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CONTINUED WORK OR RETIREMENT?

Preferred Exit-age in Western European countries[*]

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ABSTRACT: The combination of greying populations, decreasing fertility rates and a marked trend in falling retirement age is profoundly challenging the sharing of resources and supporting responsibilities between generations in the developed world. Previous studies on earlier exit-trends have focused mainly on supply-side incentives and generally conclude that people will exit given available retirement options. Substantial cross-national variations in exit-ages however remain unexplained. This suggests that also normative factors such as attitudes to work and retirement might be of importance. Through multi-level analyses, this study evaluates how welfare regime generosity, as well as production regime coordination explains cross-national patterns of retirement preferences across twelve Western European countries. Analysis firstly shows how both men and women on average prefer to retire at 58 years, meaning on average approximately 7 or 5.5 years before statutory retirement age in the case of men and women respectively. Contrary to what is expected from previous research on supply-side factors, preferences for relatively *later* retirement is found within more generous welfare regimes and also within more extensively coordinated production regimes. For women, however, institutional effects do not remain once substantial cross-national differences in women's statutory retirement ages are taken into account.

SAMMANFATTNING: Kombinationen av en åldrande befolkning, minskande födelsetal och en tydlig trend i fallande pensionsåldrar utmanar idag på ett fundamentalt sätt fördelningen av resurser och försörjningsansvaret mellan generationer i den utvecklade världen. Här har studier av det tidiga arbetsmarknadsutträdet huvudsakligen fokuserat på incitamenten för arbetsutbudet och slutsatserna är generellt att människor tenderar att göra sitt utträde i förhållande till tillgängliga pensioneringsmöjligheter. Emellertid kvarstår stora skillnader mellan länder i fråga om faktisk pensionsålder oförklarade, vilket talar för att även normativa faktorer såsom attityder till arbete och pensionering är av betydelse. Genom flernivå-analys utvärderas i denna studie hur såväl välfärdsstaters generositet som marknadsekonomiers reglering förklarar variationen i attityder mellan tolv västeuropeiska länder vad gäller önskad pensionsålder. Analyserna visar för det första hur både män och kvinnor i genomsnitt föredrar att gå i pension vid 58-års ålder, vilket betyder i snitt 7 eller 5.5 år före lagstadgad pensionsålder för män respektive kvinnor. Tvärtemot vad man förväntar sig från tidigare forskning på arbetsutbudsfaktorer, finner man istället preferenser för jämförelsevis *senare* pensionering inom mer generösa välfärdsstater och även inom mer reglerade marknadsekonomier. När kontroll görs för skillnader i ländernas lagstadgade pensionsåldrar kvarstår dock inte dessa institutionella effekter för kvinnor.

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While populations in the developed world are greying, one of the most marked features of labour force change over past decades is the falling retirement age. The average employment rate across European countries among persons aged 60-64 is currently below 30 percent, although with widening cross-national differences (Burniaux *et al.* 2003; OECD 2001). That people live longer, in relatively good health and under relatively good economic conditions, is of course a sign of welfare progress. Nevertheless, the combination of people living longer but retiring earlier and declining fertility rates today challenges the traditional solutions to the sharing of resources and supporting responsibilities between generations. In reaction to the escalating retiree dependency ratio, governments seeking sustainable policy alternatives have become highly concerned with delaying effective exit from labour markets. Such priorities have generated a need for new perspectives on the health of populations, policies supporting early labour market exit, and investment in human resources (see e.g. Clark *et al.* 2004:29; European Commission 2003b; Institute for Future Studies 2004).

Why do people retire earlier? Despite frequent assumptions in research, retirement cannot be considered an entirely individual choice. Rather, the decision to retire can be understood as a result of the interaction between the individual, the social insurance system (welfare regime) and the functioning of the labour market (production regime). As such, recent trends in retirement may be accounted for by both supply-side and demand-side factors that can be understood to push as well as pull persons into economic inactivity (see e.g. Casey 1989; 1998; Esping-Andersen 1996a; Esping-Andersen and Sonneberger 1991; Jepsen 2002; Naschold and de Vroom 1994a; Walker 1985; von Nordheim 2003).

Previous research has considered a range of explanatory factors behind earlier exit. At the micro level, important factors include for example individuals' health, wealth and also their taste for leisure (see e.g. Palme and Svensson 2002). At the macro level, most attention has focused on the supply-side problem, understood as resulting from pull-effects of retirement policies through the design of welfare systems. Cross-national evidence from a large coordinated project on early retirement in twelve OECD countries supports the general notion that if work does not pay in relation to retirement options, people will not work (Gruber and Wise 2004a). Yet, supply-side factors have not been able to explain the large differences in effective retirement ages within the OECD area, and even less so the widened differences over time (Guillemard 1993; OECD 2003b). Hence, policy solutions focusing on solely financial incentives of supply-side factors are limited in scope.

Also the organization and functioning of the labour market play an important role in this respect. For example, as labour markets have gone through rapid technological change and business-cycle structured unemployment, the occurrence of temporary negative demand shocks have clearly contributed to poor labour market conditions and often high unemployment rates for persons aged 55-60 (see e.g. Gruber and Wise 1999; 2004a). In addition, the normative order of institutional contexts has been considered to play a role. Such aspects include discriminatory 'ageism' in labour markets and the development of so-called 'early exit-cultures' (Burtless and Quinn 2001; Casey 1998; Gallie 2002; Myles 2002; OECD 2003b). As such, important demand-side conditions have been strongly connected to wide-spread irreversible labour force withdrawal (Ebbinghaus 2000; Guillemard 1993; 2001; OECD 2003b; Van Dalen and Henkens 2002).

Although much concern has focused on the interplay between institutional contexts and individuals' retirement behaviour, no comparative study has yet evaluated institutions'

normative influence on people's attitudes. In face of inevitable demographic transition and the need to finance mounting pension costs, there is great need for policies to meet the new challenges of sharing resources and supporting responsibilities between generations. Here, a significant aspect calls for an evaluation of the circumstances under which people may be more motivated to stay on longer in work, thus warranting an evaluation of factors determining people's retirement preferences. Such insight could facilitate implementation of sustainable policies in two senses. For one, it remains a formidable political obstacle to implement changes in opposition to widespread public preferences (see e.g. Myles 2002). Secondly, policy changes that to a further extent are aligned with individuals' preferences stand a better chance of attaining real and intended effects.

The purpose of this study is to evaluate the role of institutions for shaping exit-age preferences across twelve European Union member states in 2003. This is possible through a large-scale survey that included questions about preferred retirement age. From a comparative and multi-level perspective, this means examining the role of welfare regime generosity and the organization of labour markets through measures of production regime coordination, while also taking into account labour demand and supply, as well as individual-level circumstances. The attitude data used is from the Eurobarometer of 2003, from which twelve countries were selected for comparison: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Spain, Sweden and the United Kingdom.[1]

The outline of the study is as follows. The first section describes the changing patterns of demography and work in older ages and offers a theoretical interpretive frame for these patterns from a life-course perspective. Secondly, a historical background is given. This section describes how policymakers across Europe at the beginning of the 1970s came to make different choices in relation to changing labour markets, both reagarding full employment priorities and social policies. From rather broad consensus on the necessity of facilitating earlier exit, European policy-making has recently performed a high-kick turn in search of sustainable policies for the future – both in an economical and social (human capital) sense. Thirdly, previous findings, which include both individual- and country-level factors behind early exit, are reviewed. Fourth, so as to understand how different institutional incentive structures may encourage different retirement preferences, institutional design and interrelatedness is described in further detail. This section ends with a presentation of institutional hypotheses in relation to both welfare and production regimes. Fifth, an overview of preferred retirement age across twelve European countries is given. As standard legislated retirement ages differ across Europe and have also been found to have normative influences, preferences are evaluated relative to statutory retirement age as well as relative to individuals' expected retirement age. Sixth, the determinants of preferred retirement age are explored. Initially, individual-level factors are here evaluated, after which they are combined in simultaneous analysis with country-level characteristics. Lastly, findings are discussed.

Changing demographics bringing new perspectives to old age

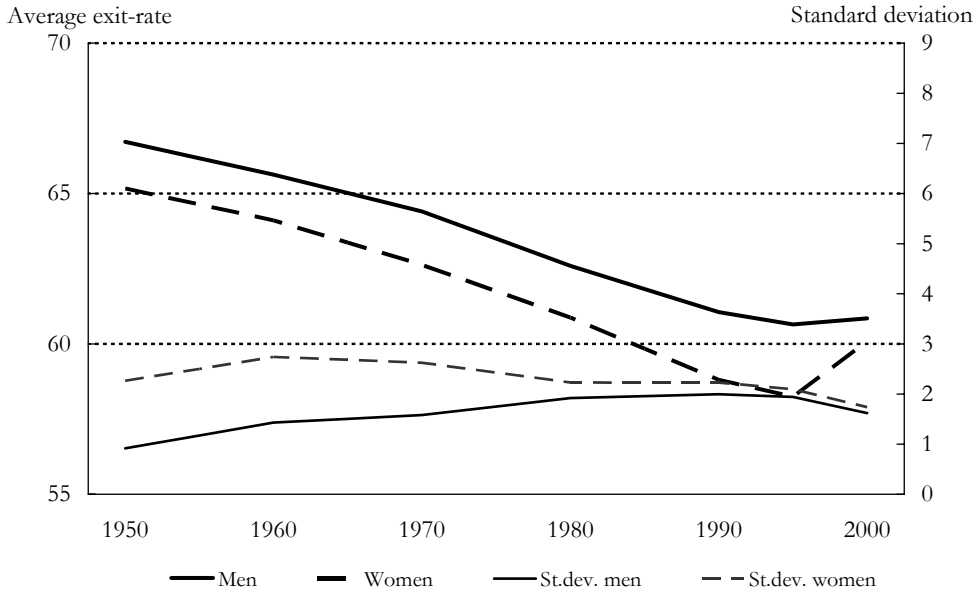
Over the life course, the traditional threefold pattern of pre-work, work and post-work as institutionalized by public pension policies has endured, although dates of transitions have become more flexible and retirement typically occurs before legislated standard retirement age. The scope of earlier retirement however differs greatly across countries. With

[1] Limited institutional indicators precluded comparison of Luxembourg, Portugal and Greece.

European exceptions represented by the United Kingdom and Sweden, where gradual retirement is or has been common, transition typically occurs from full-time employment to full-time retirement (Blöndal and Scarpetta 1998:6,42; Wadensjö 2005). The necessity or even optimality of such abruptness has been questioned for some time by policymakers seeking sustainable policy alternatives for the future (see e.g. Ebbinghaus 2000; Kohli *et al.* 1991; Wadensjö 2003; Vincent 1995:62-63).

The twelve European countries included in this study are without exception representative of the general trend of falling retirement age across the developed world. This can be seen in Figure 1.

FIGURE 1 *Average exit-age from the labour force in twelve European Union member states of 2003 in the period 1950-2000.*[1)]



Sources: 1950-1990 (Blöndal and Scarpetta 1998:53); 2001 (EUROSTAT 2005).

Half a century ago, average exit-age (i.e. the age at which people on average leave the labour force for retirement) for both men and women was above 65, but has since then fallen steadily over the period until a break in this downward trend appears in the mid 1990s. For men, this development appears to have stabilized at an average exit-age around 61. For women, average exit-age fell below 60 already in the 1980s, to reach a low at 58 around 1995, but this trend appears to have been reversed in the last decade when average exit-age is just above 60 according to new estimations for 2001 by the European Commission (EUROSTAT 2005). Due to a break in data series between 1995 and 2001, the interpretation of changes in this period needs to be tentative.[2]

As indicated by trends in standard deviation, differences in men's exit age across countries have increased steadily over time until a break in the trend appears around 1990, after which the trend appears to reverse between 1995 and 2000. Instead, the larger cross-national difference in women's exit age has, after a slight increase between 1950 and 1960,

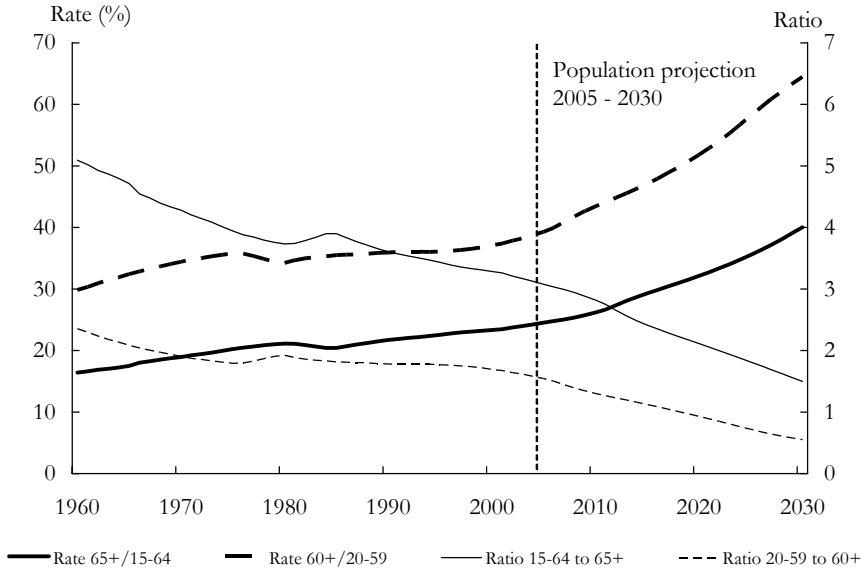
[2] Changes may in part be a result of the different estimation procedures used. Yet, it is plausible that female exit-age actually have risen. Firstly Belgium and Italy have raised their statutory retirement ages (see Appendix B), and secondly, a change in trend is also indicated already between 1990 and 1995 when the exit-age appeared to be stabilizing in Austria and Sweden, and when its decline was even reversed in Germany, i.e. in countries without changes in eligibility age.

decreased over the subsequent period to a variation that is slightly higher than what is found among men.

Turning to the changing demographics of highly industrialized countries, we can evaluate how European countries combine greying populations with declining fertility rates. In Figure 2, through measures of old-age dependency rates and ratios for these countries, it can be seen how the population of older persons is related to the population in productive ages. Looking firstly at the two measures of the old-age dependency rate (differing according to their age-spans), both rates have been slightly increasing over the period up until the turn of the century. Thereafter, however, population projections predict a much more steeply increasing trend in the elderly's relative shares for the next 25-year period. The trend is naturally steeper when the narrower age span is considered (as indicated by the broken line relating persons aged 60+ to persons aged 20-59), as compared to the broader age span (as indicated by the continuous line relating persons aged 65+ to persons aged 15-64). Contrasting the broad and narrow age-span scenarios, it can be seen how, in an assumed case of effective retirement age at 65 in 2005, the share of persons aged 65 and over comes out to 25 percent relative to that of working-aged persons (age 15-64). In the case of effective retirement at 60 rather than 65, the corresponding figure would be 40 percent (relative to working-age persons aged 20-59).

When these figures are turned into ratios, the equivalent old-age dependency ratios show how in 2005 there are three (alternatively 1.5) working-age persons to every older person, when the broader (alternatively narrower) age span is considered. Anticipating the scenario for 2030, both ratios are expected to roughly halve over this period, meaning 1.5 (alternatively only 0.6) working-age persons to every non-working age person as regards to when the broader (alternatively narrower) age span is considered. In sum the different age-span scenarios clearly depict how the supporting responsibilities between generations are accentuated when retirement age falls below 65.

