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SHARE, the Survey of Health, Ageing and Retirement in Europe, is a research infrastructure for studying the effects of health, social, economic and environmental policies over the life-course of European citizens and beyond. From 2004 until today, 616,000 in-depth interviews with 160,000 people aged 50 or older from 28 European countries and Israel have been conducted. Thus, SHARE is the largest pan-European social science panel study providing internationally comparable longitudinal micro data, which allows insights in the fields of public health and socio-economic living conditions of European individuals, both for scientists and policy makers. SHARE has global impact since it not only covers all EU member countries in a strictly harmonized way but additionally is embedded in a network of sister studies all over the world, from the Americas to Eastern Asia. Considering its focus on people aged 50 and older, international orientation, and thematic coverage, SHARE is perfectly suited to provide data on respondents' health, economic, and living situation all across Europe and Israel before and during the ongoing COVID-19 crisis.

Therefore, the aim of this project is to analyse and evaluate the non-intended consequences of the epidemic control decisions to contain the COVID-19 pandemic in 27 European countries using data from SHARE, and to devise improved health, economic and social policies with a transdisciplinary and international team of SHARE researchers from different European research institutions. To reach these aims, several objectives will be pursued: identify healthcare inequalities before, during and after the pandemic; understand the lockdown effects on health and health behaviours; analyse labour market implications of the lockdown; assess the impacts of pandemic and lockdown on income and wealth inequality; mitigate the effects of epidemic control decisions on social relationships; optimise future epidemic control measures by taking the geographical patterns of the disease and their relationship with social patterns into account; better manage housing and living arrangements choices between independence, co-residence or institutionalisation.

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WP4: Policy recommendations

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Policy recommendations for labour markets

- 1. VULNERABLE WORKERS. Understanding the role of human capital, in terms of education and digital skills, in mitigating labour market shocks and preventing work disruptions. Identifying more “vulnerable” job/worker categories is a first step in designing effective policies aimed at providing protection to such groups in situations of economic downturns.**

We analyzed how different forms of human capital, captured by occupational characteristics, were related to the probability of having experienced work interruptions during the COVID-19 pandemic, by exploiting the detailed information on occupations available in the regular and retrospective waves of SHARE together with the data collected through the SHARE Corona Survey. We focused on three dimensions of jobs, particularly relevant in relation to the pandemic: (i) being classified as an essential/unessential occupation, (ii) the suitability to being performed remotely and (iii) the intensity of social interactions at work. For the last two, we constructed “indexes” based on pre-COVID (2018) data from the Occupational Information Network survey, O*NET, an external source we can link to the SHARE data. The results indicate that occupational features are significantly related to the probability of work disruptions. Higher feasibility of remote work and lower intensity of social contacts are associated with smaller probability of having undergone work interruptions, during the first wave of the pandemic. In particular, the gap in the probability of work disruptions between essential and unessential workers (jobs) vanishes for larger values of the tele-workability index and lower values of the social interaction one. Moreover, education proves to have a mitigating effect *per se*, even after controlling for jobs characteristics and IT-skills.

- 2. VULNERABLE WORKERS. Work disruptions of older workers, due to the pandemic, were gendered, mainly due to the intrinsic characteristics of gender specific jobs. This calls for specific safety measures of the work environment.**

We find that 50+ women were more likely to have experienced work interruptions and for longer periods. This may be due to the gender selection into specific work activities, that are often characterized by higher intensity of social contacts (e.g. primary school and early childhood teachers, retail activities, accommodation or services to the person). This highlights that women represent a more “vulnerable group” in relation to “exposure” to certain labour market risks.

P1. Targeting older workers within firms for specific risky jobs

Policy makers should identify, in each country, occupations which are “at risk” and prioritize such categories by designing policies aimed at protecting work during economic downturns. Moreover, a more careful organization at the workplace, paying attention to the nature of the tasks performed and to exposure to risks, may greatly benefit workers in vulnerable position, such as those engaged in low-skill jobs. Our research provides some indications (key variables) on how to identify such jobs and related risks for older workers: older women are a particularly vulnerable group (Brugiavini et al., 2022)

- 3. It is important to understand to what extent the containment measures adopted in European countries determined work disruptions at short and medium term. Understand the ex post implications of experiencing work disruptions on the labour market participation of older workers.**

Older workers represent a particular category: (i) they have extensive work experience but (ii) the important recent evolution/changes in the labour market, due to the digital revolution, may have unexpectedly turned obsolete/outdated some of their skills (iii) they may be affected by the age-bias in the recruitment process if applying to a new job.

