Demands for re-distributive policies in an era of demographic aging. The rival pressures from age and class in 15 OECD countries.

Marius R. Busemeyer, bus@mpifg.de
Achim Goerres, ag@mpifg.de
Simon Weschle, simon.weschle@gmail.com

Max-Planck-Institute for the Study of Societies Cologne
Equal authors listed in alphabetical order.

Abstract:

This paper is about the relative impact of age/ retirement and social class on individual attitudes towards welfare state policies in advanced industrial democracies. Which factor is more important to explain welfare state attitudes in a given social policy area, socio-economic background or retirement? What can explain differences in patterns between countries? We investigate these questions using ordinal regression models on the 1996 ISSP Role of Government data set for 15 countries.

First, we find that age matters - there are consistent differences between policy areas that can be explained with life cycle salience. In education, we see a clear predominance of age/retirement over income. Second, country characteristics matter. Although the relative salience of the age/ retirement cleavage varies across policy areas, we see – within one policy area – a large variance of the importance of that cleavage across countries. Most interestingly, the more generous the state provisions are in a given policy area, the stronger is the age/retirement cleavage (with the exception of pension policies). Third, some countries such as the United States show a higher salience of the age/retirement cleavage across all policy fields, i.e. age/retirement is a more important line of political conflict in these countries than in others.

Overall the results of this paper calls for a much more balanced view on the topic of age conflict in aging welfare states. Differences in individual preferences can be better explained by retirement/age only in some policy areas. Moreover, these differences vary across countries due to economic and institutional factors.

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Introduction

This paper deals with the determinants of individual attitudes towards the welfare state. More specifically, it tests the relative importance of retirement for shaping these attitudes compared to the socio-economic background of the individual with the latter being a factor that is commonly believed to determine social policy preferences mostly. The size and direction of the impact of retirement is hugely important for two reasons. First, we are currently witnessing an era of massive population aging in advanced democratic welfare states. There are more and more retirees relative to the working population. If retirement has an important effect on attitudes, a growing number of individuals are subject to that impact. The aging process also leads to restructuring reforms of the welfare state in order to cope with the changing social make-up. In a democratic process, the reforms need to be justified against electoral majorities. Since retirees make up a growing number of the electorate, retirees' expectations matter for politicians who want to win elections.

Second, the literature on attitudes towards the welfare state is not very clear about the importance of retirement or age. Often, analyses are restricted to the working age population, or age/ retirement are only included as control variables that are explained in an ad-hoc kind of fashion. We ground our empirical analyses in a theoretical framework and argue that the importance of the age/retirement cleavage is systematically linked to the age-relatedness of redistributive policies.

In this paper, we apply regression techniques to cross-sectional survey data for 15 OECD countries from 1996 (ISSP Role of Government III) and concentrate on spending attitudes in the area of education, pensions, health care and unemployment. Thereby, we answer the following questions: Which factor is more important to explain welfare state attitudes in a given social policy area, socio-economic background or retirement? What can explain differences in explanatory patterns between countries?

First, we find that age matters - there are consistent differences between attitudes towards policy areas that can be explained with life cycle salience. In education, we see a clear predominance of age/retirement over income. Second, country characteristics matter. Although the relative salience of the age/ retirement cleavage varies across policy areas, we see – within one policy area – large variance of that cleavage. Most interestingly, the more generous the state provisions are in a given policy area, the stronger is the age/retirement cleavage (with the exception of pension policies). Third, some countries such as the United States show a higher salience of the age/retirement cleavage across all policy fields, i.e. age/retirement is a more important line of political conflict in these countries than in others. Overall the results of this paper calls for a much more balanced view on the topic of age conflict in aging welfare states. Differences in individual preferences can be better explained by retirement/age only in some policy areas. Moreover, these differences vary across countries due to economic and institutional factors.

Section 1 gives and overview of the literature and puts forward the theoretical model that we test. Section 2 presents the methods and data. Section 3 shows empirical results, starting from simple bivariate findings. Section 4 discusses the empirical results and concludes the paper.

1. Literature Review and Theory

Literature Review

This analysis is inspired by debates in the popular and scholarly literature on the coming conflict between generations. Population aging is a powerful force shaping the politics of welfare states in industrial nations. The intuition is that as the population share of older people increases, so will their political power. The decisive question is whether this will result in a 'greying welfare state', catering disproportionally to the needs of older people (e.g., pensions, health care,…) and neglecting necessary investment in younger generations (i.e. in education) (Streeck 2007), or

whether "politics as usual" will prevail. While it is hard to imagine an overt war of generations where younger people and older people consciously take away public resources from each other, a situation might arise where politicians cater to the needs of the largest voting group - retirees - by shifting resources incrementally from the young to the old (Kotlikoff and Leibfritz 1999). Demographic aging does not take place in an isolated environment. Instead, welfare state reforms are becoming necessary to deal with the growing number of older citizens. If older voters want something different from the welfare state than younger people, these reforms are difficult to put through in the face of an aging electorate (Goerres forthcoming [2008]).

Scholars detect "signs of an impending head-on collision" (Esping-Andersen 1999: 147) between the young and the old, see the rise of "generational politics" (Heclo 1988), or criticize the overly generous treatment of the currently retiring "welfare generation" (Thomson 1993; Preston 1984). While taking this literature as an inspiration, this paper relies on three distinct strands of *empirical* literature: 1. studies on the role of age in public opinion on the welfare state, 2. the emerging literature on the impact of social risks on policy preferences, and 3. analyses focusing on the consequences of a larger share of older people on expenditures for the younger generation. Each of these research areas is adding some insight into our problem, but each also lacks important aspects.

First, there is a variety of cross-national empirical studies on public opinion and the welfare state. This literature mushroomed after the publication of Esping-Andersen's (1990) seminal work and mostly focuses on finding attitude differences between the "three worlds of welfare capitalism". Usually this is done by constructing summary measures that aggregate attitudes towards various policies into comprehensive indices – a problematic approach as we will see as differences between social policy fields are crucial. The indices are being regressed onto a range of predictors and compared across states. Either age or a retirement dummy or both are routinely included as control variables. Despite the use of advanced statistical methods and numerous databases, this literature has not produced clear-cut results on the impact of age or

retirement on social policy preferences. Some studies (Svallfors 2003, 2004; Linos/West 2003; Matheson/Wearing 1999; Gelissen 2000; Blekesaune/Quadagno 2003) find age to be a significant determinant of social policy preferences and mostly, older people have a higher inclination to support welfare state policies. Others (Papadakis/Bean 1993; Bean/Papadakis 1998; Andreß/Heien 2001; Jaeger 2006; Arts/Gelissen 2001) have questioned these findings from a methodological and substantial perspective and find no consistent impact of age on preferences. In our view, one major reason for the inconclusiveness of findings is the fact that all of these studies use indices aggregating attitudes towards a variety of different welfare programs, although the "'The Welfare State' is an umbrella term covering a range of governmental activities that have distinct characteristics" (Pierson 2001: 11) For example, Matheson and Wearing (1999) show descriptively that retirees (as any other societal group, for that matter) have a large variation in support of different types of social policies: 82.9% (US) to 98.0% (Norway) think that the government should look after the old, whereas only 50.6% (US) to 88.6% (Norway) think that the government should look after the unemployed. It is therefore not surprising that – if those measures are added up – they either cancel each other out and produce a null effect or, depending on what kind of policies are included, show more or less strong effects. Clearly, using a single index to measure welfare state attitudes masks the huge variance of support levels for different policies within each group.

A second strand of literature looks at the association between social risks and policy preferences and does a better job in differentiating between levels of support for different social policies. Building on Iversen and Soskice (2001), Kitschelt and Rehm (2006) state that individual preferences for market-correcting social policies depend on how people expect their income stream to flow in a pure market system: the lower and/or uncertain they anticipate it to be, the more supportive for re-distributive policies they are. They find that "in the determination of political preferences over social policies, class notions in the sense of property, market and organizational experience do matter, even though often only marginally. In each instance,

however, the single greatest effect is exercised by the socio-demographic variables (gender or age), followed by education" (Kitschelt/Rehm 2006: 74). Older people are neither more nor less sympathetic to health care spending, but more likely to support unemployment benefits and less willing to spend tax money on education. However, using a similar study design, Armingeon (2006) finds that subjective class remains the most important variable for attitudes towards what he terms the "traditional welfare state".

The important contribution of this literature is that people do not have a general attitude towards the welfare state but do differentiate between different policies. However, the problem is that while it is being acknowledged that age is an important factor, the models do not accurately capture the effect of retirement and therefore fail to address the question of preference formation of retirees who have exited the labor market and are economically inactive. While retirees are included in the analysis of Kitschelt and Rehm (2006), it is not mentioned that the necessary information (namely the ISCO-codes) to derive their categories is not available for retirees in most countries. This is a serious limitation of their findings that needs to be addressed. Furthermore, the transition from work to retirement is a "turning point" (Bonoli/Häusermann 2007) in individual life courses and hence, it can be questioned whether it is advisable to use a continuous age variable (as done by Kitschelt/Rehm 2006 and Armingeon 2006).

A third part of the relevant literature focuses on the consequences of a larger share of older people on expenditures for the younger generation. These types of studies capture the impact of old age on welfare state preferences indirectly via outcomes: if an increase in the population share of older people in a given country/community has consequences with regard to social policies or public spending, it is surmised that older people have distinct policy preferences which are followed through by political actors.

Because the American school system is organized on a local level (public schools are usually jointly financed by the school district and the state), research has been most fruitful here. A number of studies (Button 1992; Poterba 1997; Harris et al. 2001; Brunner/Balsdon 2004;

Miller 1996; Ladd/Murray 2001; Busemeyer 2006) have looked at the consequences of an increasing share of older people on education spending on the state and local level and most find evidence for a negative association between the two. Recently, this kind of exercise has been undertaken for some European countries as well. Borge and Rattso (2007) for Denmark and Grob and Walter (2005) for Switzerland find relatively unequivocal evidence that the share of older people has a negative impact on education spending. For Germany, various studies concordantly can detect only weak signs of a generational conflict (Baum/Seitz 2003; Kempkes/Seitz 2006; Oberndorfer/Steiner 2006).

Some studies take a broader approach, both by having a look at expenditure on other policies than only education and by taking several countries into account. Using an "overlapping generations framework", Pecchenino and Utendorf (1999) theoretically model the effects of pay-as-you-go social security programs in aging economies and state that their "analyses show clearly that social security can crowd out education, and, thereby, reduce capital accumulation, growth, and social welfare" (Pecchenino/Utendorf 1999: 608). Empirically, Pampel (1994) compares how the share of the elderly influenced spending on family allowances as well as on pension expenditures in 18 countries between 1959 and 1986. He finds no evidence that having more older voters decreases family allowances, but instead that spending for both policies tends to go hand in hand because of spill over effects (see also Pampel and Williamson 1988). In contrast, comparative studies on the determinants of education spending (Busemeyer 2006, 2007; Iversen/Stephens 2007) find a negative impact of population aging on changes in spendingl.

Despite some deviant results, this part of the literature gives the most unambiguous results, and it clearly speaks in favor of a generational conflict over social policy resources. However, the studies only have a look at monetary outcomes and not at what we are interested in, namely what the preferences of individuals are.

