6	45.3	60.6	48.8	62.5	50.8	8.4	17.6
Bulgaria	52.4	39.7	57.5	44.0	63.4	49.4	58.9	49.9	57.8	51.5	60.5	55.4	63.9	58.9	11.5	19.2
Czech Republic	67.5	47.5	69.0	49.1	71.2	50.5	67.6	49.8	69.3	52.2	73.0	56.6	76.0	61.8	8.5	14.3
Denmark	74.5	62.8	73.8	63.5	73.4	62.1	70.4	62.8	72.3	63.8	74.8	65.5	77.5	70.0	3.0	7.2
Germany	60.3	45.5	65.7	51.5	70.4	56.4	72.7	60.3	75.8	63.5	77.4	67.4	79.4	70.1	19.1	24.6
Estonia	55.9	62.4	65.7	68.2	70.0	69.0	59.1	63.0	66.2	66.9	69.8	69.4	70.8	72.2	14.9	9.8
Ireland	71.5	42.4	73.0	47.2	72.5	49.1	64.1	49.7	62.0	49.4	67.0	51.2	70.9	55.0	-0.6	12.6
Greece	67.1	31.6	69.2	34.1	69.0	36.1	66.3	37.0	57.4	33.0	54.2	32.7	56.4	35.4	-10.7	3.8
Spain	67.5	31.9	69.0	36.4	68.6	39.6	62.5	41.9	59.5	43.7	58.9	45.1	63.2	49.0	-4.3	17.1
France	59.0	47.6	57.1	49.7	56.8	49.9	57.6	50.6	60.5	53.5	61.5	55.8	62.8	58.0	3.8	10.4
Croatia	53.6	32.1	55.4	35.8	58.1	37.6	57.6	39.7	54.8	39.2	53.9	38.9	53.3	41.2	-0.3	9.1
Italy	56.3	29.2	58.7	32.1	60.0	34.8	60.9	36.3	62.5	40.4	65.9	44.2	69.8	46.9	13.5	17.7
Cyprus	78.7	45.3	78.8	45.3	78.6	49.3	76.2	51.8	71.0	48.6	65.3	45.8	68.1	50.7	-10.6	5.4
Latvia	59.7	49.4	67.9	59.0	70.4	64.3	55.3	56.7	61.0	60.6	63.4	64.2	65.0	66.9	5.3	17.5
Lithuania	64.8	51.7	64.1	54.8	67.2	57.0	59.5	55.6	63.9	59.6	66.0	64.1	71.9	69.3	7.1	17.6
Luxembourg	58.5	33.6	59.1	39.0	59.2	41.1	63.1	43.1	63.5	47.2	65.5	48.0	63.1	46.1	4.6	12.5
Hungary	50.9	40.2	51.9	40.4	49.5	39.4	48.7	41.9	51.5	44.0	58.0	47.5	67.0	53.1	16.1	12.9
Malta	66.4	15.2	61.7	16.6	60.4	17.7	62.5	19.2	64.1	21.6	65.6	26.9	71.0	32.1	4.6	16.9
Netherlands	67.7	44.6	69.0	48.4	72.9	53.4	72.7	53.7	74.0	57.5	75.1	58.3	77.8	61.4	10.1	16.8
Austria	50.3	33.4	56.4	40.7	61.6	45.2	63.4	48.6	64.2	50.2	66.2	52.7	68.3	55.7	18.0	22.3
Poland	45.1	31.4	50.8	33.1	55.8	36.3	55.7	39.0	57.9	41.7	60.3	44.0	62.6	47.5	17.5	16.1
Portugal	67.7	49.9	67.1	51.6	67.9	51.7	65.3	52.6	61.0	50.4	62.2	51.3	66.2	54.8	-1.5	4.9
Romania	54.2	41.5	60.1	43.8	62.2	43.3	59.2	41.0	60.2	41.8	61.7	42.2	61.7	41.7	7.5	0.2
Slovenia	55.8	37.7	58.3	40.0	58.2	41.4	58.4	42.5	53.5	42.2	54.6	45.2	55.9	49.4	0.1	11.7
Slovakia	56.6	34.8	62.3	39.9	67.2	44.1	63.2	44.6	63.1	47.6	61.9	49.6	64.2	55.1	7.6	20.3
Finland	61.8	61.6	63.7	64.0	65.5	65.3	63.7	65.1	64.4	67.4	64.8	68.5	67.4	69.0	5.6	7.4
Sweden	75.8	72.1	76.8	71.9	77.8	72.0	77.8	71.8	79.8	74.5	80.0	75.3	81.7	77.4	5.9	5.3
United Kingdom	71.7	56.7	72.3	57.6	72.9	58.3	71.2	58.7	72.0	60.6	74.4	63.2	75.9	65.4	4.2	8.7