Theodoropoulos and Voucharas, 2023 investigate on the relationship between the containment measures, in the form of stringency index, and the probability of having undergone a job loss in the short-run (2020) and at medium term (2021). The results show a positive and significant association between the strictness of the of restrictions and the probability of job loss in the first wave of the pandemic, but the effect loses significance at medium term (2021). However, older, less educated and workers in worse health conditions prove to be more “vulnerable” to the risk of job loss. This is consistent with other results from the teams involved.

We analyzed the relationship between having experienced work disruptions in the first wave of the pandemic and the probability of being retired, unemployed or homemaker at short-term (2021) and medium term (2022 – SHARE wave 9). The results indicate that work disruptions in the first wave of the pandemic are associated with significantly larger probabilities of older workers being retired, unemployed or homemaker in 2021 (Brugiavini et al., 2023). Results are mostly confirmed for the labour market outcomes of older employees based on SHARE wave 9 (2022) (Brugiavini et al. work in progress).

P2. Interventions may be needed in order to protect older workers from potential long-term effects of a negative shock (such as the pandemic wave). Retention of worker at the work-place, even under zero-hours work arrangements, might have prevented fortuitous exit from the labour market and delayed exits into retirement (see policy P3 below).

- 4. The shock due to the pandemic led to changes in the patterns of retirement. Social welfare systems have to consider the direction and the extent of such changes in order to be prepared to new potential challenges/requirements.**

It has been shown that the COVID-19 pandemic, with its associated restrictions and disruptions, had a substantial impact on the labour market. Older individuals approaching retirement age face a unique set of challenges, including age-related job market biases, changes in work conditions, increased caregiving responsibilities, and concerns about health. These factors make predicting their retirement responses during the pandemic complex. Brugiavini, Gao and Mammi (2024) investigate the shifts in retirement trends and how older individuals navigate retirement decisions in the face of unprecedented challenges. They find that after the pandemic, there is a decrease in the prevalence of retirement, also in conjunction with the effects of pension reforms, which have increased the retirement ages in Europe. But health conditions play a crucial role in retirement transitions, and the impact differs over time and across generations. The relationship between working and health is very complex: we observe some individuals in poor health, particularly females retiring at older ages than in previous cohorts.

P3. *Policymakers should pay more attention to the relationship between health and work in designing pension eligibility rules.*

5. Understanding the joint effects of welfare regimes and labour hoarding policies on the labour market participation of older workers.

Labour hoarding policies have been enacted or enhanced in most European countries in order to preserve jobs, guarantee decent levels of income to workers and avoid unemployment. The form and resources dedicated to such measures display large variations from country to country. We analyze the relationship between such policies, the general institutional setup, and the probability that older workers retired or ended up unemployed or as homemakers in 2021 (at the time of SCS wave 2) and, successively, in 2022 (SHARE wave 9) (Brugiavini et al., work in progress). Our results indicate that the percentage of GDP allocated to job retention schemes in 2020 is positively related to the likelihood of retiring by the time of the second SHARE Corona Survey (2021). However, the effect is not homogeneous across countries. Indeed, when performing the analysis separately by country cluster, the relationship only results significant for Central and East European countries¹.

Welfare regime plays a significant role: Continental Europe countries are characterized by significantly lower likelihood of ending up unemployed in the short-run (2021), but in the longer run (2022), retirement probabilities are significantly larger for Continental Europe with respect to the Nordic countries.

P4. *These results indicate that job retention schemes have been successful, at least in some welfare states, in order to limit unemployment or to smoothen the pathway to retirement of older workers, even at medium term.*

¹ We define the country clusters based on the Esping-Andersen classification of welfare regimes enlarged to include Mediterranean and Central-East European countries (Adascalitei, 2012, Ebbinghaus and Lehner, 2022).

6. Short time employment aid policies have benefic effects in the short-run but may produce undesirable effects in the longer-run. Can short time employment aid be designed in a more effective way?

