Country-specific Work/Retirement-Cultures:  
A normative barrier for raising the standard retirement age?

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Abstract
The study has to clear objectives. The first aim is to explain the still existing variances in the labour market participation of older people in Europe by broadening the set of possible explanations by a cultural construct, namely the specific ‘work-retirement-culture’ of a country. Subsequently it will be analysed if the work-retirement-culture functions as a barrier against reforms of the pension system that might be reasonable from a pure economic perspective, but are entirely contrary to the respective work/retirement culture. With regard to the first objective, the results give some indications that the work/retirement culture could indeed be a further piece of the puzzle to explain differences in the labour market participation of older people in Europe since an early-exit culture can primarily be observed in countries with a comparably low labour market participation of older people aged between 55 and 64 years, while the opposite is true for countries showing an employment-oriented work/retirement culture. In addition the analysis of the change and persistence of the institutional setting has shown some evidence that the work/retirement culture at least partly functions as a barrier or promoter in pension reforms.

Keywords: culture, labour market, transition to retirement, work/retirement culture, pension policy
1. Introduction
The protests against pension reforms aimed at extending working life in several European countries since 2010 illustrate how controversial the question of the “right” or “just” time for permanent transition to retirement is. While there is a broad consensus in economic and political debates that increasing the employment rate of older people is one of the most essential measures to cushion the anticipated economic and social outcomes of the prospective demographic change (Coppola and Wilke 2010; OECD 2012), survey evidence for Europe indicates that a majority of people prefer to retire before reaching statutory retirement age and thus rejecting the idea of an extension of working life (Esser 2005; Hofäcker 2015; Radl 2012). This discrepancy between economic and political rationalities and people’s attitudes is in line with the observation that some European countries are more successful than others in achieving the EU-wide political objective to increase the labour market participation of older people aged between 55 and 64 years up to 50% or higher (Engelhardt 2012; Eurostat 2015). In 2014, employment rates above this threshold could primarily be observed in the following Scandinavian countries: Sweden (74.0%), Norway (72.2%), Denmark (63.2%) and Finland (59.1%), but also in some Western European countries like Switzerland (71.6%), Germany (65.6%) and the United Kingdom (UK) (61.0%). However, high labour market participation of older people is far from being a general characteristic of Western Europe. Rather, there are a considerable number of countries, in which the employment rate of older people is below the 50% threshold – Belgium (42.7%), Austria (45.1%) and France (45.6%; 2013). The lower end of the distribution, however, is dominated by Eastern European countries like Slovenia (35.4%), Hungary (41.7%) and Poland (42.5%).

These still existing differences in employment participation of older people are frequently placed in context with the pervasiveness of early-retirement options, indicating that some countries were/are more successful in abolishing pathways to early-retirement than others (Hinrichs and Aleksandrowicz 2008). On the one hand, countries like Germany and Denmark for instance
has implemented far-reaching reforms in order to increase actual retirement age by abolishing existing early-retirement schemes and raising standard statutory retirement age. On the other hand, restrictions on early retirement pathways in Belgium, France and Slovenia for instance have been relatively modest so far. Although all these countries have conducted pension reforms over the last twenty years, they have not been able to curtail early retirement to a similar extent as it is the case for the former countries. Instead, most of the established early retirement schemes are still into force - albeit with tightened eligibility criteria – or have been replaced by new pathways into early retirement as in Slovenia (Guardiancich 2012; OECD 2013).

One possible explanation for the obvious persistence of early retirement schemes can be derived from the “institutionalisation-of-the-life-course”-approach which illustrates the way in which ageing and old age are socially constructed. Although the central mechanism here is the constitution of societal institutions, the approach refers not only to processes by which legal or organisational rules define the social and temporal organisation of human life, but also to normative rules derived from cultural values (Ebbinghaus and Hofäcker 2013; Kohli 1985; Radl 2012). This suggests that one has to differentiate between the life course as an organisational and legal institution on the one hand, and a subjective, culturally based construction on the other hand (Diewald and Mayer 2009). Some life course scholars even view subjective age norms “as blueprints for biographical decision making” (Radl 2012: 768). Hence, changes in the institutional setting regarding the transition to retirement are not only legal adjustments to changing environments but first and foremost interventions in the culturally based biographical decision-making of individuals. Secondly, studies based on the welfare culture approach have clearly shown that culture and institutions are intertwined since evolution and further development of legal institutions are not just functional reactions to emerging, changing or prospective social problems, but strongly influenced by cultural norms and values (Jo 2011; Pfau-Effinger, 2005, van Oorschot 2008). Thus it can be suggested that “policy-makers act in an economic, political and cultural context” (van Oorschot 2008: 268). It follows that social policy reforms
are particularly likely to be influenced by the predominating system of cultural norms and values – at least in democratic societies. In other words: ‘if a change in policies is to be established successfully, a strong link with the cultural orientations of voters is necessary […]’ (Pfau-Effinger, 2005: 13). Hence it is not very surprising that “most political science accounts assume that governments in Western democracies avoid unpopular reforms to protect their re-election chances” (Elmelund-Praestekaer and Emmenegger, 2012: 23).

These initial indications suggest that both retirement decisions of individuals and political decision-making are not solely driven by economic, institutional or political rationalities. Instead, they seem to be embedded in a cultural context. I suggest to frame this cultural context as work/retirement culture of a country comprising the relevant cultural values, ideals and stocks of knowledge in a society surrounding the retirement transition and the labour market participation of older age groups (see section 2 for a more detailed definition). From a political sociologists’ perspective this implies that the ability of political or societal actors to influence others’ behaviour (e.g. other political actors, individuals etc.) cannot solely be reduced to structural sources of power such as a temporal parliamentary majority or money for instance. Instead, political actors aiming to initiate and conduct far-reaching political reforms have to attempt ‘to affect others’ views of reality’ (Alasuutari and Quadir, 2014: 67) and thus others’ cultural perceptions regarding particular societal issues such as the transition to retirement. It becomes clear ‘that government and mentalities are entwined and constitutive of each other’ (Alasuutari and Quadir, 2014: 67). This perspective is in accordance with Focault’s neologism of governmentality, stressing that compliance of individuals or other collective actors such as political parties can only be achieved by considering and addressing their cultural norms, values and stocks of knowledge which, in turn, might differ depending on social class or milieu (Focault, 1991).