M-men, W-women

Source: Eurostat (www1)

Social exclusion can be one of the key consequences of low employment rate of people aged 50+ in Poland, especially those less educated. It is correlated with their poor financial situation which mainly results from low level of pensions, low benefit for the unemployed, or complete lack of income resulting from the lack of employment as well as their marginal participation in social and public life. These factors significantly determine the risk of social isolation of the 50+ age group. It must be emphasised that for many elderly people professional work is the sense of life and offers one of very few opportunities to meet other people. Therefore their occupational activity plays an important role not only in macro-economic but also individual dimension while enabling maintenance of good physical and mental well-being, and affecting the quality of their life.

**Fig. 2** Employment rate of people aged between 50-64 in Poland and EU-28 by the level of education between 2004 and 2016 in %



Source: Eurostat (www1)

### 3.2. Self-employment as an alternative career path for the people aged over 50

Running own business activity is an alternative for hire work which is particularly important from the perspective of the country and demographic determinants (progressing process of population ageing). Such form of employment is not only a source of new workplaces but it also positively affects expansion of occupational activity. As it is shown in statistical data, company owners retire definitely later. Although entrepreneurship and innovativeness are associated with young, creative people, the potential of elderly people is more and more often noticed. They have large professional and life experience that can be translated into competitive advantage of their potential company.

In the literature of the subject, *self-employment* is most often described as “conducting business activity by natural persons” or “independent work” performed for one or mainly one entrepreneur within conducted business activity. It is not easy to define this notion. Differences occur with respect to legal aspects included in the definition. In legal approach, self-employment is a single person business activity, i.e. “profit-making production, construction, commercial and service-providing activity, as well as searching for, recognising and mining mineral deposits. It is also an occupational activity (the so-called freelancing) conducted in an organised and continuous way” (Act, 2004). Business activity should be performed in one’s own name, regardless of its result, in an organised and continuous way.

From macro-economic point of view self-employment is one of the ways of making labour market flexible. On the one hand it allows employers to reduce the costs of activity and it affects the speed of reacting to changing conditions of the environment, and on the other hand it creates an opportunity for people ineffectively looking for employment to become a part of working people resources again. Such a decision is made by three basic groups of people regardless of their previous status on the labour market (the unemployed, occupationally inactive or hired workers employed before on the basis of a contract):

- people who want to start their own business from the very beginning, develop it, earn a living in this way and gain professional satisfaction from this;
- self-employed people, working as freelancers for several employers, taking advantage of the freedom offered by independent work organisation;

- workers who because of expected business profits or being encouraged by employers to do this, start and continue professional career working formally within conducted non-agricultural own business activity.

