

Two Worlds of Retirement Income

A Comparative Analysis of Retirement Outcomes Using the Luxembourg Income Study

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Objectives: This paper examines whether retirement-income systems allow older individuals to enjoy socially acceptable income levels independent of paid work (decommodification) and the family (defamilialization). Little research has investigated the degree to which decommodification and defamilialization levels, whether from public or private sources, vary by age.

Methods: We employ the Luxembourg Income Study to compare Canada, Finland, France, Germany, Sweden, and the United States. This study applies the Pythagorean Theorem to measure autonomy, then explores whether members experience decommodification and defamilialization levels predicted for their system.

Results: Sweden and Canada provide highest autonomy levels, Finland, France, and the United States provide moderate levels, and Germany low levels. We find age polarity: Swedes and Finns who are decommodified and defamilialized tend to be younger than age 70. Individuals who are decommodified and defamilialized through the retirement-income systems of Canada, France, Germany, and the United States, however, tend to be older than age 75.

Discussion: Some experts contend systems have converged, yet retirement-income systems do not produce similar autonomy levels. Outcomes for system members vary by age, suggesting reformers cannot take “one size fits all” approaches.

Introduction and Objectives

An aging population is a goal for most societies. The fact that more and more people are living longer suggests social policy programs are meeting people's needs and improving life chances. Aging populations, however, are a concern (Myles 2002). As people live longer, larger numbers of people are anticipated to rely on government-sponsored programs after they leave the paid labor market (Disney 1996, 1-4; Diamond 1996, 226; OECD 1998; Munnell 2000, 3, 6; Jenson and Sineau 2001). This age strain is expected to challenge the sustainability of social programs like public pensions (World Bank 1994, 25-31; Schieber and Shoven 1996, 373). Private pensions and other sources are looked to supplement or even replace public pension plans (Ball with Bethell 1997, 281; Gruat 1997; Gruber and Wise 1999; National Research Council 2001, 103; Report of the President's Commission 2001; Steuerle 1998, 125-171). On the other hand, many scholars and analysts have pointed to weaknesses in public pension programs, including difficult eligibility rules and inadequate benefits (Orloff 1993; Sundén 2000). To comprehend these problems, some scholars recommend focusing on retirement-income systems, rather than separating public and private retirement-income provision, to evaluate alternate approaches to retirement-income provision (Graetz 1987; Gran 2002).

Two concepts useful for comparing achievements of retirement-income systems are decommodification and defamilialization. Decommodification is typically defined as the degree to which an individual can maintain a socially acceptable standard of living independent of the paid labor market (Esping-Andersen 1990, 47-54, 128-9). Defamilialization is the degree to which an individual can maintain a socially acceptable standard of living independent of the family (Esping-Andersen 1999, 45). In this paper

we employ the Luxembourg Income Study Database to examine whether decommodification and defamilialization levels match outcomes predicted by welfare state typologies. We explore whether members of each retirement-income system experience decommodification and defamilialization levels associated with their system, whether arising from public or private sources. Little research has investigated the degree to which decommodification and defamilialization levels vary by age (see Moon 1997; Hurd 1997, 223). We anticipate that age groups will experience different decommodification and defamilialization levels across retirement-income systems.

Decommodification, Defamilialization, and Welfare State Typologies

Typologies of welfare states can help the researcher identify essential differences and important similarities. As Esping-Andersen (1999, 73) has noted, “[t]ypologies can help researchers see the forest for the trees.” In his book, *The Three Worlds of Welfare Capitalism*, Esping-Andersen (1990, 50-54) makes a valuable contribution by comparing welfare regimes according to the degree they decommodify. As Esping-Andersen notes, the concept of decommodification is found in the works of Offe. Offe (1984, 45) identifies decommodified benefits as “determined directly by political or institutional means.” Decommodification is “the withdrawal and uncoupling of an increasing number of social areas and social groups (surplus labour power) from market relations...”(Offe 1984, 61). Decommodification replaces “contract” with “status” and “property rights” with “citizen rights” (Offe 1984, 197). Welfare benefits are not provided on the basis of what someone can receive from the paid labor market (Offe 1984, 26). For Offe, decommodification seems to arise when a person receives a benefit on the basis of status in the socio-political system rather than the socio-economic system.

