

DO PEOPLE WITH A DIFFERENT EMPLOYMENT BACKGROUND AGE DIFFERENTLY? EUROPEAN EVIDENCE FROM THE SHARE SURVEY

Antigone LYBERAKI

Professor of economics, Department of Economics and Regional Development, Panteion University
alyMBER@panteion.gr

Platon TINIOS

Assistant Professor, Department of Statistics and Insurance Science, University of Piraeus
ptinios@unipi.gr

George PAPADOUDIS

Researcher, Department of Economics and Regional Development, Panteion University
gpapadoudis@netpads.eu

Thomas GEORGIADIS

Researcher, Department of Economics and Regional Development, Panteion University
th.georgiadis@gmail.com

Abstract

The landscape in the second half of the twentieth century was characterized in Europe by two divides. One was that between insiders and outsiders in the labor market, often associated with membership of the public sector, which enjoyed, in most places a privileged status relative to the rest of the labor market. The other divide was built around gender – the male breadwinner model. The pension system, however, is supposed to operate in an equalizing direction, ironing out employment-based inequities. This paper tests whether and to what extent inequalities persist in retirement. It does so by direct comparisons of privileged groups relative to less privileged groups of a large international sample survey of individuals aged 50+, the Survey of Health, Ageing and Retirement in Europe (SHARE), using the fifth wave conducted in 2013. The comparison proceeds by means of odds ratios applied to dimensions of outcomes related to well-being: life satisfaction; better health; chances of a better financial status. This is done for cases of pensioners where the key distinguishing feature is simple presence of someone who used to be employed worked in the public sector. This comparison is also applied at a household level, where in addition to the public-sector effect, hypotheses related to the male breadwinner model can also be approached. The results in general confirm that public sector retirees tend to fare better than their coevals, even with the relatively blunt statistical instrument checking for overall outcomes.

Keywords: Employment history, Pensioners, Well-being, Elderly, Inequalities.

JEL classification: J78, J45, J14.

1. Introduction

Europe since the Second World War first fell in love and then shunned the public sector. People who are now retired witnessed and were part of this development, having worked at the time when the public sector was growing; however, they retired when the tune of the day was retrenchment and retreat from the public. The fiscal dimension of the crisis since 2009 has put fresh emphasis on this trend, placing further pressure on public expenditure.

This paper examines the extent to which these developments still mark today's pensioners. Do those who originally chose (or were selected) to work for the public sector continue to draw the benefits of their choice long after they stopped working? Are public sector retirees still richer, healthier and happier than their colleagues from the private sector?

Framing the question a little wider, *does the type of work done in working life still echo in retirement, in the form of leading to systematically different health wealth and happiness outcomes?* And if so, *what about those whose past relationship with paid work does not lead to a pension derived from own right – women homemakers?*

The mechanisms whose final outcomes might be reflected in the SHARE data could be result of two complementary hypotheses:

Hypothesis 1: Outcomes are the result of the division of society into insiders and outsiders division. This leads to differences arising both from different employment backgrounds and from gender. The latter would operate both within the pensioners' population and also between pensioners with own right pensions and homemakers.

Hypothesis 2: The traditional male-breadwinner model of household would have a delayed cost in affecting older women's welfare compared to other women who had lived their lives in households with more equal division of roles.

2. Short literature review: insiders / outsiders and the male breadwinners / female homemakers divide

It has been argued that Europe is a continent divided between insiders and outsiders (Alesina and Giavazzi, 2006). The insider/outsider divide story initially referred to the divisions and privileges within the labor market (Lindbeck and Snower, 1986, 2002; Saint-Paul, 1996). In a similar vein it also informs political economy analyses focusing on growth implications in situations where "elites" secure privileges via controlling the government (Acemoglu, 2006). Although different authors define insiders and outsiders in a variety of ways, membership of the public sector usually has pride of place; for example Kollintzas *et al.* (2014) present a neo-classical model for the Insiders-Outsiders Society, where insiders are public sector employees.

What we try to do in this paper is to examine to what extent aspects of the insider-outsider society can be found among older Europeans, after they have finished their progression through employment. Based on the literature one would expect pensioners of the public sector to be better off in a variety of ways, compared to pensioners from the private sector and/or to pensioners from self-employment. Furthermore, one expects this to be more prominent in the European South, where, among other things, public sector wage premia tend to be higher and the insider/outsider divisions starker. This is likely to be tempered by the operation of the pension system, which in most countries at least ostensibly dedicated to correcting employment-based inequalities. To this should be added three factors: First, the impact of public sector reforms from the 1990s whose ambition and reach were greater in the North and spread south gradually. Second, the impact of the crisis since with its emphasis on public sector retrenchment, is likely to have been felt more in those countries in the eye of the storm in the South. Finally, in the Eastern countries the transition is likely to be more nuanced and to have a more marked cohort character. Thus the Esping-Andersen type of welfare state typology is likely to be reflected in the outcomes of today's pensioners.