Two groups of factors, i.e. *pull forces* and *push forces*, that have impact on making decision about self-employment and starting own business activity are most often indicated in the literature (Zissimopoulos and Karoly, 2007; Kautonen et al., 2014). According to assumptions of this concept making the decision about starting business activity is affected by economy condition, demand on labour and situation on labour market. In the period of good business cycle self-employment is a result of pull forces whereas in the period of worse business cycle it is an alternative for permanent employment. In the first case, the main reason is the willingness to take advantage of opportunities existing in labour market and satisfaction of own ambitions, whereas in the other one, especially in difficult conditions on labour market, it is often synonymous with the necessity to change the form of employment from permanent work to self-employment. Despite the fact that self-employed people occur as an entity running a business activity, this form of self-employment is not the same as running business activity. This is because it is a result of actions started in conditions of economic pressure, conducted for one entity in a dependent way. Decision about conducting own business activity is not made voluntary but because the worker cannot start or continue provision of work within worker's employment. Performing work personally by the self-employed person, usually the same tasks that were the subject of the employment contract are typical of this self-employment. In this case the self-employed continue work contracted by the company in conditions of economic dependence but at lack of protection and security guaranteed by the system of labour law (Skórska, 2016).

The importance of this form of labour provision all over Europe, including Poland is proved by its relatively high share among occupationally active people. In Poland, in 2016 the self-employed constituted around 18% and the difference in comparison with other EU countries mainly results from the fact that people working in agriculture represent high share of the self-employed group. Among over 2.8 million self-employed people aged 15-64 in 2016, people aged 50-64 constituted over 980 thousand (33%) and aged over 65 – 118 thousand. Their rate is lower than the average for all EU countries (38%) and is on a similar level as in Czech Republic, Lithuania, Latvia, Malta and Romania. The highest rate of people aged 50-64 among the self-employed (47%) was observed in Germany and Portugal, whereas the lowest in Estonia (29%) and Luxembourg (31%). In majority of EU-28 states the number of self-employed among people aged 50-64 is growing even though the dynamics is diversified. Between 2004-2016, the highest growth was reported in Slovakia (almost twofold), in Holland and Luxembourg (over 70%). In Poland, Spain and Slovenia, the dynamics of changes was similar to the whole EU-28 (around 22-25%), whereas in Portugal, Cyprus, Greece and Lithuania a decline in the number of the self-employed was observed in the analysed group, similarly to the others. Considering the size of individual countries and their population, in Germany and Great Britain the number of self-employed people grew by almost 0.5 million, in Poland, Spain and Holland by around 200 thousand, whereas in Malta, Estonia and Denmark slightly over 1 thousand – see table 2.

In Poland middle-aged people from 35 and older are most often company owners. They are more frequently males – in all age groups women were the owners of only every third company. Among people aged 50-64 in EU-28 in 2016 men constituted almost 69% while in Ireland the rate was over 81% and in Latvia almost 23 percentage points less. The number of men aged more than 65 who run their business activity is dramatically declining (in Poland in 2016 there were 82 thousand of them) and in the case of women there are over twice less of them. In the whole EU-28 the number of self-employed women aged over 65 was not higher than 686 thousand. It is interesting that between 2004 and 2016 in Finland there number increased five-fold even though it is only 10 thousand women. On the other hand, Germany and Great Britain are characterised by the largest number of the self-employed women (over 100 thousand) at nearly three-fold increase in their number in the studied period. Education is the feature clearly diversifying the level of self-employment. In all age groups such activity was more popular among people with university or secondary education. Among the self-employed aged 50-64 in 2016 almost 32% had a university diploma, and 43% secondary or post-secondary education. Twelve years before in the rate was lower by 10 percentage points in the case of people with university education whereas in the case of the other group by 7 percentage points. In Germany, the rate was higher than 50% whereas in Romania almost 4.5%. Among people with secondary education, their rate in the Czech Republic and Slovakia it was higher than 72% whereas in Portugal by 60 percentage points less. Among men aged 15-64 and with university education, people aged 50-64 constituted in 2016 in Germany over half of the self-employed. Women aged 50-64 in 2016 who have a university diploma constituted 35% of the total self-employed and those having secondary education – 41%. In the analysed period the rate of self-employed women with university education increased in almost all EU states.