In his 1990 book Esping-Andersen (1990, 37) defines decommodification as the degree to which an individual can maintain a socially acceptable standard of living independent of the market. Esping-Andersen's definition embraces Offe's focus on market independence, but highlights the necessity of acceptable living standards. A public pension cannot provide market independence if its benefit does not provide an alternative to market participation. Decommodification for Esping-Andersen therefore has two criteria: Does an individual qualify for a benefit on the basis of factors external to the paid labor market? Does the benefit permit the recipient to maintain a socially acceptable standard of living without turning to the paid labor market? Esping-Andersen's notion also suggests *degrees* of decommodification. Some sources of retirement income can provide higher levels of decommodification than others. An example is a public pension that only requires an individual to be a citizen or long-term resident. Such a pension does not require a direct contribution to the pension system or participation in the paid labor market. To decommodify, however, this public pension benefit must also provide a socially acceptable standard of living.

While widely praised and viewed an important contribution, Esping-Andersen's three worlds typology was considered incomplete. One criticism is that Esping-Andersen failed to evaluate the institutions affecting socio-economic status besides the state and market, such as the family (Orloff 1993). Orloff (1993) suggested that commodification can have a liberating effect, providing independence from reliance on the family. Hernes (1984, 27) suggests that women's commodification combined with decommodification through welfare benefits "have served to undermine the economic importance of the family for women, by weakening men's provider status." Diane Sainsbury (1994, 1999) contends that social rights typically are either "familialized" or

“individualized.” In some welfare states an individual is entitled to a public pension benefit, for instance, on the basis of her family obligations. In other welfare states this entitlement is not associated with family relationships, but is solely gained on the individual’s qualifications. O’Connor (1993) argues for supplementing decommodification with the concept of personal autonomy. Personal autonomy “refers to insulation from personal and public dependence and is central to unravelling the complexity of the relationship amongst state, market and family” (O’Connor 1993, 515). Esping-Andersen (1999, 45) studies defamilialization, by which he means “policies that lessen individuals’ reliance on the family; that maximize individuals’ command of economic resources independently of familial or conjugal reciprocities.” We prefer defamilialization because of its parallel to decommodification (cf. O’Connor, Orloff, and Shaver 1999, 32-33). We are sympathetic to the concerns voiced by O’Connor, Orloff, and Shaver (1999, 32-33) that defamilialization implies a preference for “no families,” what they call substantive autonomy. Yet employing together both decommodification and defamilialization better captures the notion of autonomy. Autonomy implies emancipation from reliance on the market and the family. Autonomy does not mean disengagement from or avoidance of, but the ability to enjoy a socially acceptable level of income without relying on the market or family.

Esping-Andersen (1999) responds to some of these criticisms through his recent and important typology of welfare “regimes.” “Regimes’ refers to the ways in which welfare production is allocated between state, market, and households” (1999, 73). Esping-Andersen suggests that three kinds of regimes are found in western democracies: Liberal, Conservative, and Social Democratic. Esping-Andersen offers an analysis of the roles of the family, market, and state in these three regimes. To mitigate

social risks, Liberal regimes employ the market, Conservative regimes first rely on the family and then the state, and Social Democratic regimes use the state. When predicting individual outcomes associated with each regime, his typology concentrates on decommodification, which he defines as “the degree to which welfare states” (1999, 43) “minimize or altogether abolish market dependency” (1999, 78-79). Considering degrees of decommodification, Liberal regimes provide a minimal level, Conservative regimes provide a high level for the breadwinner, and Social Democratic regimes provide the maximum level (Esping-Andersen 1999, 85). Esping-Andersen also differentiates welfare regimes according to potential defamilialization levels. Conservative regimes tend to rely on the family, while Liberal and Social Democratic regimes do not.