FIGURE 2 *Old-age dependency rate (and ratio) of non-working age persons as a percentage of (per) working-age persons on left (and right) axis. Averages across twelve European Union member states of 2003 in the period 1960-2030.*[1)]



Sources: 1960-2000 (EUROSTAT 2005); 2000-2030 (U.S. Census Bureau 2005).
Note: 1) Excluded member states are Luxembourg, Portugal and Greece.

From a less problem-oriented outlook, the dramatic demographic changes occurring after 1950, which coincided with economic growth, expansion of public social security and increased opportunities for education and leisure, can be seen as having brought an entirely new stage to the life-course (Laslett 1989).[3] In this perspective a 'democratization' of ageing can be said to have taken place, where persons in a 'third age' have been described as "the young old, who retire early enough and in sufficiently good health to enjoy an unprecedented period of cultivation, creativity and leisure" (Troyansky 1997:50). A 60-year old of today is simply not the equivalent to a 60-year old two centuries ago. Hence, a distinction is now commonly made between persons in their third age (50-74) and those in their fourth age (75 and over) when possible dependence increases (Laslett 1994).[4]

In light of the democratization of a healthier third age, it is somewhat remarkable that social theories on ageing have rarely been explicit in public policy making. A recent review of how gerontological theory has been applied in public policy did not reveal any consistent application (Walker 1999:375). What was identified was rather so-called 'broad interpretations', bearing a clear tendency towards regarding ageing of populations mainly as an economic burden rather than a social and economic triumph. It is also proposed that a positive scenario focusing on promotion of social inclusion and integration rather than exclusion of older workers, necessitates explicit theoretical foundations on which public policies are to be based, where social theories need to complement economic ones in the policy arena (ibid.).

Recent developments in life-course theorizing are now challenging traditional organismic, biologistic and chronologically oriented perspectives on ageing (see e.g. Bengtsson and Schaie 1999; Bytheway 1997). The central tenet of the life-course perspective is an understanding of ageing as a dynamic process, recognizing the importance of social interaction and the interplay between the individual and social structure (see e.g. Dannefer and Uhlenberg 1999; Walker 1999), as well as the importance of changing structures themselves (see e.g. White Riley *et al.* 1999:334).[5] As the life course can be described as "the individual experience of the collective social process of ageing" (Vincent 1995:9), a life-course perspective implies an understanding of ageing as a process within a unique socially, economically and culturally specific historical period in which the concomitant biological ageing process takes place (Dannefer and Sell 1988). Such life courses are structured by norms, values and historical patterns of social changes that make the life course both an individual and social process of ageing (Vincent 1995:9).

While conceptual apparatuses differ, the concerns within the life-course perspective with multi-level structures and the interaction between micro- and macro-level phenomena translate rather straightforwardly into concern with how institutional contexts affect individuals' experiences. As is argued here, especially welfare and production regime contexts are important for structuring experiences around work and welfare, consequently also for individuals' retirement preferences.[6]

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[3] For example, by 1950 all countries included in this study had legislated public old-age pensions.

[4] When older persons in a broad European survey of 1991 were asked how they preferred being referred to, terminology signalling old-ness or passiveness received least support (Walker and Maltby 1997:17-18).

[5] Dannefer and Uhlenberg (1999:308) also note how social interaction not only is important during early years but also of decisive importance throughout the later life-course as well.

[6] Yet, given that the current study draws on cross-sectional data, limitations for applying a life-course perspective are here apparent, as evaluation of any cohort-effects requires a longitudinal approach (see e.g. Troyansky 1997:49-50; Walker 1999:308-9; Vincent 1995:10).

Attention needs also be drawn to the fact that, in parallel with democratization of ageing, there is also differentiation. Societal inequalities not only reproduce, but can be seen to amplify with old age (Vincent 1995:23-24). In many countries poverty as well as low incomes still persist among older people – with a particularly high incidence of poverty among older women, especially widows. Furthermore, in a comparative perspective, the ageing trend is also characterized by wide cross-national variations in pensioners' living standards, where differentiation by class, gender and ethnicity relates closely to how pension policy solutions have been differentially successful in reducing poverty (Higgs 1997:122; Kangas and Palme 2000; Korpi and Palme 1998; Quadagno and Reid 1999; Vincent 1995:28) and in particular gender-based and generational inequalities (see e.g. Daly 2001; Ginn *et al.* 2001; Walker and Maltby 1997:53).

Social theorizing has also brought attention to how institutions, in attempts to cope with economic recession and mass unemployment, have come to mediate social norms in terms of 'early-exit cultures'. Through difficult times, older rather than younger workers across Europe have been selected for redundancy through increasingly relaxed early-retirement policies, and with time also increasingly relaxed and/or broadened conditions of alternative forms of social protection such as invalidity and unemployment insurance (see e.g. Walker and Maltby 1997:71-72). Such national-level policies are also understood to promote formation of ageist firm-level social norms. Ageism (prejudice against older people), resting on the generalizing presumption that older workers are less productive than younger workers, has become problematic across the Western world, although less 'gerontophobia' is found in Europe (Troyansky 1997:50,53; Walker and Maltby 1997). At the same time, a recent review of research on age-related productivity concluded firstly that there is not much done yet in this field of research, and secondly that there is meagre evidence in support of ageist assumptions (Casey 1998). Rather, the stereotyping process seems to be at work, whereby perceived or real disabilities in one aspect tend to be carried through to other areas of ability (Vincent 1995:20). With increasing awareness, there is today growing concern across countries with preventing ageism, through e.g. anti-age discriminatory legislation (see e.g. Higgs 1997:121).

Taken together, an evaluation of explanatory factors behind retirement preferences across Western Europe, calls for an approach that distinctly addresses the multi-level character of individuals' retirement 'decision' – taking into account individual characteristics as well as cross-nationally varying institutions and labour market contexts that influence rational as well as normative 'choices' between continued work or retirement.

Work and retirement through times of mass unemployment

For a better understanding of how institutional contexts have come to provide mixed incentives for early retirement, it is helpful to look back at policy choices made across Europe during past decades.

When mass unemployment started to spread across Europe with the first oil price shock in 1973 and subsequent economic recession, the facilitation of early exit for older workers became a significant alternative for alleviating pressured labour markets. In addition, technological changes that brought a shift from production- to knowledge- and information-based societies, also generated new demands on employment (e.g. with less demand for manual workers and instead increasing demand for professional and service workers). In relation to these changes, early-exit priorities were also a social-political attempt to regenerate the labour force by putting a higher priority on the excess supply of

younger workers (Blöndal and Scarpetta 1998; Ebbinghaus 2000:511; Walker and Maltby 1997:72). Moreover, there was often broad and mutual interest between governments, employers' organisations and trade unions in promotion of early retirement, which was on the whole seen as a necessary general remedy to the difficult situation (see e.g. Guillemard 1993; von Nordheim 2003:10).

Although early exit became a widespread phenomenon across Europe, distinctive differences remained across countries, reflecting distinctly different policy choices. In particular, countries made markedly different priorities as regards to full employment, where such politics were mainly sustained in countries where social democratic parties in governments remained strong, namely Sweden, Finland and Norway (Esping-Andersen 1990; Korpi 2003). In Sweden, for example, the full-employment priority had been the main goal of economic policy since the 1930s, with the unemployment rate in most years of the post-war period below 2 percent and only 1.5 percent in 1989 and 1990 (Wadensjö 2005:1,12). It was not until the economic crisis of the 1990s that Sweden's unemployment rate rose dramatically – since the turn of this century it appears to have stabilized at levels around 4-5 percent. Sweden was also the first country to introduce a gradual (or partial) retirement program (already in 1976) that proved to be highly successful in retaining older workers in the labour force (Wadensjö 2003).[7]

With a weaker social democratic party, which also to a greater extent was dependent on support from other small parties, Denmark made a different set of policy choices. From the mid-1970s until the mid-1990s, the most prominent labour market policy objective was to diminish the labour force, either through the prolongation of unemployment benefits {Koning de, 2003 #3489} or through cutting labour supply, which was facilitated through permissive early retirement policies such as the 1978-79 early retirement reform (Benner and Bundegaard Vad 2000:412, 437).[8]

The Continental European response to 'deindustrialization' resembled the Danish response, but went even further and was also dependent on other policy choices (Esping-Andersen 1996b:68). The rationale behind such policy choices lay entrenched in the long tradition of labour markets organized around full-time, long-term and unbroken male work careers, with sectorized welfare state patch-work securing high male bread-winner wages and ensuring of family-based welfare across the life cycle. With mounting problems, these countries increasingly developed into insider-outsider labour markets, typically with low female participation and massive youth unemployment. With low, in periods even falling net employment growth, these societies were not producing employment to meet labour supply and early retirement routes were facilitated as a solution (Esping-Andersen 1996b:78-79). Lastly, in countries with more residual welfare states, such as in the United Kingdom, the pull-effects are seen to have been of less importance than push factors, and in consequence, these countries have experienced less early exit from work than Continental Europe (Ebbinghaus 2000:546).[9]

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[7] When similar programs were set up in France, Denmark and Germany in the mid-late 1980s, these turned out to be less successful as they offered less favourable terms and were not effectively coordinated with employers' measures in supporting part-time jobs (Ebbinghaus 2000:518).

[8] In Europe, Denmark (together with Belgium) during this period employed the longest unemployment benefit duration period (for persons in older ages), which was further extended in Denmark to six years in 1985 and seven years in 1994, after which is was to be gradually reduced to four years between 1996 and 2001.

[9] For a typology of early exit patterns in ten OECD countries, see Ebbinghaus (2000).

Recent policy changes

In recent times, however, policy making has (as noted) performed a high-kick turn away from, to use Ebbinghaus' words, "what started out as temporary redundancy payments or old age unemployment relief and became entrenched acquired rights, [and] policy traps" (2000:546). Today, such politics are broadly looked upon as wasteful practices of ageing management and a dire 'under-using' of human resources (see e.g. Ebbinghaus 2000:511; European Commission 2003b; Kok 2003; Lafoucrière 2002:51; von Nordheim 2003).[10] Policymakers are now rethinking also the social-policy system and its connections to economic resources in order to design sustainable social policies for the future. Two fundamentally different ways of saving are identified – on the one hand by "accumulation of capital assets by setting off part of the disposable income to buy financial claims on future production" and on the other "to invest in and maintain the productive capacity of the human population" (Institute for Future Studies 2004:1).

To accommodate both agendas, there is a recognized need to broaden policy focus from health care, pension reforms and the living conditions for the elderly, to also take into account the reproduction of the tax-paying and care-taking populations, hence broadening the focus of such discussion to include also the younger populations. In relation to the first agenda, recent European Commission guidelines of 1998-99 call for a reworking of all tax and benefit systems that facilitate early exit and punish people who work into their sixties and seventies (Troyansky 1997:12). In relation to the second agenda, three areas are identified as particularly essential: 1) gender relations, family stability and fertility, 2) education, longevity and labour supply, and 3) demographic aspects of income inequality. Furthermore, it is recognized how these concerns necessitate a long-term policy perspective, since policies affecting reproduction of human capital by nature are very long-term, with main returns from investment accruing several decades after investment (Institute for Future Studies 2004:43-44). In relation to labour supply across both male and female as well as younger and older populations, the Lisbon strategy (launched in 2000 as part of the European Employment Strategy) articulates clear goals of full employment for all of Europe by 2010 in order to enable social protection systems to withstand the impact of ageing, while retaining adequate and sustainable pensions.[11]

Micro- and macro-oriented research on individuals' early exit

Against the backdrop of profoundly changing labour markets in past decades, this section provides an overview of previous research that has been concerned with both micro- and macro-level causes behind early retirement. In this broad field of research, two general perspectives can be discerned as to how the retirement decision has been considered an individual choice. Firstly, there is a strand of research that more readily has emphasized the importance of social forces, state regulation of labour markets and employer practices that may contribute to poor labour market conditions for older workers, and thus assumes

[10] In 2001 the OECD initiated a thematic review of some twenty countries with regards to their ageing and employment policies. The intent was to survey the main barriers to employment for older workers and attach crucial importance to finding ways for improving job skills of older people as well as their working conditions, and new ways of how to better "activate" older job seekers; see e.g. OECD (2003a) for Sweden or OECD (2004a) for the United Kingdom.

[11] Full employment is formulated in terms of targets set for 2010, aspiring to an overall employment rate at 70%, female employment rate at 60% and an employment rate for workers over 55 at 50% (see e.g. Kok 2003:12).

rather involuntary exit on individuals behalf (see e.g. Esping-Andersen and Sonneberger 1991; Naschold and de Vroom 1994b).

The other strand of research, which emphasizes the retirement decision as an individual choice, nevertheless also recognizes how macro-level factors set an over-arching frame, within which the individual retirement decision is made. Most evidently individual's health and also the availability of retirement benefits in relation to the individual's age are highly influential for his or her retirement choice. While this strand of research has for the most part evaluated pull-effects exercised by the social insurance system, the retirement decision is thus still regarded mainly as an individual choice.

Within the stream of research assuming that the retirement decision is mainly an individual choice within given contexts, slightly different assumptions are made about the motivational factors involved. If not explicitly, assumptions are implicitly made as to the importance of financial as well as non-financial factors for people's motivation to work. Three different views can be distinguished. From a more restricted pecuniary perspective, preferences for early exit are expected mainly to align with economic factors. As retirement increasingly takes place before the statutory retirement age, there is an increasing concern with how social insurances are available broadly across all policy programs. According to this view, the basic retirement question is related to how individuals evaluate the difference between total retirement incomes from retiring today, as compared to delaying retirement by a year (or another given amount of time). In this view, exit closely depends on the earnings-benefit trade-off. When work no longer pays in relation to available alternative incomes, the individual will opt out. Findings from this line of research are dealt with further below (under macro-level findings).

A somewhat broader view also recognizes the importance of qualitatively different job experiences, which are understood to offer different levels of "job satisfaction" (Jepsen 2002:31). According to this line of research, later exit is to be expected among persons with higher levels of satisfaction, which is held to come with higher education and occupational class, or otherwise more favourable job situations. However, it is also recognized how financial and non-financial motivational factors may contradict each other in terms of work and retirement preferences. While non-financial work commitment tends to be stronger among persons with higher education and social class (see e.g. Hult and Svallfors 2002; Svallfors *et al.* 2001), preferences for later retirement can be expected to follow the same pattern. At the same time, it is plausible to assume that there are often better financial opportunities for these persons to retire early, e.g. through private wealth or occupational retirement programs (in particular for individuals with long uninterrupted male work careers), which is why preferences for earlier retirement could also be further strengthened. Within this line of research, there has also been concern with the so-called joint retirement decision between spouses, whereby the early retirement of one spouse has been seen to predict the following retirement of the other (see e.g. An *et al.* 1999; Weaver 1994). With lower statutory retirement ages for women in some countries, this may affect also men's exit-age somewhat downwards.