**Tab. 2** Self-employed aged 50-64 in EU-28 between 2004-2016 – thous.

Country	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2006	2016	Changes 2004-2016	
														thous.	%
EU-28	9 609.2	9 801.2	9 928.3	10 069.6	10 193.2	10 322.9	10 686.4	10 765.7	11 026.6	11 135.8	11 448.4	11 610.8	11 804.0	2 194.8	122.8
Belgium	138.1	159.3	168.5	169.5	165.6	175.9	180.6	179.2	184.9	202.3	197.7	210.6	214.0	75.9	154.9
Bulgaria	112.1	106.9	108.3	108.5	110.8	106.8	122.2	117.9	113.7	121.6	128.0	127.6	117.3	5.2	104.6
Czech Republic	196.3	200.0	217.0	229.3	220.4	234.5	235.8	244.4	264.7	256.0	270.1	271.1	270.8	74.5	137.9
Denmark	86.3	81.8	84.3	83.0	86.0	88.0	82.2	81.9	81.9	82.2	83.6	83.3	87.4	1.1	101.2
Germany	1 252.8	1 259.0	1 290.7	1 311.8	1 330.0	1 392.3	1 418.6	1 499.9	1 573.4	1 615.3	1 668.9	1 721.2	1 761.8	509.0	140.6
Estonia	16.0	12.3	13.4	14.8	13.0	12.8	12.2	13.5	15.3	17.3	19.3	18.9	17.4	1.4	108.7
Ireland	94.2	96.5	99.3	108.8	111.9	106.4	107.1	103.3	102.5	113.1	113.3	119.0	124.1	29.9	131.7
Greece	418.2	431.5	440.7	441.1	459.1	478.3	472.3	452.3	422.8	421.0	410.2	406.1	411.1	-7.1	98.3
Spain	934.1	970.3	999.1	1 006.4	1 050.1	993.9	1 007.2	1 011.6	1 035.6	1 050.9	1 048.6	1 085.1	1 131.8	197.7	121.1
France	882.3	904.9	942.3	919.5	901.3	924.1	990.1	998.5	1 008.8	1 011.3	1 092.6	1 122.6	1 147.1	264.8	130.0
Croatia	102.2	118.8	111.2	105.0	112.1	114.7	115.3	108.8	94.6	91.4	80.5	90.5	78.8	-23.4	77.1
Italy	1 461.5	1 419.1	1 392.0	1 415.4	1 440.7	1 437.0	1 476.1	1 513.6	1 554.5	1 580.1	1 629.7	1 700.0	1 732.1	270.6	118.5
Cyprus	21.6	23.0	22.1	22.6	21.8	22.0	21.8	22.2	21.5	20.7	20.2	17.9	15.9	-5.7	73.6
Latvia	24.5	27.3	29.7	25.2	25.1	28.8	28.3	27.6	29.5	27.7	31.4	32.5	35.5	11.0	144.8
Lithuania	64.0	58.8	58.7	52.2	38.4	38.3	37.1	38.5	41.5	46.9	48.9	50.9	50.9	-13.1	79.5
Luxembourg	4.2	4.4	5.2	4.6	3.7	4.9	5.8	6.2	6.3	6.0	7.4	6.8	7.3	3.1	173.8
Hungary	157.9	164.2	141.4	136.5	138.2	141.6	150.3	153.9	155.8	148.2	152.9	157.6	161.9	4.0	102.5
Malta	6.8	5.7	6.2	6.2	7.0	6.8	7.3	7.5	7.9	8.2	7.4	8.3	8.5	1.7	125.0
Netherlands	288.9	302.4	317.3	336.3	355.7	364.3	402.0	399.0	416.0	439.8	464.6	482.0	494.7	205.8	171.2
Austria	110.8	124.8	128.6	129.7	135.9	135.8	150.0	156.1	154.1	162.4	170.4	175.5	182.2	71.4	164.4
Poland	753.3	791.5	797.5	829.7	850.1	900.1	930.1	969.5	985.1	979.5	968.5	981.8	944.2	190.9	125.3
Portugal	403.6	398.9	391.3	386.2	381.8	370.2	361.1	336.0	332.5	323.6	297.9	284.5	286.6	-117.0	71.0
Romania	542.5	575.0	557.1	577.1	593.3	583.6	608.4	557.8	574.9	575.3	561.7	485.3	444.1	-98.4	81.8
Slovenia	27.6	30.7	35.1	34.3	30.7	32.1	36.4	37.2	38.0	33.5	35.7	35.3	34.2	6.6	123.9
Slovakia	46.9	57.1	64.9	66.0	75.7	82.4	89.7	96.6	96.0	97.7	99.8	102.5	105.0	58.1	223.8
Finland	109.4	113.4	116.9	115.6	120.2	123.9	121.7	123.4	123.8	123.6	123.2	123.1	125.2	15.8	114.4
Sweden	169.1	174.3	182.3	179.3	174.6	176.6	182.5	178.7	170.6	180.8	176.3	175.7	179.0	9.9	105.8
UK	1 183.7	1 189.3	1 207.3	1 254.9	1 240.0	1 246.9	1 334.0	1 330.8	1 420.4	1 399.5	1 539.8	1 535.0	1 635.1	451.4	138.1