Despite this empirical and theoretical arguments, however, the great majority of the comparative literature regarding the transition to retirement has not yet taken culture explicitly into ac-
count, neither as factor for individual decision-making nor as a determinant influencing political-decision-making regarding pension reforms. The present article aims to close parts of this gap by raising the question, whether the work/retirement culture has functioned/functions as barrier or promoter in pension reforms? This question will be answered by analysing the reform dynamic in three countries, of which France and Slovenia are showing an exit-oriented work/retirement culture, while Denmark can be characterised as employment-oriented work/retirement culture. To identify exit-oriented and employment-oriented work/retirement cultures a quantitative data analysis is carried out that draws on the third round of the European Social Survey (ESS) that was conducted in the years 2006 and 2007. At present this is the only available data source that contains a sufficient number of indicators to operationalise the work/retirement culture. The subsequent analysis regarding institutional reforms is mainly based on data derived from the European Commission (2014) and the OECD (2013).

2. Rise and reversal of early retirement in Europe
In previous comparative studies, structural constraints and enablements like statutory age-limits, qualifying periods, options for early retirement or the statutory pension level are the most widespread factors to explain country differences in the labour market participation of older people. Accordingly, there is broad consensus that early retirement options are among the most important factors for explaining early withdrawal from the labour market.¹ (Börsch-Supan et al., 2009; Ebbinghaus and Hofäcker, 2013; Hinrichs and Aleksandrowicz, 2008; Radl, 2013; Topa et al., 2011). In most European countries the introduction of early retirement schemes was

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¹ With regard to individual decision-making, a rising number of studies additionally consider socio-demographic factors like health, formal qualifications and unemployment experiences (Börsch-Supan et al., 2009; Bosch and Schief, 2007; Brown and Vickerstaff, 2011; Ebbinghaus and Hofäcker, 2013; Radl, 2013), as well as the impact of job related factors like industrial sector, company size etc. (Adler and Hilber, 2009; Engelhardt, 2012). In the last 15 years, a growing body of literature recognises that decision making on retirement also takes place in the context of the family (Engelhardt, 2012; Pienta and Hayward, 2002; van Solinge and Henkens, 2005). In contrast, only a small body of literature addresses the relationship between culturally driven attitudes and timing of retirement (Esser, 2005; Radl, 2012).
set up in response to economic ‘push factors’ such as mass unemployment and economic re-
structuring. The decision for expanding early retirement schemes, however, was not solely
based on economic reasons. Instead, politicians, employers and trade unions considered early
retirement as one of the most socially accepted political strategy as it opened up the opportunity
of relieving the labour market without causing serious social damage among large sections of
the population (Ebbinghaus and Hofäcker 2013). From this point of view, the introduction of
early retirement schemes and the associated pensioning-off of people aged between 55 and 60
years can be characterised as political compensation strategy to avoid public blame for rising
(long-term) unemployment figures among young and middle-aged workers since older workers
had to bear most of the economic burden but were compensated by comparably generous pos-
sibilities of early retirement (Elmelund-Praestekaer & Emmenegger, 2012). The downside of
compensatory strategies can be derived from life course theory indicating that such “goodwill”
changes in the legal setting could lead to the development of corresponding age-norms, often
described in the literature as early-exit cultures, complicating the revision of early-exit policies
since early withdrawal from the labour market is perceived as an acquired social right (Ebbing-
haus and Hofäcker, 2013: 816; Hinrichs and Aleksandrowicz, 2008: 594). Due to demographic
ageing, this interrelation between the institutional and the cultural sphere has become a partic-
ular problem during the last 25 years. The main problem for political decision-makers is that
the revision of early retirement produces no benefits for the population affected, because “pen-
sion reforms require today’s generation to bear the burden of the transition to avoid burdening
future generations” (Selén and Ståhlberg, 2007: 1182). This becomes particularly problematic
as there is only limited financial scope for using a compensation strategy to cushion the intro-
duction of unpopular reform measures (Hinrichs and Aleksandrowicz, 2008). Nonetheless,
there are some examples of successful political strategies to implement rather far-reaching pen-
sion reforms in the pertinent political science literature (Selén & Ståhlberg, 2007; Elmelund-
Praestekaer & Emmenegger, 2012). In Sweden for instance, the government pursued a dual
strategy to achieve a majority in both parliament and population. First, a small parliamentary group representing all political parties received the task to propose appropriate reform measures that satisfy the interests of most political parties in parliament as well as of particular lobby groups like trade unions and employers’ associations (Selén and Ståhlberg, 2007). Afterwards a framing strategy was used to delegitimize the present system discursively (Béland, 2005; Elmelund-Praestekaer and Emmenegger, 2012). Among others, this was done by highlighting the prospective financial burden for the economically active population in case of retaining the old system. In the end, five of seven parties, representing 85% of the parliamentary votes, signed an agreement to implement the reform. It should be noted that this kind framing strategy is not fully in compliance with classical framing theory, “focusing on how opinions can be arbitrarily manipulated by how issues are framed” (Alasuutari & Quadir, 2014: 68), as the range of different meanings that competed for support was rather limited because of the aforementioned coalition building process in parliament.