The third view further broadens the individual choice to include also social norms, although these in turn are regarded as under the influence of the overall economic situation (see e.g. Casey 1998). In this view, early retirement has been highly institutionalized as a result of governments', employers' and trade-unions' agreements about early exit as an acceptable way of managing the workforce. Although the individual might thus have been

pressured to exit, they are not necessarily unhappy to do so, and the retirement decision is still assumed to be an individual rational choice.

Individual-level factors

As a starting point, retirement behaviour across countries is similarly related to age and the availability of retirement benefits determined by eligibility conditions. Also, women tend to retire earlier then men, but notably only partly in consequence of lower female statutory retirement age in many countries (see e.g. Casey 1998; Jepsen 2002).

When comparing five countries with widely differing pension arrangements (the United States, Germany, Italy, the United Kingdom and the Netherlands) in the period 1971-1995, individuals were found to time their exit in similar patterns (across countries) in relation to health and socio-economic status (Blöndal and Scarpetta 1998:43). The self-employed or people working in the service sector retire later than civil servants and workers in manufacturing industry. Also, the higher educated and professionals stay on longer than do lower educated and blue-collar or white-collar workers. These later findings have been interpreted to also suggest that preferences for leisure may vary significantly across individuals, and that, to the extent that higher educated workers have access to more stable jobs, job security may be influential for the retirement decision (ibid.:43). The socio-economic factors were however found to play a different role depending on retirement route, either through the ordinary pensions system or through any type of disability or unemployment-related retirement (ibid.:46).

In respect of the quality of jobs and work places, public opinion surveys point to the importance of changing work conditions within increasingly post-industrial job structures, where work place factors have been found to be strongly influential for attitudes to work and retirement (see e.g. Gallie and Paugam 2002; Myles 2002; Rose 2003). Such factors include labour market differentiation between the private and public sector, aspects of job quality such as work involvement, skill development, career chances, flexibility and also security (through e.g. the quality of work contracts), or conversely also factors related to whether work is unhealthy, dangerous, stressful, dull or boring.

A recent Swedish survey applying a broad approach to examining why individuals with sickness benefits wanted to apply for disability pension rather than return to work, provides rather congruent findings (Swedish National Social Insurance Board 2004). Significant effects on preference for early retirement were found in relation to higher age, low education among men, low income, subjective judgement of future health, more than two months' absence from work and unfavourable work conditions such as mentally demanding or "bad" physical environments. There were however no clear or significant effects in relation to occupational class.

To sum up, previous research indicates that pecuniary as well as non-pecuniary work- and retirement-related factors are influential for individuals' choices to exit. Accordingly, two broad hypothesises can be posed as to how individuals may prefer earlier or later exit according to individual factors. Firstly, all else being equal (e.g. availability of non-employment benefits), persons who have more stable attachment to the labour market, as well as more favourable or satisfactory job positions, can be expected to prefer later exit. This would be expected with higher socio-economic status and also higher age – in so far as older persons have longer tenure or seniority and as such often better job situations and higher wages (to the extent that retirement preferences are both financially and non-financially motivated) (see e.g. Lazear 1979). Although this aspect of age is expected to bear

most importance, age may of course matter on other assumptions as well. Individuals' age-related exit-preferences may be more dependent on how judgements about exit alternatives depend on individuals' proximity to retirement. Also, from a life-course perspective, the cohort effects of age cannot be ruled out. For example, preferences for earlier exit could be expected among younger people, according to the idea of increasingly post-modern attitudes to work, i.e. an overall decreasing importance of work in relation to other life-spheres.[12] Yet, as is well known, cohort-effects cannot safely be inferred from cross-sectional data as is used here.

Secondly, an additional general hypothesis may also be posed, whereby persons with less stable attachment to the labour market, and strong (with work) competing identities, demands, interests or tastes, could be expected to prefer earlier exit. According to this hypothesis, working women in a more traditional family situation (married women, with dependent children and/or other extensive care-taking responsibilities) could be expected to prefer earlier exit. However, with widely different gender-role attitudes across countries (see e.g. Sjöberg 2004), and the fact that women's work orientations have been found to be quite heterogeneous (see e.g. Doorewaard *et al.* 2004; Hakim 2002), these traditional factors could also be expected to be of little importance for *working* women's retirement preferences as opposed to (for the most part) 'home-centred' women's preferences. In relation to how it has been shown that part-time workers hold stronger non-financial employment commitment as compared to full-time workers (Esser 2005), this leads us to expect preferences for relatively later retirement among female 'part-timers'. Lastly, in accordance with this hypothesis, persons with a strong taste for leisure could be expected to prefer earlier exit.

Macro-level factors

Firstly, in relation to the less studied direct importance of 'push' factors, such as mass unemployment and economic restructuring, these have been claimed to be of relatively less importance for explaining early exit (Ebbinghaus 2000:523). More interest has instead focused on financial supply-side incentives to retire. Such attempts have been incorporating increasingly precise measures of factors that may be influential for the retirement decision and in general provide broad evidence for the fact that financial incentives matter, with old-age pension systems discouraging work in pre-statutory retirement ages in virtually all OECD countries (see e.g. Blöndal and Scarpetta 1998).

A recent coordinated international project run by the National Bureau of Economic Research (NBER) involved rigorous testing of incentives in twelve OECD countries (including nine of the twelve European countries included in this study). Through modelling of implicit tax rates on continued work in relation to income security wealth, micro-estimations demonstrated how economic disincentives are in strong correspondence with welfare state institutional structures (Gruber and Wise 2004a). Findings are confirmed by recent country-specific studies, e.g. for Finland (Hytti 2004), Germany (Knuth and Kalina 2002), Italy (Brugiavini and Peracchi 2003) and Sweden (Palme and Svensson 2002).[13]

[12] See e.g. Inglehart (1990; 1997) and Inglehart and Baker (2000) for further readings on this line of reasoning.
[13] For a summary of individual country results over the past decade, see e.g. Blöndal and Scarpetta (1998) and Gruber and Wise (2004b).

Another important conclusion from these types of studies is that consideration of old-age pension scheme incentives alone is insufficient. Complementary social insurance programs such as occupational pensions, disability and unemployment related benefits, provide alternative pathways into retirement and are highly important in determining overall incentives for workers retiring before standard retirement age, although specific transitional patterns differ across countries (see e.g. Blöndal and Scarpetta 1998; Ebbinghaus 2000; European Commission 2003b:59; Hytti 2004; Palme and Svensson 2002).[14] For example, all European countries (except for the UK) provide older workers with unemployment insurance for at least one year, making it possible to "'bridge' the time from dismissal to normal retirement" (Ebbinghaus 2000:526).[15] A recent Swedish study, drawing upon high-quality micro panel data, found that only about a third of persons aged 60 (whose main sources of income was from work) retired through the 'normal' route, but instead through alternative routes involving occupational and disability pensions, unemployment as well as sickness insurance (Hallberg 2003). In conclusion, schemes that were "originally designed to deal with other contingencies, have been used in some countries to finance early retirement" (Blöndal and Scarpetta 1998:7).

Still, supply-side factors have not been found to explain the large cross-national differences in effective retirement ages within the OECD area, and even less so the widened differences over time (Guillemard 1993; OECD 2003b). For example, changes in implicit tax rates and standard retirement ages explained only a third of the trend decline in older men's labour force participation in OECD countries over the last three decades (OECD 2003b). Likewise, when the analyses in the large-scale study by Blöndal and Scarpetta also included controls for labour market factors (measuring the decline in labour supply of older male workers), a large fraction of the cross-national differences still remained unexplained, bringing the authors to conclude that also 'other factors' need to be considered for explaining cross-national variation (1998:40). Related to these findings, it has also been recognized how eligibility age appears to have a specific and independent impact on the retirement decision, indicating customary effects or social norms for retirement in relation to legislated standard and early retirement ages (Gruber and Wise 2004a:8; OECD 2003b:41).

In sum, micro- as well as macro-level analysis point to the importance also of 'other', quite probably non-financial factors as influential for the retirement decision. As proposed by e.g. the European Commission (2003b:18,61), there appears to be a rationale for seeking normative explanations for cross-national variation in exit-ages, as expressed by individuals' preferences for work and retirement across countries. As institutional contexts are understood to link individuals' actions, their preferences and their beliefs within normative orders (see e.g. March and Olsen 1984; 1989), this is where attention is directed next.

Preferences for continued work or retirement within institutions

In order to understand how institutional incentives may encourage different retirement preferences, institutional design and interrelatedness is discussed next. As the 'individual at work' is seen as being at the nexus of both welfare and production regimes, people's

[14] Unemployment pensions were used mainly in Germany, Denmark, and Finland, but were of more marginal importance in Austria (Blöndal and Scarpetta 1998:26).

[15] For more detailed analysis of the intended and unintended effects across OECD countries of combined pull-factors, see e.g. Ebbinghaus (2000:523-30).

experiences of, and opportunities for, labour market participation within both of these normative orders is presumed to shape his or her preference for work and retirement.

Welfare regimes

For the purpose of this study, distinction between different types of welfare regimes is based on institutional characteristics. Typologies following this approach attach particular importance to key institutional aspects such as principles for defining eligibility for benefits, levels of benefits, and forms of governance.[16] As we here set out to evaluate the overall 'pull-effect' exercised by the welfare state on *working* individuals' retirement preferences, it is the generosity of benefits which is of main interest.

Across European welfare states, generosity of benefits can be described as providing basic security (at low to medium replacement rates), or providing income security through a varying degree of earnings-relatedness of benefits (ranging from medium to high replacement rates). Despite institutional complexity, there are remarkable similarities within countries across policy programs of pensions, sickness cash and unemployment benefits, as well as family policy, which generates theoretical as well as empirical rationale for combining generosity measures across policy programs.

Summarily, Nordic welfare states combine earnings-related benefits with universal coverage, and to a great extent encourage female labour force participation by means of earnings-related parental leave benefits and extensive public day-care services. Denmark has been recognized as a more mixed model, but continues to be distinctly similar to other Nordic countries in areas such as equality, full employment, encouragement of female participation and high levels of spending on social services (as well as increasingly in active labour market policy) (Greve 2004:156). Continental European welfare states on average provide almost equally generous benefits (by ways of pensions, sickness cash and unemployment benefits), but have been designed to segment the dependent labour force into occupational categories, typically excluding economically non-active citizens (Korpi and Palme 1998).[17] In addition, Continental European family policies providing general family support tend to encourage a male bread-winner model, i.e. a more traditional division of paid and unpaid labour, and consequently lower rates of female labour force participation (Korpi 2000). Lastly, the two English-speaking countries included in this study – Ireland and the United Kingdom – represent a welfare state that provides lower flat-rate benefits, and as such provide 'basic security', typically with universal coverage as eligibility is usually based on citizenship or residence (Korpi and Palme 1998).

These differences draw our attention to how, to use Esping-Andersen's (1990) term, decommodification (i.e. decreased marked dependence) is differentiated across countries, since the right to social insurance benefits is usually highly dependent on people performing their social duties, mainly in the form of productive work. In this view, where 'social rights' are usually tied to pre-requisites of work, access and opportunity to paid work may in fact be considered a 'proto-right' with respect to accessing social rights (see e.g.

[16] Typologies have been proposed by e.g. Korpi and Palme (1998) in the field of public pensions and sickness cash benefits, Carroll (1999) in the field of unemployment insurance, and Korpi (2000) with regards to family policies.

[17] Earnings-relatedness of unemployment benefits tend to be restricted upwards through ceilings of maximum benefits, which consequently in some cases lowers the degree of earnings-relatedness (e.g. in the Danish case). Also, notably, the formally earnings-related Italian unemployment benefit provides a gross replacement rate level at only 30 percent of earnings. In practice this means a generosity level similar to the British and Irish ones.

Korpi and Palme 2003:428).[18] In other words, to the extent that e.g. women participate in labour markets, they will also have independent social rights. With clear gendered patterns in terms of female participation (as to extent and continuity) in European labour markets (see e.g. Daly 2000; Hakim 1997), women unquestionably still have differentiated access to social rights. Consequently subsequent analysis of work and retirement preferences needs to take into account the gendered participation pattern related to still widely gendered labour markets, work careers and work identities (see e.g. Arber *et al.* 2003; Ginn and Arber 1996; Ginn *et al.* 2001).

Production regimes

The other institutional context of importance for structuring people's preferences for work and retirement pertains to the organization of production. In this field, attempts to understand institutional patterns from a 'varieties of capitalism' approach have resulted in a distinction between liberal and coordinated market economies – or 'production regimes' (see e.g. Hall and Gingerich 2004; Hall and Soskice 2001b; Kitschelt *et al.* 1999; Soskice 1999).

Placing firms at the centre of analysis, micro-level agents (according to logics of interrelatedness) need to organize and structure their interrelationships given the 'rules of the game' that are set by market-related institutions across five broad dimensions. These pertain to the educational and training system, the inter-company system, the industrial relations system, the financial system and also intra-firm employee coordination (Hall and Soskice 2001a:6). In order to be successful, firms need to engage with each other across spheres to e.g. raise finance, regulate wages and working conditions, ensure that workers have the requisite skills, secure access to inputs and technology, compete for customers and secure cooperation of their workforce (among other tasks). Success lies in their ability to coordinate or compete effectively across these areas. In this respect, production regimes have come to base their cooperation and complementarities either on competitive markets (liberal production regimes) or on some degree of collaboration and strategic interaction rather than competition (coordinated production regimes). Coordinated production regimes are also recognized to involve the state to a further extent than do liberal regimes. The complementarity notion implies that institutions supporting effective strategic coordination in one sphere of the political economy tend to be complementary to institutions supporting analogous coordination in other spheres (see e.g. Hall and Soskice 2001a; Soskice 1999).[19]

Accordingly, coordinated production regimes include labour force and training systems that more extensively provide industry-, occupational- or firm-specific skills, more extensive investment into a re-skilling of the labour force (e.g. through active labour market measures), higher unionization, more centralized wage-setting organization, and also more expansive macro-economic policies (Soskice 1999). [20] To the contrary, the liberal

[18] Alternative terms include "employment rights" (see e.g. Ebbinghaus 2000) or "industrial citizenship" (Marshall 1950).

[19] Somewhat different logics have been proposed to structure these complementarities. These logics may centre on the particular skill-profiles within the economy (as dominated either by industry-, occupational- or firm-specific skills, as opposed to general skills) (Estevez-Abe *et al.* 2001), or on the extent of investments in human capital (through education and retraining) (Dobbin and Boychuck 1999; Soskice 1999) or on unionization and the wage-setting system (Huber and Stephens 1998; 2001).

[20] In relation to firm-specific skills, recent research has described a logic whereby firms in countries with a more compressed wage structure will be willing to invest more extensively in general training for unskilled

production regime combines a general skills-oriented profile with a lower degree of coordination across these spheres. In Europe liberal regimes are represented by the United Kingdom and Ireland. Coordinated production regimes are represented by Austria, Belgium, Denmark, Finland, Germany, Italy, the Netherlands and Sweden, whereas France, Italy and Spain constitute mixed or complex types (Hall and Gingerich 2004; Soskice 1999).

In addition to the interrelatedness within production regime dimensions, there is also remarkable interrelatedness between production and welfare regimes. Welfare states appear to be embedded in particular types of production regimes, whereof the different aspects (although not all) are understood to fit each other in a mutually supportive or enabling way (Estevez-Abe *et al.* 2001; Hall and Gingerich 2004; Huber and Stephens 2001:104). This concerns how wage levels are related to benefit levels, labour market policies to social policies, and how the production for the world market is related to the qualification level of the labour force, together with wage and benefit levels.