Turning to gender, the male breadwinner model was dominant everywhere at the start of the retired population's lives but was challenged at different speeds and with differing efficacy in different parts of Europe. Thus a gender dimension must be added to the Esping-Andersen typology. The male breadwinner model (and its female carer appendage) refers to a family centered on a male worker, who earns the money to support the other family members. Women, under this model, usually stay at home and take care of children and the elderly; when they work for pay, they do so supplementary – due to an interrupted career path and occasional part-time working. As a result, women are exposed to much lower levels of lifetime earnings and increased insecurity in old age (Pascall, 2006). The male breadwinner model was most prevalent during the first decades after the Second World War, and started to decline from the late 1970s onwards (Crompton, 1999; Cunningham, 2008; Lewis, 2001). There obviously exists considerable variation in the timing and characteristics of dominant family arrangements across Europe (Pfau-Effinger, 2004). The Nordic countries are at one extreme (the rising dual-breadwinner model), while the Mediterranean countries at the other (the persistence of the male breadwinner arrangements). There also appear counter intuitive trends favoring a partial return to the male breadwinner model (Berghammer, 2014).

In a retired population these ingrained inequalities over the working life, whether due to employment or to gender, are likely to be diffused to general outcomes. Career working experiences are translated to older ages through the filter of the pension system, as well as transition from the world of work to the world of retirement – both of which should in principle operate in an equalizing direction. Contrary to a purely economic view which would

see human capital operating through career choice and lifetime earnings, in our case we would expect a more diffuse impact affecting all aspects of life – financial standing obviously, but also health and life satisfaction. For our purposes and bearing in mind the age cohorts under investigation it makes sense to analyze differences in ageing experiences between pensioners on the one hand and homemakers on the other. We expect to find evidence of cumulative disadvantage of homemakers (women who stayed at home or worked intermittently but have not a pension of their own). This may be reflected in self-perceived health and life satisfaction indicators. Earlier work based on SHARE data suggests that women are not indifferent to the origin of income and having income of their own increases, *ceteris paribus*, their life satisfaction (Tinios, Lyberaki & Georgiadis, 2015).

3. Setting up an investigation strategy

Our approach eschews causal analysis and concentrates on outcomes. We thus compare groups of retirees with each other employing odds ratios. In this enterprise it is important to define the groups concerned. We select four groups by employment background in such a way as to find them in all countries represented in SHARE:

Pensioners –public sector

Pensioners –private sector

Pensioners from self-employment

Homemakers

In defining employment background, a number of problems had to be overcome, as the notion of working career needs to be constructed. Employment background refers to last job and not to dominant job; no spells of unemployment or other interruptions are taken into account, while no information exists on differences by professional status (hierarchical position). The public sector is likely to be composed of workers at two different poles of educational attainment: on the one extreme we have a concentration of individuals with low qualifications (employed chiefly by local authorities) and on the other we have more highly qualified individuals, usually employed by central government. To allow for this effect we control for both groups.

We further need to define dimensions corresponding to different ageing outcomes. SHARE allow us to look at three broad categories of effects: *health status*; *well-being and expectations (life satisfaction proxies)*; and *income status*.

Some of the above are direct individual outcomes –they are measured and accrue at the individual level (e.g. health, life satisfaction). Others become mediated and are filtered through the overall household welfare status, such as subjective and objective variables of poverty and income status. We look at both individual and household level effects.

At the level of the household, we try to define different types of households according to their employment (or non-employment) background. We use information at the level of the individual (as defined above) to construct 7 types of households. Some of them are dual pensioners households (from the same employment background), some are dual pensioners (but with mixed employment background), other households combine one pensioner and one homemaker, while there are also single person households (from any background). We examine income status and subjective indicators (such as difficulty in making ends meet).

At this stage we are interested in describing outcomes, *not* the processes that led to them. In other words, we look at the current situation of the old as they are today. We do not attempt causal explanation, such as to try to explain the *source* of the differences. We therefore do not attempt, for example decomposition analysis, which would try to explain differences by causing factors them– e.g. health outcomes by lifestyle choices and so on. This leads us to rely on odds ratios (**OR**) which benchmark experiences against the experience of one dominant group – the ex public sector workers. In all cases we control for age and educational qualifications, which would also absorb some of the effects that will be due to greater female longevity.

