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GERMANY'S SOCIAL POLICY CHALLENGE
PUBLIC INTERGENERATIONAL TRANSFERS IN LIGHT OF DEMOGRAPHIC CHANGE

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Declaration

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Berlin and London, 11 January 2011   *Harald Wilkoszewski*

Abstract

This dissertation addresses the question of to what extent growing numbers of older people who might have similar preferences regarding public intergenerational transfers (family and pension policies) will limit the scope of future social policy reforms in Germany. We are interested in to what extent the shift in the country's demography will trigger a so-called "gerontocracy."

As a theoretical framework, we combine Mannheim's concept of political generations with a demographic life-course approach. According to Mannheim, growing numbers of a societal group, combined with unified preferences within the group, enhance the group's political power.

To empirically test this hypothesis, we use three analytical steps:

First, we analyse the future age composition of the German population, including familial characteristics, using a micro-simulation approach. The results suggest that the number of older people will grow substantially over the coming decades, particularly the share of older people who will remain childless and who will not be married.

Second, we analyse preferences regarding redistributive social policies according to age, parity, and marital status, based on recent survey data. Generalised Linear Models and Generalised Additive Models are applied to examine what the effects of demographic indicators are on these preferences. Results show that older people are less in favour of transfers to the younger generation than their younger counterparts. This is particularly true of childless interviewees.

Third, we explore the extent to which these developments are likely to have an impact on the political sphere. How do policy makers perceive ageing and the preference structures found? How do elderly interest groups define their roles in light of these results? In-depth interviews with these stakeholders provide a mixed picture: whereas most interviewees are convinced that older people have gained in power due to their bigger population share, there is little awareness of differences in policy preferences between various demographic groups.

The biggest challenge for social policy makers is, therefore, to find ways to mediate between these interests. If they fail to do so, a conflict of generations might become a realistic scenario for Germany.

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I   Introduction

1   The current discourse on relations between the generations

Over the past decade, the discourse on demographic change has gained momentum in many developed countries, especially in Europe. When it began, the discussion centred around the question of how to influence population ageing using political means, e.g., by raising fertility levels or allowing for higher levels of immigration. Now, however, political decision makers seem to be more concerned about the consequences that demographic trends may have for societal dynamics, especially intergenerational relations.

This is particularly evident in Germany, where the latest pension increase has provoked a discussion about whether the country is about to become a "gerontocracy," i.e., a system in which political power is concentrated in the hands of the elderly, as this group represents an increasing share of the electorate due to population ageing. A further basic assumption of this scenario is that the elderly use their (implicit and explicit) political power to control public resources in their own interests, and in opposition to the needs of the young.

On the other hand, older people also seem to be under increasing societal and political pressure: retirees are being held responsible for the current financial problems of the social security system, as well as the future debts of the younger generation. As a consequence, there have been a range of political reforms which aim at cutting costs stemming from transfers to the older generation.

For example, taxation on pensions was increased in 2004, and in early 2009 the German Bundestag passed the so-called "debt brake bill" ("*Schuldenbremse*"), which limits the annual national debt to 0.35 percent of German GDP as of 2016, and which was clearly motivated by a group of younger MPs arguing for more intergenerational justice. At the same time, and as in many other European countries, more money has been spent on children and families.

There are two main reasons for this shift in policy direction. First, the German Constitutional Court pointed out in several of its decisions that families had been economically disadvantaged. Second, a new family policy paradigm called "Sustainable

Family Policy" (Gruescu and Rürup 2003) was introduced, and established as the "meta-aim" of German family policies an increase in birth rates. This increase is to be achieved through the implementation of an array of reforms, e.g., better childcare facilities or new parental leave benefits. The latter was introduced in 2007, and has resulted in additional costs of about €4 billion per year. It is in line with a general trend in European countries over the past years to extend spending for family policies (Neyer and Andersson 2007). However, the German initiative has so far failed in achieving its meta-aim, as the TFR for Germany declined again in 2009, from 1.38 to 1.36 children per woman (Destatis 2010).