Operationalizations

Turning to the operationalization of institutional indicators, it can firstly be noted that the theoretical and empirical underpinnings of production regime types still constitutes a rather recent field of research, with rather few attempts to date at closer operationalization of institutional characteristics. Yet, attempts so far have been promising, lending reasonably robust evidence about the interrelatedness of intra-production regime characteristics, and also interrelatedness between production regimes with specific aspects of welfare regimes.[21] For the purpose of this study, the production regime indicators chosen pertain largely to the industrial relations and skill/training dimensions, as these are assumed to be of greater and more direct importance for structuring preferences in relation to work and retirement.[22] Accordingly, the coordination measure is a combined index across five programs – labour market organization by indicators of worker organization, wage bargaining, employment protection legislation, active labour market policy effort, and also an indicator of countries' skill profile (see Appendix I for further description of measures).

The welfare regime measure is a combined index across four major social insurance programs – old-age pensions, sickness cash benefits, unemployment insurance and family policy. Measures across all programs refer to the generosity of benefit replacement rates, except the family policy indicator, which is a combined measure of parental leave benefit generosity and the extent of public child day-care services. Although the combined index-measure does not incorporate all non-employment benefits available to persons in pre-retirement ages (such as e.g. disability-related or occupational pensions), it represents a reasonably accurate and broad measure of overall social insurance generosity. As such, and all the more importantly, it reasonably well mirrors how publicly provided social insurance measures are designed across broad policy programs to provide incentives for labour market participation, not only among people close to retirement age, but for people throughout their life course. In addition exit-routes most often include alternative path

workers in relation to skilled workers (Acemoglu and Pischke 1999). However, for the purpose of this study, the broader industrial- or occupation-specific skill profile appears to be more relevant, as public vocational training is assumed to be more equally and more extensively available, and as such providing qualitatively different options in relation to people's preferences for human capital formation.

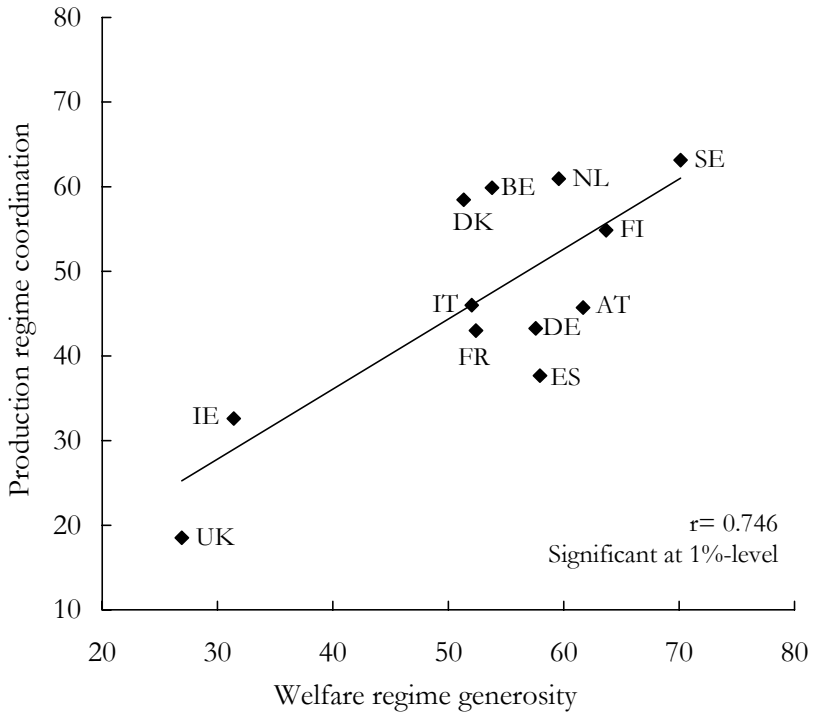
[21] Perspectives however differ decidedly as to the origins and driving forces behind institutional development.

[22] How these dimensions are of stronger importance for structuring attitudes to work as compared to more formal skills structures was also shown by Esser (Esser 2005). For further specifications of measures and sources, see Appendix I.

ways (see e.g. Walker and Maltby 1997), providing financial exit incentives equal to, or even stronger than, those yielded by early-retirement options (see e.g. Palme and Svensson 2002).[23]

An overview of how countries combine welfare regime generosity and production regime coordination is shown in Figure 3. Certain clusters can here be discerned. Sweden, Finland and the Netherlands combine high measures in both dimensions.[24] Denmark deviates from the other two Nordic countries with somewhat lower welfare regime generosity – similar to the level also found in Belgium.[25] The opposite combination – high welfare regime generosity but somewhat lower production regime coordination – is found in Austria, Germany and Spain, whereas Italy and France, with still lower welfare regime generosity, appear to constitute mixed cases. At the low end of the spectrum, the two English-speaking countries measure low on generosity on both dimensions.

FIGURE 3 *Correlation between welfare regime generosity and production regime coordination, EU14 in 2000, index scores.*



Sources: Welfare regime indicators (SCIP); production regime indicators (see Appendix I).

Institutional hypotheses

What hypotheses may be posed in terms of institutional influence of production and welfare regimes on people's preferred retirement age? As people may lead their working lives within distinctly different contexts, the general institutional presumption is that, as

[23] A measure of disability pension generosity (as calculated by Blöndal and Scarpetta 1998) was however tested in analysis, but did not add any further findings.

[24] Sweden for example is the only country that has training and active measures directed towards older workers (Jepsen *et al.* 2002:34).

[25] The lower generosity of the Danish welfare state is much a consequence of low income ceilings for benefit purposes across all programs except pensions. For example in 1995, Danish sickness cash benefits were 100% of income up to a low maximum, which in effect (after taking this ceiling into account) meant a gross replacement rate at 56.6% of an average production worker's wage (SCIP database, see appendix I). Pension calculations do not include 'efter løn' – a benefit that relates more closely to the disability scheme.

people approach retirement, they will differ in their expectations and preferences in fairly strong relation to their work-life experiences. Accordingly, the general argument is that institutional structures that more extensively encourage individuals to take part in work, or provide opportunities to do so on relatively more favourable terms, will contribute to more agreeable or worthwhile work experiences, which to a further extent may promote norms and preferences for relatively longer working careers, and thus norms and preferences for relatively later retirement.

Moving from the general to the more specific, hypotheses can be posed in relation to welfare and production regime institutions respectively. Firstly in relation to welfare regimes, following the discussion above, two contradictory perspectives can be distinguished. From a perspective focusing on financial incentives, generally on the presumption that leisure is usually preferred over work, it can be proposed that social insurance generosity in general will discourage individuals from participation in paid work. A first welfare regime-specific hypothesis is formulated accordingly:

> (H1): Higher 'alternative incomes' provided by more generous welfare regimes across broad policy programs will provide stronger financial incentives for labour market exit and thus promote preferences for relatively earlier retirement.

Drawing upon a broader institutional understanding of the welfare state, an opposite hypothesis may also be posed. In relation to benefit design and benefit conditionality, generous welfare regimes are, through the earnings-related benefit principle, seen to make benefits directly conditional as well as strongly related to participation in work through requirements of reference and qualification periods in paid labour. In addition, benefits are always by requirement conditional upon the recipient being exposed to a specific condition of need (i.e. sickness in the case of sickness cash benefits etc). The latter specification, however self-evident it may seem, nevertheless is critical since it makes explicit how individuals' 'choices' between work and leisure cannot be regarded as unrestrained.[26]

In relation to the generosity of old-age pensions, benefits are strongly related to the number of contribution years with work, during which individuals qualify for benefits. In relation to unemployment protection generosity, following matching-theory and findings consistent therewith (see e.g. Pollmann-Schult and Büchel 2005; Åberg 2001), higher generosity may facilitate a better matching of individuals' skills and preferences with work positions, thereby promoting more agreeable work experiences. Or in other words, increased decommodification may provide individuals with better job alternatives and opportunities to take part in paid work. In relation to gendered retirement anticipations, family policies providing earnings-related parental leave benefits and extensive public day-care services, provide women with more extensive opportunities to participate in paid labour, and as such provide a normative framework in stronger support of longer working careers with shorter interruptions for child-care. In sum, these arguments lead to a second welfare-regime specific hypothesis, specifying the opposite relationship between social insurance generosity and preferred exit-age:

> (H2): Through the design of benefits across broad policy programs, higher benefits within more generous welfare regimes will provide stronger incentives for labour

[26] For example, the scope for early retirement through disability pensions or unemployment benefits would be greatly restricted if entitlement is assessed against rigid medical criteria or conditional on active job search respectively (see e.g. Blöndal and Scarpetta 1998:28).

market participation, and also, through a higher degree of decommodification, provide individuals with an increased range of job alternatives, which promotes preferences for longer work careers, hence preferences for relatively later retirement.

In relation to production regime coordination, an institutionally grounded hypothesis needs to take into account that more coordinated labour markets depend on a highly skilled work force, with more collaborative strategies, more job autonomy and involvement in decision making (Soskice 1999:115-6). Structures of wage setting, employment protection, retraining opportunities and development of specific skills can in this context be seen as highly influential for individuals' working conditions. When the opportunity arises to participate on conditions that are more under the control of the worker him/herself, and when there is better opportunity to access skills according to one's preferences and to match such skills with appropriate and durable positions in the labour market, it can be assumed that such opportunities will promote more reasonable and agreeable work experiences, and as such promote longer working careers. The hypothesis in relation to production regime coordination is posed accordingly:

(H3): Through more extensive opportunities for workers to take part in work under more favourable conditions, as structured broadly by the industrial-relations and education/training systems of production regimes, more extensively coordinated production regimes will promote preferences for longer work careers, hence preferences for relatively later retirement.

Lastly, in relation to the importance of demand-side factors (first and foremost unemployment), following the previous discussion, it can be anticipated how these may be correlated in opposite ways to retirement preferences. From the discussion above, high and persistent unemployment may, through the development of early-exit cultures, promote preferences for earlier retirement. However, in the case where early exit is involuntary, people's exit-age preferences could also be uncorrelated or even have a positive correlation in relation to unemployment.

The data – an overview of exit-age preferences across Europe

With increasing availability of comparative attitude data for cross-national comparisons, there are new possibilities to study peoples' values as influenced both by individual- and country-level factors. The attitude data used in this study draws upon Eurobarometer survey data for 1992 and 2003, provided by the European Commission (1992; 2003a). These surveys have been conducted at least twice a year in all member states of the European Union since the early 1970s on behalf of the European Commission, providing regular monitoring of social and political attitudes in the European publics.[27] Both surveys draw upon samples of 1,000 persons, representative of populations aged 15 and over in each of the member states. Hence, the 1992 survey included twelve countries and the 2003 survey included fifteen countries (i.e. also the new member states Sweden, Finland and Austria since 1995).[28] With regards to the Eurobarometer data of 2003, upon which main

[27] More information about the current study and the Eurobarometer project is available online via the German Social Science Infrastructure Services (http://www.gesis.org).

[28] The analyses exclude Greece, Portugal, Luxembourg and former East Germany, where Germany (in 2003) is represented by 1,000 persons residing in the geographical area of former West Germany. As weights have not yet been supplied by the data provider, results pertain to non-weighted data. However, deviance in this respect is estimated to be rather marginal as indicated by comparisons between weighted and non-weighted results using data from recent Eurobarometer studies of the late 1990s, for which weights were available.

analyses is based, we can note that from country-specific data providers there are no indications of any deviations in response rates for any of the surveyed countries. In relation to how response rates in general range between 50 and 90 percent in surveys like these, some general caution with regard to the interpretation of the analyses is warranted. Reassuring in this respect are however the very high internal response rates with regards to the dependent variables. Taken together, as we are interested in overall patterns, attention will not be fixed upon smaller differences in particular estimates.

Overview of retirement preferences across Europe

For an overview of exit-age preferences across Western Europe, average preferences by country and gender are presented. For a better appreciation of their 'relativity', preferred exit-age is related to standard legislated retirement ages, which we expect to have a normative influence, as well as to individuals 'expected' exit-age. Accordingly, Figures 4a-b display how persons responded to questions about at which age they "would like to" (preferred exit-age) and "expect to" (expected exit-age) retire in 1992 and 2003, although the question about preferred retirement was unfortunately only asked in 2003.[29]

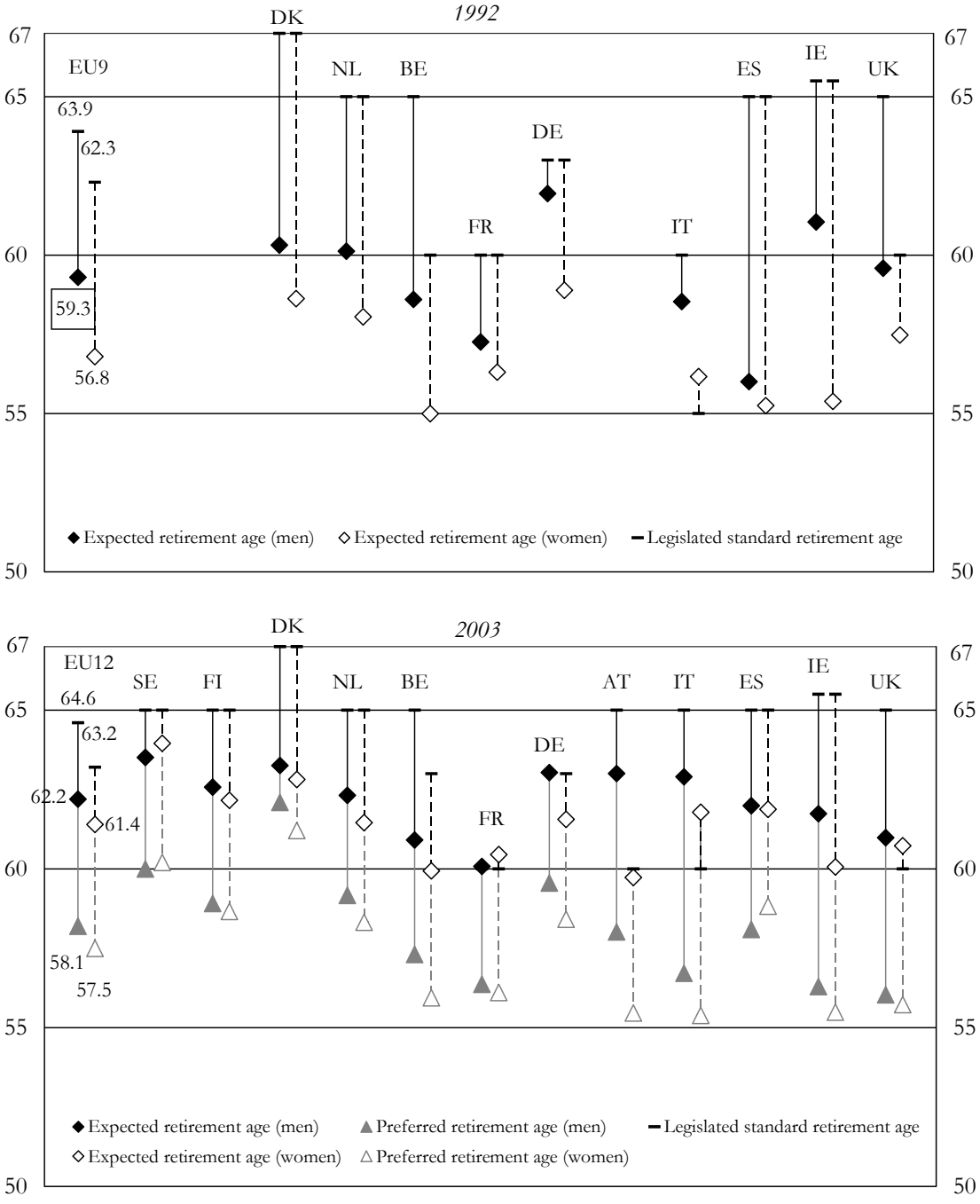
Before examining the figures more closely, a note on the substantive difference between these measures is warranted. *Expected* exit-age is here regarded as an expression of individuals' judgement when extrinsic work and retirement alternatives (such as e.g. eligibility age and financial opportunities) are likely considered. *Preferred* exit-age is understood as individuals' taste for retirement when intrinsic consideration is more extensively decisive, and, as indicated by question-phrasing, when financial consequences in case of retirement need not be considered. It is these preferences that are of greater interest here, since they constitute a better measure of individuals' non-coercively structured taste for retirement. As such, the difference between preferences for retirement in relation to statutory legislated retirement age may be considered as a motivational span to be addressed by policymakers seeking institutional incentives that may encourage workers to stay on longer in work.