Odds ratios are a widely used statistical technique when dealing with categorical data. In particular, the examination of whether or not the probability of 0 or 1 (in our case a negative versus a positive outcome) is the same in two different groups when being compared.

The odds ratio mathematical expression for two groups is as follows:

$$OR = p1/(1-p1) / p2(1-p2) = p1(1-p2) / p2(1-p1) \quad (1)$$

and it takes values higher than 0 and lower or higher than 1. When the OR is equal to 1 there is no significant difference between the groups as concerns the outcome in question. For example: Taking p_1 is the probability of one person, who belongs to a distinct group, to be poor and $1-p_1$ to not be poor and if accordingly, p_2 is the probability of another person, who does not belong in the same group but to another one, to be poor and $1-p_2$ to not be poor. If in that case the odds ratio estimation for these groups is 0.5 or 2, which means a significant difference (or inequality) between these two distinct groups. These two values (<1 & >1) may also interpret the direction of the inequalities according to which group is set as the reference group in any particular exercise. The higher or lower (than 1) value of odds ratios the greater the degree of inequality. Its absence would mean odds ratio of 1 but this kind of values are not that frequent.

For the estimations below we use logistic regressions with probability weights in individual level (and in household level accordingly) reporting OR (instead of coefficients) while controlling for respondents' age and educational qualifications. Every OR is based on the comparison of the relative frequency of a single event between two distinct groups. In our case the distinct population groups are represented by the individuals who are pensioners from private sector or self-employment or they are female homemakers as compared to individuals who are pensioners from public sector. Choosing this set of groups for this examination means that the rest of the distribution is not taken into account for that matter.

4. Sample and data definitions

The SHARE wave 5 sample is 66,246 individuals respondents from fifteen countries, which fall into four broad geographical groups roughly corresponding to distinct typologies of welfare state: Nordic countries (Sweden, Denmark and the Netherlands), Continental (Germany, Belgium, France, Switzerland, Austria and Luxemburg), Southern countries (Italy, Spain and Israel) and Eastern countries (Estonia, Slovenia and Czech Republic) (see Börsch-Supan et al. 2013; Börsch-Supan, 2016 for methodological details).

Table 1. SHARE wave 5, sample size by former employment status and country

country	Pensioners from the Private Sector	Pensioners from the Public Sector	Pensioners from Self Employment	Female Homemakers	Total
SE	1,703	739	287	4	2,733
DK	1,024	636	245	24	1,929
NL	1,209	330	241	490	2,270
DE	1,774	716	205	340	3,035
BE	1,614	683	320	568	3,185
LU	464	193	86	290	1,033
FR	1,617	646	444	208	2,915
CH	1,044	141	250	224	1,659
AT	1,968	400	442	384	3,194
IT	1,515	292	516	892	3,215
ES	1,900	225	637	1,334	4,096
CZ	2,593	1,246	171	14	4,024
SI	1,425	425	150	183	2,183
EE	3,083	294	111	27	3,515
IL	627	193	90	269	1,179
Total	23,560	7,159	4,195	5,251	40,165

Source: SHARE wave 5 (release 5.0.0), May 2016.

One of the first tasks for this paper was to examine certain questions and data of the available datasets and construct distinct and mutually-excluded groups derived from descriptions about the current and former employment status of the respondents in employment and pension's module (Table 1). Our analysis is based on four groups including 40,165 individuals in 30,049 households. Pensioners are all those who described themselves as 'retired from own work', so would exclude beneficiaries of citizen's pensions and survivor pensions. The four groups are:

Pensioners retired from own work as private sector employees.

Pensioners retired from own work as public sector employees.

Pensioners retired from own work as self-employed.

Female homemakers.

Analyses on household level derive from comparisons among specific households' types empirically obtained by grouping based on their composition (Table 2). For example, one or two pensioners, male or female members, mixed or distinct types, each time according to the employment status of their members etc. Out of these groups we selected seven groups to form the basis of our comparison.

The public sector effect: Reference group is a household with at least one member who is a public pensioner. This is compared to (a) households with at least one pensioner from the self-employment or private employment and (b) households with at least one female homemaker.

The dual pensioner effect: Reference group is a household with at least two pensioners of whom one from the public sector, compared with other dual pensioner households (no public sector).

The cost of the male breadwinner model: Reference group is household with at least two pensioners, compared to household with one male pensioner and one homemaker.