Indications of an emerging generational conflict can also be seen in the current media discourse. The leading German dailies frequently print headlines such as: "Greedy pensioners – Future generations have to pay the bill," "Childcare ban: How child-unfriendly is Hamburg?" or "No hip-replacements for the very old."

2   The political dimension of intergenerational transfers

Intergenerational transfers transmit goods (money, time, education) from a member of one generation to a member of another. These transfers can be split into two main categories: public sector transfers, in which, for example, the state reallocates money via taxes and benefits between different generations; and intra-family transfers, in which, for example, a grandfather supports his grandson by financing part of the grandson's university education, or a daughter cares for her disabled mother.

The last two examples show another dimension of intergenerational transfers: they can be directed either upwards, from the younger to the older generation; or downwards, from the older to the younger generation. For centuries, the direction of the net transfer (both public, in its early forms; and intra-family) has been downwards: the generation of parents and grandparents generally invested more in their children than they received from them when they were old (Lee 2003).

Both public and private intergenerational transfers are large, and have an enormous impact on the well-being of all societies (Lee and Mason 2004). Each new generation has to rely on the resources that the older members of the respective society devote to their health, education, and sustenance. At the same time, the well-being of older people

depends on social programs that provide health care and income support (Mason et al. 2006).

Demographic change is radically altering this relationship between generations, especially in the category of public sector transfers: longevity and low fertility rates are exerting increasing pressure on all Western European social security systems. As the percentage of older people grows, more and more money has to be spent on benefits for older people, especially pensions. In Germany, the share of the total population of people aged 60+ is expected to rise from roughly one-third at the beginning of the millennium, to about 50% in 2050. As the number of people of working age declines, the financial burden for each member of this group increases significantly. National budgets may also be negatively affected by rising deficits if governments are unable to transfer immediately all of these costs to younger taxpayers.

These developments have gradually moved the public discourse about intergenerational relations beyond the familial context or the classic questions of generational differences raised in the 1960s. All of the stakeholders agree – with sound scientific findings to back them up – that relations between generations within the family are better than ever before (Opaschowski 2006). It is the public domain which gives rise to concern: as public resources for social policies are becoming scarcer, political decision makers are forced to make tougher choices about public intergenerational transfers.

The discussion about a possible conflict between the young and the old over public resources is fairly new in the German context; internationally, it was first broached by Samuel Preston as early as in 1984 (Preston 1984). Preston analysed the situation in the United States, and the validity of his observation that a growing share of older people leads to higher spending for older people, and, subsequently, to lower public transfers to children, has been debated ever since.

An OECD report on educational systems lends support to this hypothesis in the case of Germany: resources for education are decreasing in the German national budget, while the costs of pensions are exploding (OECD 2004). However, most of the existing studies in demography, sociology, and political science have so far rejected the concept of generational conflict, because they have generally focused on functioning generational relations within the family.

3   The importance of social policy preferences in the generational context

While it would appear that, in light of demographic change, social systems have to be reformed substantially, options for reforms may be limited. Benefits for older people will have to be cut to a certain extent (e.g., by increasing the retirement age). Whether older people will be willing to accept reductions in their benefits in order to allow for an increase in benefits for younger generation largely depends on their political and social attitudes. Are older people driven by "altruistic" motives and willing to contribute to the reduction in burdens on children by lowering transfers to themselves? Or are they "egoistic" in the sense that they prefer to maintain or even increase the level of transfers to themselves? Are these attitudes determined by age or membership in a certain generation? What role do other factors, such as socioeconomic status or the number of children, play? In fact, whether or not a person remains childless may determine the extent to which this person is "altruistic;" i.e., accepts public sector transfers to the younger generation.

As the electorate is ageing even faster than the population as a whole – in Germany the median age of the electorate today is 47, and it is projected to be 56 in 2050 (Dickmann 2008) – and, at the same time, voting turnouts are generally higher among older than among younger age groups, the question is whether only a small window of opportunity is left for policy makers to implement necessary reforms.