In this paper we conjecture on individual outcomes considering Esping-Andersen’s typology of welfare regimes. We study levels of decommodification and defamilialization, responding to Esping-Andersen’s notion of degrees of decommodification and defamilialization. This paper evaluates the ease by which an individual qualifies for an income source and the extent to which an income source allows maintenance of a socially acceptable income level. An important contribution this paper makes is to step beyond the public and private labels of income sources. For instance, it is easy to assume that a public income source will decommodify and defamilialize more than a private source. Instead of accepting this assumption, we take a closer look, determining that some public pension programs have qualifying conditions similar to private pension programs that are difficult to meet, such as forty years of paid work. Focusing on these two concepts will allow us to identify collaboration, intentional or not, among retirement-income sources.

We anticipate that members of Liberal regimes will rely on market sources of retirement income (see Table 1).

Table 1 Decommodification and Defamilialization by Welfare Regimes

Decommodification → Defamilialization ↓	No	Yes
No		Conservative (France, Germany)
Yes	Liberal (Canada, USA)	Social Democratic (Finland, Sweden)

Individuals without market income turn to the state, which will provide meager benefits. Liberal regimes are not expected to decommodify, but are expected to defamilialize their members. In Conservative regimes, individuals will also receive substantial retirement income from the state. Conservative welfare regimes provide high decommodification levels, but only to the “breadwinner,” according to Esping-Andersen (1999, 85). Conservative welfare states have a subsidiarity role; families are expected to have an important role in older-age support. Conservative welfare regimes are expected to decommodify but not defamilialize their members. Individuals living in Social Democratic regimes will receive substantial retirement income from the government. Market and family sources of retirement income should not make a substantial contribution to retirement income in these welfare states. Social Democratic regimes are expected to decommodify and defamilialize their members.

Data and Country Selection

To examine these issues, quantitative analyses of LIS data are undertaken. Directed by Timothy Smeeding, Lee Rainwater, and John Coder, LIS is a cooperative research project with a membership that includes twenty-five countries in Western Europe, Eastern Europe, North America, Asia, and Oceania. The government of the Grand Duchy of Luxembourg sponsors LIS. LIS contains four separate “waves” of

datasets, with wave five under way. We focus on Wave IV for two reasons. First, Wave IV is the most recent; datasets are for the mid-1990s. Second, LIS has made available new variables only for Wave IV. These new variables decompose some of the LIS income variables. For instance, the variable for “private pensions” allows the researcher to distinguish between occupational pension income and income from other “private pensions.” The decomposed variable for “other private income” distinguishes between income from family and income from charities. Because we are focusing on all sources of retirement income rather than only pensions (Hedström and Ringen 1990), the decomposition of these variables is essential to this research. We use household-level variables rather than person-level variables because of the greater number of and complexity of the household-level variables available in the LIS dataset. For four reasons, we examine one-person household units over age sixty five. First, researchers have suggested that income variation exists among older individuals who live alone. Disney and Whitehouse’s (2002, 5) study of eight countries (Australia, Canada, France, Germany, Italy, the Netherlands, the United Kingdom, and the United States) demonstrates that single older women tend to have lower incomes than married older couples, but single older men tend to enjoy incomes higher than older married couples. Second, older individuals who live alone tend to experience poverty. Smeeding (2001, Table 3) finds that older women living alone are about 49% of all poor persons in Australia, Canada, France, Germany, the Netherlands, Sweden, the United Kingdom, and the United States. Third, older individuals who live alone make up a large proportion of older individuals. For the United States in 1994, 31% of women and 13% of men age 65 to 74 lived alone and over age 75 52% of women and 21% of men lived alone.

Fourth, focusing on older individuals who live alone minimizes the impact of household-income influences.