As can be seen in Figures 4a-b, national averages for working men and women in each country are connected through lines to the legislated standard retirement age at the time (continuous in the case of men and broken in the case of women).[30] Countries are ordered horizontally by geographical clusters, with the Nordic countries followed by the Continental European countries, the two Mediterranean countries and the two English-speaking countries.

[29] The two questions were asked in direct subsequence – firstly: "At what age do you expect to/did you expect to retire?" and secondly: "At what age would you like/would you have liked to retire?".

[30] Responses were bottom-coded at age 40 to avoid outlier effects. This affected approximately 1.5% of responses (equally across male and female sub-samples). In itself, this small fraction indicates meagre evidence for any wide-spread preference for an entirely 'post-modern' lifestyle, by which people broadly are prepared to give up the whole idea of work. Respondents preferring pre-age-40 retirement were kept in the analyses since their stated preferences arguably contribute substantial information. Exact data for Figure 4a and 4b is given in Appendix A.

FIGURES 4a-b *Individuals' preferred and expected retirement age relative to legislated standard retirement age in European Union member states of 1992 and 2003. Country averages refer to working persons (full- or part-time) over age 25.*[1)]



Note: 1) European member states not included are Luxembourg, Portugal and Greece.
Sources: Eurobarometer 1992 (EB 37.1); Eurobarometer 2003 (EB 60.3). For exact data upon which figures are based, see Appendix A, for further information about legislated retirement age, see Appendix B.

Directing attention first to statutory retirement ages, it is seen how the male statutory retirement age in most countries is 65, whereas it on average is lower for women. Notable exceptions from the '65-norm' for men throughout the period include a lower statutory retirement in France

(age at 60) and in Germany (at age 63).[31] Among women, lower statutory ages (than 65) are found in half of the countries. These include Belgium, France, Germany, Austria, Italy, and the United Kingdom. It can also be seen how all these countries, except France, still employ a gender-differentiated retirement age in 2003. While the average legislated retirement age across all countries remains roughly the same for men, it has risen by a year to just above 63 years in 2003 for women.

When attention is turned to expected exit-ages, and initially to how these have changed over the past decade, a clear overall average rise between 1992 and 2003 is indicated – a change by almost three years for men (overall expecting to retire at 62.2 in 2003), and by 4.6 years for women (overall expecting to retire at 61.4 years). This rise appears as a real change, since differences remain just about the same when averages for the nine member countries of 1992 are considered in 2003 (i.e. excluding Finland, Sweden and Austria). This increase also remains when Belgium and Italy (the two countries that raised statutory retirement age during this period) are not considered, although the overall rise then is slightly lower, 2.3 years for men and 3.9 years for women.[32] Despite rising expected retirement age, the overall average is still at least 2 years below average statutory retirement age in 2003. Exceptions to the average pattern in 2003 are found among women in countries with low legislated normal pension age, where women in France, Italy and the United Kingdom (all with statutory retirement at 60) in fact on average expect to retire later than the legislated age.

When means were checked for significance differences, Italian women still expect to retire significantly earlier than their male counterparts, whereas the gendered differences in expected retirement between French and British men and women respectively were not found to be significant. In examining expected retirement age
more closely, additional gendered patterns turn up. Despite gender-equal legislated retirement age, women expect to retire significantly earlier than their male counterparts in the Netherlands, Germany and Ireland (1992 and 2003) and Denmark (only in 1992). In contrast, the small gendered differences in expected retirement age Sweden, Finland and Spain (in 2003) were not statistically significantly. Lastly, we can evaluate the variation over time between countries in relative expected retirement age, as indicated by the variation in span between legislated and expected retirement ages. In addition to the obvious increased overall average expected retirement age, the variation across countries has decreased by (on average) one standard deviation, from 2.7 to 1.7, leaving rather little variation between countries in 2003, although the variation is somewhat higher among women.

However, as regards to *preferred* retirement age in 2003, an interesting pattern emerges in this respect. The average preferred retirement age in all countries lies well below expected ages, with men averaging 58.1 years and women 57.5, but with substantial cross-national differences. In Nordic countries, preferred retirement on average is an additional three years lower than expected retirement age, closer to 4 years lower in continental European countries, and at least 5 years lower in both Mediterranean and English-speaking

[31] The official statutory retirement age in Germany is at 65, but given the legislated amount of contribution years of an average production worker, the formal retirement age is effectively at 63 (see Appendix B for further details).

[32] During this period Italy raised the statutory retirement age from 60 to 65 for men and from 55 to 60 for women, and Belgium raised the female statutory retirement age from 60 in 1992 to 63 by 2003.

countries (either relative to expected or statutory retirement age, depending on which is lower).

In six of the twelve countries (Sweden, Finland, France, Spain, Ireland and the United Kingdom), of which all but the United Kingdom legislate gender-equal statutory retirement ages, the small gendered differences indicated in the figure are not statistically significant. In the remaining six countries (Denmark, the Netherlands, Belgium, Germany, Austria, Italy and Ireland), women in all cases prefer to retire significantly earlier. In sum, the variation between countries in preferred retirement age is considerably larger than the variation in relative expected retirement age – differences to which explanations are sought in subsequent analyses.

Results – micro and macro explananda of preferred retirement

Seeking the explananda of exit-age preferences, the multi-level technique is used in subsequent multivariate analyses. This technique permits simultaneous combination of micro- and macro-level factors in the same statistical model, while effects of predicting variables are correctly referred at the right level and variance can be separated between levels (see e.g. Jones and Duncan 1998). Analyses proceed in two steps. Firstly effects of individual-level factors are modelled, after which country-level contextual effects are added to the full micro-level models. This permits a direct assessment of institutional effects on retirement preferences once important individual factors as well as macro-level structural factors are controlled for. In addition, the extent to which contextual factors explain cross-national variation in exit-age preferences may be evaluated. As available theory predicts somewhat different preferences among men and women, male and female sub-samples are modelled separately.

The results from initial multi-level models that include individual-level variables only are displayed in Table 1.[33] As available theory suggests important independent normative effects of eligibility age, this may be incorporated in analyses by estimating two alternative models for male and female sub-samples, in relation to which subsequent contextual analysis is assessed. Models 1 and 3 estimate effects in relation to the measure of preferred *real* retirement age, for male and female sub-samples respectively, whereas Models 2 and 4 estimate effects on *relative* preferred retirement age, i.e. relative to the legislated standard retirement age. Relative preferred retirement age was calculated by subtracting the standard legislated retirement age from the real preferred retirement age in each individual case. Each sub-sample pertains to working persons (full- and part-time) over age 25.[34]

Following theoretical propositions and findings from research concerned with behavioural outcomes, a range of individual characteristics are included in analyses. These include demographical and socio-economic characteristics such as age, civil status,

[33] All models estimated are random intercepts models, allowing average preferred retirement age to vary across countries. Since the number of groups is small, all models are estimated by the RIGLS-algorithm (residual or restricted iterative generalized least squares) whereby a downward bias of random parameters is avoided (Snijders and Bosker 1999:56-57). For further discussion see also e.g. Goldstein (1995: ch. 2).

[34] Part-time work is defined as persons working less than 30 hours per week. Non-working persons, such as the unemployed, students, persons mainly responsible for a household and retired or disabled persons, were excluded from analysis mainly for two interrelated reasons. These groups include very few persons in some countries, which is why data representativity is restricted. This in itself may be considered partly a consequence of institutional context. Secondly, although selection effects need to be kept in mind, exclusion is estimated to bring less bias to country-level variation. Alternative models were also run on sub-samples that included the unemployed and students. This is commented further upon in text.

TABLE 1 *Micro-level determinants for preferred pension age (real age and relative to statutory retirement age) among working persons over age 25, in twelve European Union member states 2003 (standard errors within parentheses).*

		Men		Women	
	Model	1	2	3	4
		real	*relative*	*real*	*relative*
VARIABLES					
(reference category within parenthesis)	Intercept	57.8***	-6.89***	57.7***	-5.46***
		(0.689)	(0.733)	(0.731)	(0.731)
Age group	40-49	0.678*	0.681*	0.881**	0.872**
(25-39)		(0.275)	(0.275)	(0.275)	(0.275)
	50-54	1.700***	1.709***	1.902***	1.893***
		(0.931)	(0.391)	(0.373)	(0.373)
	55-59	2.370***	2.364***	3.075***	3.063***
		(0.447)	(0.447)	(0.463)	(0.463)
	60-64	5.324***	5.316***	4.514***	4.509***
		(0.702)	(0.702)	(0.659)	(0.659)
	65+	4.653***	4.663***	3.359***	3.370***
		(0.949)	(0.949)	(0.577)	(0.577)
Civil status	Married/cohabiting	0.331	0.321	-0.538*	-0.538*
(single)		(0.290)	(0.290)	(0.244)	(0.244)
Child	Child present	-0.619*	-0.614*	-0.397	-0.403
(no child in household.)		(0.280)	(0.280)	(0.266)	(0.266)
Education	Higher (later) education	0.272	0.233	0.707**	0.634*
(finished full-time <age 20)		(0.266)	(0.266)	(0.257)	(0.257)
Occupational class	Skilled manual	-0.249	-0.200	-0.954°	-0.980°
(unskilled worker)		(0.502)	(0.502)	(0.551)	(0.551)
	Employed in service	-0.119	0.515	-0.996*	-0.988*
		(0.587)	(0.515)	(0.462)	(0.462)
	Employed at desk /supervisor	0.471	-0.089	-0.778°	-0.752°
		(0.514)	(0.587)	(0.451)	(0.451)
	Middle management	0.608	0.664	-0.634	-0.597
		(0.569)	(0.569)	(0.518)	(0.518)
	General management	0.754	0.815	-0.466	-0.425
		(0.602)	(0.603)	(0.585)	(0.585)
	Self-employed	-0.026	0.025	-0.137	-0.100
		(0.551)	(0.551)	(0.554)	(0.554)
Labour market status	Part-time work	–	–	0.523°	0.542°
(full-time work)				(0.294)	(0.294)
Health (subjective)	Dissatisfied with health	-0.959*	-0.959*	-1.493***	-1.491***
(satisfied with health)		(0.409)	(0.409)	(0.378)	(0.378)
Taste for leisure	High importance of leisure	-0.474*	-0.462°	–	–
(low importance)		(0.242)	(0.242)		
Dull/boring job	Dull/boring job	-0.690°	-0.675°	-1.278***	-1.248**
(not dull/boring)		(0.372)	(0.372)	(0.364)	(0.364)
Demanding job	Too demanding job	-0.775**	-0.765**	-0.526*	-0.509*
(not too demanding)		(0.236)	(0.236)	(0.233)	(0.233)
VARIANCE	Country level	2.662	3.408	3.596	2.955
		(1.152)	(1.456)	(1.533)	(1.271)
	Individual level	30.444	30.443	23.247	23.249
		(0.893)	(0.892)	(0.756)	(0.756)
Intraclass correlation coefficient (ICC) %		8.0	10.1	13.4	11.3
Model fit (-2LL)		14643.16	1465.92	11419.08	11416.98
Number of observations		2339	2339	1905	1905

°/ */ **/ *** Significant at 10/ 5/ 1/ 0.1%-level respectively. *Source:* Eurobarometer 2003 (EB 60.3).

household composition, education and occupational class.[35] Household composition here accounts for the presence of a dependent child under age 14 in the household.[36] In addition, a measure of subjective health, taste for leisure, and two job-related characteristics are taken into account.[37] These two latter characteristics include the subjectively stated agreement (or disagreement) with statements about the individual's job as being either "dull and boring", or "too demanding and stressful".

As all individual-level variables are categorical, estimates indicate the differential effect on exit-age preferences in relation to respective reference categories. When comparing intercepts across male and female sub-samples (referring to estimates for overall reference categories), no gendered difference is found in terms of preferred real retirement ages (57.8 and 57.7 years respectively), whereas by the same comparison, men prefer to retire almost 1.5 years earlier then women when relative preferences are considered (6.9 years as compared to 5.5 years before statutory retirement age). Aside from different intercepts, the only substantial difference between Models 1 and 2 (male sub-sample), or 3 and 4 (female sub-sample), is seen in relation to country-level variance.

As we turn to the lower panel in table displaying the variance components separated between the individual and country level, it is helpful to calculate the intraclass correlation coefficient (ICC), which is understood as the proportion of total variance that is located at the group level (i.e. at the country level) (Snijders and Bosker 1999:17). For all models presented in this study, the ICC is (simply) calculated by dividing country-level variance with the summed individual- and country-level variance. In the table it is thus seen how variance at the country level across Models 1-4 accounts for 8-14 percent of total variance, which can be considered as a rather substantial part of cross-country variation in studies comparing attitudes across countries. Furthermore, it is slightly higher among women than among men (both as to real and relative preferences). However, among men, variation at the country level increases as statutory retirement age is taken into account (as indicated by an increase in ICC between Model 1 and 2), whereas it decreases for women (comparing Models 3 and 4). In other words, part of the variation in women's preferences is accounted for by differences in the statutory retirement age (more precisely 16 percent), whereas for men the different statutory retirement ages actually contribute to higher cross-country variation in retirement preferences.

As we examine effects of indicators, the overall strongest effects are found in relation to age, notably a strong positive relationship. The older people are, the later would they like to retire (those aged 65+ excepted). As discussed previously, there are several plausible explanations for this, although interpretation needs to remain rather speculative. Older persons may prefer later exit either due to higher tenure/seniority yielding better job

[35] Individuals' level of education is a proxy, derived from the response to the question "How old were you when you stopped full-time education?". If a person has finished at the age of 20 or later (as opposed to having finished earlier) this is taken either as an indicator of further investment in human capital, either by relatively higher or longer education, or an indicator of re-/investment at a more mature age. This coding follows procedures similar to those used by for example Hakim (2002:445). Preferable indicators would of course rather relate attained education to categories of primary, secondary or tertiary education according to international guidelines as proposed by the OECD (2004b).