Another limiting factor for reforms may be the level of organisation, both at the group and the individual level, of older people in the political system (Leisering 2000). In early 2005, roughly two million people—i.e., a relatively small group compared to the total population of Germany—voiced strong opposition to the labour market reforms in Germany. Continuous demonstrations were organised by this group, which in the end forced the government to change some elements of the reform. This may foreshadow what might happen in the future as the government attempts to implement reforms of pensions and other social benefits. However, the scope for public transfer reform is also dependent on whether the older generation is capable of successfully advocating for the interests of older people in the political system.

4   Aim and structure of the dissertation

In terms of research, the question of intergenerational transfers and demographic change has been addressed mainly by economists who sought to measure the extent and direction of transfers between generations, as well as by sociologists and psychologists who analysed the underlying motives of transfers. The latter two, however, focused on private intergenerational transfers rather than public ones.

The goal of this dissertation is to not just complement the few existing studies on preferences regarding public intergenerational transfers in Germany, but also to develop a wider research perspective by adding a political science approach: the central question addressed here is to what extent the growth in the number of older people, combined with their possibly unified preferences concerning public transfers, may limit the scope of necessary social policy reforms.

An analysis of this question has the potential to contribute to the scientific understanding of policies regarding transfers. This is because the (political and social) interests of the different groups in the modern welfare state largely depend on the rights and duties assigned to them based on their chronological age. Such an age-based system of access to and restriction of benefits can only be disregarded as long as the system is stable; i.e., every age group is treated in the same way as its respective counterpart in the past or in the future. However, demographic change poses major challenges to all modern welfare states. Unequal treatment for different age groups is, therefore, to be expected in the future, and this may in turn result in the group's refusal to accept political reforms.

Tackling a research question of this scope requires the establishment of a complex theoretical basis, as well as the use of various analytical methods. We therefore structured our analysis in the following three steps.

First, we analyse the present and possible future age composition of the German population, including familial characteristics. A micro-simulation method is applied to build population projections for Germany until 2040. Here we place our emphasis on the population aged 55+, who are the group most likely to be the main target of social reforms that may become necessary in the future (e.g., cuts in benefits, further increases in the retirement age).

Second, we analyse the preferences regarding public intergenerational transfers according to a variety of demographic factors, such as age, parenthood, marital status, and sex. At the core of this step is a quantitative analysis of current levels and trends in people's preferences regarding public intergenerational transfers, based on their different demographic and socioeconomic characteristics.

Third, we explore the extent to which changing demographic structures and preferences regarding public intergenerational transfers are likely to have an impact on the political sphere. How are relations between generations judged by actors on the decision-making level? How do policy makers perceive changes in the composition of the population, and to what degree do they take the issue of preferences into account in light of these changes? Finally, are there indications that social reforms resulting from demographic change will be less feasible in the future?

In line with this analytical framework, the structure of the dissertation is as follows. We first present the theoretical framework for our analyses and the current state of research in the related fields (Chapter II). Chapter III then introduces the methods applied, as well as the data used. Chapter IV is divided into three main parts. First, the age and familial structure of the German population until 2040 is analysed and presented (IV.1). Part IV.2 explores demographic effects on social policy preferences on the basis of two large surveys. Finally, we investigate to what extent the German political system is responding to demographic trends and the social policy preferences found (IV.3). In Chapter V, we provide a synopsis of the findings, derive policy recommendations from these results, and discuss directions for future research.

II   Theoretical considerations and literature review

This chapter will present the theoretical framework used for this dissertation, as well as the current state of research in the related fields of research. As outlined in the preceding chapter, we address the main research question of this dissertation in three analytical steps: first, we analyse the future demographic development for Germany with a special focus on the population's age structure, as well as on the familial situation of older people in the decades to come; second, we investigate to what extent people with certain demographic characteristics (old, young, parent, childless, married, etc.) share the same preferences concerning redistributive social policies; and third, we look at the possible responsiveness of the German political system to these trends.

