

CeLMR Insights

Autumn 2023

Welcome note

We welcome you to the autumn 2023 edition of **CeLMR Insights**. In this edition, we have curated a collection of updates, and research highlights that reflect our vibrant research community.

The Centre for Labour Market Research (CeLMR) has a long-standing history of more than twenty years as a research centre focused on impactful and relevant research on key global societal, labour market, and health challenges of the 21st century.

CeLMR research is organised under [seven research themes](#) that reflect the breadth of scope and focus of the Centre. During the twenty plus years of CeLMR's existence, there has been a stream of high-quality research produced and funded projects developed under its auspices.

Building on the body of work that has been done, CeLMR aspires to foster disciplinary and interdisciplinary collaborations to address the multidimensional mechanisms through which socio-economic conditions impact labour market, health and wellbeing outcomes.

At CeLMR, we value the importance of being relevant and impactful, and thus seek to engage meaningfully with the wider society and stakeholders locally, nationally and internationally to shape new research directions and inform relevant policy debates.

We hope you enjoy reading about our research work and activities. For additional details, please visit the [CeLMR website](#). If you come across something of interest or have any comments or questions, don't hesitate to reach out to us!

Featured researcher



Dr Benedikt Mihm's research uses theoretical and empirical methods to study issues in public and labour economics.

Employing insights from both economics and psychology his work has focused on behavioural aspects of public finance, human capital development in developing countries and children's health and wellbeing.

His work has published in several leading economics journals including the Journal of Public Economics, the Journal of Economic Behavior and Organization and the Journal of Economic Psychology. His interdisciplinary work on the impact of COVID-19 lockdowns on children's health and wellbeing in peri-urban Pakistan received the prestigious Fred van Raaij Journal of Economic Psychology best paper award in 2022.

Prior to joining the University of Aberdeen, Benedikt worked as a postdoctoral research and teaching assistant at the University of Magdeburg, Germany. He holds a PhD in Economics from the University of Magdeburg, an MSc from the Humboldt University of Berlin, and an MA from the University of Aberdeen.

Research highlight

Volunteering and employment across retirement transitions

Dr Likun Mao (likun.mao@abdn.ac.uk)



As older workers approach late careers and transition into retirement, they often seek purposeful and fulfilling work. The concept of active ageing, which has been increasingly emphasized since the World Health Organization's 2002 report, recognises civic participation as a means to promote well-being and economic contributions.

Volunteering and community work play an essential role in this regard, meanwhile policymakers have a growing intention to prolong the working life of senior workers, considering the pressure on social welfare systems and the importance of social inclusion.

To enhance our understanding of older people's choices over paid work and volunteering therefore, our research investigates the transitions between employment and volunteering, with a focus on the impact of volunteering on employment. The results demonstrate significant differences in individual characteristics by volunteering status and the relationship between the two.

Volunteering can exert a positive effect on employment via networking, skills or improved wellbeing and health. However, relevant research does not adequately address the issue for the older population.

This study draws on nationally representative data from The Irish Longitudinal Study on Ageing (TILDA)

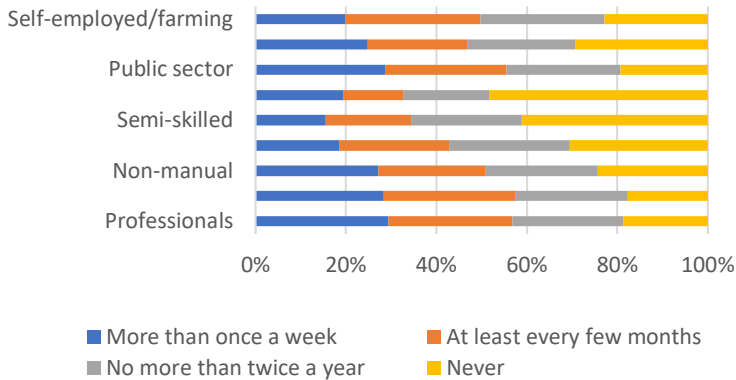
which traced the same group of people throughout years from 2009 to 2018. Featuring a dynamic perspective, the study exploited the special data to identify a one-way causal effect. The research sample consists of 2,597 people (1,249 males and 1,348 females) aged between 50 and 80, with an average age of 65.

It is observed that people adjust their volunteering frequencies over time, which could be closely related to complex life transitions during retirement transition years. Overall, participation in volunteering has little substitutionary effect on paid work, however, the effect varies by different intensity levels of volunteering: a substitution effect exists, but only for frequent volunteering (more than once per week), approximately from four to seven percentage points reduction in the probability of staying in the labour force. Compared to the average labour market participation rate, this effect is equivalent to a decrease in work participation rate by 10% - 18%, which is largely driven by females.