Strategic framing was also the core strategy to enforce a highly controversial reform of one of the most popular early-retirement schemes in Denmark. The strategy was to delegitimize the old scheme by blaming it as not sustainable in times of dire economic straits and thus harmful for the future of the Danish welfare state as a whole, while simultaneously highlighting the new scheme as fair, economically reasonable and ensuring a solid basis for the future welfare state (Elmelund-Praestekaer & Emmenegger, 2012). Because the government started the reform debate less than one year before new governmental elections had to take place, there were a large range of different meanings competing for support. Nonetheless this proactive strategy to convince the people was beneficial for the success of the planned reform. In a poll, “44 percent supported the final compromise and only 37 opposed it” (Elmelund-Praestekaer & Emmenegger, 2012: 36).

However, the high persistence of early-retirement schemes in other European countries like Belgium, France and Slovenia indicates that proactive approaches to delegitimize the existing
system, does not seem to be generally applicable. In Slovenia for instance, a political discourse to prepare a far-reaching reform of the pension system ended in June 2011, when the intended reform was struck down at a referendum (Guardiancich, 2012: 1). Recalling the conclusions of the welfare culture approach, that “policy-makers act in an economic, political and cultural context” (van Oorschot 2008: 268), and that this cultural context “must be quite independent of the economic and political contexts” (Jo 2011: 7), it seems to be more appropriate to consider the cultural context to an even greater degree in order to find out, if reforms of the pension system are more far-reaching and more successful in an employment-oriented rather than in an exit-oriented work/retirement culture. This particularly applies for social policy-making, since the logic of ‘welfare’ policy-making is different from ‘democratic’ and ‘capitalistic’ policy-making in terms of reflecting the value-dimension” (Marshall 1972: 20).

3. **Defining the work/retirement culture**

One problem in conceiving culture is that it “occupies no clear place in sociological analysis” (Archer, 1996: 2). As a consequence, the term ‘culture’ is used in various legitimate senses, ranging from a completely non-material sense that includes attitudes, beliefs, values and stocks of knowledge (Pfau-Effinger, 2005; van Oorschot, 2007) to an all-encompassing sense additionally referring to the whole material life (Halle and Weyher, 2005; van Oorschot, 2007). Thus defining culture is not a question of right or wrong, but of the respective theoretical perspective or field of study.

Culture is defined here as the entirety of predominating values, norms, beliefs and stocks of knowledge collectively shared in the respective societies (Alexander, 1990; Archer, 1996; Pfau-Effinger, 2005, 2009; van Oorschot, 2007). The work/retirement culture in particular comprises the entirety of norms, values and stocks of knowledge that are relevant for the timing of retirement and the labour market participation in older age groups. By choosing a pure mental definition of culture, the definition of the work/retirement culture is fully in accordance with the understanding of culture within the welfare culture approach.
There is an interrelation between work/retirement and gender culture (Aboim, 2010). This becomes firstly evident from the fact that there are considerable differences in the age norms for men and women regarding the timing of retirement (Esser, 2005; Jansen 2013; Radl, 2012). Secondly, there are still a noteworthy number of European countries in which women are able to retire considerably earlier than men because of a lower statutory retirement age or particular options for early retirement (European Commission, 2014, Jansen 2013). This supports a further argument from the welfare culture approach that culture and institutions are interwoven and not fully detached from each other (Pfau-Effinger 2005). Thirdly, older women have a much higher probability of adopting family roles than men (Hank and Buber 2009).

The assumption of cross-country differences, in turn, is based on the fact that both evolution and further development of European welfare states occur along different “worlds of welfare” (liberal, conservative, social-democratic and Mediterranean), based on diverging ideas about the labour market participation of particular societal groups (Arts and Gelissen, 2002; Esping-Andersen, 1990; Gal, 2010; Pfau-Effinger, 2005). The emergence of Conservative and Mediterranean welfare states at least was strongly shaped by religious conceptions (Castles, 1994; Davie, 2012; van Kersbergen and Manow 2009).

4. Hypotheses

The theoretical construction of the decision-making process regarding the transition to retirement suggests the hypothesis, first, that a more early-exit-oriented work/retirement culture can be found in countries with a comparably low employment rate of older people aged between 55 and 64 years, while the opposite is true for countries with a high employment rate of the respective group (Hypothesis 1). This result would support the theoretical argument that there is a relationship between culture and action on a general level. With regard to political decision-making it can be assumed, thirdly, that reforms of the statutory pension system as a whole and the transition-to-retirement process in particular are less far-reaching in countries having an
explicit early-exit-oriented work/retirement culture than it is the case for countries having an employment-oriented work/retirement culture (Hypothesis 2).

5. Data and methodology

5.1 Data
For three reasons, the third round of the European Social Survey is a rather apposite source for examining the role of culture in explaining the observable heterogeneity in the labour market participation of older people in Europe. First, the survey was carried out in 23 European countries and thus offers a large variety of different institutional arrangements regarding the retirement transition. However, the use of nations for differentiating between cultures has drawn a lot of criticism over time (Minkov and Hofstede 2012, 2014; Pfau-Effinger 2005). In this respect, it is often argued that shape and development of individual beliefs, preferences, values and stocks of knowledge are the combined result of numerous social influences, as people not only belong to particular nation states but to many social groups like families or occupational groups, all having “a distinctive socialising potential” (Polavieja 2015: 170). However, recent empirical research on this topic indicates that countries “tend to form homogeneous and clearly delineated national clusters on measures of values […]” (Minkov and Hofstede 2014: 172).

Second, the third round of the European Social Survey contains individuals’ attitudes regarding a range of questions about timing of retirement and individually set age-limits for labour market participation. Third, the questions of interest are included in a rotating module called “The timing of life” for which a gender-sensitive split-ballot procedure was used that allows the analysis of the assumed gender-specificity of work/retirement cultures. Split-ballot means that one randomly selected half of the respondents were asked about their attitudes concerning women, while the other half were asked the same about men. To date, however, the module was conducted only once. Hence the analysis can neither explain how work/retirement cultures have assumed their respective characters nor how the respective cultural system has been
shaped over time. Notwithstanding these restrictions the available data can surely provide empirical evidence about the variety of work/retirement cultures in Europe and their interplay with the employment participation of older people.

