

What is the impact of late career transitions on workers' health in Japan?

—A longitudinal perspective using JSTAR-RIETI—

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【1. Aim】

The sustainability of the pension system is a major issue in the context of an ageing population and declining birth rate in most industrialized countries. In Japan, for instance, the International Monetary Fund has underlined the benefits of raising the eligibility age to the basic pension scheme to 69 by 2030 but discussions are also about reducing the replacement rate. As a matter of fact, most advanced economies have increased the older workers' effective age of retirement, raising questions about the well-being of the ageing workforce and the health impact of late career transitions. The current demographic context together with the recent development of longitudinal datasets have led to an increasing - but still sparse - number of studies focusing on the association between employment trajectories, extension of the working life and older workers' health. The presentation aims to analyze the impact of late career transitions on older workers' health.

【2. Data&Methods】

Using four longitudinal waves from the Japanese Study of Aging and Retirement (JSTAR), the presentation uses a latent growth modeling to assess the short- and long-term relationship between late career transitions and workers' self-rated general health. The model controls for several variables such as the sector of activity at the baseline, the biological age, the type of work, the gender and the level of job satisfaction and use interaction effects between gender, job satisfaction and the type of transition. We pay particularly attention to attrition (using multiple imputations methods).

【3. Results】

Results show that the transition from work to retirement is associated with a negative change in health over the short period. However, the model also indicates the long-term benefits of retiring. Whilst the transition to retirement is clearly affected by the health status at the baseline, the health of those who retired tends to improve over time. The interaction effect show a gap between women and men: male workers tend to be more affected by a negative change in health over the short-term period than female workers. Similarly, it is observed the workers who have a low job satisfaction at the baseline are less likely to be affected by a negative change in general health.

【4. Conclusion】

As Japan aims to increase the retirement age, there might be some long term negative effects of keeping older workers longer in employment. These effects vary depending on gender and job satisfaction. Therefore, public policies focusing on late career transitions should be about managing gender equality over the life course and improve the job satisfaction of the workforce.