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DRIVERS OF EFFECTIVE RETIREMENT AGE: AN INTERGENERATIONAL PERSPECTIVE

Abstract:

The paper addresses the issue of effective retirement age which can be perceived as a proxy of the borderline between working-age and elderly generations. The long term prospects for development require appropriate proportions between different generations since all of them are financed through the division of current GDP. Thus, GDP is crucial for welfare of the young, adult and elderly, however the current GDP division between generations determines also the future GDP which will be divided between tomorrow's generations. As a result, the proportion between generations producing GDP and generation consuming it impacts the prospects for development and future welfare significantly. This proportion is determined by effective retirement age. The goal of the paper is to identify the main factors affecting the effective retirement age. Such possible determinants as inter alia pensionable age, education levels, demography, health, generosity of pension systems and some labour markets characteristics are under consideration. The method employed is mainly based on econometric modelling. The paper consists of the following sections. The first includes the literature review where theory and results of some empirical studies are presented. The second section includes a conceptual framework and methodological strategy. In the third section the result of the empirical study are presented. The paper ends with discussion and conclusions.

Keywords:

retirement age, intergenerational justice, intergenerational fairness, labour market, pension, retirement

JEL Classification: J01, J10, E24