In the following, we will first embed these three steps in a wider theoretical concept using Mannheim's theory of "political generations" as a starting point. From this, we derive the specific analytical framework for this dissertation. We then give a detailed overview of the state-of-the-art in the fields of research relevant to the developed framework, and point out gaps in the research (demographic forecasting, social policy preferences, aged-based political representation). As the analysis of social policy preferences play a special role in this dissertation, we extend our reflection to the existing research, and then derive further modifications for the analytical framework.

The chapter closes with an overview of the central research hypotheses for the empirical analyses of this dissertation.

1   Theoretical starting point – Mannheim's concept of political generations

Lee and Mason (2004), drawing on a range of studies (Preston 1984, Becker and Murphy 1988, Razin, Sadka and Swagel 2002, Galasso and Profeta 2002) state that while many of the studies dealing with the determinants of intergenerational transfers argue that these transfers are the result of private co-operation and social contracts, which are guided by altruism and efficiency concerns, there has been research that models transfers as the outcome of political processes in which the magnitude and direction of transfers reflect the political power of older people relative to other demographic

groups. The two authors explain that in these models, the existence of social security is theoretically explained by political competition between two groups (young vs. old) with each of them putting pressure on political decision makers in order to make gains in the transfer exchange with the other group. Thus, the final policy outcome—in this case, the intergenerational transfer—depends on the size of these groups.

With regard to a broader theoretical perspective, Karl Mannheim's concept of "political generations" seems to provide a useful heuristic framework; it is derived from his seminal theory of generations (Mannheim 1964) which has shaped the scientific discourse in Political Sociology ever since. Also the discussion within the field of Social Policy in the late 1980s and early 1990s around the existence of a "welfare generation" can be seen in this context (e.g. Johnson and Falkingham 1988, Thomson 1989, Thomson 1991, Falkingham and Hills 1995).

The core idea of Mannheim is that a generation can be the focal point of common interests, and therefore has the potential to serve as a basis for collective mobilisation: a common generational positioning (*Generationenlagerung*) within the social sphere may be transformed through the influence of an historical, political, or social change event into a generational context (*Generationszusammenhang*), and may finally lead to the formation generational units (*Generationseinheit*) whose members do not identify themselves only through a collective consciousness, but who can become a powerful societal group under certain conditions.

One of these conditions is the identification with the other members of the same generation, which can be tested empirically by the level of (political) self-organisation of the respective generation (Dunham 1998, Kohli 1996).

The recent scientific contributions on Mannheim have been controversial. In her study, May (2010:19-40) provides a comprehensive overview of the discussion. She states that sociologists have become especially critical of the explanatory power of the concept of generations in analysing societal structures and cleavages in general, and of Mannheim's views in particular (e.g., Attias-Donfut and Arber 2000, Weisbrod 2005).

In her overview, May highlights that one of the main points of this critique is that Mannheim's category of generations is too diffuse, and therefore does not allow for clearly identifiable analytical units (groups within a society supposedly forming generations) to be tested empirically (e.g., Zinnecker 2003). Another weakness is that, in Mannheim's concept, the formation of a generation requires a high level of awareness

and identity among the individuals (*Entelechy*); this condition of collectiveness naturally limits the size of the group under study, as collective processes in modern times take place more easily in smaller groups (May 2010:25). The difficulty for researchers engaged in scientific analysis is therefore how to identify the most important "representative" group shaping a generation. A further point of critique in the overview is that generations are not only labelled from within by their own members, but also from the "outside" by other actors, such as scientists. Both might be equally important in triggering the identification process within the group, but are of a different "quality," since external perceptions might impose images on a group which might not have emerged from within the group itself. In this context, May argues that it would be hard to distinguish which of the two factors is the main one responsible for forming the generation (May 2010:25). However, according to May (referencing Bem 1972 for theoretical foundation) this seems to be a problem which all studies on modern societal phenomena face: Since the media and the public discourse in contemporary societies play a seminal role, the interdependencies between self-perception and perception from the outside can hardly be disentangled.