Source: Eurostat (www1)

Self-employment may be an alternative to permanent work while bringing profits both to the employer and the contractor. From the point of view of the employer reduction of labour costs and increase in flexibility of organisation functioning are the major advantages. On the other hand, self-employed people gain greater independence and freedom of actions as well as the possibility to provide services for more than one entity. This offers the possibility of extending occupational activity. According to data of European Economic and Social Committee (2013) for ¼ enterprises making use of the work of the self-employed, knowledge, experience and the necessity to cope with sudden burdens in production process, or the lack of qualified workers are the most important reasons for hiring them. However, it must be emphasised that the benefits are also associated with risk and uncertainty as well as larger responsibility for winning new contracts and execution of tasks. Attractiveness of this form of work is also determined by tax benefits and reduction of social security contributions. Therefore it can be assumed that self-employment is one of the solutions deregulating labour market. Entrepreneurs for whom self-employment is a temporary solution and those who do not plan opening a big company as well as workers who formally organised their occupational activity in the form of single-person business activity are among the self-employed among others. Economic pressure seems to be the greatest threat to self-employment and the self-employed.

#### 4. Conclusions

Demographic changes form one of megatrends that affect several spheres of European Union socio-economic life. Although many problems still have not been solved, the situation is improving as a result of complex and integrated actions in the area of senior-related policy that have been implemented in recent decades on various levels.

The analysis of available data enabled presenting the key challenges that domestic labour markets face and problems that elderly people encounter there. They focus on several areas including:

- decline in the level of occupational activity with age (especially after the age of 65) and its deep differentiation depending on sex and level of education in individual EU countries,
- low employability related among others to stereotypes in the way elderly people are perceived by employers,
- concerns associated with transition from
- permanent work to self-employment (especially in the case of women).

Conducted deliberations do not exhaust numerous issues related to effective use of available labour resources, especially in conditions of shrinking size of these resources and changes in their structure. It is the area that still needs comprehensive research focussing on the one hand on occupational activity of mature workers (factors determining their occupational choices, stereotypes, flexible forms of employment, age management, etc.), and on the other hand the assessment of efficiency of previously implemented programs and initiatives undertaken on various levels.

Increase in employment rate of elderly people is of the key importance for achievement of employment goal determined in the strategy Europe 2020, as well as for conditions and quality of life of this sub-population. In this context it is important to focus attention on adequate employment including flexible employment forms, working conditions, safety, gaining qualifications and health protection according to life cycle that allow for better understanding of the process of labour resources ageing and its consequences.

This is because change in the way mature workers are perceived and increase in their occupational activity bring benefits both from macro-economic and social perspective. Work is not only the source of maintenance for this social group that allows for reduction of poverty risk, but also reducing expenses on social benefits from the state budget. In micro approach, it is also a source of satisfaction, a chance to maintain relations between people that affect the quality of life and reducing the risk of social exclusion.

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(www1) <http://ec.europa.eu/eurostat/data/database>