5.2 The empirical construction of the work/retirement culture
Three survey questions are used to calculate an index representing the work/retirement culture. The first question asks for the ideal age to retire permanently and thus queries an optimal age norm (Radl 2012). However, Settersten and Mayer (1997: 242) critically note that optimal age norms are not necessarily linked to actual behaviour, and that prescriptive and proscriptive age norms may be of more relevance, as they reflect “shared expectations about when certain transitions ‘should’ or ‘should not’ occur”. It follows, that empirical research “should thus strive to identify the age range that social norms of ageing define as appropriate for the transition from work to retirement” (Radl 2012: 760). Pursuant to this recommendation, the second item used for constructing the work/retirement culture reflects the prescriptive age norm regarding the retirement transition by asking when a woman/man is too old to be working at least 20 hours per week; and the third one represents the respective proscriptive one by asking at what age a woman/man is too young to retire permanently. For each question the respondents were invited to propose an age of their choice (Table 1). Besides the fact that the three items used cover both, optimal retirement age and prescriptive and proscriptive age limits they are particularly suitable for the construction of the work/retirement culture since they address both individual preferences regarding the timing of retirement and labour market participation in older age groups, as well as attitudes towards a generalised other by asking men about women for instance. This dual nature of the questions corresponds to the theoretically assumed twofold significance of work/retirement cultures. The index is aggregated at the country level representing the national work/retirement culture as a macro variable. For its calculation, respondents of all ages are taken into account, whereas retirement/employment outcomes are considered only for respondents aged 55 to 64 years.
Table 1: The essential variables to construct the work/retirement culture

<table>
<thead>
<tr>
<th>Original terms in the questionnaire</th>
<th>Scaling in the original data</th>
<th>Scaling in the analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Work/retirement culture as motivational element</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In your opinion, what is the ideal age for a woman/man to retire permanently? [Ideal retirement age]</td>
<td>Metric</td>
<td>Metric</td>
</tr>
<tr>
<td>After what age would you say a woman/man is generally too old to be working 20 hours or more per week? [Too old to work]</td>
<td>Metric</td>
<td>Metric</td>
</tr>
<tr>
<td><strong>Work/retirement culture as constraining element</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>And before what age would you say a woman/man is generally too young to retire permanently) [Too young to retire]</td>
<td>Metric</td>
<td>Metric</td>
</tr>
<tr>
<td><strong>Additional variables to display culturally driven norms and cultural values in the transition to retirement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>And at what age, approximately, would you say women/men reach old age? [Begin old age]</td>
<td>Metric</td>
<td>Metric</td>
</tr>
<tr>
<td>Apart from your own feelings, how do you think most people would react if a woman/a man they knew well did any of the following? How would they react if she/he carried on working after the age of 70? [Social acceptance of an extended working life]</td>
<td>Categorical Four Categories 1 = Openly disapprove 2 = Secretly disapprove 3 = Would not mind either way 4 = Would approve</td>
<td>Categorical Three Dummy Variables Openly disapprove Secretly disapprove Would not mind either way or would approve</td>
</tr>
</tbody>
</table>

**Example for the construction of the index “work/retirement culture”**

For the construction of work/retirement cultures all valid responses are summed up in an index. In order to improve its interpretability, the resulting individual value is divided by 3 afterwards. If, for example, a Belgian man is asked for the respective age-limits for a woman and mentioned 55 as ideal retirement age, 58 for the upper age limit and 45 as the lower age limit, his individual index value is 52.7 (55 + 58 + 45 = 158/3 = 52.7). The work/retirement culture in Table 2 represents the country-specific average of the calculated index.

**Source:** Own description

Two further variables are considered, displaying the supposed social acceptance of an extended working life (nominal - approve, neither nor, secretly disapprove, openly disapprove) and the respondents’ assessment at which age a woman/man is characterised as old (metric). Both items, however, are not taken into account for index construction because they either reflect the respondents’ opinion about a generalised other (social acceptance of an extended working life), or do not directly target the transition-to-retirement process (begin old age).

**5.3 Statistical modelling**

OLS-regression is used to identify country differences regarding work/retirement cultures (Rabe-Hesketh and Skrondal 2008; Snijders and Bosker 1999). Hence the index “work/retirement culture” functions as dependent variable. Standard errors are corrected in accordance to the clustered sample design (Snijders and Bosker 1999). Due to the fact that there is no need to interpret the results in relation to a particular reference as is done in dummy-coding, effect
coding is used to estimate the effect of country on work/retirement culture (Hank and Buber 2009). The OLS-analysis considers 22 countries. Cyprus is excluded because the number of interviews realised (995) is far below the default of 1.500 interviews.

5.4 Independent variables on the micro level
Besides the 22 country dummies, an additional set of independent variables is taken into account that covers most factors mentioned in the current state of research regarding individual decision making (section 2; FN2 in section 2). Age is implemented in linear form; the same is true for qualification (years of full time education). The adequateness of retirement income is taken into account by considering individual concerns about its present or expected level (three dummies - not worried; neither nor; worried). Furthermore, a dichotomous variable has been included to consider additional retirement savings. Health status is captured both through three dummy-variables (good, fair, bad) and a dichotomous variable indicating whether or not the respondent reports longstanding illnesses or disabilities hampering daily activities. In addition, a set of dummies was implemented that simultaneously captures gender, partner information and the information about whether the partner is employed, retired or part of the non-active population. The model also controls for whether the respondent has experienced any periods of unemployment that lasted three months or longer (dummy). Further controls are sector (service sector versus manufacturing), the company size (<100 versus 100+) and employment status (employee versus self-employed).