Table 2. SHARE Wave 5 sample size at household level, by household type

Code	Household with...	#
1.	one pensioner from private sector	11,678
1.1	two pensioners from private sector	3,932
2.	one pensioner from public sector	3,445
1.2	two pensioners from private and public sector	1,595
2.2	two pensioners from public sector	759
3.	one pensioner from self-employment	1,955
1.3	two pensioners from private sector and self-employment	837
2.3	two pensioners from public sector and self-employment	205
3.3	two pensioners from self-employment	399
1.3.3	three pensioners from private and self-employment	0
4.	one female homemaker	2,862
1.4	pensioner from private sector and one fem homemaker	1,578
2.4	one pensioner from public sector and one fem homemaker	396
3.4	one pensioner from self-employment and one fem homemaker	396
1.3.4	two pensioners from private & public and one female homemakers	3
4.4	two female homemakers	6
1.4.4	one pensioner from private sector and two female homemakers	0
3.4.4	one pensioner from self-employment and two female homemakers	0
1.3.4.4	two pensioners from private & public and two female homemakers	1
1.1.4	two pensioners from private & one homemaker	2
	Total number of households	30,049

Source: SHARE wave 5 (release 5.0.0), May 2016.

5. Empirical results

5.1. Individual- based outcomes

The next step of empirical analysis compares on a pairwise basis outcomes of different groups of retirees. It examines whether any given group is in better or worse shape than public sector pensioners. It does this by comparing how much luckier the public sector worker is. For instance, a value of 0.7 for the private sector pensioner in France means that a person of that description is *less* likely to report (say) that he/she is enjoying good health as compared with his/hers public sector counterpart. The same comparison in Italy for example, reveals a value of 0.81 which has the same meaning as above but the difference is less marked, as the result approaches the value of 1. All results are controlled for age and educational qualifications, while confidence intervals (CI) are also presented.

The comparison involves three dimensions of individual well-being: good health, life satisfaction and shortage of money as an inhibiting factor. Table 3 reports the first dimension for the fifteen countries and four country groups.

Table 3. Self-perceived health-related odds ratios (p-weighted, age and educational status adjusted), Reference group: Pensioners from public sector, by country

country	Pensioners from Private Sector			Pensioners from Self Employment			Female Homemakers		
	OR	CI 95%		OR	CI 95%		OR	CI 95%	
SE	1.07	0.86	1.33	1.16	0.83	1.64	n.a.		
DK	0.76	0.60	0.98	0.77	0.54	1.09	n.a.		
NL	0.83	0.62	1.13	1.18	0.79	1.76	0.97	0.67	1.42
DE	0.89	0.73	1.09	0.97	0.68	1.38	1.06	0.74	1.52
BE	0.92	0.73	1.15	1.00	0.72	1.39	0.87	0.65	1.16
LU	0.68	0.45	1.03	0.71	0.38	1.36	0.72	0.46	1.15
FR	0.70	0.57	0.87	0.68	0.51	0.91	0.49	0.34	0.71
CH	0.90	0.55	1.47	0.64	0.36	1.13	0.59	0.28	1.23
AT	0.78	0.59	1.01	0.72	0.51	1.01	0.67	0.47	0.98
IT	0.81	0.62	1.08	0.79	0.56	1.11	0.53	0.37	0.75
ES	1.11	0.67	1.84	1.68	0.89	3.17	0.82	0.47	1.42
CZ	0.94	0.79	1.12	1.58	1.02	2.44	n.a.		
SI	0.75	0.58	0.98	0.69	0.45	1.04	0.56	0.36	0.87
EE	0.79	0.58	1.08	1.54	0.86	2.73	n.a.		
IL	1.18	0.70	2.00	1.94	0.96	3.93	1.38	0.72	2.67
Total	0.84	0.76	0.92	0.91	0.80	1.05	0.63	0.55	0.72

Source: SHARE wave 5 (release 5.0.0), May 2016.

Note: Self-perceived health-related odds ratios are based on SHARE wave 5 question that reads as follows: "Would you say your health is...", allowing respondents to select one of the following five answer categories: Excellent; Very good; Good; Fair; Poor. Odds ratios presented in the above table report the probability of reporting Excellent; Very good; Good health status.

Looking at Table 3 dealing with self-perceived health we note that the insider/outsider distinction is still very much in evidence in old age. Pensioners from the public sector report better health than any other group of old age individuals (pensioners and homemakers). When comparing different groups of countries, in the Nordic countries the differences are less stark, followed by the Continental group. The starkest divisions are displayed in the Southern and Eastern countries.

As regards the other exercise, the male breadwinner model stores high and discernible cost to older homemaker women. Women homemakers have much lower probability to report good health and to draw satisfaction from their life. Furthermore, they are more likely to incur

shortage of money that inhibits them to do the things they want to do. The cumulative gender disadvantages are almost non-existent in the Nordic group, they have a low incidence in the Continental group (except for Austria) and become very high in the Southern and Eastern countries.