Despite the aforementioned critical views, the idea of generations shaping societal structures, and Mannheim's concept in particular, has experienced a revival in sociological studies on public intergenerational transfers over the last 15 years (Sackmann 2004, Kohli 2003b, Niethammer 2003, Dallinger 2002, Rosenmayr 2000, Szydlik 2000, and Kohli 1996). One reason for this lies in the fact that generational conflict—at least in Germany—has long been understood as conflict of values between parents and their children, whereas the modern conflict between the young and the old concerns public resources (e.g., Streeck 2007, Attias-Donfut and Arber 2000).

Dunham, for example, points out that "most of the research has tested the notion of a generation gap as a gap between parents and children […] rather than reflected in a sense of common identity with one's age group and a general distrust of all of those who are older or younger. […] There is little research examining the role of this type of consciousness in producing political action" (Dunham 1998:149).

This might also be the reason why Mannheim's concept has been exposed to surprisingly few changes in the sociological discussion. May (2010) offers an extensive overview of it and states that Mannheim's concept has been only slightly modified to address some of the aforementioned criticisms: For example, Sackmann (2004) in his

work, building on earlier work by Ryder (1997), stresses the importance of three main factors which trigger the genesis of societal generations (*Gesellschaftsgenerationen*): demographic trends; socialisation effects leading to differences in knowledge, values, and habits; and welfare institutions. As May highlights, the dimension of exposures to common experiences as a prerequisite for forming a generational identity is not explicitly included in this context, and the question of how a generation acts politically is not of primary interest within this concept, it rather provides a descriptive toolkit for portraying groups within a society.

In her work, May provides the latest attempt in the German sociological discussion to test the hypothesis of the formation of a generation in the German welfare state context. For her study, she uses the concept of *Wohlfahrtsgeneration* (welfare generation), mainly in reference to work by Leisering and Bude (Leisering 2000, Bude 2003 and 2005). All of these concepts are themselves based on Mannheim's theory of generations. However, they simplify the formation process of a generation proposed by Mannheim (from "generational positioning" to "generational context" to "generational units") by focusing on the common social policy preferences of certain cohorts without giving details on the selection of these cohorts, on how their preferences are formed, and on how these help to build the generation. In this sense, Leisering and Bude do not attempt to test empirically the genesis of a generation on the micro level, but rather use Mannheim's terminology to describe historical phases of the German welfare state's evolution (May 2010:23f, Leisering 2000:66, Bude 2003:298).

May criticises this simplification as too far-reaching, as Mannheim's concept already represents a simplified approach supposedly providing fuzzy categories (May 2010:33-36). In the end, May—while not denying the existence of generations with society—dismisses any existing concept of generation as suitable for explaining structures and dynamics within a society, as the relations between generation are "much more complex than generally assumed by the theories of welfare generations" (May 2010:49).

Furthermore, May sees no indications for an emerging conflict between generations in Germany—not even a "latent" one—as the self-perception of various people and the political discourse thereof would have to be more pronounced. In addition, she argues, the currently extremely well-functioning intergenerational relations within the family would have to erode significantly (May 2010:48). May therefore concentrates in her study on the experiences of social security among different cohorts in order to describe

from a historical perspective potential differences in the perception of the welfare state. But in her empirical analysis, she does not then identify significant differences in how various age groups perceive social security provided by the state (for a discussion of the results, see Part 4.3.4 in this chapter).

From a heuristic point of view, May's categorical rejection of the concept of generation is, for various reasons, problematic.

First, May dismisses a priori a concept that she, in principle, aims at testing in her later analysis.

Second, and again a priori, May claims that there is no conflict potential between generations; a quasi-empirical conclusion which could be drawn *after* her analysis of the perceptions of social security of various age groups.