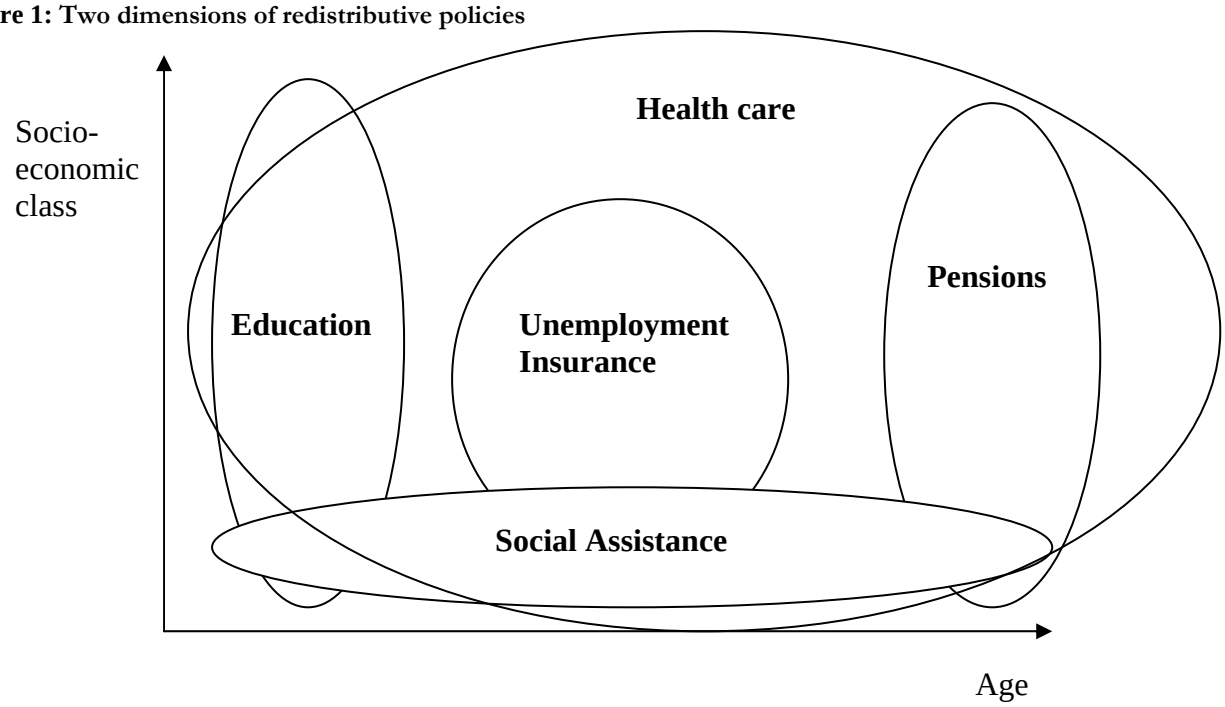
We have seen that each of the three parts of the scholarship that were discussed adds important insight into our problem. However, each one also has its flaws. The literature on public opinion and the welfare state does not take into consideration that support is not uniform across different policy areas. Kitschelt and Rehm (2006) and related studies are keen to underscore exactly this, but they focus so much on the labor force population that they ignore that retirees might form a "social class" on their own. Finally, the literature focusing on the possibility of a generational conflict as a consequence of demographic aging of the population is not looking at people's attitudes. In our paper, we attempt to address these missing parts and try to unify the three approaches in the literature just discussed: How does retirement impact on preferences for re-distributive policies? How does this impact relate to that of the social class position of an individual, which is the most important predictor of welfare state attitudes?

Theory and hypotheses

The conventional political economy approach to the study of welfare state politics is to deduce welfare state preferences of individuals from their socio-economic class position, i.e. the individuals' position in the distribution of incomes/skills. For the power resources approach, different socio-economic class positions lay the foundation for the formation of collective demands by unions and political parties. The development of welfare states is understood as the result of distributive conflicts between agents of socio-economic classes (Stephens 1979; Hibbs 1977; Esping-Andersen 1985; Huber/Stephens 2001; Bradley et al. 2003; Korpi 2006). In this simple, but powerful conception of class struggle, lower income classes have a strong preference for redistributive social policies, while higher income classes are opposing, because they have to foot the tax bill. Recently, Cusack, Iversen, and Rehm (2006) have confirmed the validity of the socio-economic model for OECD countries on the micro level: "Contrary to popular beliefs, our analysis shows that preferences for redistribution continue to be closely related to people's positions in the economy (…)" (p. 366).

And yet, while the socio-economic class cleavage is and remains important to the formation of redistributive preferences, the debate on the 'coming war between generations' inspires to think more about the potential importance of the age/retirement cleavage. In the following, we neglect the fact that social policies have both a redistributive and an insurance function (Iversen/Soskice 2001; Moene/Wallerstein 2003), focussing on the redistributive dimension solely. However, a cursory look at the expected redistributive consequences of social policies (see figure 1) shows that redistributive policies cluster around two, not one dimension.

Figure 1: Two dimensions of redistributive policies



The structuring of redistributive policies

Redistributive policies shift resources from one group to another. The trigger for the redistribution of resources is some notion of social need. Empirically, social need clusters around two dimensions: socio-economic class (income/education) and age.

For instance, people receive social assistance (which we will not analyse empirically), because they are poor, regardless of their age. Their state of poverty constitutes the social need that redistributive policies address. Education, on the other hand, is mainly concentrated on the young. In addition, the class position is less important than in the case of social assistance.

Children of rich and poor parents attend public schools, but usually not the old. The opposite case is, of course, pensions. Here, age clearly matters. It is well known that national pension systems differ widely with regard to the degree of redistribution – with conservative welfare states being the least and Beveridge-type pension systems being the most redistributive. The crucial point here, however, is that *only* old people receive pensions and that in most OECD countries, *most* of the older people receive public pension benefits, regardless of their class position.

The trigger for unemployment insurance is the social need of compensation for income loss during times of unemployment, not age *per se*. Empirically, the risk of unemployment might be concentrated in certain age-groups (the young and the old), but in principle, unemployment insurance covers only the working-age population, not retired people. In contrast, the individual's position in terms of income/education clearly matters. The low-skilled generally face a higher risk of unemployment than the well-qualified.

Health insurance is a special case. In comparison to other types of social policies, public health insurance comes closest to a universal insurance model. Most people have an interest in insuring themselves against illness. It could be argued that older people tend to become ill more often and thus, the age/retirement cleavage should also be visible in the case of health care. But on the other hand, working-age individuals face a higher risk of income loss due to illness and thus support encompassing insurance (i.e. sick pay).

Summing up, various types of redistributive social policies differ greatly with respect to whether they are triggered mainly by age (education, pensions) or an individuals' state of economic need (social assistance, unemployment insurance). Of course, there are large differences between countries with respect to the specific structuring of social policies (e.g. entitlement criteria, benefit generosity…). But the crucial point for the present analysis is that there are principle similarities in the structuring of redistributive policies across all advanced

industrial democracies that have important consequences for the stratification of social policy preferences along the dimension of age and income/education.

Individual social policy preferences

On the micro level, the starting point is the assumption that individual social policy preferences will be shaped by the individuals' expectation of becoming the beneficiary of a given redistributive policy. Above, we have outlined how this naïve class model lays the foundation for conventional power resource models. Here, however, we argue that it is not only the individuals' class position that determines her social policy preference, but also her position in the life cycle, i.e. whether she is retired or not. The reason for the presence of such a 'retirement' effect is that social policies are triggered not only by economic need (i.e. income), but also by age-related aspects. In this sense, welfare state policies structure welfare state constituencies: The German sociologist Rainer Lepsius has coined the term 'provision classes' (*Versorgungsklassen*) (Lepsius 1979; see also Alber 1984). In the attempt to overcome the socio-economic stratification of societies, welfare states themselves constitute provision classes by coupling benefits to entitlement criteria (Esping-Andersen 1990). Welfare state constituencies develop an interest in the maintenance and expansion of public social programs (Pierson 2001), which is why scholars expect the greying of the welfare state in the wake of population aging. For our purposes, the decisive point is that welfare state entitlements (the triggers in the constitution of social need) are not only based on the individual's position in the distribution of incomes, but also on her age.

Education and pension policies are the obvious examples for the age-related character of entitlements. Hence, we expect 'retirement' effects to show up most clearly in those policy fields. Given that education is focused on the young, it is to be expected that retired people are less in favor of increases in education spending than the non-retired, controlling for their socio-economic status. The case of pensions is related to, but different from education: of course, retired people are the prime beneficiaries of pension spending. But the non-retired expect the

transition from working life to retirement sooner or later. Therefore, they might also support higher pension spending in forethought of their later life as retirees. What is more, changes in pension policies normally do not affect current pensioners because their pension levels are protected. Hence, current pensioners, assured of the security of their benefits, might not be such ardent supporters of spending expansion as easily assumed.

Health care and unemployment insurance are more ambiguous. In general, it can be expected that class effects are more present for these types of social policies than for pension and education. In the case of unemployment insurance, the risk of social need tends to be concentrated in the lower skills strata. The poorly skilled will therefore be more in favor of spending increases than the rich. Given that the retired have exited the labor market, they can be expected to be against spending increases on unemployment. But because unemployment insurance is financed by contributions in most countries, the retired are not directly affected. Hence, the expectation is that the class effect will be stronger than the age effect in the case of unemployment.

For health, we expect a similar result, i.e. the rich will oppose increases in spending, because this increases their tax bill. In addition, a strong public insurance system crowds out private alternatives, which are preferred by those who can afford them. As is well known, health expenditures increase with old age, so that the non-retired might be opposed to increases in spending which accrue mainly to the retired. But, as in the case of pension spending, the non-retired can expect to need comprehensive health care in their later old age as well so that they are more willing to tolerate the current pensioners' overproportional draw on the system's resources.

To sum up, we formulate a number of testable hypotheses. The core research question is whether age/retirement constitutes a second cleavage in the formation of social policy preferences, with varying impact across policy fields. Of course, these two dimensions are not unrelated. Hence, the methodological and substantive challenge is to dis-entangle the effects of the two. In other words: if we find a retired person to be more supportive of increases in

spending on redistributive policies, is she in favor of more spending because she is old or because she is poor?

Building on the notion of 'provision classes', we posit that the transition to retirement constitutes a 'turning point' in individual life cycles and that membership in the group of retired people has an impact on individuals' preferences. Because children are generally precluded from voting and regularly not included in surveys, we concentrate on the comparison of retired with non-retired people. Social policy preferences are captured through revealed preferences with regard to different types of welfare spending (pensions, education, unemployment, and health). More specifically, we test the following propositions:

1. *Relative importance of retirement effect:* Age/retirement effects will show up stronger for those types of social polices whose redistributive impact is more age-related than income-related, i.e. education and pension. Class effects will dominate in the cases of spending on health and unemployment.
2. *Direction of retirement effect:* We expect retired people to be more in opposition to increases in education spending. Equally, we expect more supportive spending preferences with regard to pensions from the retired. However, age effects will not be as strong as in the case of education because of the attenuating pre-retirement effect (i.e. non-retired people supporting pension spending because of their imminent transition into retirement).
3. *Differences between countries:* In addition to differences in the cleavage structure across policy fields, we expect strong differences across countries in line with the peculiarities of national welfare state regimes. For example, Lynch (2006) has shown that welfare states exhibit stark differences with regard to their age-orientation. The proposition to be tested is therefore, whether the old-age orientation of welfare states is associated with the age/retirement cleavage in individual preferences for social policies. According to the logic of 'provision classes', we would expect the age/retirement cleavage to be more salient in those welfare states which are more geared towards the elderly, whereas the

class cleavage will be more important in age-neutral welfare states. We also explore various alternative macro-level explanations as to their relationship with the strength of the age/retirement cleavage.