We described the prevalence and analyzed the effects of short-time employment aid (STEA) policies during the COVID-19 pandemic across the European countries that are represented in the SHARE data. We show that reduced working hours were a widespread challenge across Europe. Nevertheless, we observe a large variation in the usage of STEA across the SHARE countries. In countries in which access to STEA was relatively easy, employer contributions were low, and replacement rates were comparably high (such as France, Italy or Switzerland), we observe relatively high utilization rates. Result #1 is therefore that the economic incentives worked as expected.

Result #2 is that working hour reductions tended to hit those respondents who were vulnerable in the first place, i.e. workers with lower education, previous spells of unemployment, lower income, and self-employment. As Result #3, we found that in general, targeting of STEA was successful in helping those who were mostly affected by enforced short-time work, much better in summer 2021 than in summer 2020, obviously after a learning process.

Whether the recipients of STEA were made better off by STEA is less clear. A clean analysis is difficult since the STEA recipients are a selection of already vulnerable individuals and there is no clean experiment since STEA was universal in each of the SHARE countries. We actually find statistically significant negative effects of STEA on the recipients' equivalized household income and a lesser ability to meet ends than among non-recipients in the initial period of the pandemic. A year later, this effect turns around to become positive but remains insignificant. This lukewarm efficacy is our Result #4 and contradicts earlier findings (e.g., Giupponi & Landais 2023).

As Result #5, our analysis also highlights potential adverse effects in the longer run. While STEA may have provided necessary short-term relief, our evidence shows that STEA has significantly increased the likelihood of unstable employment among STEA recipients later on. This finding supports the notion that STEA keeps unproductive firms alive that would have otherwise exited the market earlier. Specifically, individuals who have received STEA in the first months of the pandemic had a higher likelihood of reporting unemployment, furloughs, or business closure in the following years, including the first post-pandemic wave of SHARE. This suggests that while STEA prevented immediate job losses, it may have delayed the inevitable restructuring needed in certain sectors.

P5. Overall, while STEA appears to have provided reasonably targeted support during the pandemic at least after a learning process, it is essential for policymakers to consider its long-term implications.

- 7. Work from home increased dramatically at the time of the pandemic. This remained a practice nowadays, either in the form of full-time telework or in hybrid modality. Policy actions should go in the direction of providing older workers with the necessary knowledge to deal successfully with this work arrangements. This may also counteract the effect of long-term work disruptions.**

The data document that there have been some changes in the work arrangements in the years following the pandemic. We analyze the evolution of work arrangements of older workers between 2020 and 2021. The data document that, on the one hand, a share of the employees who used to fully telework in the first wave of the pandemic shifted to hybrid modalities while others (fewer) moved back to the full time on-premises. On the other hand, part of the employees in other work arrangements in 2020 (mainly hybrid and to a lesser extent those who used to work from the workplace) conveyed to full-time remote work. However, even if the use of work from home reduced to some extent, as the severity of the pandemic decreased, it is and seems that will remain much higher than the pre-pandemic levels. (Buia et al., 2023). The work arrangement largely depends on the occupations' characteristics, such as, suitability to telework or cognitive content of the job, but also on the level of education and IT skills of the individuals (Brugiavini and Buia, work in progress).

Additional results indicate that good and excellent IT skills are associated with lower probability of becoming unemployed both in the short run and at medium term, even after controlling for the level of education and occupations features (Brugiavini et al, 2023, Brugiavini et al. work in progress).

P6. *Training of older workers, that enhances their IT skills, could mitigate increases in unemployment of this categories.*

- 8. Women at ages 50-65 took on the burden of caring for older parents or relatives, even if working.**

Bassoli, Brugiavini and Ferrari (2022) and Bassoli Brugiavini (2024 forthcoming) show that women were mostly covering for personal care during the pandemic. Because the Covid-19 pandemic rationed formal care, informal care was needed to cope with the needs of older people who suffered health problems and mobility limitations. The typical care giver was a woman of age 50-65. The striking result is that even if engaged in working activities, this group of the population was more likely to provide care than other groups.

P7 *Emergency situations, such as the ones generated by the Covid-19 pandemic, cannot rely completely on the “reserve of informal care” available because of the supply of time by women in the age group 50-65. This is both unequal and inefficient and Countries should be able to provide more structured solutions in such cases.*

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