The analysis proceeds to examine life satisfaction in a similar fashion (Table 4). For each country we present the odds ratio of the comparison with public pensioners. Values less than one imply that the group is less fortunate than the public sector. The conclusions of Table 3 carry over, in one or other form, to all dimensions: There is an advantage to be in the public sector. The ‘hierarchy of luck’ extends from private employees, to the self-employed with homemakers almost universally at the bottom.

Table 4. Life satisfaction odds ratios (p-weighted, age and educational status adjusted), Reference group: Pensioners from public sector, by country

country	Pensioners from Private Sector			Pensioners from Self Employment			Female Homemakers		
	OR	CI 95%		OR	CI 95%		OR	CI 95%	
SE	0.87	0.69	1.10	1.14	0.78	1.65	n.a.		
DK	0.84	0.62	1.13	0.90	0.57	1.43	n.a.		
NL	1.01	0.73	1.40	1.65	1.04	2.63	1.07	0.71	1.61
DE	0.81	0.66	1.00	0.67	0.47	0.96	0.98	0.68	1.42
BE	0.96	0.77	1.20	1.21	0.87	1.67	1.05	0.79	1.40
LU	0.76	0.50	1.14	0.99	0.51	1.90	0.63	0.39	1.02
FR	0.81	0.66	0.99	0.73	0.55	0.97	0.78	0.55	1.11
CH	1.02	0.63	1.64	1.09	0.61	1.95	1.04	0.57	1.91
AT	0.63	0.46	0.85	0.74	0.52	1.06	0.67	0.44	1.02
IT	0.83	0.62	1.11	0.97	0.69	1.36	0.56	0.40	0.78
ES	0.75	0.45	1.25	0.92	0.50	1.68	0.60	0.35	1.01
CZ	0.97	0.82	1.15	1.17	0.78	1.75	n.a.		
SI	0.86	0.66	1.11	0.97	0.64	1.47	0.66	0.42	1.03
EE	0.94	0.70	1.26	1.57	0.94	2.62	n.a.		
IL	0.90	0.53	1.52	0.63	0.32	1.24	0.65	0.35	1.21
Total	0.85	0.77	0.93	0.86	0.75	0.99	0.72	0.64	0.82

Source: SHARE wave 5 (release 5.0.0), May 2016.

Note: Life satisfaction odds ratios are based on SHARE wave 5 question that reads as follows: On a scale from 0 to 10 where 0 means completely dissatisfied and 10 means completely satisfied, how satisfied are you with your life? Odds ratios presented in the above table report the probability of reporting scales 8 to 10 (very satisfied).

The public sector is overrepresented in the top quartile of the pension income distribution (Table 5), even after controlling for education and age. Compared to the public sector, pensioners in all countries have markedly lower chances of receiving a pension that is placed at the top 25% of the pension income distribution if they had worked in the private sector, or if they were self-employed. Sweden is a clear outlier, as both the private sector and the self-employed are closer to parity – indeed it looks like the private sector may even be privileged. In Sweden the pension system must compensate for some of the disadvantages of the private sector – changes of jobs, gaps in contribution history, low pay.

The picture, throughout the SHARE sample as for the self-employed is, if anything, that they do less well by the pensions system, most probably through enjoying lower protection (and lower contributions). This appears to be the case for all the countries except for Sweden and Czech Republic. Table 5 does not include information on the third category (namely homemakers), as they almost by definition have little involvement (if any) with the pension system.

Table 5. Being at the top pension income quartile odds ratios (p-weighted, age and educational status adjusted), Reference group: Pensioners from public sector, by country

country	Pensioners from Private Sector			Pensioners from Self Employment		
	OR	CI 95%		OR	CI 95%	
SE	1.26	1.00	1.58	0.93	0.64	1.34
DK	0.46	0.36	0.59	0.13	0.08	0.24
NL	0.51	0.38	0.69	0.23	0.15	0.36
DE	0.46	0.37	0.57	0.25	0.15	0.40
BE	0.44	0.36	0.55	0.22	0.15	0.33
LU	0.55	0.37	0.80	0.39	0.21	0.76
FR	0.63	0.50	0.78	0.19	0.13	0.29
CH	0.47	0.32	0.69	0.11	0.06	0.20
AT	0.28	0.22	0.37	0.17	0.12	0.25
IT	0.45	0.33	0.61	0.17	0.12	0.25
ES	0.38	0.23	0.65	0.12	0.06	0.22
CZ	1.04	0.85	1.27	0.71	0.43	1.18
SI	0.68	0.50	0.92	0.45	0.25	0.80
EE	0.58	0.44	0.76	0.34	0.18	0.65
IL	0.77	0.47	1.26	0.14	0.05	0.35
Total	0.61	0.56	0.68	0.27	0.23	0.32

Source: SHARE wave 5 (release 5.0.0), May 2016.