[36] Data unfortunately does not permit evaluation of joint retirement decisions.

[37] Subjective health differentiates between persons stating they are "fairly satisfied" with their health, as opposed to "fairly dissatisfied". Taste for leisure was coded 'high' if the respondent answered that leisure activities had the most impact on their free time, when asked to choose three alternatives from a list of seven items, including an alternative stating that none of the alternatives applies.

situations and higher wages, or because their judgements about retirement alternatives are increasingly more realistic with higher age. Or, cohort effects may play out, which however cannot be inferred from cross-sectional data.

In relation to marital status and household composition, effects are both weaker and gendered. Married women (but not men) tend to prefer somewhat earlier retirement, whereas it is men (but not women) who live with dependent children who prefer somewhat earlier retirement. The latter relationship is reasonably of curvilinear nature as children eventually grow up and move out. It can be noted (not reported in table) that widows' preferences did not differ in any significant way, and neither was the effect of a person's care-taking responsibilities (for child, partner, family member or grandchild) found to matter.[38]

Another gendered pattern turns up in relation to education and occupational class. Men's retirement preferences, contrary to expectations, do not appear to be structured by education or occupational class, whereas women with 'higher' education prefer later retirement, but earlier retirement if they are skilled manual workers, employed in service, at desk or as supervisors as compared to unskilled manual workers. In the case of men, signs of estimates indicated preferences for later retirement among middle-level and general managers, although effects are non-significant.[39] Notably, there were no significant interaction effects between marital status and having a child present in the household, or between age and education.

In relation to how women take part in full- or part-time work, women's work orientations and work conditions have been found to be quite heterogeneous, and it was not clear how preferences for retirement could be expected in this respect. However, in relation to how later retirement preferences reasonably can be assumed to correlate with stronger employment commitment, the significant effects (indicated in Table 1) of later retirement preferences among female part-time workers are supported by previous findings where female part-time workers were seen to be significantly more committed to paid work than female full-timers (Esser 2005).[40]

Turning to health-, leisure-, and the two job-related variables, effects are rather similar across gender. Earlier retirement is preferred in relation to dissatisfaction with one's health, perceiving one's job as dull and boring or seeing the same as too demanding and stressful. Whereas health and having a dull/boring job affects women's preferences more strongly than men's, the opposite is true in relation to perceiving one's job as too demanding/stressful. Effects of individuals' taste for leisure are also gendered. Here, a stronger taste means preference for somewhat earlier exit for men, but not for women.[41]

In relation to subjectively stated responses to job-related questions, multi-level modelling necessitates a careful evaluation of how these may be endogenous in relation to macro-level indicators. In other words, this should be done to avoid controlling for variables that can be considered endogenous to the production regime variables introduced in subsequent steps of analysis. The decision here to include measures of dull/boring and

[38] Persons with most extensive responsibilities (>20 care-taking hours per week) appeared in fact to generally prefer later retirement, but the estimate was non-significant.
[39] Estimates are almost significant when measures of leisure and job characteristics are not included in model.
[40] For men, full micro-level models for subsequent analyses do not discriminate between full- and part-time workers, as there are less than ten male part-time workers in nine out of the twelve countries. In addition, the (positive) estimate was non-significant and did not improve the model fit.
[41] For women, the estimate (although similarly signed) was not significant and did not improve the model fit.

demanding/stressful jobs is based on the assumption that these indicators constitute relevant compositional rather than contextual factors, since these job experiences most certainly exist in all countries and may be found at all levels and within all types of occupations. Empirically this assumption was supported by the fact that inclusion of these variables in models improved model fit greatly, as well as decreased country-level variation slightly, yet exercising very little influence on explanatory effects of contextual indicators.[42]

Before contextual factors are introduced in the next step of analysis, we may graphically examine the cross-national differences that we seek explanations for. How retirement preferences differ across countries once micro-level factors have been controlled is evaluated by plotting country-level residuals from Models 1-4 in Table 1. These are displayed in Figures 5a-b.

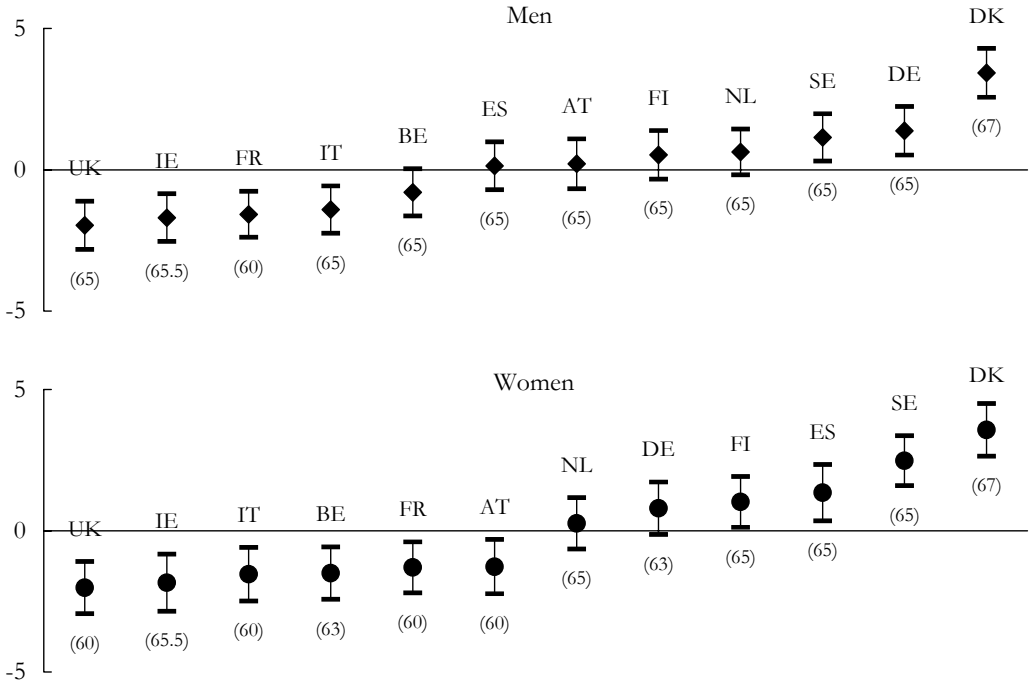
First of all, by comparing the displayed 1.4*standard deviation interval for overlap, any pair of countries can be compared for significant differences (at the 5-percent level), where no overlap indicates significant cross-national differences (Goldstein and Healy 1995). Comparing real and relative exit-age preferences, some notable changes in country-rankings can be observed. Firstly, checking residuals of real retirement-age preferences (Figure 5a), some clear significant *non-gendered* differences between countries can be seen. Latest exit is preferred in Denmark, followed by Germany, Sweden and Finland, where respondents prefer significantly later retirement as compared to their male and female counterparts in the United Kingdom, Ireland, France, Italy and Belgium. Secondly, when comparing residuals of relative preferences (Figure 5b), interesting switches in rank take place. For men, France and Germany, i.e. the two countries that employ low statutory retirement ages (at 60 and 63 respectively), are now at the high end of ranking. French and German men's retirement preferences can now be seen to differ significantly from those found in Sweden and lower-ranking countries. The same statutory retirement age-guided switches occur among women. Previous higher-ranking countries like Denmark, Sweden, Spain and Finland (all with statutory retirement ages at 65) switch places with five (of the six) countries with lower statutory retirement ages, i.e. France, Austria, Italy the United Kingdom and Germany (of which all but Germany employ a statutory retirement age at 60). Significant differences are now found e.g. between these five highest ranking countries and Ireland, the Netherlands and Belgium. It is thus these significant cross-national differences that we seek explanations for by introducing measures of institutional context into sub-sequent analyses.

To recapitulate, previous research that has focused on large variation in labour force exit (i.e. behaviour) found that earlier exit was extensively related to various features of old-age public pension systems, but also to overall generosity of non-employment benefit systems for older workers (see e.g. Blöndal and Scarpetta 1998). Secondly, also structural labour market factors were found to be particularly important for the supply of older workers. In this case, the size and composition of the working age population was found to have a stronger impact on participation rates in countries with more generous social insurance benefits (Blöndal and Scarpetta 1998:41).

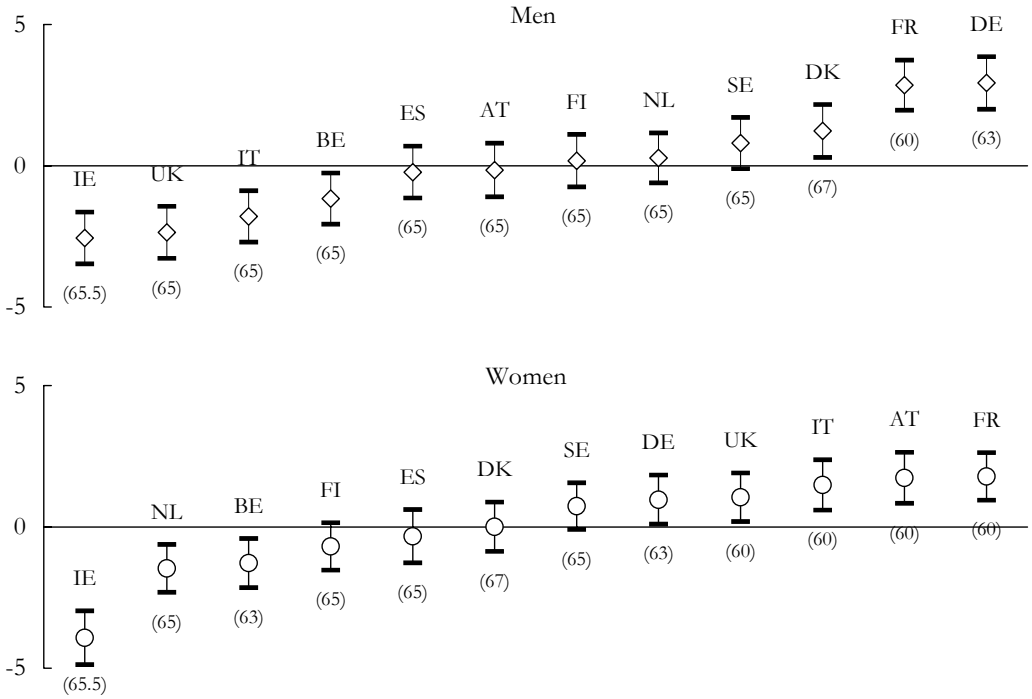
[42] Some significant effects were also found in relation to additional job-related factors. These indicators were excluded from further analysis mainly for being conceivably endogenous to the contextual production regime variable. Also, several of these indicators were laden with unacceptable internal non-response rates.

FIGURES 5a-b *Preferred retirement age among working persons over age 25 in twelve European Union member states 2003, after controlling for individual-level characteristics (legislated standard retirement ages within parentheses).*[1)]

a. Preferred retirement age



a. Preferred retirement age relative to legislated standard retirement age



Note: 1) Data displayed is country-level residuals from Models 1-4 in Table 1 and their 1.4*standard deviation interval for residuals overlap comparison. No overlap indicates significant cross-national difference. Standard legislated retirement ages are given within parenthesis.

Analyses here thus seek to evaluate the combined effects of both supply- and demand-side factors on retirement age preferences. With twelve countries included in multi-variate analyses, there is considerable strain on the data in terms of modelling explanatory factors at the country level. For reasonable accuracy in estimates, the maximum number of macro-level indicators is thus limited to two per model. To incorporate also the normative impact of statutory retirement age in sub-sequent analyses, this control is facilitated by evaluating effects of country-level explanatory factors against the *relative preferred retirement age* – i.e. the real preferred retirement age subtracted with the relevant statutory retirement age, rather than including an additional variable at the country level.

Since theoretical as well as empirical rationales exist for constructing composite contextual measures, each model will include one institutional supply-side measure – either of welfare regime generosity or production regime coordination – combined with one demand-side measure indicating the general overall demand, measured by the overall standardized unemployment rate. Also, in relation to women's preferences, models that include a measure of structural labour force composition (in the form of the overall female labour force participation rate) were also estimated. This permits an evaluation of direct structural effects and also an evaluation of any further institutional effects once participation is taken into account.[43] In addition, a range of alternative demand-side and structural measures were also tested, including youth and old-age unemployment rates, as well as participation rates among older workers aged 55-64 (male or female). These are not reported in tables but commented further upon in text.

Turning firstly to preferences in relation to real retirement age, results can be seen in Table 2. In addition to the straightforward interpreted effects of included country-contextual measures, the lower panel in the table provides information about to what extent country-level variance is explained by the inclusion of country-level indicators. This is indicated by calculations of the reduction in the intraclass correlation coefficient when models that include macro-level indicators are compared to models without macro-level indicators (i.e. the full micro-level models of Table 1). As effects at the micro-level in effect remain the same (regarding direction, strength and significance), these are not reported in tables.

By looking at Models 1-4 in Table 2, it can be seen how there are quite similar effects for male and female sub-samples. When controlling for overall demand, effects of both institutional components – welfare regime generosity and production regime coordination – are in all cases positive and significant. The interpretation of these effects nevertheless needs to be understood in a relative sense, as we know that people across all countries prefer to retire before statutory retirement age. Given this circumstance, a relatively later exit is still clearly preferred in the countries where welfare regime generosity is higher and production regimes are more coordinated.

As it can be argued that the incentives provided across policy programs may differ in relation to how different policy areas are connoted with substantially different rationales for how a person (voluntarily or involuntarily) moves into inactivity, the influence of separate measures of the composite regime indices were also tested (not reported). For example retirement from old-age is usually considered as an acceptable and honourable status – a reward for having worked. Being unemployed, however, tends to be a less honourable status, where a person may feel unwanted or a failure (see e.g. Jepsen 2002:42).

[43] An overview of structural and demand-side variables is found in Appendix C.

In relation to the former, it can be argued that the effect on exit of welfare generosity is a direct economic effect, whereas in the latter case, it may be an indirect effect through a person's general attitude to work. As such, effects on preferences may differ and possibly also be contradictory in relation to separate dimensions of institutional measures. These arguments however, did not receive much support. When separate regime indicators were modelled (not reported), all estimates of separate regime generosity effects were positive for men as well as for women, although notably effects were only significant at the 5-percent level in relation to unemployment insurance generosity and family policy measures.

As to the effects of general labour demand on preferences, these are clearly non-significant, where large standard errors indicate a rather poor correlation. However, with regards to the working women sub-sample, when measures of female labour force participation are included in Models 5-6, it is seen how the participation rate strongly structures retirement preferences, where women in countries with higher participation rates prefer relatively later exit. Although institutional effects now here are slightly weaker, they are still positive and significant (at the 10-percent level).