For this project we focus on the datasets of six countries: Canada, Finland, France, Germany, Sweden, and the United States. These six countries represent a variety of approaches to retirement-income provision. As mentioned above, Gøsta Esping-Andersen (1990, 1999) describes three welfare-state approaches in his books, *The Three Worlds of Welfare Capitalism* and *Social Foundations of Postindustrial Economies*: Liberal, Conservative, and Social Democratic welfare regimes. Esping-Andersen characterizes Canada and the United States as Liberal welfare regimes, France and Germany as Conservative welfare regimes, and Finland and Sweden as Social Democratic welfare regimes. One question we will answer is whether these countries fit Esping-Andersen's typology when we examine individuals age 65 and older. For instance, despite its classification as a Liberal regime, the Canadian retirement-income system includes a universal benefit provided on the basis of long-term residency. The U.S. Social Security retirement pension resembles a Conservative approach to retirement income because the benefit is provided on the basis of years worked; it helps maintain socio-economic status. Finland and Sweden are characterized as Social Democratic welfare regimes. Yet both Sweden's and Finland's public systems include an earnings-related pension that is based on years worked and level of earnings. France and Germany are characterized as Conservative welfare regimes, but France's public system offers a means-tested, old-age benefit that Liberal regimes are expected to provide.

Rather than strictly focus on public pension programs or examine how private pension programs complement public pension programs, we examine retirement-

income systems. By retirement-income systems we mean sources of income people typically rely on when entering formal retirement ages. Retirement-income systems include public and private pension programs, but may include other public income programs and private income sources, including family support (Ungerson 2000, 71, 75-77). In this paper we study income sources people often receive during older age.

Methods

We first characterize each country's retirement-income system according to a single measure by which it decommodifies and defamilializes older individuals, which we call autonomy on the basis of O'Connor's idea of personal autonomy. We then determine whether all individuals in each country experience similar levels of decommodification and defamilialization, or do groups of individuals experience disparate levels?

To measure the levels of decommodification and defamilialization a retirement-income system produces, we measure the proportion of the population living at or above socially acceptable income levels that receives income from specific sources that we characterize by decommodification and defamilialization potentials. We measure decommodification potential by characterizing income sources according to their ability to decommodify. The scale we use to measure for decommodification runs from 0 to 5, with 5 equal to full decommodification and 0 equal to commodification. This scale is selected because we conceptualize degrees of decommodification in accordance with previous research (see below for discussion of degrees). We take the same approach to defamilialization. The denominator represents socially acceptable income levels, which we measure as one-half of the median income for individuals age 18 and older. This

denominator is commonly employed in research on decommodification and defamilialization (Sainsbury 1996, 75).

For purposes of this analysis, degrees of decommodification are characterized as decommodification, conditional decommodification, work-obligation decommodification, work-based decommodification, and commodification. A benefit that conditionally decommodifies has one non-work condition placed on its receipt. For instance, the receipt of the benefit is available to all individuals whose incomes are below a government-established level. A work-obligation benefit is available to recipients who have participated in the paid labor market. The benefit they receive, however, is not linked to the length of time worked or earnings. A work-based benefit is based on length of time worked and earnings. The last conceptual degree of decommodification is commodification, which is income from paid work.

Degrees of defamilialization for this analysis are defamilialization, conditional defamilialization, legal-obligation defamilialization, and familialization. An income source that conditionally defamilializes has one family-connected condition. For instance, the state provides an income source to an individual on the basis of her family role, such as the status of widow. An income source that arises from a legal obligation connected to the family is less defamilializing. An example is child support paid by a non-custodial parent whose legal obligation extinguishes upon the child reaching majority, the non-custodial parent's death, or the state terminating the obligation. An income source that familializes is only available to a family member and is not mandated by the state. Income provided by a parent to a child or from one spouse to another, without state-sanctioned obligation, is based on family relationships and arrangements.