Note: Pension income is defined as the sum of income received from: i) Old age, early retirement, and survivor pensions; ii) Private and occupational pensions; iii) Disability pensions/ benefits; iv) Unemployment benefits/insurances; v) Social assistance. The estimation of the pension income distribution is restricted to the sample of the analysis (ie persons belonging to the four former employment status categories). Odds ratios present the probability that a person falls to the top (richest) 25% of the pension income distribution.

5.2. The level of the Household

We now turn to examining the household level information. We proceed to three sets of comparisons focusing on the insider/outsider as well as the male breadwinner hypotheses. Table 6 looks at household's income status and making ends meet comparing households with at least one pensioner from public sector *vis-à-vis* households with at least one pensioner from the self-employment or private employment; while Table 7 presents the corresponding information by comparing households with at least one pensioner from public sector with households with at least one female homemaker.

The outcome indicators selected are at opposite ends of the distribution: belonging to the bottom quartile of the income distribution – that is close to the poverty line; stating the household makes ends meet easily or very easily looks at the opposite, luckier part of the population.

Given that ORs are ratios of probabilities, added to the fact that belonging to the bottom 25% income of the population is bounded upwards by 25% (that would be the probability in the case of near-perfect equality), the OR is a ratio of two small percentages. As we can see the probability is always in favor of the less deprived group almost in every country. The general picture is as follows: the presence of a public pensioner is sufficient to increase the probability *not* to encounter the difficulties to make ends meet, but also to reduce the chance to be poor.

The overall picture derived from the tables below follows the same pattern as before: each reference group is better off as compared to any other group. It is only to be expected that estimates vary according to each comparison and the confidence intervals tend to be wide but the result remains the same: whenever the outcome is something negative (belonging to the bottom 25% of the income distribution) the comparison presents a significant large odds ratio

(>1) while whenever the outcome is something positive (making ends meet easily) the odds ratio is significant small (<1). In other words, this means that each group we compare to the reference group is worse off according to the estimates below. The absence of a public sector worker is sufficient for the household to make ends meet less easily while belonging more frequently at the bottom of the income distribution.

The following commentary on each separate table focusses on how the overall picture varies by country – the variability of each comparison.

Table 6. Household’s income status and make ends meet-related odds ratios: The public sector effect vis-à-vis households with at least one pensioner from the self-employment or private employment

Reference group: Households with at least one member pensioner from public sector						
<i>vis-à-vis: households with pensioners from private sector and/or self-employment</i>						
country	Bottom 25% Equivalent Income			Makes ends meet easily		
	OR	CI 95%		OR	CI 95%	
SE	1.00	0.77	1.30	1.15	0.87	1.52
DK	1.72	1.29	2.31	0.68	0.47	0.97
NL	2.72	1.70	4.36	0.51	0.31	0.85
DE	2.37	1.73	3.24	0.63	0.47	0.85
BE	2.39	1.72	3.30	0.51	0.38	0.67
LU	1.56	0.85	2.88	0.69	0.36	1.32
FR	3.10	2.23	4.32	0.52	0.40	0.69
CH	2.63	1.40	4.94	0.70	0.35	1.38
AT	6.05	3.25	11.26	0.38	0.24	0.60
IT	2.01	1.15	3.53	0.61	0.43	0.87
ES	2.75	0.79	9.55	0.61	0.31	1.22
CZ	1.22	0.96	1.54	0.67	0.55	0.82
SI	1.94	1.27	2.96	0.75	0.57	0.99
EE	1.48	1.03	2.13	0.68	0.51	0.89
IL	0.86	0.41	1.82	0.70	0.40	1.23
Total	2.05	1.76	2.38	0.59	0.52	0.67

Source: SHARE wave 5 (release 5.0.0), May 2016.

Note: The estimation of the equivalent income distribution refers to the whole sample of persons aged 50+ in each country. Odds ratios present the probability that a household falls to the bottom (poorest) 25% of the equivalent income distribution. Make ends meet odds ratios focus on subjective well-being of the household and are based on the SHARE wave 5 question that reads as follows: “Thinking of your household’s total monthly income, would you say that your household is able to make ends meet...”, allowing respondent to select among the following categories (With great difficulty; With some difficulty; Fairly easily; Easily). Reported odds ratios present the probability of making ends meet easily or very easily. According to the households’ codes as presented in Table 2, “households with pensioners from private sector and/or self-employment” includes households with codes “1”; “1.1”; “3”; “1.3” and “3.3”. “households with at least one member pensioner from public sector” includes households with codes “2”; “1.2”; “2.2” and “2.3”.