Third, May bases this conclusion on the assumption that intergenerational relations within the family form the basis of all relations between generations within society (May 2010:48). However, this judgement does not take into account that traditional familial structures are likely to change significantly over the coming decades due to demographic change (see Part 1 of Chapter IV in this dissertation), with more people remaining childless and living in a non-conventional family form beyond marriage. Furthermore, social policy in a modern state cannot rely solely on transfers with the private sphere, but has to deal with intergenerational relations in the public context. Finally, from an anecdotal perspective, the latest conflicts over the establishment of further childcare facilities in Germany show that the differences in interests between the old and the young seem to be more articulated than in the past: for example, in a number of bigger German cities, mostly older people oppose the construction of kindergartens in their neighbourhoods. Some of these cases have even gone to court for a final decision, with facilities being shut down or not opened in the first place (e.g., Schirg and Meyer 2008).

Fourth, the criticism that any existing theory of generations oversimplifies societal realities can be seen as too rigid, especially in light of Mannheim's revival in sociology over the past 15 years. In general, every analytical concept or theory has to reduce the complexity of phenomena observed to a certain extent, otherwise the explanation of social phenomena—or even the sheer description of reality—would not be feasible (Nowotny 2005). Naturally, the degree to which the reduction of complexity within a specific concept is justified—i.e., the question of whether the concept still provides enough information on the object under study, and does not oversimplify reality—has

to be carefully examined. This issue is becoming especially important as modern social phenomena tend to become more and more complex, and both the desire and necessity to reduce complexity are therefore increasing at the same time.

Fifth, by dismissing the hypothesis of "welfare generations," May excludes any political dimension of the generational question, which would correspond to Mannheim's last—and probably most important—step of the formation process of a generation. May states (again a priori) that there is no indication that the interests of possible generations are being politicised enough (May 2010:48). Only at a later point in her study does May address the question empirically by conducting a media discourse analysis. There she concludes that the discourse on a potential generational conflict is mainly led by scientists and journalists, and not by politicians and interest group members, and therefore can be regarded as a "constructed" phenomenon (May 2010:270); for a critical reflection on these findings, see Part 6 in this chapter.

In contrast to May and in line with Dunham (1998), we argue for the purposes of the current dissertation that the concept of generations in general, and Mannheim's category of "political generation" in particular, provide a valuable framework for approaching the question of future intergenerational relationships in Germany in light of demographic change. The aim of this dissertation is not to prove whether or not the old and the young are already "at war" with each other. Relations between the generations in Germany are still good, and there has, as yet, been no general open conflict over resources. However, the country has so far seen only the beginning of fundamental changes of its population structure: i.e., with more childless and unmarried people expected in the future, traditional family ties are being altered, too, which again might affect the attitudes of the old and the young towards each other on the societal level. In addition, new forms of conflict over social policies related to the young or the old, as in the aforementioned example of childcare facilities, are already starting to make an appearance. These seem to be of a new quality with regard to the intensity and means used (court decisions), yet they are not yet representative of general relations between the generations in Germany today.

2   Analytical framework

The main question of interest in this dissertation is whether a conflict between the older and the younger generations over public resources will be more likely in the future given the demographic changes ahead. Even though this might sound like a question that offers a high potential for speculation, it has considerable political relevance for Germany, because one of the main foundations of German social policy is the so-called generational contract (*Generationenvertrag*), which is built on the premise of solidarity between the generations beyond the family (May 2010 in reference to Schreiber 1957). Furthermore, using Mannheim's concept as a starting point, the question can be adequately operationalised, as will be shown in the following.

When using Mannheim, we do not claim that his concept fully explains all of the dynamics taking place between various societal groups in contemporary Germany. There is a range of categories other than age which structure society, such as gender, income, and education. However, in the context of redistributive policies, which by definition are addressed to different age groups (e.g., pension or family policies), and which have been subject to major reforms over the past decade due to budgetary and demographic reasons, it remains unclear why age should not play a significant role (possibly together with gender, income, and education), as postulated by May and others. In fact, newer empirical findings—e.g., for Switzerland—suggest that age is an important factor in determining preferences regarding redistributive social policies (see Part 4.3.4 in this chapter).