To produce a single measure of autonomy based on degrees of decommodification and defamilialization, we use the Theorem of Pythagoras. The claim of the theorem is that $c^2 = a^2 + b^2$, where c is the length of the triangle's hypotenuse and a and b are the length of the triangle's sides. The "a" side measures the degree to which the retirement-income system decommodifies. "A" represents the difference between pure decommodification and the average decommodification level for an individual age 65 and older. The "b" side measures the degree to which the retirement-income system defamilializes. "B" is the difference between pure defamilialization and the average defamilialization level for an individual age 65 and older. The hypotenuse represents the degree to which the retirement-income system succeeds in both decommodifying and defamilializing, that is, provides autonomy. The hypotenuse is the side of the right triangle opposite the vertex of the right angle formed by the decommodification and defamilialization axes. "C" is the hypotenuse and represents autonomy. Therefore, a system that provides autonomy, that is, complete decommodification and defamilialization, would score 7.07:

If $a = 5$ and $b = 5$, then $c^2 = a^2 + b^2 = (5)^2 + (5)^2 = 50$, so that $c = 7.07$.

If a country does not decommodify or defamilialize at all it scores 0:

If $a = 0$ and $b = 0$, then $c^2 = a^2 + b^2 = (0)^2 + (0)^2 = 0$, so that $c = 0$.

We then multiply each separate measure by the proportion of income available for that source. A high score means that the average income for an individual older than age 65 for that country is both decommodified and defamilialized.

We offer an example to illustrate. Suppose the Swedish retirement-income system typically provides socially acceptable income levels from eight primary income sources: a flat-rate, universal pension (60% of half-median income), a supplementary

public pension (69% of half-median income), an earnings, career-related private pension (16% of half-median income), wages (12% of half-median income), and an invalid care benefit (17% of half-median income). A flat-rate pension decommodifies and defamilializes because it is universally provided. Income from this flat-rate pension receives a score of 7.07 (5 for decommodification, 5 for defamilialization). We multiply the 60% times 7.07, which equals 4.242. A supplementary old-age benefit defamilializes, but conditionally decommodifies because it is income tested. Income from this supplemental benefit receives a score of 6.4 (4 for decommodification, 5 for defamilialization). We multiply the 69% times 6.4, which equals 4.416. A private pension defamilializes but its decommodifying potential is limited by how long the individual worked and the typical size of her earnings. Income from this private pension receives a score of 5.39 (2 for decommodification, 5 for defamilialization). We multiply the 16% times 5.39, which equals .8624. Finally, an individual can continue to work in the paid labor market. She will be defamilialized but commodified. Earnings receive a score of 5 (0 for decommodification, 5 for defamilialization). We multiply the 12% times 5, which equals .6. An invalid care premium is received because an individual provides care to a family member; therefore the recipient receives it through doing work for a family member. We multiply the 17% times 3.61 (3 for decommodification, 2 for defamilialization), which equals .6137. We then add each amount to receive an autonomy score. For this example, the autonomy score would equal 10.7341.

An example of an income source that decommodifies but familializes is income received from a family member. The income is not received from paid work, but the individual receives the income based on a relationship with the family member (5 for decommodification, 0 for defamilialization). Some income sources decommodify but

conditionally defamilialize (5 for decommodification, 4 for conditional defamilialization). An example is a government benefit, such as a widow's public pension, received on the basis of a relationship to a family member. An individual receives this public benefit not on the basis of paid work (decommodifies), but because of a family relationship (spouse). This benefit is available for as long as the government sponsors it.

Results: Characterizations of Retirement-Income Systems

We first compare autonomy levels with Esping-Andersen's typology of welfare state regimes, discovering that some regimes' autonomy levels do not seem to match typologies. Table 2 presents overall autonomy scores for retirement-income systems based on the Theorem of Pythagoras. It is important to note that the autonomy levels are based on older individuals who live alone. Analyses of older individuals living with others may produce different autonomy levels. Furthermore, the autonomy scores we present are in the aggregate. A question after presenting these autonomy scores is whether all older individuals who live alone experience these autonomy levels.

We first note that one Liberal regime, the United States, matches Esping-Andersen's typology. Canada, a Liberal regime, and Sweden, a Social Democratic regime, produce similar autonomy levels. Although Sweden is expected to produce a high level of autonomy considering Esping-Andersen's typology, Canada is not, yet its autonomy level is second highest. As a Social Democratic regime, Finland is also expected to produce high autonomy levels, but Finland produces only a moderate level. As a Conservative regime, France is expected to produce a moderate autonomy level, which it does relative to the other countries. Germany, contrary to its characterization as a Conservative regime, produces the lowest level.