Furthermore, the effect is heterogeneous across occupational groups which often have different retirement trajectories for the sake of institutional factors and pension schemes: more prominent among workers with professional/managerial roles, in the private sector, or with full-time jobs. This is generally in line with the distributional characteristics of volunteering activities (Figure 1). It is found that the groups of semi-skilled or unskilled workers are less engaged in volunteering or affected. Moreover, there is no statistical evidence on the effect of volunteering on wages and working time, despite that the

estimates are generally in line with a substitution relationship between weekly volunteering and in-work outcomes.

Figure: Volunteering Frequency by Occupational Characteristics



Ultimately, the analysis reveals no evidence of a positive effect of volunteering on employment but a substitution relationship, which further complicates public policies in promoting successful and active ageing and a longer working life for the sake of the pressures of the current welfare system.

There are two main implications. Firstly, governments outlining policies regarding postponing retirement should give more consideration to the inherent value of volunteering activities and the potential desire to substitute volunteering for formal work during retirement years.

In light of the economic value, based on the average annual volunteering hours reported in the Quarterly National Household Survey 2013 (200 hours) and the national minimum wage (10 Euros), the time devoted to volunteering in this research sample amounts to around 15% of the total working time, yielding at least a potential economic value of around 15% of the current weekly state pension.

For those who volunteer on a more frequent weekly basis, the net economic benefit could reach approximately 11% of the state pension. Furthermore, the full value would be even higher if the economic benefits stemming from improved physical health, mental health, and overall well-being were taken into account.

Considering people's individual preferences and economic trade-offs, there should be more flexible instructions or arrangements to facilitate the desirable combination of volunteering and paid work as individuals approach full retirement.

Secondly, there is significant potential to promote volunteering among groups with low or middle socioeconomic resources. In particular, males from manual occupations may face physical constraints as they approach retirement, compared to professional and skilled workers who may have more opportunities to participate in cultural, managerial or consultancy activities.

To address this, more targeted advertising and training support programs are needed. Qualified and improved organizations should also provide greater access and formal training to help reduce barriers related to competence and skills for these groups.

Authors:

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Publications

Selected recent publications (in 2022-2023)

Abdullah, B., Zangelidis, A., & Theodossiou, I. (2023). Demand and supply effects on native-immigrant wage differentials: the case of Malaysia. *Journal for Labour Market Research*, 57(1), 1-13.

Andelic, N., Allan, J., Bender, K. A., Powell, D., & Theodossiou, I. (2023). Performance-related pay, mental and physiological health. *Industrial Relations: A Journal of Economy and Society*.

Andelic, N., Allan, J., Bender, K. A., Theodossiou, I., & Powell, D. (2022). Salivary cortisol in university students after the COVID-19 pandemic. *Comprehensive Psychoneuroendocrinology*, 12, 100160.

Asare, B. Y. A., Powell, D., Robinson, S., & Kwasnicka, D. (2023). Rotation work in the resources sector: a systematic review of the impact on workers' families. *Psychology & Health*, 1-30.

Bender, K. A., & Skåtun, J. D. (2022). Performance-Related Pay: The Expected and the Unexpected. *Handbook of Labor, Human Resources and Population Economics*, 1-28.

Champagne, S. N., Phimister, E., Macdiarmid, J. I., & Guntupalli, A. M. (2023). Assessing the impact of energy and fuel poverty on health: a European scoping review. *European Journal of Public Health*, ckad108.

Görg, H., Hornok, C., Montagna, C., & Onwordi, G. E. (2023). Employment to output elasticities and reforms towards flexicurity: Evidence from OECD countries. *Bulletin of Economic Research*, 75(3), 641-670.

Irvine, A., van der Pol, M., & Phimister, E. (2022). Doctor decision making with time

inconsistent patients. *Social Science & Medicine*, 308, 115228.

Lyons, S., Mao, L., Nolan, A., & O'Sullivan, V. (2023). The effect of "smoky" coal bans on chronic lung disease among older people in Ireland. *Economics & Human Biology*, 50, 101275.

Malik, S., & Mihm, B. (2022). Parental religiosity and human capital development: A field study in Pakistan. *Journal of Economic Behavior & Organization*, 197, 519-560.

Malik, S., Mihm, B., & von Suchodoletz, A. (2022). COVID-19 lockdowns and children's health and well-being. *Journal of Economic Psychology*, 93, 102549.

Mao, L., Mohan, G., & Normand, C. (2023). Use of Information Communication Technologies by older people and telemedicine adoption during COVID-19: a longitudinal study. *Journal of the American Medical Informatics Association*, ocad165.

Montagna, C., & Zangelidis, A. (2023). Labour market implications of thyroid dysfunctions. *Economics & Human Biology*, 50, 101247.

Pupillo, F., Powell, D., Phillips, L. H., & Schnitzspahn, K. (2022). Remember to stay positive: Affect and prospective memory in everyday life. *Applied Cognitive Psychology*, 36(1), 179-190.