6. Results
Descriptive findings
The summary of the descriptive findings is presented in Table 2 for the three items representing the work/retirement culture. Overall there are marked variations between countries in the culturally driven attitudes towards retirement transitions. Regarding ideal retirement age, the proportion of respondents proposing an age of less than 60 years is lowest in the Scandinavian countries: Norway (5.2%), Denmark (5.8%) and Sweden (8.2%).
Table 1: Descriptive results for the central determinants of the work/retirement culture, in total and separately for men and women

<table>
<thead>
<tr>
<th>Country</th>
<th>Proportion of respondents who name an upper limit for labour market participation of less than 65 years</th>
<th>Proportion of respondents (%) who mention an ideal retirement age of less than 60 years</th>
<th>Proportion of respondents who mention a lower limit for labour market participation of less than 55 years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Asked about women</td>
<td>Asked about men</td>
</tr>
<tr>
<td>AU</td>
<td>45.6</td>
<td>56.8</td>
<td>34.0</td>
</tr>
<tr>
<td>BE</td>
<td>68.7</td>
<td>83.0</td>
<td>55.7</td>
</tr>
<tr>
<td>BG</td>
<td>65.0</td>
<td>79.8</td>
<td>52.2</td>
</tr>
<tr>
<td>CH</td>
<td>38.4</td>
<td>50.3</td>
<td>25.8</td>
</tr>
<tr>
<td>DE</td>
<td>40.9</td>
<td>54.2</td>
<td>28.0</td>
</tr>
<tr>
<td>DK</td>
<td>25.4</td>
<td>32.7</td>
<td>18.8</td>
</tr>
<tr>
<td>EE</td>
<td>46.2</td>
<td>55.5</td>
<td>36.5</td>
</tr>
<tr>
<td>ES</td>
<td>46.8</td>
<td>56.1</td>
<td>37.7</td>
</tr>
<tr>
<td>FI</td>
<td>38.3</td>
<td>45.7</td>
<td>30.2</td>
</tr>
<tr>
<td>FR</td>
<td>72.7</td>
<td>84.1</td>
<td>61.7</td>
</tr>
<tr>
<td>GB</td>
<td>38.9</td>
<td>50.1</td>
<td>27.7</td>
</tr>
<tr>
<td>HU</td>
<td>64.7</td>
<td>75.7</td>
<td>53.8</td>
</tr>
<tr>
<td>IE</td>
<td>34.9</td>
<td>43.8</td>
<td>26.8</td>
</tr>
<tr>
<td>NL</td>
<td>44.5</td>
<td>58.4</td>
<td>31.1</td>
</tr>
<tr>
<td>NO</td>
<td>32.0</td>
<td>40.6</td>
<td>23.7</td>
</tr>
<tr>
<td>PL</td>
<td>57.9</td>
<td>74.2</td>
<td>42.1</td>
</tr>
<tr>
<td>PT</td>
<td>41.4</td>
<td>49.3</td>
<td>32.5</td>
</tr>
<tr>
<td>RU</td>
<td>77.5</td>
<td>87.4</td>
<td>67.6</td>
</tr>
<tr>
<td>SE</td>
<td>23.0</td>
<td>28.5</td>
<td>17.8</td>
</tr>
<tr>
<td>SI</td>
<td>72.4</td>
<td>84.8</td>
<td>60.8</td>
</tr>
<tr>
<td>SK</td>
<td>61.0</td>
<td>73.8</td>
<td>48.3</td>
</tr>
<tr>
<td>UA</td>
<td>79.9</td>
<td>89.0</td>
<td>69.6</td>
</tr>
<tr>
<td>Total</td>
<td>49.6</td>
<td>60.7</td>
<td>38.7</td>
</tr>
</tbody>
</table>

Source: European Social Survey (3rd Round 2006/2007); Own calculations

A considerable early-exit orientation, in contrast, becomes apparent in most Eastern European countries. About 60% of respondents in Russia and the Ukraine as well as more than half of respondents in Slovenia (51%) and Hungary (51.9%) select an ideal retirement age of less than 60 years. In Western Europe early-exit orientation is highest in Belgium and France where more than 40.0% of respondents state a retirement age of less than 60 years. A similar pattern is
observed for the upper limit of the retirement corridor (‘too old to work’). While at most about one third of respondents in Denmark (25.4%), Norway (32.0%) and Sweden (23.0%) consider a person as too old to work at least 20 hours a week before he/she reaches the age of 65, the respective figures in the Ukraine (79.9%), Russia (77.5%) and Slovenia (72.4%) are well above 70%. Among the Bismarckian countries, Belgium (68.7%) and France (72.7%) are again the countries with the highest proportions of respondents considering an age of less than 65 years as the upper limit for labour market participation. The results for the third item (too young to retire) are also widely in accordance with the former outcomes – at least with regard to country differences. The distribution, however, shows some peculiarities regarding the lower age threshold of the subjective retirement corridor because the majority in most of the countries fix its’ lower limit before the age of 55. Thus the culturally driven attitudes reflected in the distribution of this item are not directly related to the transition to retirement but rather mark a lowest normative limit under which there is no way to legitimise retirement. Table 2 additionally reveals significant gender differences. More than 60% of respondents do not consider a man aged 65 years and older as too old to work, whereas this only applies to less than 40% of respondents asked about women. Regarding the ideal retirement age, only 17% of respondents asked about a man consider a retirement age of less than 60 years as ideal, while the respective proportion of respondents asked about a woman is 44.7%.

*OLS-regression*

The gender specificity becomes even more apparent in Table 3, showing the results of the OLS-regression used to identify and display both country and gender differences regarding work/retirement cultures. The significant regression coefficient of -3.257 means that, on average, the index value for respondents asked about women is more than three years below the respective value for respondents asked about men. Regarding country differences, an early-exit oriented work/retirement culture becomes particular apparent in most of the Eastern European countries
as well as Belgium and France, indicated by the negative regression coefficients. A clear late-exit culture can in contrast be seen in the Scandinavian countries.