2. Data, Methods, and Research Design

Data

For our empirical analysis, we rely on the third wave of ISSP's "Role of Government", conducted around 1996 in 22 countries. The major drawback of this dataset is its age. A lot has happened in the past ten years that might also have influenced attitudes towards different redistributive policies. However, the "Role of Government" series is the only one that provides the data necessary for our purpose, as it includes questions on a variety of different welfare policies as well as detailed demographic information. After excluding the countries for which only insufficient data is available, we were able to conduct our analysis for 15 countries: Australia, Germany (East and West), Great Britain, United States, Italy, Ireland, Norway, Sweden, New Zealand, Canada, Japan, Spain, France, and Switzerland. Altogether, data for 22,575 people is available, the sample size for the individual countries varies between 989 and 2,518.

This is not the best data that we could wish for. It would be ideal to have panel data that is comparable across countries. Thereby, we would be able to follow intraindividual changes. The cross-sectional nature of this dataset strictly only allows us to compare retired individuals with fellow non-retired individuals in the same society. There is no opportunity of actually following an individual through the transition to retirement. The underlying assumption therefore is that the causal chains that influence a retiring individual are similar across individuals and – to some extent – stable across time periods. Furthermore, this cross-sectional kind of data makes it impossible to separate generational differences that also make the retirees different from younger people from the pure age/ retirement effect. We are therefore unable to show a "clean"

retirement effect. However, another analysis of the same data in West Germany and Britain has demonstrated that generational differences do not exist in these countries (Goerres 2007).

Methods and variables

We conduct ordered logistic regression analyses for each country separately. The ISSP data includes various items capturing the individual's attitudes towards the welfare state. There are four areas of re-distributive spending: unemployment, education, pension, and health. The question wording on spending reads:

> "Listed below are various areas of government spending. Please show whether you would like to see more or less government spending in each area. Remember that if you say "much more", it might require a tax increase to pay for it. More or less government spending on: health, education, old age pensions, unemployment benefits.
> Answer categories: Spend much more, spend more, spend the same as now, spend less, spend much less."

One must be careful in the interpretation of this indicator. It is not what one might call a trade-off question. Individuals are not asked to pass out a given amount across policy areas. They are implicitly asked to compare their theoretical favorite spending levels with the current one for each policy area separately. Although they are reminded that higher spending levels can lead to increases in taxes, they are not required to make actual calculations.

As independent variables we use two variables of socio-economic background: education (7 levels of educational achievement) and household income on a 10-point scale (each category is the country-specific decile). We imputed missing values on the income variable from other variables in the data set.[1] Furthermore, we include a general measure of spending propensity because respondents have a non-ideological tendency to ask for more spending.[2] Some individuals tend to agree more with survey items because of traits of their personality that have

[1] We ran a regression (listwise deletion) with income being our dependent variable. As independent variables we used a variety of demographic and attitudinal information that can be assumed to correlate with income (such as gender, attitudes on taxation, or age). We then used the predicted values to impute for missing data. The percentage of cases that were imputed varies between zero (Italy) and 35% (Japan).

[2] For this measure, we used four questions that were of the same form as the ones for our dependent variable. They asked whether the government should spend more, the same, or less on the environment, law enforcement, defense, and culture and the arts. A principal component factor analysis was conducted. All items loaded high on one factor. The predicted values for each case is used as our general measure of spending propensity.

nothing to do with politics or with the survey design. Items that are part of a larger battery – like ours – tend to be answered in a consistent manner even if the underlying attitudes of the individuals vary. By including this extra measure, we take out the variance that is unrelated to the actual phenomenon that we are interested in. Finally, we include gender as a further control.[3]

The empirical procedure consists of four steps. First, we demonstrate that retirement matters for public opinion towards the welfare state by looking at some descriptive public opinion differences between the retired and the non-retired groups.

Second, we run a regression on all countries together and on each country sample separately for each of the dependent variables. From the single-country regression results, we create a cleavage measure to assess the intensity of stratification that comes from the socio-economic background and from age/retirement. The measure is the impact size of the income variable and the impact size of the retirement dummy respectively. For income, it is the difference in predicted probability (of being in favor of more or much more spending for the respective policy area) of the income variable at its maximum minus the predicted probability of the income variable at its minimum with everything else held at its mean (class cleavage).[4] For retirement, it is the difference in predicted probabilities between the retired and the non-retired group with everything else held constant (age/retirement cleavage). As we run four regressions per country for 15 countries, we get 60 cleavage measures for income and 60 for retirement. The higher the value, the stronger is the stratification of preferences on that policy dimension by that social condition.

We use the terminology of cleavage here in a weak sense. A full-blown political cleavage is a societal line of conflict along which voters consciously align themselves and along which political actors mobilize their constituencies. Therefore, social class is such a political cleavage.

[3] Due to data restrictions, we were not able to include measures of social class (Kitschelt/Rehm 2006) or skill specificity (Iversen/Soskice 2001), as the necessary information to derive these categories (namely the ISCO-codes) is not available for the retirees in most countries.

[4] One could argue that the difference between the minimum income group, the bottom decile, and the maximum income group, the top docile, does have very little social meaning. Very few people are likely to experience that difference whereas the move from non-retirement to retirement is experienced by many people. We calculated the difference between the third and the 7th decile for income as well. But the results are obviously directly proportional to the minimum-maximum calculations.

Age is not (yet) such a cleavage, but a high degree of preference stratification by age can be interpreted as a necessary condition for the formation of a full-blown cleavage.

Third, we offer some tentative bivariate correlations between the age/retirement as well as the class cleavage and some plausible explanatory macro factors. Thereby we explore the plausible explanation for the immense variance between countries within one policy area.

Finally, we rank countries according to the strength of the age/retirement cleavage.

3. Results

Descriptive results

It is helpful to check whether there are actually any differences between the group of the retired and the group of the non-retired. Figures 2 to 5 show variations between 15 countries as to four dependent variables: preferences on health care spending, unemployment spending, education spending and pension spending. If the column goes to the positive side, retired people are more in favor of spending in that area. If it goes to the left, retired people are less in favor of spending in that area compared to non-retired people. Each column summarizes the aggregate public opinion of the group of the retired minus the opinion of the group of the non-retired. The public opinion of each group is calculated by subtracting the proportion of people who want to decrease spending from the proportion of people who are in favor of higher spending.

Comparing the overall picture for the four areas of spending, we can see that in general retired people tend to be more in favor of pension spending and less in favor of education spending than younger people. This overall result is the typical life cycle effect that we would expect to see. The average differences between retirees and non-retired lie at about 8 % for education spending and at about 10 % for pension spending. 13 out of 15 countries show retirees being less in favor of educational spending than non-retired individuals and more in favor of pension spending. For health and unemployment, the average differences are only 3 and 4 %. However, the results are not uniform across all countries. For education spending, Japanese

retirees are more in favor of education spending than their younger fellow countrymen. Italy shows almost no difference between the two social groups. For pension spending, Switzerland and the USA show patterns that are just in the opposite direction witj younger people being slightly more in favor of pension spending, relative to the retired.

In the other two areas of spending, we find both patterns of difference between younger and retired people, i.e. the number of countries in which the retired are more supportive of increased spending is similar to the number of countries in which they are less supportive. For health spending, Swiss retirees are most in favor of spending, relative to younger countrymen at one end of the spectrum. In Japan, younger people are again more in favor of spending than retirees at the other end of the spectrum. For unemployment spending, older New Zealanders are most in favor of spending relative to the non-retired population and the variation goes down to Sweden where younger people are most in favor of spending relative to retirees.

The graphs show that there are indeed differences between retired and non-retired individuals and that these differences vary across countries. The variance across countries could be due to genuine differences in the meaning of retirement for individual preferences. But they could also stem from compositional effects – retirees in one country could be richer, relative to the working population, than in another country. In order to disentangle these effects, we now turn to multivariate methods.

Multivariate results

Table 1 lists eight regressions for all 15 countries together. The regressions include country dummies to account for country specificities that can cause different intercepts. As we can see, the retired dummy and some of the interactions between retired and income and retired and education are significant. This means that the differences that we have seen between the retired and the non-retired in the descriptive results are not due to compositional effects due to gender, education or income. Even when we account for these effects, there remains a residual effect of

retirement that in some cases interacts with effects of education and income. The group of older retirees might be less educated due to cohort effects or consist of more women due to varying mortality rates, this alone cannot explain their differences.

Figures 6 to 9 show the variance of the cleavage measures for all four areas of spending and all 15 countries. The black columns represent the strength of the age/retirement cleavage. It can range from 0 % (health in Norway) up to 17 % (education in the USA). That means that the difference in the probability of being in favor of more spending between the retired and the non-retired may be nil in one country /policy field and up to 17 % in the most extreme case. The grey columns stand for the strength of the class cleavage. It can range from about 1 % (education Japan) to about 42 % (unemployment spending Great Britain).

The cleavage measures stand for the intensity of stratification of individual attitudes towards certain re-distributive policy areas – either in terms of class or age/retirement. They can be compared across countries and across policy areas because they are measured in probability changes (in effect percentage points). Note, however, that the columns do not indicate the direction of impact. Whether retirees are more in favor of spending or less does not matter at this point. Only the absolute magnitude of the difference counts.

For health care spending, we find that the age/retirement cleavage tends to be smaller than the class cleavage. The mean of the former lies at 3 % compared to 11 % of the latter. Compared to the age/retirement cleavage in other policy areas, the age cleavage is relatively small. This confirms our expectations that health is in principle of relevance to members of all age groups. The maximum difference between retired and non-retired is about 9 % in the United States. The preference stratification by income varies between about 2 % in Italy and 34 % in Canada. We will further explore the differences between countries in the next section.

In the area of unemployment spending, there is a generally high level of class stratification (large grey columns across countries with a mean of 20 %). This is in line with our expectations: income as a main indicator of socio-economic position should be very important to

determine one's expectations of protection from the labor market. Surprisingly, some countries also show a strong stratification by age (with a mean of 5 %), although it never reaches the magnitude of the class cleavage. For example in Sweden, the age/retirement cleavage is 17 % whereas the class cleavage is only slightly bigger with 19 %.

In the area of education spending, the general pattern shows a strong age/retirement cleavage with a mean of 7 %. The black columns tend to be biggest for education relative to the other policy areas. Also, the age/retirement cleavage is more important than the class cleavage that has a mean of 6 %. Education policy has unambiguous life-cycle implications. Younger people, who either are still in education or who have school-attending children, benefit more from public education than older retirees. Thus, age should be very important – as we find – to explain differences in attitudes towards educational spending.

Finally, the cleavage measure in pension spending does not show a uniform prevalence of strong age stratification as one could have expected. The average level of the age/retirement cleavage is more similar to unemployment than to education, meaning that the life-cycle does not structure attitudes as vividly as in the area of education. Also, income differences are much more important than age in many countries, such as New Zealand, Switzerland or the USA. The mean of the age/retirement cleavage lies at 6 % and that of class cleavage at 17 %. This poses a puzzle, although we were expecting a pre-retirement effect with middle-aged members of the working population having a vital interest in higher public pension spending levels. The "antagonism" between young and old is not very prevalent in the area of pension policy, which is the most important policy area in need of reform in aging societies.