TABLE 2 *Macro-level determinants for preferred pension age among working persons over age 25, EU 12 in 2003, standard errors within parentheses.*[1)]

	Working men		Working women			
	1	2	3	4	5	6
REGIME VARIABLE						
Welfare regime generosity	0.085*		0.090*		0.068°	
	(0.036)		(0.044)		(0.035)	
Production regime coordination		0.077*		0.083*		0.058°
		(0.034)		(0.040)		(0.035)
DEMAND-SIDE VARIABLE						
Unemployment rate	-0.180	-0.072	-0.069	0.093		
(standardized)	(0.176)	(0.173)	(0.214)	(0.208)		
Female participation rate					0.112*	0.107*
(persons age 15-64)					(0.050)	(0.053)
VARIANCE						
Country level	1.955	1.999	2.971	2.963	1.859	2.003
	(0.863)	(0.881)	(1.278)	(1.274)	(0.823)	(0.882)
Individual level	30.444	30.444	23.247	23.247	23.247	23.247
	(0.893)	(0.893)	(0.756)	(0.756)	(0.756)	(0.756)
INTRACLASS CORRELATION COEFFICIENT						
No macro variables	8.0	8.0	13.4	13.4	13.4	13.4
Regime variable	6.1	5.5	10.4	10.5	10.4	10.5
Regime and demand-side variable	6.0	6.2	11.4	11.3	7.4	8.0
INTRACLASS CORRELATION REDUCTION[2)] *(%)*						
Regime variable	24.6	31.0	22.3	21.9	22.3	21.9
Regime and control variables	25.0	23.4	15.1	15.3	44.5	40.6
Model fit[2)]	5.46°	5.25°	4.18	4.20	9.38**	8.51*
Number of observations	2339	2339	1905	1905	1905	1905

°/ */ **/ *** Significant at 10/ 5/ 1/ 0.1%-level respectively.

Notes: 1) Not reported in table: estimates of full micro-levels (Models 1a-b, Table 1). 2) Intraclass correlation reduction (in percent) and model fit is relative to full micro-level models (Table 1).
Sources: Eurobarometer 2003 (EB 60.3); SCIP (see Appendix I); Appendix C.

Turning to the lower panel of Table 2, we can see how country-level variance is explained by inclusion of country-level variables through the reduction in intraclass correlations (as a percentage of ICCs of the full micro-level models in Table 1). Evaluating, to begin with, only the explanatory power of the regime factors, it can be seen (across all models) how explanatory power is substantial for both male and female sub-samples – between 25 and 31 percent for the male sub-sample, at about 22 percent for the female sub-sample. As the combined effects of regime and unemployment variables are considered (Models 1-4), total explanatory power does not increase, and is even slightly lower in some models. Explanatory power is far stronger when considering the structural indicator of the female labour force participation rate, as it is combined with regime characteristics. As can be seen in Models 5-6, country-level indicators together explain as much as 41-45 percent of country-level variance.

Taken together so far, the institutionally grounded hypotheses, both in relation to welfare and production regimes, seem to be confirmed in that preferred retirement age tends to be higher in countries with higher welfare regime generosity and higher production regime coordination. However, as previous studies have shown how retirement eligibility age has independent normative effects on the retirement decision, it thus is necessary to check whether institutional effects remain once the normative effect of eligibility age is controlled for. The results of these models are presented in Table 3.

When the equivalent models were run for relative preferred exit-age, a striking gendered pattern turns up. Not only do all institutional effects on women's retirement preferences disappear, so does that of female labour force participation. Although variation across countries appears to be the same, this is a consequence of including Ireland (a distinct outlier) in analysis. With Ireland excluded, cross-country variation halves from 11.3 to 5.6 percent. All the same, no regime indicators are significant by this comparison either.[44]

With male statutory retirement age at 65 in most countries, not unexpectedly, the normative bearing of statutory retirement age was less cross-nationally influential for overall preferences. Institutional effects of welfare regime generosity remain equally strong. In combination with the (non-significant) demand-side measure, regime factors explain approximately a fifth of country-level variance. However, the positive effect of production regime coordination (Model 2) does not retain its significance when modelled together with the measure of general demand (although it does so when demand of older or younger workers is taken into account, not reported in table). Notably this is a direct consequence of including France in the comparison, as the French have very 'late' retirement preferences in relation to their exceptionally low statutory retirement age at 60. Notably, France represents a rather distinct outlier by its combination of moderate welfare regime generosity and production regime coordination (by European comparison), with exceptionally late retirement preferences (that are much an effect of exceptionally low statutory retirement age). If France is excluded from the analysis, production regime factors are again significant (at 10-percent level) and the significance of welfare regime factor reaches the 1-percent level. If the two countries with lower male statutory retirement ages (France and Germany) are excluded from the analysis, combined macro-level factors explain as much as 45-65 percent of cross-national variation.

[44] Alternative models were also tested on a female sub-sample of only full-time working women, but results do not differ substantially from those reported in Table 3.

TABLE 3 *Macro-level determinants for preferred retirement age relative to legislated standard pension age, working persons over age 25, EU 12 in 2003, standard errors within parentheses.*[1)]

	Working men		Working women			
	1	2	3	4	5	6
REGIME VARIABLE						
Welfare regime generosity	0.081*		0.033		0.041	
	(0.042)		(0.045)		(0.047)	
Production regime coordination		0.061		-0.004		-0.014
		(0.041)		(0.043)		(0.046)
DEMAND-SIDE VARIABLE						
Unemployment rate	0.107	0.245	0.166	0.205		
(standardized)	(0.203)	(0.210)	(0.220)	(0.220)		
Female participation rate					0.006	0.026
(persons age 15-64)					(0.065)	(0.069)
VARIANCE						
Country level	2.680	3.052	3.138	3.313	3.351	3.591
	1.159	1.311	(1.346)	(0.417)	(1.432)	(1.528)
Individual level	30.443	30.443	23.249	23.249	23.249	23.249
	(0.892)	(0.892)	(0.756)	(0.756)	(0.756)	(0.756)
INTRACLASS CORRELATION COEFFICIENT						
No macro variables	10.1	10.1	11.3	11.3	11.3	11.3
Regime variable	7.5	9.4	11.4	12.3	11.4	12.3
Regime and demand-side variable	8.1	10.3	12.9	12.5	12.6	13.4
INTRACLASS CORRELATION REDUCTION[2)] *(%)*						
Regime variable	25.3	6.4	-1.3	-9.0	-1.3	-9.0
Regime and control variables	19.6	9.5	-5.5	-10.6	-11.7	-18.6
Model fit [2)]	4.75°	3.27	1.40	0.74	0.66	-0.19
Number of observations	2339	2339	1905	1905	1905	1905

°/ */ **/ *** Significant at 10/ 5/ 1/ 0.1%-level respectively.

Notes: 1) Not reported in table: estimates of full micro-levels (Models 2a-b, Table 1). 2) Intraclass correlation reduction (in percent) and model fit is relative to full micro-level models (Table 1).
Sources: Eurobarometer 2003 (EB 60.3); SCIP (see Appendix I); Appendix C.

As alternative demand and structural variables were checked, the significance of institutional effects as reported in Table 3 increased in some combinations. Although the mechanisms by which these alternative contextual measures may influence *overall* preferences are less clear, some interesting results deserve reporting. Firstly, and consistent with previous discussion of a 'trade-off' between younger and older workers in times of higher unemployment, men tend to prefer earlier retirement in countries with higher unemployment rates among young persons (aged 15-24), although effects are only significant in relation to real retirement age (i.e. not relative to statutory retirement age). When the youth unemployment factor was combined with welfare or production regime factors, this increased explanatory power (of the overall models) to 48 and 37 percent respectively. On the contrary, in countries with higher unemployment among older persons (aged 55-59), men were found to prefer later retirement, *especially* when relative preferences were considered. In these models, combined macro-level factors explained as much as 41-

45 percent of country-level variance. To some extent this appears to contradict the assumption of normalized early-exit cultures in countries with higher unemployment rates among older workers, although we again need to recall that this is a relative contradiction, as persons across all countries on average prefer early-exit *per se*. Also, unemployment across Europe in recent times is different as compared to that of previous decades, during which early-exit cultures presumably were formed.

In order to check the robustness of these results, a variety of sensitivity tests were carried through. None of these alternatives impinged on the significance of institutional effects as reported in the tables. Firstly, effects in relation to alternative statutory retirement ages were checked. This concerns countries with clearly flexible or alternative retirement age possibilities. Alternative models were run using the statutory age for Germany at 65 instead of 63, for Ireland at 65 instead of 66, and also for Denmark at 65 instead of 67. Also, what can be called a 'norm-sensitive' statutory retirement age was tested (see Appendix B for details), which takes into account any changes in statutory retirement age during the last 25 years by weighing the statutory age by the number of years it was in effect during the respondent's working life (over age 25). In addition, the normative effects on preferences were less dependent (unaffected) by statutory *early* retirement age, as the equivalent institutional effects held even stronger significance in such models, and institutional effects retained their significant effects even in relation to the female sub-sample.

Secondly, alternative models were run, excluding any micro-level variables that possibly could be considered endogenous to the production regime factor (i.e. the job-related variables, education and social class). Thirdly, the working person sample was broadened to include also 'potentially working persons', i.e. students and the unemployed. Fourthly, sensitivity of results in relation to country outliers was evaluated. Systematically, the two extreme countries at each end of the preference continuum were excluded from analysis, i.e. Ireland, the United Kingdom, France and Germany, either separately or in combination. Also any effects in relation to the exclusion of Denmark were checked, since the Danes, as opposed to the French, combine rather moderate welfare regime generosity with exceptionally high statutory retirement age. Results are robust in relation to all these elaborations, with one exception. When the United Kingdom is excluded separately, the effect of the regime indicator drops slightly below significance.

Discussion

In relation to the dramatic early-exit trend across the Western world over the past decades, previous research has demonstrated the important role of financial incentives provided by social insurance programs. Yet, comparative research has stopped short of explaining remaining cross-national differences once individual and financial factors, as well as labour market structures, have been taken into account. In consequence, there have been tentative conclusions about the importance of also 'other factors', such as e.g. people's attitudes towards continued work or retirement – especially when retirement considerations concern early retirement. With yet no comparative research in this field, this study is a first attempt to evaluate the importance of normative orders of specific institutional structures for exit preferences among working populations across twelve Western European countries. This was facilitated by taking a new approach to comparative attitude research, by way of applying a multi-level framework. Such analysis constitutes an effective and appropriate

tool for a direct evaluation of institutional effects on individual's retirement preferences once other structural factors as well as individual characteristics are controlled for.

The study used large-scale attitudinal data from the Eurobarometer survey of 2003, which includes a question not only about what age people "expect to" retire at, but also a subsequent question about what age people "would like to" or "would have liked to" retire at, i.e. a question that taps into individual preferences more unrestrained by financial concerns. In relation to how micro-economic studies have been less apt to evaluate non-financial preferences, this study focused on people's retirement preferences and their divergence from statutory retirement ages across countries. These differences may consequently be regarded as the motivational span that may be addressed by policymakers seeking institutional incentives that could encourage workers to stay on longer in work.

On average people are found to prefer retirement well below most countries' statutory retirement ages – approximately around 58 years (both among men and women). Whether there has been a change over time in this respect was not possible to evaluate, since this survey question has not been used before. In relation to expected retirement age, however, a real change seems to have taken place over the last decade, where men on average expect two years later retirement and women almost four. To what extent this possibly reflects structural changes, changes to institutional incentives, or perhaps an increasing 'crisis awareness' across populations, was however not possible to address or further evaluate in this study.

In relation to welfare regime institutions, two opposite hypotheses were posed. According to a stricter pecuniary hypothesis, more generous welfare regimes are expected to shape earlier retirement preferences by providing stronger financial incentives to exit. According to broader institutional considerations, institutional design encourages stronger incentives for labour market participation and provides better job opportunities, and is thereby expected to promote preferences for longer work careers. In relation to production regime institutions, especially in their dimension of labour market organization and industrial relations, people were expected to prefer later retirement in more extensively coordinated economies, since these are understood to offer more agreeable working conditions in several respects.

Results from the institutional analyses are unambiguous when preferred real retirement age is examined. Findings clearly support the hypotheses drawing upon broader institutional understandings. Men as well as women prefer later retirement within institutional contexts characterized by higher welfare regime generosity or higher production regime coordination. Furthermore, in relation to how high unemployment decades ago became an enduring driving force behind policy strategies facilitating early-exit across Western Europe – possibly instigating so-called 'early-exit cultures' – there are no indications thereof (at least in terms of individuals' preferences) in countries with current low demand for labour. Instead, there are rather indications of the opposite tendency – men clearly have later retirement preferences in countries that (today) have higher unemployment rates among older workers. Also, later retirement preferences are in general found within countries with higher participation rates of older workers, and women clearly prefer later retirement within countries where female labour force participation is higher.

When analyses evaluated the anticipated independent normative effects of eligibility age, particularly strong effects are found in relation to women's retirement preferences. Accounting for eligibility age in analyses explains as much as half of cross-national

differences (Ireland here exempted in its capacity as an outlier). By this comparison, no effects of institutional, demand or structural labour market factors remained significant for women. For men however, with the male statutory retirement age predominantly at 65 (or close to 65), the normative influence of eligibility age is only weakly influential for overall preferences. Institutional effects of welfare regime generosity remain equally strong. The positive effect of production regime coordination however, does not retain its significance, but this is exclusively a direct consequence of including France in comparison, as the French have extraordinarily 'late' retirement preferences in relation to their exceptionally low statutory retirement age at 60.

Since high-quality institutional indicators are crucial for evaluations like these, some considerations in this respect need to be discussed. Welfare regime indicators, for example, did not include occupational pensions. Although some consequences of their exclusion seems to be indicated at the micro-level (as discussed further below), it remains unclear at the institutional level how these types of benefits may have normative effects similar or different from those examined. It is also recognized that the indicator of public pension generosity is more typical for male working careers with statutory retirement at age 65. This limitation is however considered to be of rather marginal importance, since research supports the stronger importance of generosity in other social insurance programs when pre-statutory retirement age exit is considered (which was also supported by the results). In relation to production regime indicators, theoretical groundwork and the attempts at empirical operationalization of such measures are still in their first stages, which is why further attempts to secure validity as well as reliability of measures should be expected. Similarly, as is the case in welfare state research, incorporation also of the gendered aspects of labour market organization would appear to be a reasonable as well as a rewarding future development.

Findings at the individual level in part confirm expectations about preferences for later retirement among persons with better health, those holding more satisfactory job positions, and also higher age. However, in relation to how people with higher socio-economic status have been found to exit early in previous research, this is only partially supported when retirement preferences are considered. Only the higher educated women, but not their male counterparts, are found to prefer later exit. Also, contrary to expectations, female skilled manual workers, employees in services, and employees 'at desk' jobs or working as supervisors, preferred earlier retirement as compared to unskilled manual workers. In the case of men, the absence of significant effects of occupational class can be an indication of how non-financial motivational factors expected in higher socio-economic status positions possibly are cancelled out by better financial opportunities for early retirement than accounted for in this study (e.g. through private wealth or occupational retirement programs, more prevalent for those with long, largely uninterrupted male work careers).

In a sustainable policy perspective, the results from this study are informative in a number of respects. Firstly, encouraging people to work longer is for the most part a question of raising effective retirement ages and not necessarily the statutory retirement age. In this respect, estimations have shown that an increase in effective retirement age by one year may absorb substantial but yet not sufficient amounts of anticipated future increases in pension expenditure (European Commission 2003b:6). As such, aiming policies at the pre-retirement aged older workers appears to be a necessary, but not

sufficient, solution to mounting financial problems. It appears as if policies need to be concerned with the broad institutional structures of both welfare regimes and production regimes for shaping working careers throughout the life-course, thus taking a long-term perspective.