Table 3: The interplay between work/retirement cultures and country dummies; OLS coefficients

<table>
<thead>
<tr>
<th>Gender sensitive split ballot: Ask about a woman</th>
<th>Index Work/retirement culture</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-3.257***</td>
</tr>
<tr>
<td>AU</td>
<td>-0.005</td>
</tr>
<tr>
<td>BE</td>
<td>-1.939***</td>
</tr>
<tr>
<td>BG</td>
<td>0.168**</td>
</tr>
<tr>
<td>CH</td>
<td>-0.102</td>
</tr>
<tr>
<td>DE</td>
<td>0.207***</td>
</tr>
<tr>
<td>DK</td>
<td>2.647***</td>
</tr>
<tr>
<td>EE</td>
<td>1.362***</td>
</tr>
<tr>
<td>ES</td>
<td>-0.970***</td>
</tr>
<tr>
<td>FI</td>
<td>1.454***</td>
</tr>
<tr>
<td>FR</td>
<td>-2.535***</td>
</tr>
<tr>
<td>GB</td>
<td>0.359***</td>
</tr>
<tr>
<td>HU</td>
<td>-0.819 ***</td>
</tr>
<tr>
<td>IE</td>
<td>1.536***</td>
</tr>
<tr>
<td>NL</td>
<td>0.556***</td>
</tr>
<tr>
<td>NO</td>
<td>3.113***</td>
</tr>
<tr>
<td>PL</td>
<td>-1.219 ***</td>
</tr>
<tr>
<td>PT</td>
<td>0.695 ***</td>
</tr>
<tr>
<td>RU</td>
<td>-2.386***</td>
</tr>
<tr>
<td>SE</td>
<td>2.991 ***</td>
</tr>
<tr>
<td>SI</td>
<td>-1.481 ***</td>
</tr>
<tr>
<td>SK</td>
<td>-0.611 ***</td>
</tr>
<tr>
<td>UA</td>
<td>-3.020 ***</td>
</tr>
<tr>
<td>Constant</td>
<td>48.684 ***</td>
</tr>
<tr>
<td>$R^2$</td>
<td>0.307</td>
</tr>
<tr>
<td>$N$</td>
<td>27.387</td>
</tr>
</tbody>
</table>

Source: European Social Survey (3rd Round 2006/2007); *p<0.1 **p<0.05 ***p<0.01

The $R^2$-value of 0.307 indicates a strong interrelation between the index “work/retirement culture” and the independent variables included in the model.

In addition, Figure 1 displays the interplay between the work/retirement culture and the employment rate of older people, aged between 55 and 64 years. It turns out that countries with a distinct early-exit oriented work/retirement culture like most of the Eastern European states as well as Belgium and France are located in the bottom left-hand quadrant and thus combining an early-exit culture with a comparably low labour market participation of older people.
Figure 1: The interplay between work/retirement cultures and employment participation of older people aged 55 to 64 years in Europe; OLS coefficients

By contrast, countries with a more employment-oriented work/retirement culture have an employment rate of older people of 50% or higher and thus are majoritarian located in the upper right quadrant. The R-value indicates the interplay between the country-specific regression coefficients on the work/retirement culture and the employment rate of older people. Its high value of 0.865 indicates a strong interrelation between the work/retirement culture and employment participation of older people, indicating that culture is indeed part of the biographical decision making of individuals.

7. The interplay between the work/retirement culture and pension reforms

The following chapter focuses on the question, if the work/retirement culture functions as barrier or promoter in the process of pension reforms. This will be done by analysing the reform dynamic in two countries with an exit- (France and Slovenia) and in one country with an employment-oriented work/retirement culture (Denmark).
7.1 France: The revise of the revision of early retirement

France can be characterised as a country with a rather strong exit-oriented work/retirement culture for both women and men. This is also reflected in the employment rate of older people. In 2006, the time when the data of the 3rd round of the ESS was collected, the employment rate of older women aged between 55 and 64 years was 35.8% (2013: 43.1%); that of older men 40.5% (2013: 48.3%). Hence both rates were or rather still are below the EU-wide target of 50%, approved by the European Council in 2001. However, despite the strong exit-orientation, the French government announced a pension reform in 2010 in order to secure the financial sustainability of the French pension system. The most controversial aspect in this process was the attempt to raise effective retirement age. While doing so the minimum pension age should be gradually increased from 60 to 62 years by 2017. Simultaneously the minimum contributory period to become eligible for this type of pension scheme should be extended from 40 to 41.5 years meaning that the French people were not only supposed to retire later, but also to work longer (OECD 2013). With background knowledge about the French work/retirement culture, it is not surprising that there was strong resistance to these reform plans:

“Millions took to the streets in France, [...] to protest planned reforms to the pension system. Flights were cancelled, train service was disrupted and schools were closed in an escalation in the fight against President Sarkozy’s plans to raise the minimum retirement age from 60 to 62 years” (Spiegel-Online; 10/12/2010).

In the upcoming election campaign, the actual French President and former candidate for presidency Francois Hollande strongly opposed the reform in a media effective campaign and promised a reversal in case of his election. From a political scientist point of view, this strategy of open medial resistance is one of the most important instruments of the political opposition “to mobilise the public against the proposed unpopular reform by increasing the visibility of the issue [...]” (Elmelund-Praestekaer and Emmenegger, 2012: 25). As in other strategic framing strategies, involving the media is essential for its success because pertinent research has shown significant positive effects of the mass media on public opinion (Alasuutari & Quadir, 2014; Scheufele, 2006).
However, due to the massive political pressure from different boards of the European Union as well as the high economical need to reform the pension system, the then newly elected Hollande-administration only partially reversed the former changes to the pension system in 2012. The lowering of early retirement age from 62 to 60 years promised in the election campaign was not carried out for all employees, but applied only to those who started working before the age of 20 as well as certain occupational groups. Furthermore, the extension of the minimum contributory period was maintained.2

In the following years the French government has pursued the political strategy of blame avoidance by postponing, fragmenting or watering down unpopular labour market and social reforms. This also applies to further reforms of the pension system. Although France is in urgent need of a far-reaching change because of the precarious financial state of the country’s pension fund, a new approach reforming the pension system, announced in the first half of 2013, had neither touched the retirement age of 60/62 years, nor abolished the special early-retirement rules that still apply for government employees and employees in particular parts of the public sector. Instead, cutbacks will be executed indirectly by increasing contributions to the pension fund and by increasing the number of years of contributions required before qualifying for a full pension at the age of 60/62 from 41.5 years to 43 years by 2035.