Overall, we see that we identified the trend correctly with regard to education, health and unemployment, but discovered that the picture is not clear-cut for pension spending. Also, we saw that, despite similarities in policy areas, there is quite a variance between countries in terms of the importance of the age/retirement cleavage.

In addition to simple average cleavage effects (figures 6 to 9), we calculated the impact of the age/retirement cleavage in interaction with the class cleavage (see figures 10 to 13 in the appendix). To provide the reader with an immediate overview, we present the results in the form of a number of graphs for each country and policy field.[5] The dotted lines depict changes in spending preferences for retired people, the solid lines preferences of the non-retired. The slope of the line indicates the severity of the class conflict, the gap between the dotted and the solid lines the extent of the age/retirement cleavage. The graphs are drawn using a similar regression model to the models 1, 3, 5, and 7 presented in table 1, but additionally an interaction term between retired and income was included. This is why the slope of the lines for the retired and the non-retired differ. By including the interaction effects and by showing the total impact of income and retirement status on welfare state preferences, we obtain a more detailed picture of the relation between retirement and preferences for redistributive policies.

Overall, the graphs presented in figures 10 to 13 confirm the results obtained above. It is obvious that the severity of the age/retirement cleavage in relation to the class cleavage varies considerably between countries and across policy fields. As above, education is the policy field in which age effects are most prominent, i.e. the dotted line is clearly below the solid line in 9 out of 15 country cases. Japan is the only country in which the retired are generally more supportive of higher education spending than the non-retired. The United States and Canada are examples in which the retired are particularly less supportive of higher spending in comparison to the non-retired.

For the cases of spending on health care and unemployment, class effects are more relevant than the age/retirement effect, which is indicated by the closeness of the two lines. On the other hand, it would be premature to conclude that the class cleavage dominates in those cases where age effects are less relevant. In fact, we find countries like Italy, Spain, and New Zealand (for spending on health care), where the cleavage lines are essentially flat, i.e. there is

[5] With any regression based on the logistic probability function, significant interaction effects might just be an artefact of the probability assumption that do not have substantive meaning (see Nagler 1991).

neither an age/retirement- nor a class-related conflict about increases in public spending on health care. Class effects are generally stronger in the case of spending on unemployment than in the case of health care, which is to be expected given that the risk of unemployment is more clearly concentrated in certain strata in society. Interestingly, in 9 out of 15 countries we find that the cleavage line for the retired intersects the line for the non-retired at some level of income, indicating that the class cleavage is less severe for the retired than for the non-retired. Note that because of the inclusion of class variables in the underlying regression analysis differences in the class composition between the retired and non-retired are already filtered out. Hence, the less precipitous slope of the class cleavage for the retired is a sign of preference convergence in the sense that class conflicts among the retired are attenuated in the case of spending on unemployment. This is the pattern that we would expect if retirees formed any kind of "provision class".

This is not necessarily the case for pension spending. Here, we find several patterns that need to be explained. In nine out of 15 countries, we find the class cleavage to be stronger for retired people than for the non-retired. The naïve conception of pensioners being in favor of more public spending on pensions is therefore not adequate. Instead, it is necessary to think more clearly about who is interested in more spending on pensions and why (see also the theoretical section above). If there is something like an age/retirement effect in the case of pension spending, it holds for the group of the non-retired. Because these people have not yet made the transition from working life into retirement, they are in favor of more public spending on pensions, considering that they will be benefiting from these increases once they go into retirement. Current pensioners, in contrast, have already made that transition. In Bismarckian pension systems (e.g. Germany, Italy, France), the level of benefits depends strongly on previous earnings and is covered by protection of confidence. Consequently, the class cleavage among the retired (and among the non-retired) is less strong. In Beveridge-type and residualist public pension systems (e.g. Sweden, Japan, New Zealand, USA, Great Britain and Ireland), the non-

retired tend to be more homogeneous in their support of public spending increases than the retired. Among the group of retired people, the class cleavage is relatively strong, because poor pensioners benefit overproportionally from the public system and rich pensioners prefer to live off and invest in private alternatives.

Macro-level relationships: bivariate correlations and rankings

As a final step, we now take a tentative look at the macro features of the results we found in the previous sections. Is there a systematic pattern for why the countries differ so widely in the strength of their respective age/retirement and class cleavages? In order to test for this, we perform bivariate correlations between the strength of the age/retirement as well as the class cleavage and some key macro variables. West- and East-Germany were excluded as they share a common institutional background and the attitude differences between the two obviously have to be explained by variables that are not as easily quantifiable.

We find that there is no single variable (such as Lynch's age orientation factor) that determines how strong the cleavages are, e.g. that correlate highly with the conflict patterns in all four areas. Instead, we find that the strength of the cleavages depends very much on the concrete spending levels in each country. Higher spending and/or more generous policy schemes are associated with a more pronounced age/retirement conflict with respect to health care, unemployment, and education policies. However, for pension policies it is the other way around: if they are more generous, the age conflict over them *decreases*.

Tables 2 and 3 list the pairwise correlations of some key macro variables with the strength of the age/retirement and the class cleavage. For attitudes towards health care policies, we find that the higher the total health care expenditure, the larger is the age/retirement as well as the class cleavage (r=.71/.64). Especially the amount of private spending on health care is important. The strength of the age/retirement cleavage for unemployment policies is driven by how much is spent on the unemployed – the more generous the policies are, the stronger is the conflict

between the retired and the non-retired (r=.57). However, we find that the more unequal a society is (measured by the Gini coefficient), the *weaker* is the age/retirement cleavage. This probably reflects the fact that societies are more unequal exactly because they provide little support for the unemployed and there is a general consensus of unwillingness to support such targeted policies. Although the age/retirement cleavage over unemployment spending is rather weak in comparison to the class cleavage (for which we find no significant correlations), we find signs that it might become more important in the future: the older a society is (measured by the share of people that are 65 and older), the larger is the age/retirement cleavage on unemployment spending (r=.65). And as societies will grow older in the years to come, it can be expected that this cleavage will become more important.

The strength of both the class and the age/retirement conflict over education spending follows the same pattern: the higher the total education expenditure, the more pronounced are both cleavages (r=.75/.66).

Finally, public opinion on pension spending follows a completely different pattern than all the other policies: if pension regimes are more generous, the age conflict over them *decreases*, although the correlation is rather weak (r=-.29). We find the same pattern looking at general measures of welfare spending such as Scruggs' index of overall welfare state generosity (r=-.48), signaling that attitudes on pension spending are different from attitudes towards the other policies.

As interesting as these findings are, it has to be kept in mind that they only reflect the patterns in 13 countries at one point in time and therefore can only be considered to be tentative. We are also not able to say something about the causality of the correlations – is there conflict because of the spending patterns or do spending patterns follow the preferences of influential groups? More data is needed in order to perform multivariate analyses and dig deeper into the matter.

Apart from trying to explain differences between countries, we should not lose sight of the fact that some countries show a high salience of the age/retirement cleavage across all policy areas. Which countries have the highest potential for a conflict between age groups? The magnitude of age stratification can be interpreted as a necessary, but not sufficient condition of an antagonism between young and old. We saw in the bivariate correlations that societal characteristics are systematically related to our measure of the age/retirement cleavage. But it is also possible to rank countries according to the size of the age/retirement cleavage measure in the four policy areas. Table 4 lists a ranking of countries, with the columns three to six showing the ranking in the four policy areas and a summary (average) measure in the second column that again is the foundation for the absolute ranks of countries shown in the first column. The numbers show that some countries are generally high whereas others are generally low. In general, the populations of France and the United States show high levels of age/retirement-related stratification. That means - no matter what policy area - knowing the age of a person tells very much about the difference of that person's attitudes relative to people of other ages in these two countries. On the bottom of the table, we can find New Zealand and Italy where differences in attitudes can generally not be well explained by age differences. In between there are a few countries that do not have clear-cut patterns with some cleavage measures being high-ranked and others being low-ranked.

4. Discussion and Conclusions

Our conclusions can be condensed into three statements:

First, age matters. The empirical evidence presented in this paper has confirmed the relevance of the class cleavage for explaining individual preferences for redistributive social policies. But we have shown that, in addition to the class cleavage, the age/retirement cleavage can significantly shape redistributive preferences as well. Therefore, the conventional wisdom prevailing in the political economy literature, i.e. that "people's position in the economy"

(Cusack/Iversen/Rehm 2006: 366) determines policy preferences, should be amended to take into account of 'people's position in the life cycle'.

Second, the relevance of the age/retirement cleavage varies across policy fields. This is because redistributive social policies vary according to the degree to which they are age-related. The strongest age effects were found in the case of preferences for educations spending, while the class cleavage dominates most clearly in the case of unemployment spending.

Third, in addition to the variance in the relative relevance of cleavages across policy fields, we found large differences across countries within a given policy area. Even in the case of education spending, the severity of the age/retirement cleavage varies considerably. In the final parts of the empirical analysis, we attempted tentatively to provide some explanations for this fact. We found that the age orientation of the welfare state (Lynch 2006) is less relevant than its overall generosity. Here, it becomes clear that the case of pension spending poses an intriguing puzzle that needs to be explored further. While in the cases of preferences for unemployment, health care, and education spending, higher actual levels of spending were associated with stronger cleavage structures, a more generous pension regime is associated with an attenuated age/retirement cleavage. In addition, we found that the class cleavage within the group of retired people is stronger in the case of pension spending than for the non-retired, particularly in those countries with a Non-Bismarckian pension system.

In conclusion, this paper has tried to venture into unexplored research territory. Further research with better and newer data is certainly needed to understand better the relative importance of the age/retirement cleavage vis-à-vis the class cleavage. Hopefully, the new wave of the ISSP Role of Government survey will supply this much-needed data and be available for further study soon.