Table 2: Welfare Regimes and Autonomy Levels

Country	Regime and Autonomy Expectation	Autonomy Level
Canada	Liberal-Social Democratic: Low or High?	8.9243
Finland	Social Democratic: High	6.1087
France	Conservative: Moderate	6.8284
Germany	Conservative: Moderate	5.7004
Sweden	Social Democratic: High	10.8224
USA	Liberal: Low	7.0601

A Conservative regime, according to Esping-Andersen, should provide high decommodification levels. Do all Germans experience this autonomy level? Likewise, do all Canadians and Swedes experience high levels of autonomy?

Patterns of Age Across Retirement-Income Systems

Socially Acceptable Income Levels

Patterns by age emerge when we examine degrees of decommodification and defamilialization. One pattern is found between those who are fully defamilialized and individuals who are not. Individuals who are not fully defamilialized tend to be age 70 or older.

Table 3: Patterns by Age: Socially Acceptable Income Levels And Above

Decommodification Defamilialization Canada 75.92 Finland 69.45 France 78.99 Germany 75.01 Sweden 67.8 USA 76.65	Decommodification Conditional Defamilialization	Decommodification Legal Obligation Defamilialization France 75.08 USA 70	Decommodification Familialization France 70.44
Conditional Decommodification Defamilialization Canada 73.4 Germany 78.62 Sweden 70.82 USA 75.16	Conditional Decommodification Conditional Defamilialization Canada 73.56	Conditional Decommodification Legal Obligation Defamilialization	Conditional Decommodification Familialization
Work-obligation	Work-obligation	Work-obligation	Work-obligation

Decommodification Defamilialization Canada 66.16 Finland 75.06 France 76.08 Germany 74 USA 77.5	Decommodification Conditional Defamilialization France 76.72 Germany 78.07	Decommodification Legal Obligation Defamilialization	Decommodification Familialization
Work-based Decommodification Defamilialization Canada 73.4 France 75.28 Germany 66 Sweden 68.61	Work-based Decommodification Conditional Defamilialization Germany 76.72 USA 74.37	Work-based Decommodification Legal Obligation Defamilialization Finland 72.87	Work-based Decommodification Familialization
Commodification Defamilialization Canada 69.82 Finland 75.62 France 69.48 Germany 66.66 Sweden 67.31 USA 70.79	Commodification Conditional Defamilialization	Commodification Legal Obligation Defamilialization	Commodification Familialization

We find age polarity when examining defamilialization scores. Swedes and Finns living alone who are decommodified and defamilialized tend to be younger than age 70.

Individuals who are decommodified and defamilialized through the retirement-income systems of Canada, France, Germany, and the United States, however, tend to be older than age 75.

We examine outcomes by considering which categories contain the youngest and oldest average ages. For the retirement-income systems of the United States and France, we find the category with the youngest average age is decommodified but not defamilialized. They are either familialized (France) or defamilialized through a legal obligation (USA). For the other Conservative system, Germany, and Liberal system, Canada, the categories for the youngest average age are defamilialized but less decommodified. The youngest average age for Canada is found in the work-obligated decommodification and for Germany the work-based decommodification categories. The category with the youngest average age for Finland is decommodification and

defamilialization. For the other Social Democratic retirement-income system, Sweden, this category has the second lowest average age. The lowest average age for the Swedish retirement-income system is found in the category of defamilialization and commodification. Among Sweden’s older population, younger individuals are working but not reliant on family income.

As mentioned, individuals who are older tend to be defamilialized, but their decommodification level varies. The category with the oldest average age for the Canadian and French retirement-income systems is decommodification and defamilialization, but is conditional decommodification and defamilialization for the German and Swedish retirement-income systems. Finally, the oldest average age for the U.S. and Finnish retirement-income systems are defamilialization and work-obligation decommodification and commodification, respectively.