In light of the global financial crisis, and given the anticipated demographic trends for Germany, it is generally expected that resources for redistributive policies will become even tighter in the future. Thus, age differences might come to play an even more important role in the future, ultimately creating a generation of older people who will constitute a powerful group within society.

According to Mannheim's theory, the formation of a political generation occurs in three progressive steps (Mannheim 1964, Kohli 1996): from (i) a common social location and experience, to (ii) consciousness of this shared reality, to (iii) getting together to form a unified political actor.

For our analysis, we adapt these three steps along the following lines. (i) As the common social location, we define the demographic trends which, on the one hand, lead to a significant increase in numbers and in the respective share of total population of older people; and which, on the other, require social policy reforms, such as reforms to secure the sustainability of pension reforms. Part of this common social location is also the public discourse on necessary policy reforms that increasingly puts pressure on the retired or those people who are about to retire. (ii) Consciousness of this shared reality would be reflected in shared preferences regarding redistributive social policies which differ according to age: older people would be more interested in channelling public resources upwards rather than downwards. This consciousness is also shaped by the aforementioned public discourse on the role and costs of older people for society; older people might become reluctant to arguments that see the reasons for the current problems of the welfare state predominantly in presumably too high transfer to the old; older people might also oppose views that conceptualise future cuts as an essential part of intergenerational justice, and might want to see their contribution to society over their whole life courses (engagement at the labour market, raising children, etc.) as part of a what they would consider a fair calculation. (iii) Finally, indications for the emergence of the older generation as a new, powerful actor would be increased activity of age-based interest groups and the evaluation of decisive policy makers that these interest groups and the interests represented by them influence decision-making on redistributive policies.

Currently, the perception of the role of older people within society seems to be changing in the political discourse. Especially the current generation of older people who are retired or about to retire are more exposed to fundamental critique – i.e., that their support is too costly or that they are too demanding of the welfare state – than the generations who preceded them (Wilkoszewski 2008 and 2003). Anecdotally, this is also expressed in the form of rather cold-blooded calls by seemingly unscrupulous young politicians to, for example, exclude hip replacements for individuals at advanced ages from the benefit catalogue of public health insurance plans, which are surfacing more frequently in the public discourse (Eubel and Siebenmorgen 2003).

It is likely that these discussions will intensify over the next 10 or 20 years as the need for reform becomes more pressing in response to the acceleration in demographic ageing. Lee and Mason, for example, recommend that social policy addressing this

reform pressure include investment in human capital, while avoiding excessive reliance on large-scale transfer programmes to older people (Lee and Mason 2009:24). Whether or not the latter will be feasible depends largely on the willingness of older people to accept possibly painful reforms.

To summarise, the aim of the study at hand is to identify indications for the emergence of a political generation shaped by demographic ageing, its costs, and the public discourse on this. This political generation would be comprised of those cohorts, who are retired at the time the study was undertaken, as well as those who will retire in the not too distant future, i.e. until the end of the decade. Given the factual retirement age in Germany, which currently is about 63 years and is expected to go up in the future due to recent reforms of the official retirement age, this political generation would include all cohorts which are born in the mid-fifties of the last century and before, i.e. people aged about 55 or older at the time of the study at hand. These cohorts represent a group of people, who were either able to benefit from the German pension system in large parts or will have to face relatively modest changes to their pensions, as substantial reforms to the pension system are expected to be implemented when the so-called babyboomers (cohorts born between 1955 and 1965) will retire. They will also be the first ones to experience the effect of recent policy changes in Germany, e.g., increased retirement age and taxation for pensions. However, both are issues that seem to create strong views amongst those older and retired people, who will not be affected – or to a much lesser extent – as transition periods for the reforms to be fully implemented are fairly long. Nevertheless, old-age-interest groups in Germany see the recent reforms very critically, which indicates that today's older people perceive a sort of common destiny with future retirees. Age seems a strong unifying factor here – the study at hand aims at shedding more light on this connection between policy reform, preference, and belonging to a certain demographic group.