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Appendix

Figure 2: Preference differences in health care spending between retirees and non-retired individuals in 15 OECD countries in 1996

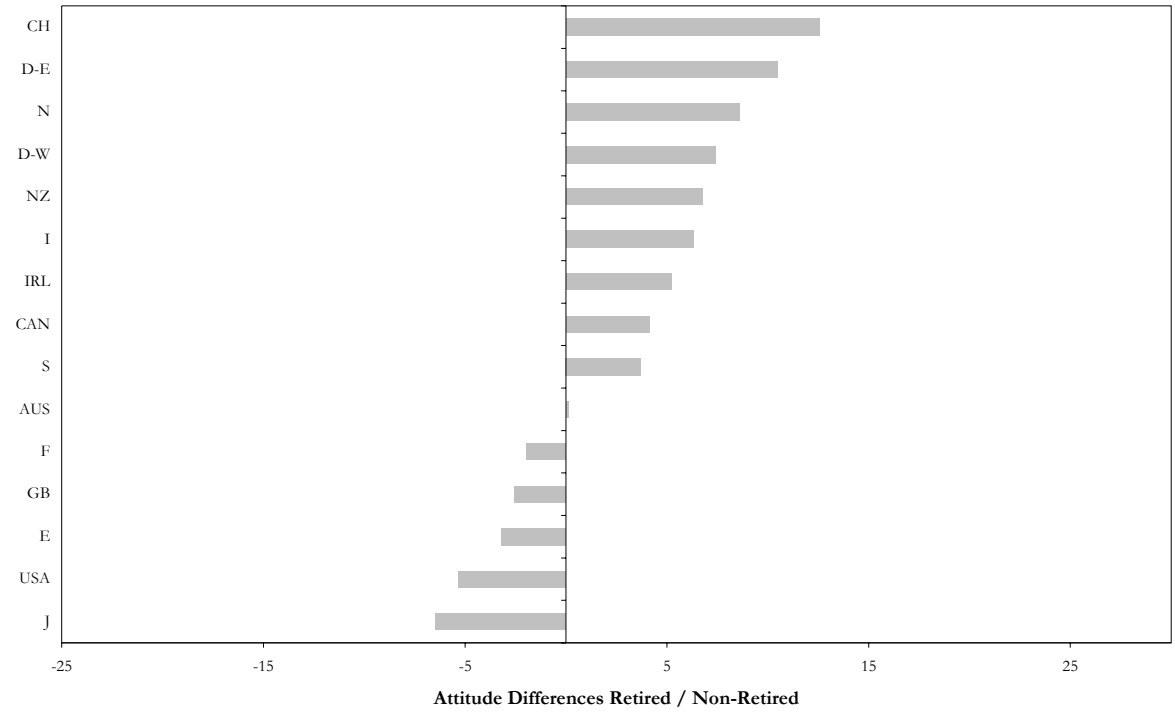

Figure 3: Preference differences in unemployment spending between retirees and non-retired individuals in 15 OECD countries in 1996

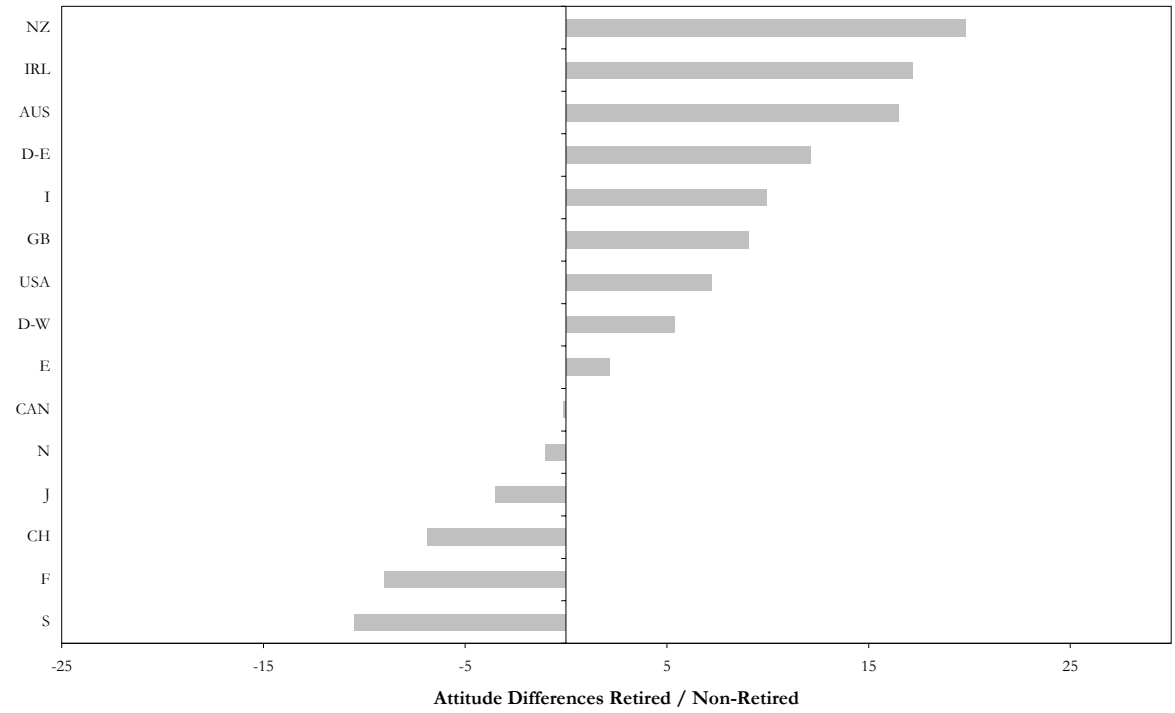

Figure 4: Preference differences in education spending between retirees and non-retired individuals in 15 OECD countries in 1996

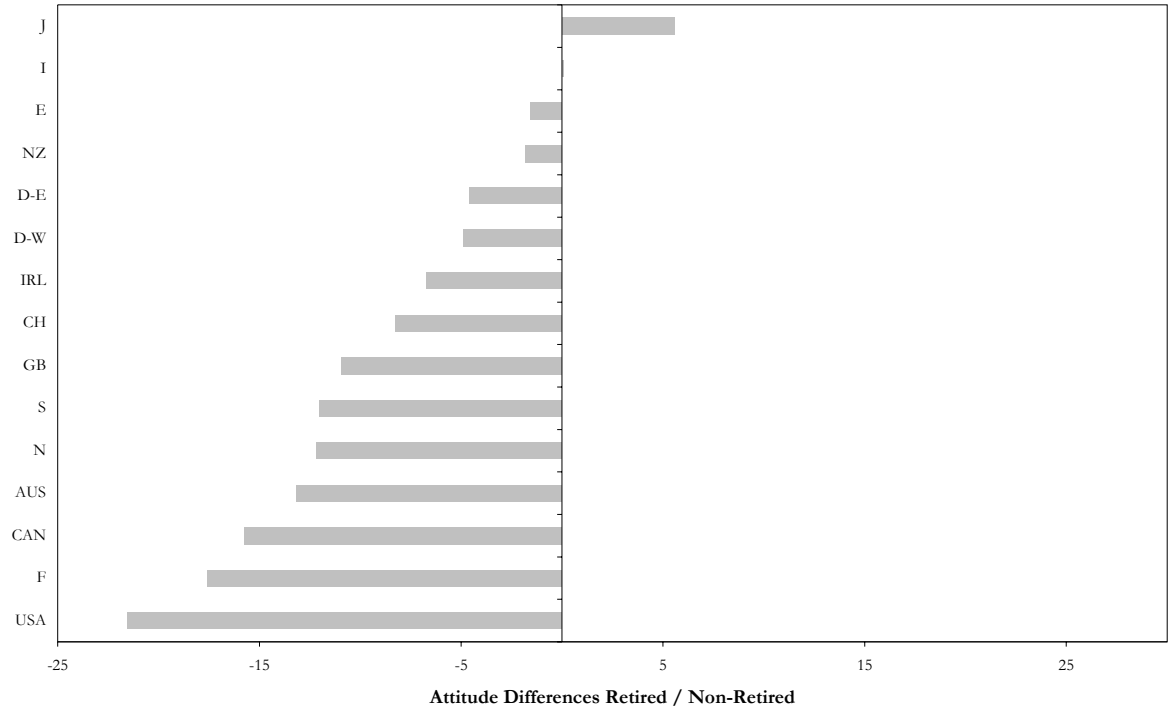

Figure 5: Preference differences in unemplyoment spending between retirees and non-retired individuals in 15 OECD countries in 1996

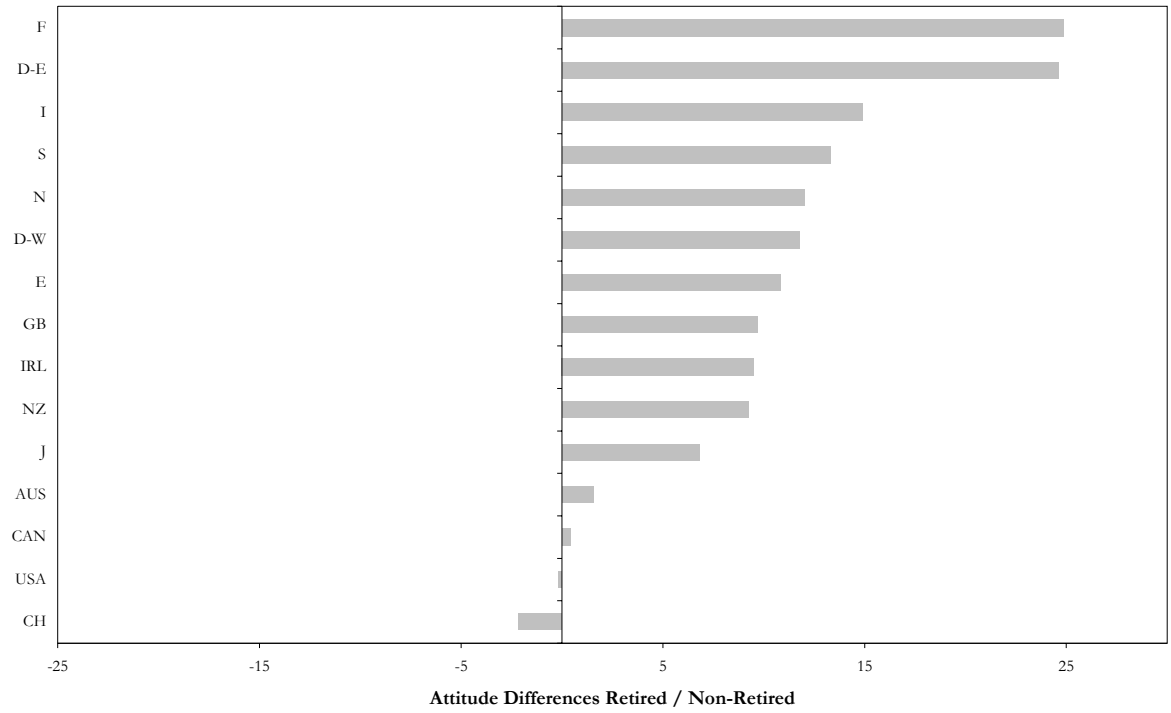

Table 1: Ordered logistic regressions, preferences for welfare spending in 15 OECD countries in 1996

	Health Care Spending		Unemployment Spending		Education Spending		Pension Spending	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Cut 1: Constant	-6.3774	-6.443	-3.1339	-3.2808	-4.7601	-4.5208	-6.1788	-6.0833
	(61.32)***	(54.57)***	(41.31)***	(34.89)***	(46.65)***	(39.02)***	(59.34)***	(51.34)***
Cut 2: Constant	-4.4652	-4.5306	-1.4121	-1.5583	-3.1189	-2.8793	-4.3987	-4.3035
	(56.47)***	(46.84)***	(19.73)***	(17.23)***	(40.39)***	(30.38)***	(54.91)***	(43.93)***
Cut 3: Constant	-2.1142	-2.1793	0.9683	0.8239	-0.4027	-0.1616	-1.2985	-1.2041
	(29.32)***	(23.96)***	(13.56)***	(9.14)***	(5.70)***	(1.80)*	(18.05)***	(13.21)***
Cut 4: Constant	0.0507	-0.0144	2.7604	2.6169	1.675	1.9178	0.7523	0.8476
	(-0.72)	(-0.16)	(37.26)***	(28.39)***	(23.38)***	(21.12)***	(10.46)***	(9.27)***
Female	0.3135	0.3146	0.2077	0.211	0.203	0.2008	0.2068	0.2047
	(12.11)***	(12.15)***	(7.99)***	(8.12)***	(7.85)***	(7.77)***	(7.86)***	(7.78)***
Spending Control	0.3385	0.338	0.2938	0.293	0.4486	0.4499	0.2404	0.2413
	(25.74)***	(25.69)***	(20.31)***	(20.26)***	(30.85)***	(30.92)***	(17.99)***	(18.05)***
Retired	-0.1425	-0.2521	-0.164	-0.4048	-0.2782	0.14	0.085	0.243
	(4.22)***	(2.52)**	(4.83)***	(4.02)***	(8.17)***	(-1.39)	(2.48)**	(2.40)**
Education	-0.1506	-0.1544	-0.1187	-0.1221	0.0806	0.1056	-0.2315	-0.2276
	(14.08)***	(12.98)***	(11.09)***	(10.25)***	(7.57)***	(8.93)***	(21.21)***	(18.74)***
Retired*Education		0.0143		0.0033		-0.1149		-0.0122
		(-0.61)		(-0.14)		(4.82)***		(-0.51)
Income	-0.0644	-0.0666	-0.1135	-0.1232	-0.0193	-0.0217	-0.0818	-0.0772
	(12.28)***	(11.58)***	(21.31)***	(21.15)***	(3.70)***	(3.80)***	(15.30)***	(13.18)***
Retired*Income		0.0127		0.057		0.0143		-0.0274
		(-0.93)		(4.13)***		(-1.04)		(1.97)**
Observations	21591	21591	21151	21151	21413	21413	21332	21332
Pseudo-R^2	0.07	0.07	0.07	0.07	0.05	0.05	0.06	0.06