Socially Unacceptable Income Levels

Patterns by age are found when we examine less than socially acceptable income levels.

Table 4: Patterns by Age: Below Socially Acceptable Income Levels

Decommodification Defamilialization Canada 74.47 Finland 75.29 France 76.36 Germany 77.17 Sweden 76.93 USA 76.57	Decommodification Conditional Defamilialization Finland 75.23	Decommodification Legal Obligation Defamilialization Canada 74.49 Finland 75.23 France 76.44 Germany 77.13 USA 76.58	Decommodification Familialization Finland 75.23 France 76.46 Germany 77.13 USA 76.58
Conditional Decommodification Defamilialization Canada 74.57 Finland 75.23 France 76.44 Germany 77.12 Sweden 78.32 USA 76.58	Conditional Decommodification Conditional Defamilialization Canada 74.49 Finland 75.26 France 76.44 Germany 77.13 Sweden 76.8	Conditional Decommodification Legal Obligation Defamilialization None	Conditional Decommodification Familialization None
Work-obligation	Work-obligation	Work-obligation	Work-obligation

Decommodification Defamilialization Canada 74.49 Finland 75.26 France 76.44 Germany 77.13 Sweden 76.8 USA 76.53	Decommodification Conditional Defamilialization Canada 74.49 Finland 75.23 France 76.44 Germany 77.08	Decommodification Legal Obligation Defamilialization Sweden 76.8	Decommodification Familialization None
Work-based Decommodification Defamilialization Canada 74.57 Finland 75.23 France 76.26 Germany 77.13 Sweden 76.77 USA 76.58	Work-based Decommodification Conditional Defamilialization Germany 77.20 USA 76.72	Work-based Decommodification Legal Obligation Defamilialization Finland 76.3	Work-based Decommodification Familialization None
Commodification Defamilialization Canada 74.53 Finland 75.23 France 76.49 Germany 77.33 Sweden 76.9 USA 76.78	Commodification Conditional Defamilialization None	Commodification Legal Obligation Defamilialization Sweden 76.8	Commodification Familialization None

Across retirement-income systems, individuals who receive socially unacceptable income levels are typically older than individuals who receive socially acceptable income levels. On average, these individuals are older than age 74.

Some categories, empty for socially acceptable income amounts, contain retirement-income systems when we examine income below socially acceptable levels. Indeed, some categories of socially unacceptable income levels contain all six retirement-income systems. When we examine defamilialization and varying degrees of decommodification, all six retirement-income systems are sources of socially unacceptable income levels. Some categories of socially acceptable income levels were empty, but for socially unacceptable levels, contain Social Democratic retirement-income systems. The Finnish system provides socially unacceptable levels of income across seven categories that were empty for socially acceptable levels. Focusing on the

category of legally-obligated defamilialization, in considering levels of decommodification, Sweden employs a work-obligated income source and a commodifying source. Although these categories do not produce substantial incomes, they are part of the Social Democratic retirement-income system.

We highlight three other categories that include additional retirement-income systems. Conditional decommodification and defamilialization adds Finland, France, Germany and Sweden. Decommodification and legal-obligation defamilialization adds Canada, Finland, Germany and the United States. Although not contributors to socially acceptable levels, the retirement-income systems of Finland, Germany, and the United States do employ income sources that potentially decommodify but familialize. Family sources typically are not large contributors to retirement income in these systems. These results suggest that these categories contribute to retirement-income systems, but on average do not make important contributions.

We examine outcomes by considering which categories contain the youngest and oldest average ages. Considering socially unacceptable income levels, a Liberal, Conservative, and Social Democratic system employs a category that defamilializes but offers less than full potential decommodification. We find the category with the youngest average age is defamilialized but work-based decommodified for France and Sweden and work-obligated decommodifying benefit for the United States. Younger individuals are receiving funds from these categories, but not at levels to provide autonomy. For the Liberal Canadian system, the youngest average is found in the decommodification and defamilialization category. For the other Conservative system, Germany, the category for the youngest average age is work-obligation decommodification and conditional defamilialization. For Finland, the youngest average age is found in different categories,

suggesting this Social Democratic system employs a variety of income sources, but many do not provide autonomy.