In relation to this study's findings on how design of more generous welfare regimes in fact encourages preferences in favour of later retirement, attaching narrow concern with the generosity of benefits turns out to be to some extent misguided. Rather, broader institutional design as well as other important contextual factors need to be taken into account. In this respect, the normative order of more generous welfare regimes was found to be largely paralleled by that of more extensively coordinated production regimes, especially as to how these institutions regulate labour demand and working conditions. As such, these aspects of institutional context may extensively encourage labour market participation and later exit preferences by creating jobs, particularly of the kind that offer more agreeable and favourable working conditions for workers. Moreover, these regimes are also understood to extensively encourage the employability or re-employability of workers by providing more ambitious retraining options, thus more extensively investing in human resources and development. In other words, individuals' employability and job positions appear to be equally important for peoples' work and retirement attitudes, and as such would deserve attention and policy concern, at least equal to that focused on financial incentives provided by welfare states.

Taken together, sustainable policies face challenges to incorporate adequate pensions for all persons with incentives for high levels of employment, balanced contributions and benefits, but also flexibility and predictability of pension benefits. Although timing of exit depends on a wide range of factors, discussion here needs to return to one specific central aspect of consideration. According to this argument, policy challenges posed by populations ageing may not be first and foremost of demographic or even of economic kind, but rather distributional, as proposed by e.g. Myles (2002:134). According to this proposition, policy changes need also take into consideration how we can ensure that the least advantaged, such as e.g. low-income earners with often shorter life expectancies, are not disproportionately affected by policy changes implemented. With such focus, transition needs arguably to be managed with equal concern for intergenerational equity, intra-generational justice, and also the further democratization of ageing for men as well as for women.

APPENDIX I

WELFARE REGIME INDICATORS

The welfare regime index is summed average across four policy programs; pensions, sickness cash benefits, unemployment insurance and family benefits in 2000.

THE SCIP-DATABASE: All welfare regime indicators, except data on social assistance and public child day-care services, are from the SCIP-database (Social Citizenship Indicator Program), under the direction of Walter Korpi & Joakim Palme at the Institute for Social Research, Stockholm University. The data-base contains institutional data for state-legislated social rights in eighteen countries for approximately every fifth year between 1930 and 2000, see also Korpi (2003), Korpi and Palme (2000; 2003). Data cover five central social insurance programs: pensions, unemployment, sickness, work accident and post-natal parental leave benefits (family benefits). All benefit replacement rates are calculated in relation to an average production worker wage (APWW) net of taxes for typical household cases as described below.

Old-age pension benefit replacement rate: The replacement level of old-age pension benefits refers to the pension drawn by persons who become pensioners at the end of the year s/he turns 65. Replacement levels are calculated for two family types, a single person and a married couple without dependent children assuming that both are above normal pension age but that only one of them has been gainfully employed. This person is assumed to have worked as an average production worker, having made full-time contributions during 35 years. For a married couple one person is assumed to have worked during 35 years, whereas spouse is assumed not to have worked at all. Spouse pension is however included when spouse eligibility condition is based on citizenship; or when there are spouse supplement paid to the recipient of a contributory pension; or when there is a married couple rate paid in income-tested pension programs. Replacement rates are calculated net of taxes and social security contributions.

Unemployment insurance generosity and sickness cash benefits: Unemployment and sickness cash benefit replacement rates refer to four-component averages, which depend on length of sickness/unemployment spell and type of household. Firstly, rates are an average of benefits paid during one week (after waiting days) as well as the average weekly rate of benefits paid during the first 26 week-period of sickness/unemployment. Secondly, the two type-households are: a single-person household and a two-person household with two children (aged 2 and 7). In the two-person household, one spouse is assumed to be working full-time earning an APWW, and that dependent spouse is without earnings. When available to the unemployed, also child and housing benefits are included in the benefit concept. In Canada where sickness cash benefits (in 1995) are limited to 15 weeks replacement rate during last 11 weeks is set to 0. For Russia unemployment benefit data is from the European Institute of Social Security (2000), and represents gross benefit rate for a single person household during first 26 weeks of unemployment. Under the assumption that an APWW is no higher than average wage in region, maximum benefits ceiling will not impinge on the type case net replacement rate.

General family support, dual earner support and total family support: General family support includes maternity grants, childcare leave benefits and child benefits. Dual earner support includes maternity insurance, dual parental insurance and paternity insurance. Total family benefits refer to the total 'family benefit-package', i.e., both general family support and dual earner support. Benefits refer to benefits offered during first post-natal year, net of taxes. Calculations refer to a standardized household where the mother gives birth to her second child on January 1, 1995 or 2000, where the first child is assumed to be five years old at the time of the second child's birth. Furthermore, the mother is assumed to be engaged in paid work throughout the two years preceding birth of second child, earning an average production worker wage. Furthermore, it is assumed that the mother does not work during the first life year of the newborn child, utilizing full parental leave benefits during this period. The husband is also assumed to be full-time employed, earning an APWW. In this study, family policy is composite index-measure of paid parental leave and coverage of public day care services in 1995 and 2000. The measure of child day-care service is the share of children aged 0-2 years in public day-care services. For further details on measures see Korpi (2000) and Ferrarini (2003).

PRODUCTION REGIME INDICATORS

The production regime indices is summed average across five domains and refers to data mainly for late 1990s as described below. In accordance with OECD's recommendations (see e.g. OECD 1999:115), indicators for each domain were summed after they had been standardized to vary between 0 and 10. *Union density* is measured union member percentage of all employees in 2000, except for Spain (1998) (OECD 2004c:146). *Collective bargaining coverage* is the percentage of workers covered by collective agreements in 2000, except for Ireland (1995) (OECD 2004c:146). *Employment protection legislation–index* is refers to overall EPL-strictness score in 2000 (version 2). This indicator is the weighted index of EPL-scores across three dimensions: regular contracts, temporary contracts and collective dismissals, and as such represents the most comprehensive measure of EPL (OECD 2004c). *Active labour market policy* is measured as spending on active labour market programs per unemployed person as a percentage of GDP per member of the labour force in mid-late 1990s (OECD 1997; 1999). *Skill-profile* is measured as share of an age-cohort in vocational training, either at secondary or post-secondary (ISCED5) level (UNESCO 1999, as reported by Estevez-Abe *et al.* (2001: 170).

APPENDIX A *Preferred, expected and statutory retirement age in twelve European union member countries in 1992 and 2003. Country averages refer to working persons (full- and part-time) over age 25.*

	1992						2003									
	Legislated standard retirement age		Expected retirement age				Legislated standard retirement age		Expected retirement age				Preferred retirement age			
			Real		Relative[1)]				Real		Relative[1)]		Real		Relative[1)]	
Men (M) Women (W)	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W
Nordic countries							*65.7*	*65.7*	*63.1*	*63.0*	*-2.6*	*-2.7*	*60.3*	*60.0*	*-5.3*	*-5.6*
Sweden (SE)	—	—	—	—	—	—	65	65	63.5	64.0	-1.5	-1.0	60.0	60.2	-5.0	-4.8
Finland (FI)	—	—	—	—	—	—	65	65	62.6	62.2	-2.4	-2.8	58.9	58.7	-6.1	-6.3
Denmark (DK)	67	67	60.3	58.6	-6.7	-8.4	67	67	63.3	62.8	-3.7	-4.2	62.1	61.2	-4.9	-5.8
Continental Europe	*63.3*	*62.0*	*47.6*	*45.6*	*-3.0*	*-4.0*	*63.6*	*62.2*	*61.9*	*60.6*	*-1.7*	*-1.6*	*58.1*	*56.8*	*-5.5*	*-5.4*
Netherlands (NL)	65	65	60.1	58.1	-4.9	-6.9	65	65	62.3	61.5	-2.7	-3.5	59.2	58.3	-5.8	-6.7
Belgium (BE)	65	60	58.6	55.0	-6.4	-5.0	65	63	60.9	59.9	-4.1	-3.1	57.3	55.9	-7.7	-7.1
France (FR)	60	60	57.3	56.3	-2.7	-3.7	60	60	60.1	60.5	0.1	0.5	56.4	56.1	-3.6	-3.9
Germany (DE)	63	63	61.9	58.9	-1.1	-4.1	63	63	63.0	61.6	0.0	-1.4	59.6	58.4	-3.4	-4.6
Austria (AT)	—	—	—	—	—	—	65	60	63.0	59.7	-2.0	-0.3	58.0	55.5	-7.0	-4.5
Mediterranean countries	*62.5*	*60*	*57.3*	*55.7*	*-5.2*	*-4.3*	*65*	*62.5*	*62.4*	*61.8*	*-2.6*	*-0.7*	*57.4*	*57.1*	*-7.6*	*-5.4*
Italy (IT)	60	55	58.5	56.2	-1.5	1.2	65	60	62.9	61.8	-2.1	1.8	56.7	55.4	-8.3	-4.6
Spain (ES)	65	65	56.0	55.2	-9.0	-9.8	65	65	62.0	61.9	-3.0	-3.1	58.1	58.8	-6.9	-6.2
English-speak. countries	*65.3*	*62.8*	*60.3*	*56.4*	*-4.9*	*-6.3*	*65.3*	*62.8*	*61.4*	*60.4*	*-3.9*	*-2.4*	*56.2*	*55.6*	*-9.1*	*-7.1*
Ireland (IE)	65.5	65.5	61.0	55.4	-4.5	-10.1	65.5	65.5	61.7	60.1	-3.8	-5.4	56.3	55.5	-9.2	-10.0
United Kingdom (UK)	65	60	59.6	57.5	-5.4	-2.5	65	60	61.0	60.7	-4.0	0.7	56.0	55.7	-9.0	-4.3
Grand mean	*63.9*	*62.3*	*59.3*	*56.8*	*-4.7*	*-5.5*	*64.6*	*63.2*	*62.2*	*61.4*	*-2.4*	*-1.8*	*58.2*	*57.5*	*-6.4*	*-5.7*

— not European Union member state in 1992.

Note: 1) Relative expected and preferred retirement ages are given relative to legislated standard retirement age in respective year.

Sources: Eurobarometer 1992 (EB 37.1); Eurobarometer 2003 (EB 60.3). For statutory retirement age, see Appendix B.

APPENDIX B *Legislated Retirement Age*

As can be seen in Table A:1, the legislated retirement age has been relatively stable since the early 1960s for the twelve European countries included in this study. Exceptions since the early 1980s are found in mainly two cuntries - Italy and Belgium, but also in Denmark, where statutory retirement age was lowered from 67 to 65 from July 1, 2004 (not concerning persons aged 60 by July 1st 1999). The normative impact of these changes was tested in analysis. This was done by relating responses to an alternative 'norm-sensitive' legislated retirement age. Calculations adjust retirement age for affected persons, assuming changes are known to (and of relevance for) persons above 24 years of age in year of implementation of new laws. The norm-sensitive retirement age is the weighted average of retirement age by year over the last period of 30-40 years. More specifically changes in Italy are specified by a new law in December 1992, according to which the statutory retirement age for both men and women was raised by 1 year every two years from 60/55 in 1992 to 65/60 in 2000 for men/women respectively. In Belgium, according to new law December 1996, the retirement age for women is to be raised progressively to 65 during a transitory period 1997-2009.

TABLE B:1 *Standard age of entitlement to public old-age pensions as basis for calculation of the norm-sensitive retirement age in fourteen European Union member states of 2003 for the period 1961-2003.*[1)]

	Men								Women							
Year	1961	1975	1983	1985	1990	1995	2000	2003	1961	1975	1983	1985	1990	1995	2000	2003
Austria	65	65	65	65	65	65	65	65	60	60	60	60	60	60	60	60
Belgium	65	65	65	65	65	65	65	65	60	60	60	60	60	60	62	63
Denmark	67	67	67	67	67	67	67	67	67	67	67	67	67	67	67	67
Finland	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65
France	65	65	60	60	60	60	60	60	65	65	60	60	60	60	60	60
Germany	65	63	63	63	63	63	63	63	65	63	63	63	63	63	63	63
Ireland[2)]	70	68	65	65	65	65	65	65	70	68	65	65	65	65	65	65
Italy	60	60	60	60	60	62	65	65	55	55	55	55	55	57	60	60
Netherlands	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65
Spain	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65
Sweden	67	67	65	65	65	65	65	65	67	67	65	65	65	65	65	65
United Kingdom	65	65	65	65	65	65	65	65	60	60	60	60	60	60	60	60

Sources: Blöndal & Scarpetta (1998:60), European Commission, Social Protection in the EU Member States (various years); Nordic Social-Statistical Committee (2004); OECD (2003; 2004); U.S. Department of Health Education and Welfare, Social Security Programs Throughout the World (various years); SCIP.

Notes: 1) In countries where the legislated standard retirement age is flexible within limits (for example in Germany), the age noted in table refers to the retirement age at which the type case worker (as described in Appendix I) may retire, or else the age at which the ordinary pension is not lowered due to a shorter contribution period. In Continental European countries, statutory retirement age may often differ across sectors and professions. For example government employees and groups in arduous occupations tend to have lower standard ages, but self-employed may have higher standard ages. 2) In Ireland, pensioners are divided equally across contributory retirement schemes with retirement age at 66, and non-contributory retirement schemes with retirement age at 65 (SCIP; Daly 2001). Analyses are based on the average of these ages (65.5).

APPENDIX C: *Labour force participation and unemployment rates, twelve European Union member states of 2003 (excluding Portugal, Spain and Luxembourg), average for years 2002-2003.*

		Female labour force participation	Labour force participation rate persons aged 55-64	Unemployment rate		
				(standardized)	persons aged 15-24	persons aged 55-59
		(%)	(%)	(%)	(%)	(%)
Nordic countries		*75.0*	*62.3*	*6.5*	*14.0*	*6.3*
Sweden	(SE)	77.0	72.1	5.5	13.3	4.1
Finland	(FI)	72.4	53.1	9.1	20.3	9.6
Denmark	(DK)	75.4	61.6	4.9	8.5	5.2
Continental Europe		*62.9*	*37.2*	*6.7*	*11.8*	*6.2*
The Netherlands	(NL)	68.2	44.4	3.1	5.6	2.0
Germany	(DE)	55.6	27.6	7.3	17.4	13.4
France	(FR)	62.3	40.3	9.1	19.5	6.4
Belgium	(BE)	64.4	43.2	9.1	9.1	3.6
Austria	(AT)	64.0	30.3	4.8	7.4	5.5
Mediterranean countries		*51.4*	*37.1*	*10.2*	*24.4*	*6.1*
Italy	(IT)	48.1	30.8	8.9	26.3	4.3
Spain	(ES)	54.7	43.3	11.4	22.5	7.9
English-speaking countries		*63.4*	*53.2*	*4.7*	*9.5*	*3.2*
Ireland	(IE)	69.3	56.4	5.0	11.3	2.8
The United Kingdom	(GB)	57.5	49.9	4.4	7.7	3.6
Grand mean		*64.1*	*46.1*	*6.9*	*14.1*	*5.7*

Source: OECD (2004c; 2004d); EUROSTAT (2005).

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