Absolute value of z statistics in parentheses (* significant at 10%; ** significant at 5%; *** significant at 1%)

All estimations include a full set of country dummies (not shown)

Figure 6: Cleavages of age and class in preferences for health care spending in 15 OECD countries in 1996

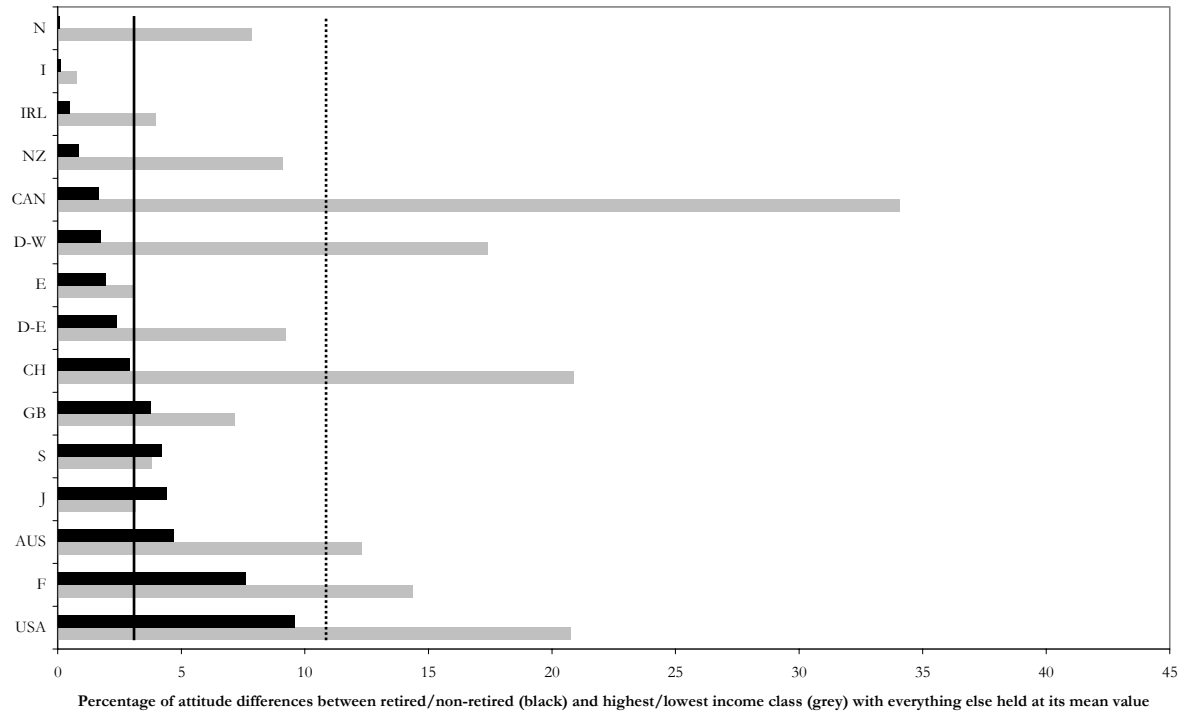

Figure 7: Cleavages of age and class in preferences for unemployment spending in 15 OECD countries in 1996

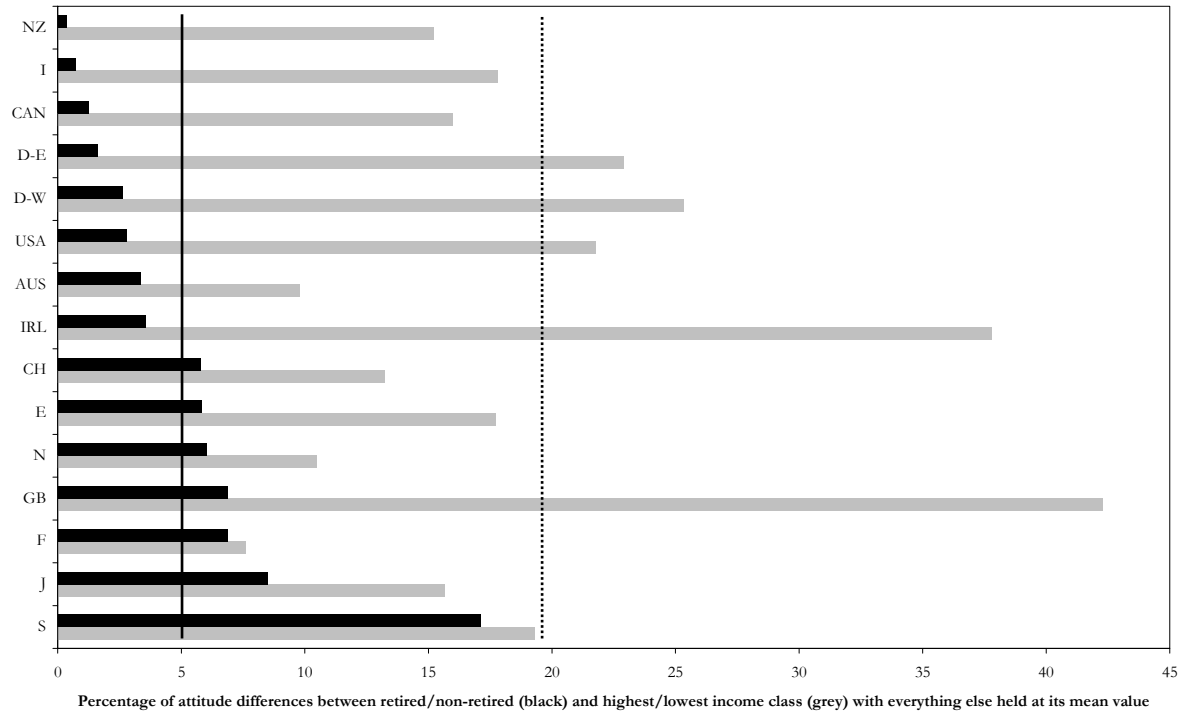

Figure 8: Cleavages of age and class in preferences for educational spending in 15 OECD countries in 1996

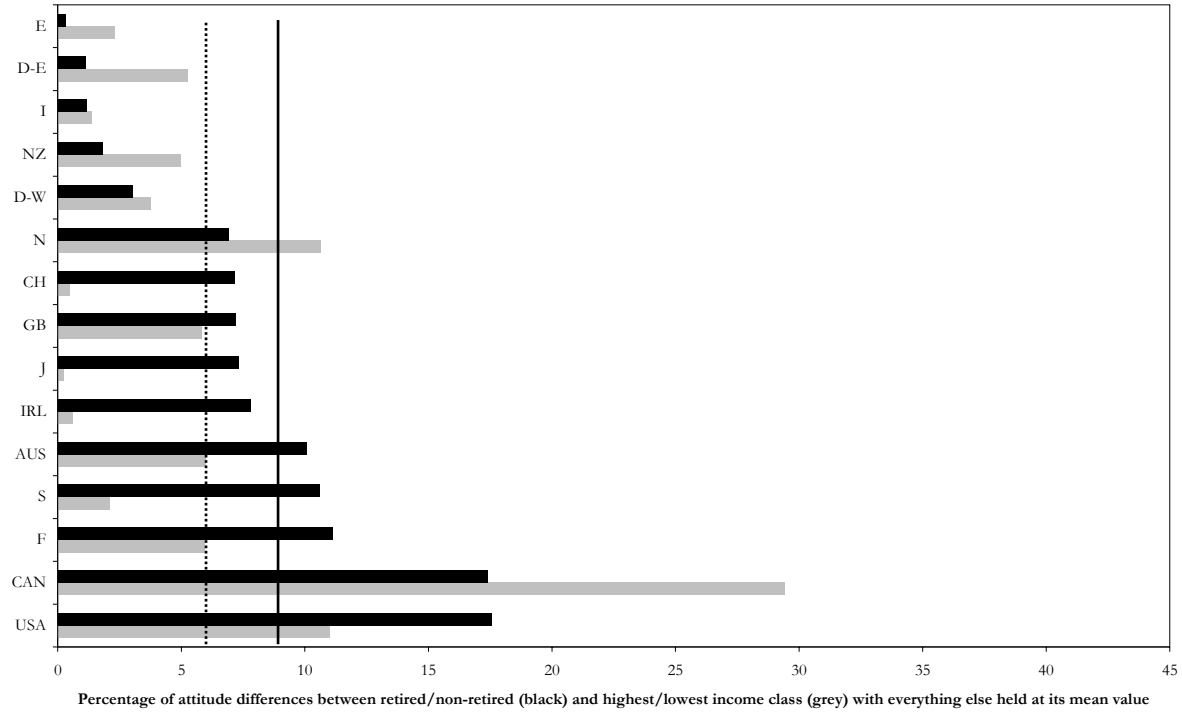

Figure 9: Cleavages of age and class in preferences for pension spending in 15 OECD countries in 1996