As mentioned, individuals who are older tend to be defamilialized. For all retirement-income systems we examine, our suspicions of fit for retirement-income systems in welfare regime typologies are supported. The Social Democratic Swedish system resembles the Canadian system, in which oldest individuals typically receive income that is defamilialized but conditionally decommodifies. The U.S. system takes the approach of Conservative systems of France and Germany, which is to commodify but defamilialize. Older individuals continue to work, although the income level from work is not socially acceptable. Oldest individuals of the Finnish retirement-income system receive unacceptable levels of income that have a work basis and a legal basis in terms of defamilialization.

Discussion and Conclusion

Esping-Andersen's characterization of welfare regimes receives mixed support when considering whether retirement-income systems belong to welfare regimes on the basis of decommodification and defamilialization levels. Sweden as a Social Democratic regime does provide a high autonomy score as Esping-Andersen's typology suggests. This Social Democratic regime appears to defamilialize but modestly decommodify. The Conservative regime of Germany receives the lowest autonomy score, yet seems to imitate in some ways the Sweden regime's ability to decommodify. Its ability to defamilialize, on the other hand, seems weaker compared to Sweden. Liberal regimes were hypothesized not to decommodify but would defamilialize their older members. The results provide mixed support for this hypothesis. The retirement-income system of Canada provides the second highest autonomy level. Compared to Sweden and

Germany, members of the Canadian regime experience varying levels of decommodification and some are slightly less defamilialized than the Swedes. Finland, a Social Democratic regime, and France, a Conservative regime, share similar autonomy scores (see Lomax 2002 for thorough discussion of Finland's characterization as Social Democratic regime). Examining decommodification and defamilialization outcomes suggest that some members of both regimes do not experience high levels of decommodification and defamilialization. The United States scores an autonomy score comparable to France and Finland. Taking a look at its decommodification and defamilialization scores, however, some older individuals in the United States do not enjoy high levels of defamilialization.

Does Esping-Andersen's typology of welfare regimes capture the socio-economic experiences of older individuals? Esping-Andersen's typology suggests a Conservative system would produce a moderate autonomy level, which is found for France, but Germany scores lower on autonomy than the other retirement-income systems. As anticipated, Sweden and Canada score generous autonomy levels. Canada's retirement-income system has a similar structure to Sweden's. The U.S. Liberal retirement-income system does produce low autonomy levels. In sum, Esping-Andersen's typology fits the retirement-income systems that are based on the models underlying his characterization of the welfare regimes. A closer look, however, suggests that the retirement-income systems of some welfare regimes do not match his models, such as Canada (Myles and Pierson 1997) and Finland (Lomax 2002).

Examining whether all older individuals who live alone share in these autonomy levels raises questions for Esping-Andersen's typology. When studying retirement-income systems, it is first important to consider autonomy levels. The two regimes

sharing universal, flat-rate pensions score highest: Canada and Sweden. The four other regimes in which work is more important to retirement-income outcomes share lower autonomy scores. Yet an undivided focus on decommodification hides important differences. Individuals who are decommodified and defamilialized tend to be older individuals, except in Social Democratic regimes.

Our results suggest two worlds of retirement-income systems differentiated by whether the retirement-income system provides socially acceptable income levels. Each of these worlds is bifurcated. Focusing on socially acceptable income levels, with the exception of Sweden, in one world of less than full decommodification and defamilialization are individuals older than age 70. In the other world of defamilialization and varying degrees of decommodification are the oldest individuals this study examines. The other world of socially unacceptable income levels only contains individuals age 74 and older.

Before scholars and analysts can identify ways to reach one world of retirement-income systems, we need to answer important questions. One question to answer is why individuals who receive socially unacceptable income levels from different categories typically are age 74 and older. Perhaps the most important question to answer is why individual members of the same retirement-income system experience dramatically different levels of decommodification and defamilialization.

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