It has become quite clear that the French government did not and still do not pursue a proactive political strategy of strategic framing to implement potentially unpopular labour market and social reforms. Instead it clearly seeks to avoid political and public blame for unpopular changes by pursuing, at least partly, an obfuscation strategy by postponing the implementation of necessary reforms or executing indirect cutbacks (Elmelund-Praestekaer and Emmenegger, 2012: 26). The aim to avoid public blame becomes particularly clear in the following quote from

2 According to the government, the measure had made 28.000 people eligible to retire at the age of 60 in 2012. In each of the following years, about 100.000 people are going to benefit from the renewed eligibility criteria.
Spiegel Online regarding the relatively modest changes of the pension reform announced in 2013:

“Making more profound change would bring with it ‘the risk that many people would take to the streets, without the certainty that we would be able to see the reform through to the end,’ Hollande told Le Monde in justifying his decision.” (Spiegel Online; 09/17/2013).

Hence in France, a strong exit-oriented work/retirement culture still goes along with an institutional setting regarding the transition to retirement that clearly allows for early retirement, even if eligibility criteria has tightened.

7.2 Slovenia: A compensation strategy to maintain early-retirement
Like France, Slovenia can also be characterised as a country with a strong exit-oriented work/retirement culture. Again, this exit-orientation is reflected in the employment rates of older people. In 2006, only 44.5% (41.8% in 2013) of Slovenian men and 21.0% (25.2% in 2013) of Slovenian women were gainfully employed.

In 2010, Slovenia announced a far-reaching pension reform to raise the effective retirement age. The most important reform features are summed up in Table 7.2. First, standard retirement age should be raised from 63 years (men) or rather 61 years (women) to 65 years for both sexes, with a contributory period of at least 15 years. In addition, early retirement should be possible at the age of 60 years, meaning no changes in the age limit for men and a rise in early-retirement age of women by two years. However, more problematic was the extension of the minimum contributory period for early retirement by three years. According to this, men would have to work at least 43 years to be eligible for an early-retirement benefit without any actuarial deductions – the designated period for women was 41 years (Guardiancich, 2012). Bearing in mind that the work/retirement culture of Slovenia can be characterised as exit-oriented, however, it is not very surprising that Slovenia needs two attempts to reform the pension system since the first comparatively rigorous attempt was struck down at a referendum in June 2011.
Table 4: Characteristics of the former public pension system (in force until the end of 2012) and changes envisaged in the pension reform of 2010

<table>
<thead>
<tr>
<th></th>
<th>Previous public pension system (until December 2012)</th>
<th>Planed reform of the public pension system (struck down in a referendum in 2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men</td>
<td>Women</td>
</tr>
<tr>
<td>Retirement age</td>
<td>63</td>
<td>61</td>
</tr>
<tr>
<td>Minimum insurance period (requ-</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>red for retirement at ages 63</td>
<td>(m) and 61 (w))</td>
<td></td>
</tr>
<tr>
<td>Minimum conditions for early</td>
<td>58 years</td>
<td>58 years</td>
</tr>
<tr>
<td>retirement</td>
<td>(40 years of insurance)</td>
<td>(38 years of insurance)</td>
</tr>
<tr>
<td>Minimum conditions for early</td>
<td>58 years</td>
<td>58</td>
</tr>
<tr>
<td>retirement without actuarial</td>
<td>(40 years of work)</td>
<td>(38 years of work)</td>
</tr>
<tr>
<td>deductions</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Guardiancich (2012); Stanovnik and Prevolnik Rupel (2013)

The most controversial point was the planned increase of the lower early-retirement age from 58 to 60 years\(^3\) for men, the extension of the respective qualifying period of 43 years for men and 41 years for women.

“The […] pro-referendum manifesto was almost entirely focused on this point, stressing that people who are employed in heavy or unhealthy occupations (and who predominantly start working before 20) are unable to work as long as 41/43 years, for women/men respectively, before retiring.” (Guardiancich 2012: 21).

One and a half years later, a less harsh reform came into force. Standard statutory retirement age for both men and women has been increased to 65 years. Higher early retirement age has been abolished, while lower early retirement age for men and women has been increased to 60 years. In contrast to the first reform attempt, there was no extension of the qualifying period for men (remains at 40 years) and a lower extension for women (from 38 to 40 years). In addition and in contrast to the initial intention of eliminating all measures reducing the effective retirement age, there are a number of special provisions in the new pension scheme which allow the lowering of effective retirement age without incurring negative accruals. The most important

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\(^3\) The age threshold for women should remain at 58 years.
one is the possibility to reduce standard retirement age according to the number of children reared (Guardiancich, 2012; Stanovnik and Prevolnik Rupel, 2013). This measure applies only to women. Men, however, were also compensated for potential losses as standard retirement age can be decreased for 2/3 of the duration of the military service (Stanovnik and Prevolnik Rupel, 2013: 6-7).

In conclusion it becomes quite clear that the Slovenian government did not manage to eliminate all rules and institutional options for early retirement, although this was an initial intention in the forefront of the reform. Instead, it followed a clear compensation strategy to indemnify both men and women for raising both standard statutory retirement age and age limits for early retirement (women) or rather for closing an established early retirement scheme (men). Hence in Slovenia, a strong exit-oriented work/retirement culture still goes along with an institutional setting regarding the transition to retirement that clearly allows for early retirement, even if eligibility criteria has tightened a little bit.