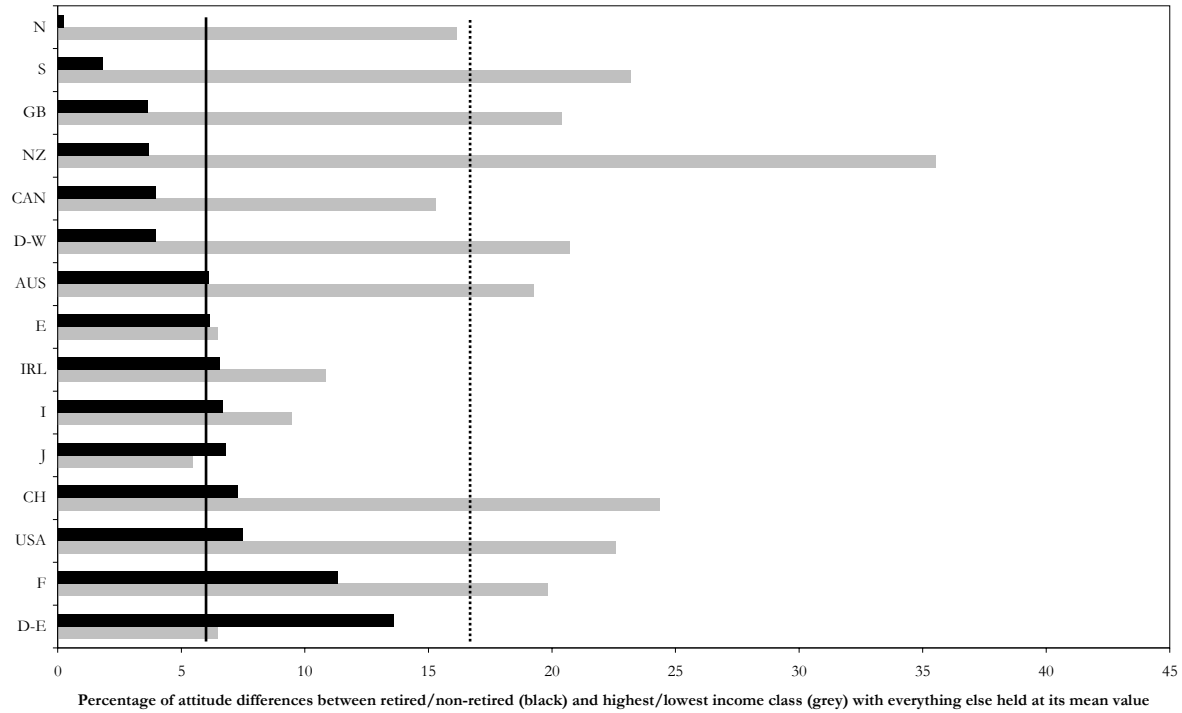

Figure 10: Interaction effects between retired and income in 15 OECD countries in 1996, health care spending preferences

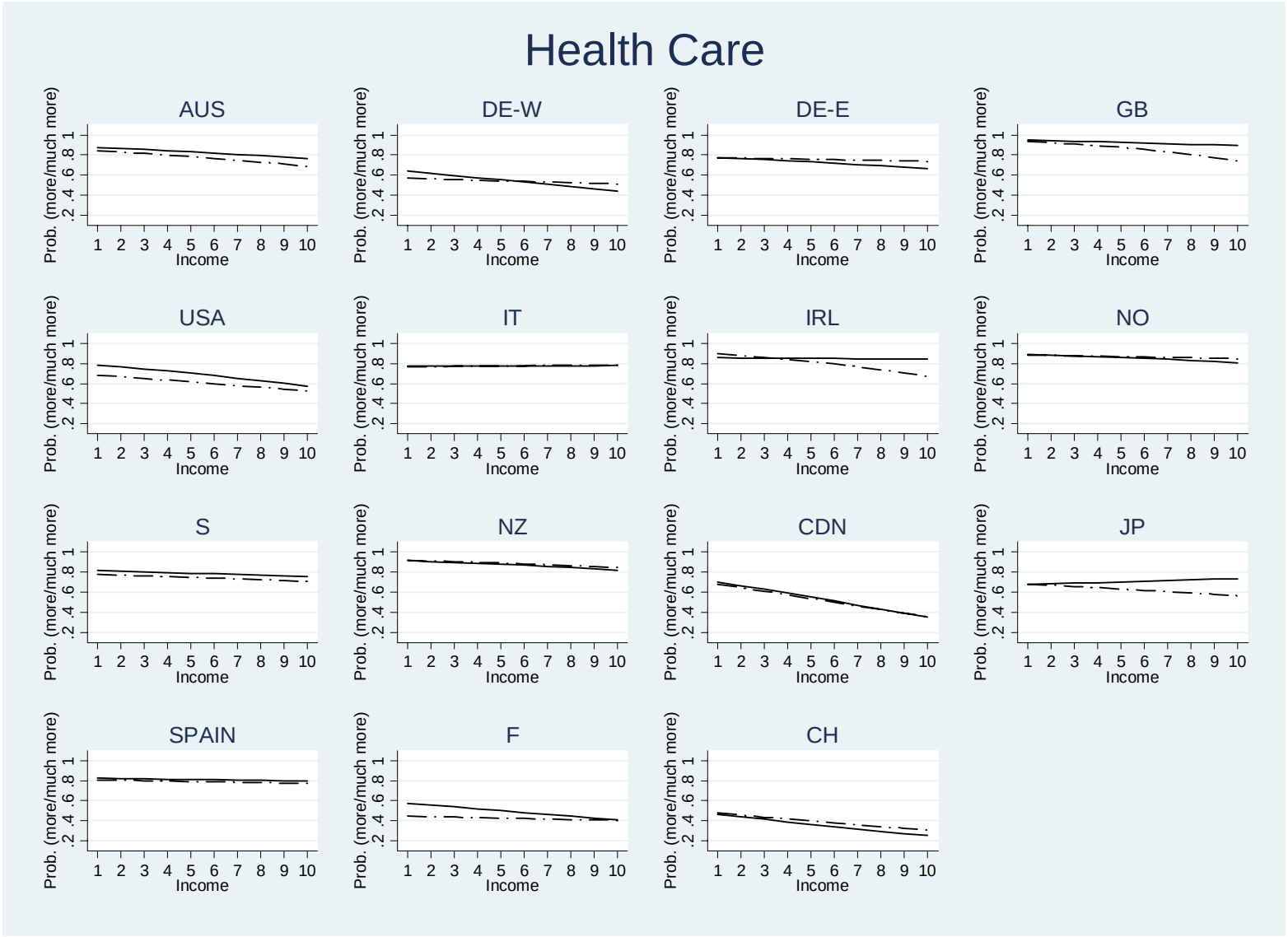

Figure 11: Interaction effects between retired and income in 15 OECD countries in 1996, unemployment spending preferences

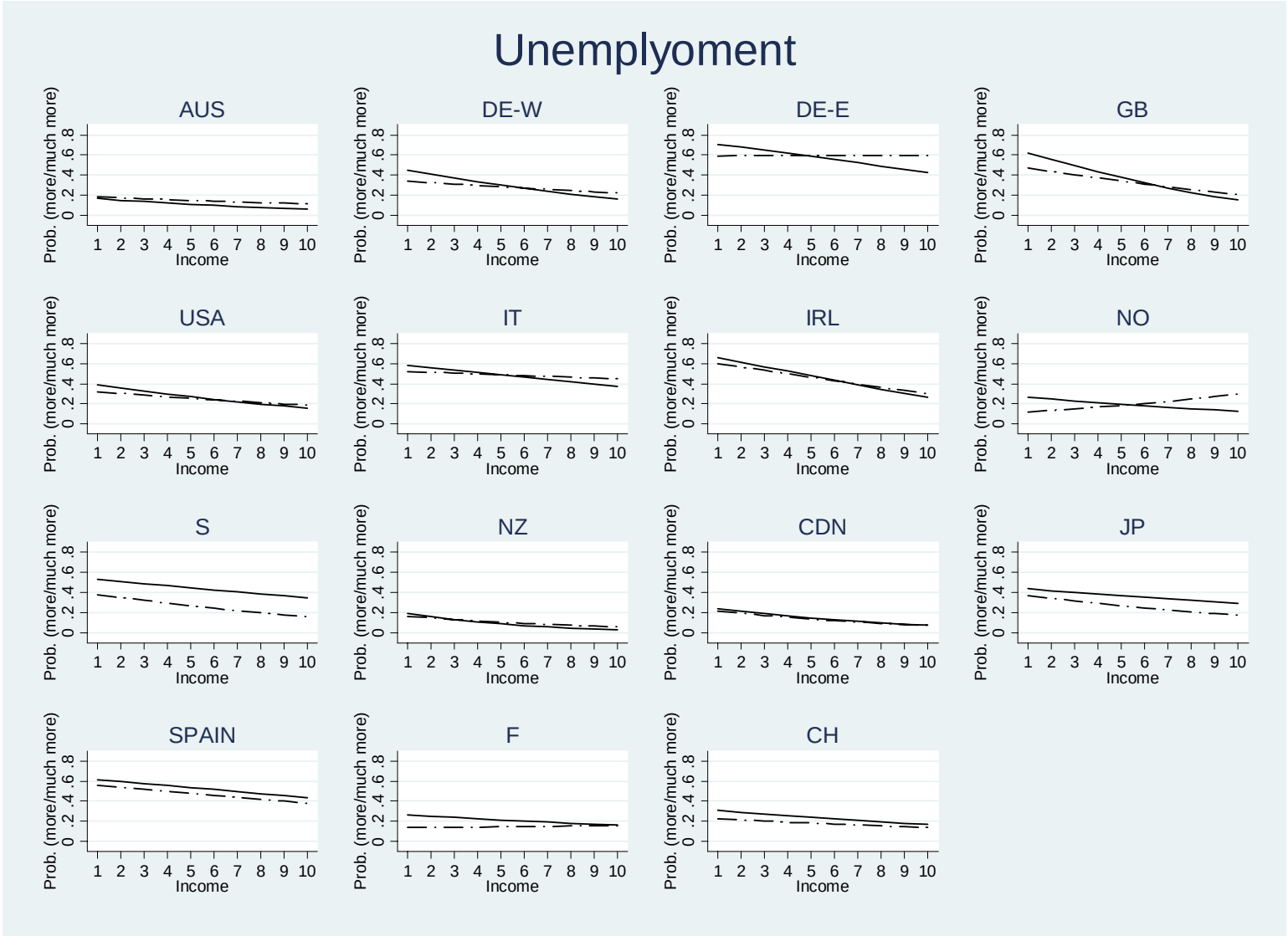

Figure 12: Interaction effects between retired and income in 15 OECD countries in 1996, educational spending preferences