Table 6 looks at what are expected to be the ‘lucky households’. The public sector is well represented in middle or higher income groups. They thus have a *smaller* chance of being in the bottom 25% and a *bigger* chance to make ends meet easily. On the contrary, households with at least one pensioner from the self-employment or private employment have a bigger chance of being in the bottom 25% (OR=2.05) and a smaller chance to make ends meet easily (OR=0.59). The variability of odds ratios, except the country specific differences, shows that the public sector group is heterogeneous: the presence of low skilled and local authority workers on the one hand and higher educated civil servants on the other. In the majority of

countries, therefore the confidence intervals are such as not to rule out that only the presence of a single public pensioner has a positive effect. We should also bear in mind that the control for educational level and the number of breadwinners has not been done in this exercise – hence the greater dispersion. One should also notice that the ORs for making ends meet are higher than for income – a possible indicator of non-income benefits, wealth and other ‘privileges’.

The presence of a female homemaker (Table 7) may signal *both* that the household can afford to finance abstinence for the market (negative effect) *and* the absence of multiple income sources. It is thus not surprising that the evidence is inconclusive in some countries. The total odds ratio of 3.98 as concerns the probability of belonging to the bottom 25% of equivalent income as well as the total odds ratio of 0.30 as concerns the ease of making ends meet are quite clear as to which group is better off. Once again, the ORs have an opposite direction depending on the negative or positive outcome.

Table 7. Household’s income status and make ends meet-related odds ratios: The public sector effect vis-à-vis households with at least one female homemaker

Reference group: Households with at least one member pensioner from public sector						
<i>vis-à-vis: household with at least one female homemaker</i>						
country	Bottom 25% Equivalent Income			Makes ends meet easily		
	OR	CI 95%		OR	CI 95%	
SE	n.a.			n.a.		
DK	n.a.			n.a.		
NL	4.21	2.43	7.30	0.74	0.42	1.32
DE	4.88	3.05	7.82	0.62	0.39	0.98
BE	5.89	4.09	8.48	0.60	0.42	0.85
LU	2.70	1.46	5.01	0.81	0.40	1.64
FR	8.82	5.42	14.35	0.47	0.31	0.72
CH	3.23	1.58	6.60	1.51	0.68	3.38
AT	11.52	5.98	22.17	0.27	0.16	0.45
IT	6.77	3.83	11.96	0.25	0.17	0.36
ES	8.25	2.27	29.94	0.27	0.14	0.52
CZ	n.a.			n.a.		
SI	8.30	4.58	15.04	0.37	0.22	0.62
EE	n.a.			n.a.		
IL	5.59	2.62	11.94	0.31	0.16	0.58
Total	3.98	3.36	4.71	0.30	0.26	0.35

Source: SHARE wave 5 (release 5.0.0), May 2016.

Note: According to the households’ codes as presented in Table 2, “household with at least one female homemaker” includes households with codes “4”; “1.4”; “3.4” & “4.4”. “Households with at least one member pensioner from public sector” includes households with codes “2”; “1.2”; “2.2” & “2.3”.

When the comparison is limited between groups with two incomes, the presence of a public sector worker improves the situation relative to other comparisons. It is important to notice that public pensioner households are not in the bottom 25% and can make ends meet much more easily. Furthermore, dual pensioner households with a public presence fare much better than all the other dual pensioner households virtually everywhere (Table 8). Homemaker households are worse off in most of the countries, though less so in the Nordic countries, and in cases dramatically so (Table 9). Steady incomes, for example, make borrowing for home ownership easier.

The presence of two incomes in a household has an important effect in making ends meet easily, even taking account the income effect (being able *to afford* not to work). This advantage is more marked in the countries where dual income households are more common

(North and Centre) and less so in the South and East. We must remember that male breadwinner households were the norm in Europe a generation ago – reflected to a larger extent among the countries where change has been less rapid.