Sessions, J. G., & Skåtun, J. D. (2022). Luck in a flat hierarchy: wages, bonuses and noise. *Economic Record*, 98(323), 373-391.

Wimalasiri, V. (2022). Displacement-plurality (DP) in women refugees, its influence on work engagement and implications for diversity practice: a critical and reflective review. *Personnel Review*, 51(9), 2061-2080.

CeLMR activities

CeLMR, in collaboration with the University's Interdisciplinary Research Centre on Health, Nutrition, and Wellbeing, co-hosted the first day of the Business School's workshop on "**Interdisciplinary Approaches to Wellbeing**" (15 May 2023). The event featured a series of presentations by CeLMR members, demonstrating the breadth of research conducted within our centre.



We were also honoured to have Prof. Felix FitzRoy from St Andrews University as our keynote speaker, who delivered an insightful talk on "Wellbeing and the Quality of Work". The workshop drew a substantial turnout, with active participation from faculty members from various departments across the University.

Following a long-standing tradition, CeLMR also organised the University of Aberdeen **Economics PhD conference** on November 4, 2022. The conference featured 15 PhD presentations, each followed by engaging discussions among the participants. We were especially pleased to welcome Dr. Aikaterini Grimani from the University of Warwick, who delivered an insightful presentation on her research titled "Exploring COVID-19 Vaccination Promotion: Insights from UK-Based Experiments."

Prof Catia Montagna has also been invited to speak at the Conference "**Addressing the labour market crisis in Scotland's public, private and third sectors: Innovating our way forward**", organised by MacKay Hannah Public Policy Research Centre, in November 2023.

News coverage

Selected media reporting (in 2022-2023)

[Millions of UK households at risk of 'indebtedness trap' amid soaring inflation and energy costs](#) (STV, 09 May 2022), Andelic.

[Could thyroid disease be contributing to the gender pay gap?](#) (Northsound Radio, 25 May 2022), Montagna & Zangelidis.

[Aberdeen university expert says Tory tax cut appeared 'purely ideological'](#) (Press & Journal, 04 October 2022), Bender.

[Study finds link between performance-related pay and poor health](#) (The Independent, 17 May 2023), Bender.

[How women with thyroid disease are being gaslit and patronised](#) (iNews, 20 June 2023), Montagna & Zangelidis.



Education corner

PhD supervision

CeLMR supervised PhDs completed in 2022

Title: The effect of early-life health conditions on later-life outcomes

Student: Mathias Oliver Rechsteiner

Supervisors: H Battu/Y Aoki

Title: Essays on public debt in Sub-Saharan Africa

Student: Attahir Abubakar

Supervisors: I Theodossiou/D McCausland

Title: Health expenditure and health outcomes in Sub-Saharan Africa

Student: Imoh Ekpenyong

Supervisors: I Theodossiou/D McCausland

Title: Three essays on Dutch disease and structural transformation in oil-rich developing countries

Student: Martin Pertab

Supervisor: C Montagna

Title: The effects of private debt on economic activity

Student: Qifei Huan

Supervisors: I Theodossiou/ D McCausland

Title: Essays on routine jobs, technological change and educational mismatch

Student: Kwan Phetsawang

Supervisors: H Battu/K Bender

Title: *Energy and quality of life hypothesis*

Student: Olatunji Shobande

Supervisors: T Kiso/I Theodossiou

Contact

More information can be found at the CeLMR website:

<https://www.abdn.ac.uk/business/research/celmr-82.php>

If you want to contact a specific member of CeLMR, you can find the list of members here:

<https://www.abdn.ac.uk/business/research/celmrpeople.php>

Alternatively, you can contact the Director of CeLMR (Prof. Alexandros Zangelidis):

a.zangelidis@abdn.ac.uk

CeLMR Prize

Every year we award the CeLMR prize to recognise the most outstanding undergraduate dissertation in the field of Labour Economics. The award is made possible through the generous support of an external donor, and we wish to convey our deepest appreciation for their significant contribution. In the academic year 2022-23, the CeLMR prize was shared between Lara Jolliffe and Yifan Wu.

Lara in her dissertation, titled “How has the gender pay gap in the UK been affected by the Covid-19 Pandemic?”, investigated the effect of the Covid-19 pandemic on the gender pay gap in the UK, and explored various factors that may have exacerbated its effects. Lara’s research has demonstrated that Covid-19 widened the gender pay gap in the UK, suggesting that policies to encourage the closing of the pay gap were neglected during the pandemic.

Yifan’s dissertation was titled “Does the Inflow of Foreign Direct Investment Help to Narrow the Gender Income Gap in China?”. Yifan examined the impact of FDI inflows on different gender income levels, and highlighted the positive effects that FDI inflows have on the overall income level of Chinese women, especially low skilled, aged 35-60, and located in the middle and western regions of China.