7.3 Denmark: A radical reform in an employment-oriented context

Denmark is a counterexample in the dataset, showing a clear employment-oriented work/retirement culture. Despite this fact, employment participation of older people in Denmark lags far behind the respective numbers in Norway and Sweden, the other two countries with a highly accentuated employment orientation in the cultural patterns. In 2006, the employment rate of older women was 54.3% (56.8% in 2013) and that of men was 67.1% (66.5% in 2013). In comparative studies this difference to the other Scandinavian countries is often explained by the widespread use of early-retirement schemes in Denmark like the “efterløn” for instance that is a clear contrast to the other two Scandinavian countries. The curious early-retirement schemes thereby not only aim to offer “exit opportunities for worn-out workers, but they also have had the explicit aim of reducing the labour market participation of larger segments of older workers in order to make room for younger workers” (van Oorschot and Jensen, 2009: 273).
However, due to demographic ageing the use of early-retirement schemes to take pressure from the labour market became a more and more “hard-to-afford” option. Accordingly, Denmark had undergone large efforts to reform the statutory pension system as a whole and the transition-to-retirement process in particular in 2011. Standard statutory retirement age will be raised up to 67 years between 2019 and 2022. Future increases have moreover been linked to changes in life expectancy meaning that the standard statutory retirement age will probably go well beyond the age of 67 years in the future (OECD 2013: 23). Furthermore, the eligibility age for the “efterlon”, a rather popular voluntary early-retirement scheme will be increased from 60 to 64 years between 2014 and 2023.

The political strategy for the successful implementation of this reform has already been discussed in detail in section 3. However, what is missing in the analysis of Elmelund-Praestekaer and Emmenegger (2012) is that the Danish Prime Minister has conducted this far-reaching reform in a country having a strongly employment-oriented work/retirement culture. This may explain partly, why the reform measures taken to raise effective retirement age did not cause similar protests and political resistance as it was the case in France and Slovenia. Thus from the perspective of the work/retirement culture approach, the Danish Prime Minister did not have to fear to commit political suicide by announcing such a far-reaching pension reform less than one year before a new election in Denmark. On the contrary: he could rely on the fact, that the introduction of measures which will help to raise effective retirement age and will, at least in the long-term, make the Danish pension system more sustainable, are in accordance with the culturally driven preferences of the population. That does not mean that the choice of the political strategy and the timing of announcing such reforms are subordinate elements in the analysis. However, it was not such a political “Vabanquespiel” as it seems to be by solely looking at the institutional setting regarding the transition to retirement in Denmark.
8. Conclusions

In summary, the results give some indications that the work/retirement culture could be a further piece of the puzzle to explain differences in the labour market participation of older people in Europe. In this respect Figure 2 indicates that an early-exit culture primarily can be observed in countries with a comparably low labour market participation of older people aged between 55 and 64 years, while the opposite is true for countries showing an employment-oriented work/retirement culture. This finding is also confirmed in a second study of the author in which logistic multilevel regression analysis was used to determine the influence of the work/retirement culture on the probability of people aged between 55 and 64 years to be still in employment or to be already retired (Jansen 2013). In addition the analysis of the change and persistence of the institutional setting has shown some evidence that the work/retirement culture at least partly functions as a barrier or promoter in pension reforms. In Slovenia for instance, a strong exit-oriented work/retirement culture still goes along with an institutional setting clearly allowing for early retirement, although the government had undergone a far-reaching attempt to reform the pension system. The same is true for the French case. In contrast, the opposite applies for Denmark, where the considerable employment-orientation in the cultural patterns has functioned as a kind of promoter. Thus, future research on this topic would be well advised to take culture explicitly into account as both, an essential parameter for explaining the retirement transition of individual actors and the willingness for substantial reforms of collective actors.

The results of this study are also politically of interest. Especially with regard to the politics of active ageing, the results suggest that despite the considerable efforts European governments have made to reverse early retirement policies, there is still a widespread cultural preference in nearly all European countries under investigation to retire before reaching standard retirement age. Hence, if the extension of working lives is the aim, (older) people need to be convinced of the individual benefits of staying longer in employment instead of retiring as soon as possible.
Instead of merely facing the people with monetary punishment for early retirement, future pension policy should aim to change both the institutional framework regarding the transition to retirement and the work/retirement cultures. The latter could be realised by means of targeted political and media campaigns for instance. However, due to the “longue durée on the cultural level” (Pfau-Effinger 2005), it would be advisable to avoid radical and sudden changes of the existing scheme but to carry out changes incrementally as it was the case in the long German reform process between 1992 and 2007 (Anderson 2015). Besides a more sustainable change in peoples’ retirement behaviour, an incremental change of the predominating work/retirement culture could also encounter less resistance from the public in case of further reforms to extent working lives. The potential consequences of radical reforms which are in clear conflict with the predominating work/retirement culture became evident in the 2010 Pension reforms in France and Slovenia - two countries with a rather distinct early-exit culture - since the intended reforms were strongly opposed by both the public and the political opposition.

However, there are unresolved questions left that need to be tackled in the future. First, the interplay between the work/retirement culture and the respective institutional setting has to be analysed in more detail to learn more about the socialising power of welfare institutions. A recent study by Hofäcker (2015: 24) on this matter shows ambiguous results by finding a “close correspondence between desired retirement ages and nation-specific institutional patterns” on the one hand, and individual behaviour that deviates from the parameters of the institutional arrangement regarding the transition to retirement on the other hand since “older workers approaching retirement age still intend to retire before […] standard retirement ages”. Second, if and how work/retirement cultures are shaped over time must remain open because of the cross sectional character of the dataset. With regard to the leading research question in this paper, the next essential step is to find ways to implement characteristics of the respective political systems in the European countries in a statistical model to estimate the influence of economic, political and cultural factors on the dynamic and the scope of pension reforms simultaneously.
9. References