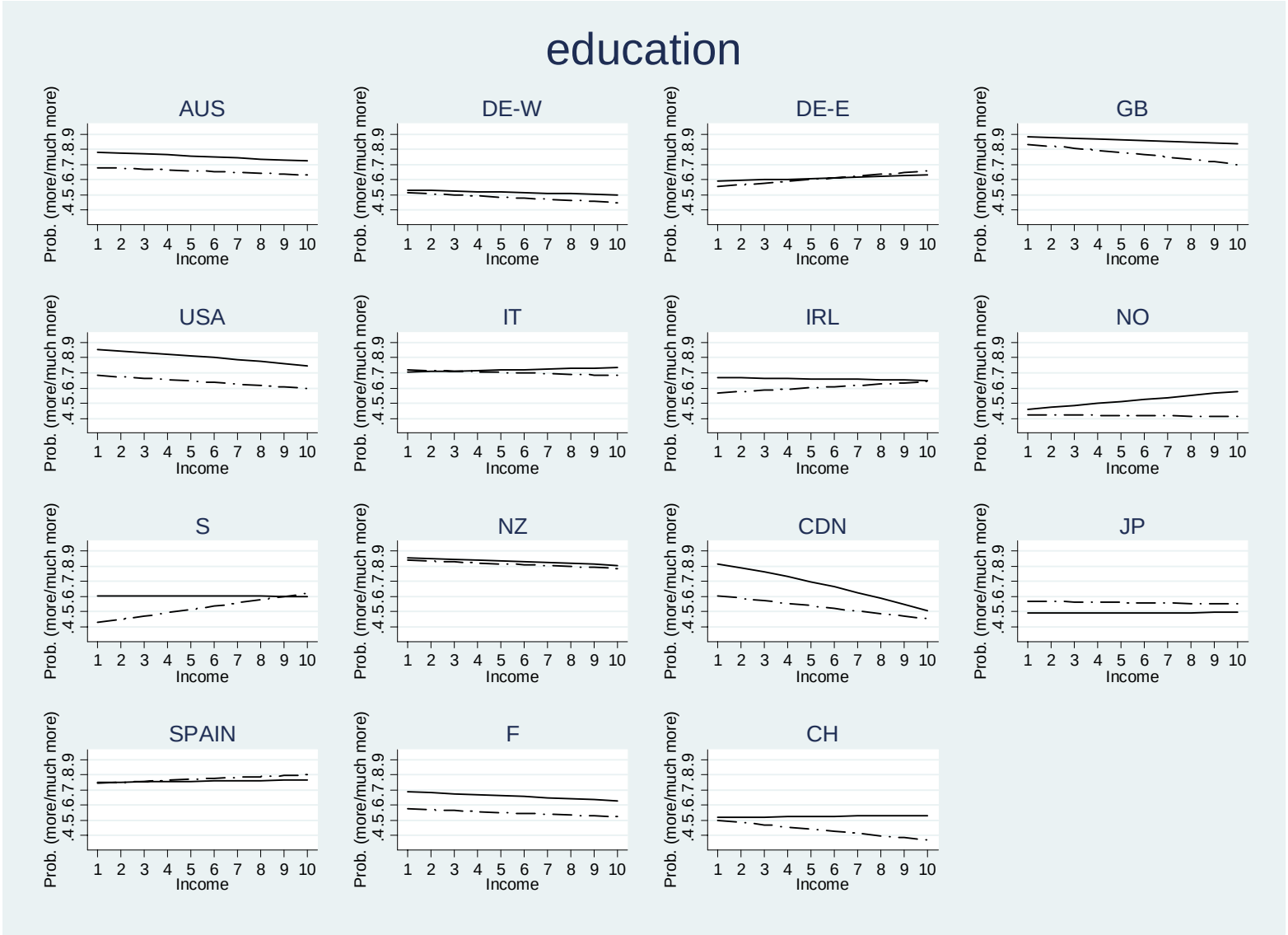

Figure 13: Interaction effects between retired and income in 15 OECD countries in 1996, pension spending preferences

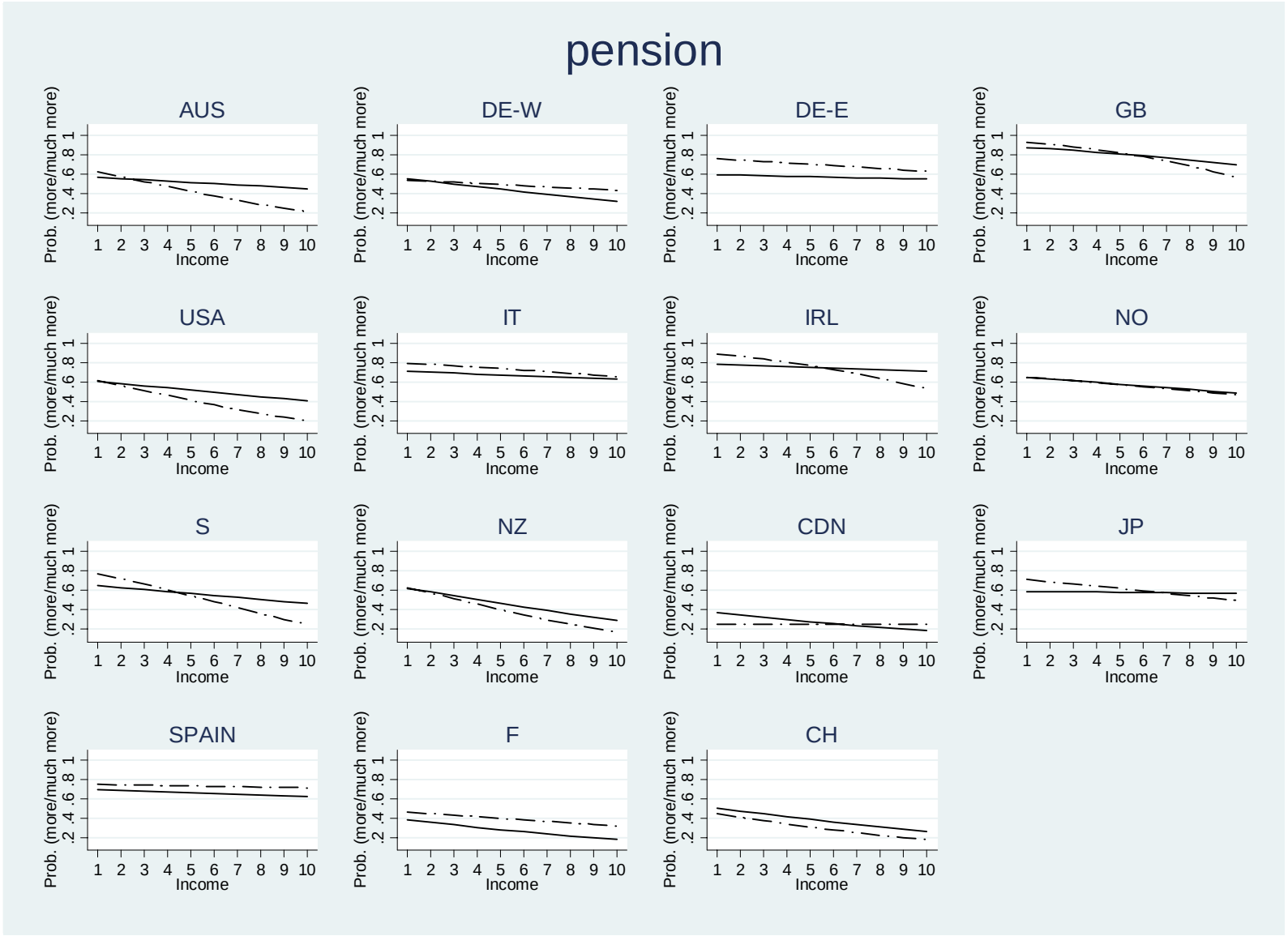

Table 2: Correlations age cleavage and several macro indicators in 15 OECD countries around 1996

	Health Care Policies	Unemployment Policies	Education Policies	Pension Policies
General				
GDP per capita	.52*	0.02	.66**	0.00
Total Public Social Expenditure (% GDP)	0.05	.62**	-0.08	-0.16
Total Subsidies (% GDP)	-0.19	.57**	0.00	-0.39
Overall Welfare State Generosity Index	-0.19	.58**	-0.06	-0.48
Gini Coefficient	0.20	-.71***	0.10	0.40
Age Orientation (Lynch)	-0.08	.02	-0.38	0.30
Age Structure				
% aged 15 or younger	0.09	-0.28	0.39	-0.14
% aged 65 or older	0.01	.65**	-0.30	-0.12
age dependency ratio	0.14	0.36	0.23	-0.38
Education				
Total Education Expenditure (% GDP)	0.36	0.11	.75***	-0.18
Public Education Expenditure (% GDP)	-0.03	0.24	0.41	-0.40
Private Education Expenditure (% GDP)	0.54*	-0.35	0.37	0.18
Health Care Expenditure				
Total Health Care Expenditure (% GDP)	.71***	-0.07	0.65**	0.33
Public Health Care Expenditure (% GDP)	0.38	.56**	0.42	-0.16
Private Health Care Expenditure (% GDP)	0.59**	-0.32	.50*	0.44
Health Care Generosity Index	-0.29	.65**	-0.26	-0.37
Unemployment				
Unemployment Benefit Generosity Index	0.06	.57*	0.27	-0.44
Pension				
Pension Generosity Index	-0.16	0.06	-0.05	-0.29

Table 3: Correlations class cleavage and several macro indicators in 15 OECD countries around 1996

	Health Care Policies	Unemployment Policies	Education Policies	Pension Policies
General				
GDP per capita	0.46	-0.24	0.33	0.13
Total Public Social Expenditure (% GDP)	-0.22	-0.23	-0.10	0.18
Total Subsidies (% GDP)	-0.09	-0.38	-0.09	0.03
Overall Welfare State Generosity Index	-0.11	-0.36	0.00	0.27
Gini Coefficient	0.29	0.33	0.12	0.28
Age Orientation (Lynch)	-0.29	-0.30	-0.26	-0.03
Age Structure				
% aged 15 or younger	0.28	0.26	0.29	0.54*
% aged 65 or older	-0.43	-0.08	-0.37	-0.24
age dependency ratio	-0.09	0.30	0.00	0.54
Education				
Total Education Expenditure (% GDP)	0.66***	-0.22	0.66**	0.21
Public Education Expenditure (% GDP)	0.41	-0.26	0.50*	0.34
Private Education Expenditure (% GDP)	0.34	0.00	0.23	0.20
Health Care				
Total Health Care Expenditure (% GDP)	0.64**	-0.28	0.30	0.33
Public Health Care Expenditure (% GDP)	0.25	-0.40	0.31	0.30
Private Health Care Expenditure (% GDP)	.56**	-0.12	0.17	0.23
Health Care Generosity Index	-0.26	-0.35	-0.23	0.06
Unemployment				
Unemployment Benefit Generosity Index	0.16	-0.12	0.07	0.30
Pension				
Pension Generosity Index	-0.11	-0.31	0.24	0.25

Notes on Tables 2 and 3:
N=13 (excludes West- and East-Germany)
All data is for 1996 unless stated otherwise.
Sources:

- GDP per capita: OECD, 2003: *Historical Statistics*. Paris: OECD.
- Total public social expenditure, age structure variables: OECD, 2007: *Health Data*. Paris: OECD.
- Total subsidies: own calculations based on OECD, 2007: *Economic Outlook*. Paris: OECD.
- Overall Welfare State Generosity Index, Health Care Generosity Index, Unemployment Benefit Generosity Index, Pension Generosity Index (ten year average from 1987-1996): Scruggs, Lyle, 2006: The Generosity of Social Insurance, 1971-2002. In: *Oxford Review of Economic Policy* 22 (3): 349-64.
- Gini coefficient (latest available measure): CIA, 2007: *World Factbook*.
- Age Orientation: Lynch, Julia, 2006: *Age in the Welfare State. The Origins of Social Spending on Pensioners, Workers, and Children*. Cambridge: Cambridge University Press.
- Health care expenditure variables: OECD, 2003: *Health Data*. Paris: OECD.
- Education expenditure variables: OECD, 2007: *Education Statistics*. Paris: OECD.

Table 4: Ranking of 15 OECD countries according to age cleavage

	Absolute Rank	Mean	Rank Health Care	Rank unemployment	Rank Education	Rank Pension
France	1	2.5	2	3	3	2
USA	2	3.75	1	10	1	3
Japan	3	4.5	4	2	7	5
Sweden	4	6	5	1	4	14
Australia	5	6.5	3	9	5	9
Switzerland	6	6.75	7	7	9	4
Great Britain	7	7.75	6	4	8	13
Ireland	8	8.5	13	8	6	7
East Germany	9	8.75	8	12	14	1
Canada	10	9.25	11	13	2	11
Spain	11	9.5	9	6	15	8
West Germany	12	10.5	10	11	11	10
Norway	13	11.25	15	5	10	15
Italy	14	11.75	14	14	13	6
New Zealand	15	12.75	12	15	12	12