Table 8. Household’s income status and make ends meet-related odds ratios: The dual pensioner effect (households with at least two pensioners of whom one from the public sector), compared with other dual pensioner households

Reference group: Households with at least 2 pensioners, one from public sector						
<i>vis-à-vis: household with at least two pensioners, none from public sector</i>						
country	Bottom 25% Equivalent Income			Makes ends meet easily		
	OR	CI 95%		OR	CI 95%	
SE	1.63	0.98	2.70	1.43	0.83	2.44
DK	2.18	1.26	3.77	0.48	0.26	0.89
NL	3.52	1.51	8.19	0.42	0.18	0.99
DE	2.06	1.26	3.38	0.57	0.36	0.89
BE	2.62	1.27	5.41	0.32	0.16	0.62
LU	1.11	0.27	4.48	1.01	0.24	4.17
FR	3.28	1.60	6.71	0.52	0.31	0.87
CH	3.99	0.86	18.55	0.83	0.26	2.64
AT	3.78	1.24	11.52	0.68	0.35	1.33
IT	4.49	1.81	11.18	0.47	0.28	0.80
ES	n.a.			1.56	0.55	4.41
CZ	1.35	0.90	2.02	0.53	0.39	0.73
SI	1.88	1.03	3.41	0.54	0.33	0.87
EE	0.81	0.40	1.66	0.82	0.55	1.22
IL	0.70	0.20	2.48	0.74	0.21	2.59
Total	2.19	1.69	2.84	0.53	0.43	0.65

Source: SHARE wave 5 (release 5.0.0), May 2016.

Note: “household with at least 2 pensioners, none from public sector” includes “1.1”; “1.3” & “3.3” codes. “Households with at least two pensioners, one from public sector” includes “1.2”; “2.2 & “2.3”.

Table 9. Household’s income status and make ends meet-related odds ratios: The cost of the male breadwinner model (households with at least two pensioners compared to household with one male pensioner and one homemaker)

Reference group: Households with at least two pensioners						
<i>vis-à-vis: household with one male pensioner and one homemaker</i>						
country	Bottom 25% Equivalent Income			Makes ends meet easily		
	OR	CI 95%		OR	CI 95%	
SE	n.a.			n.a.		
DK	n.a.			n.a.		
NL	1.32	0.85	2.07	1.16	0.67	2.00
DE	2.23	1.39	3.59	0.64	0.39	1.05
BE	4.74	3.25	6.92	0.56	0.37	0.83
LU	3.03	1.50	6.13	1.02	0.43	2.43
FR	5.15	2.95	8.98	0.77	0.44	1.35
CH	1.57	0.90	2.76	1.46	0.53	4.01
AT	5.12	3.35	7.83	0.52	0.32	0.83
IT	3.01	2.12	4.26	0.35	0.26	0.48
ES	6.82	3.64	12.77	0.39	0.27	0.58
CZ	n.a.			n.a.		
SI	7.27	3.65	14.48	0.26	0.13	0.51
EE	n.a.			n.a.		
IL	2.92	1.28	6.63	0.27	0.12	0.59
Total	2.69	2.30	3.14	0.38	0.33	0.44

Source: SHARE wave 5 (release 5.0.0), May 2016.

Note: “household with one male pensioner and one homemaker” includes households with codes “1.4”; “2.4” and “3.4”. “Households with at least two pensioners” includes households with codes “1.1”; “1.2”; “2.2”; “1.3”; “2.3” and “3.3”.

6. Conclusions

It appears that the dominance of the public sector that characterized the first decades after the Second World War has left a legacy in the form of a more comfortable old age Europe. This is translated into retirees who are healthier, richer and happier than their counterparts in the private sector. This could be an echo of better conditions and more generous benefits during working lives. It is significant though that the filter of pension systems and health care systems ostensibly organized around need do not correct fully the preexisting inequality. As a result in the current European older population the public sector as an employer is still an important feature for overall well-being.

Women homemakers are subject to a different kind of legacy. Their problematic involvement with the labor market translates to a permanent disadvantage at older ages, visible both in individual outcomes but also in their families.

7. Acknowledgement

This paper uses data from SHARE Wave 5 (DOI: 10.6103/SHARE.w5.500).

The SHARE data collection has been primarily funded by the European Commission through FP5 (QLK6-CT-2001-00360), FP6 (SHARE-I3: RII-CT-2006-062193, COMPARE: CIT5-CT-2005-028857, SHARELIFE: CIT4-CT-2006-028812) and FP7 (SHARE-PREP: N°211909, SHARE-LEAP: N°227822, SHARE M4: N°261982). Additional funding from the German Ministry of Education and Research, the U.S. National Institute on Aging (U01_AG09740-13S2, P01_AG005842, P01_AG08291, P30_AG12815, R21_AG025169, Y1-AG-4553-01, IAG_BSR06-11, OGHA_04-064) and from various national funding sources is gratefully acknowledged (see www.share-project.org).

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