This example also illustrates the rather tricky question of which effects exactly are at work in eventually forming a new political generation in Germany. Generally, research in this field distinguishes between age, period, and cohort effects. Age effects determine changing attitudes across the life-course due to psychological experiences, which for example make older people more risk-averse than younger ones; period-effects on the other hand emerge when an important (historical, political, individual) event at a certain point in time profoundly shapes or changes preferences of an individual; cohort effects

finally mean factors that are influential in the formative years of an individual, i.e. during the time of adolescence or early adulthood. In the classical concept of generations, cohort effects are usually perceived to be the main trigger in forming a (political) generation, together with a high impact event shared by all members of this generation.

For the purpose of this study, however, we would argue that the formation of a political generation does not necessarily have to happen only in the formative, younger years of their members. We assume that events or phenomena with a high impact on society can shape views and attitudes of younger and older people alike. In our specific study design we are interested, if there is already now an indication for a common set of social policy preferences among today's older, that is shaped by an extensive discourse on demographic change, its costs and the role of older people therein. If we can identify such differences between the older and the younger people in Germany, we argue that these will become even stronger with the cohorts of the babyboomers retiring. Therefore, the political generation as we understand it in this study, would comprise not only one cohort, but a set of cohorts, as described above.

A further deviation from Mannheim's concept could be that demographic change is not comparable to the characteristics of a war or a sudden social event with high impact, but is, rather, the opposite because it evolves gradually, and is at first barely noticeable.

However, the effect which initiates the formation of a generation does not necessarily have to be short and clear-cut, as Pilcher illustrates using the example of the women's movement: "There has not been a 'Wall Street Crash' in women's lives; the changes in women's lives have not occurred in a sharp, easily delineated manner" (Pilcher 1994:491). The same attributes of a slow, gradual social change also apply to the example of demographic change.

Another theoretical consideration, which we mentioned in the introduction, but which is not explicitly mentioned in Mannheim's concept (later altered by Sackmann's concept (Sackmann 2004), see above), deserves closer scrutiny in this context: i.e., the question of how the size of an age group, intergenerational transfers, and political power are connected.

Looking at the United States, Parsons pointed out (Parsons 1982)—two years before Samuel Preston confirmed this guess (Preston 1984)—that, due to the then expected sharp rise in the ratio of older people relative to the working-age population, transfers to the older generation were likely to increase, leading to greater tax burdens for the

welfare state, which in turn should exert pressure on public policy makers to reduce pension benefits again.

However, demographic change also increases the share of older voters, hence possibly leading to even more generous benefits for older people. Galasso and Profeta stress that "this size effect has often been neglected in the social security literature […], although it may be crucial in analyzing the impact of demographic changes on the political equilibrium" (Galasso and Profeta 2002:7).

In this context, Kohli makes clear that, in modern societies, age groups do not form naturally, but are "socially constructed through the institutionalisation of the life course. 'Older people' as a category are today directly predicated upon the institutionalised age boundary of retirement" (Kohli 2005:4; on the social construction of age, see also Featherstone and Hepworth 1993, Laslett 1991, Neugarten 1974). This means that these age boundaries can be changed—even if at some cost—and the distributional balance would be altered, too, as a consequence of the relative sizes of these newly created age groups.

Recently, the mandatory age of retirement has been changed in Germany, and will be gradually increased by two years, from age 65 to age 67. There is an evolving discussion about whether the retirement age should be raised to 70. However, this evidently marginal modification will not significantly affect the relative sizes of the age groups.

Finally, there might be further reasons for the extent to which a welfare state is reallocating resources between specific generations that lie in the polity and politics of various states. Lynch (2006) argues in her work that the age-orientation of the welfare state—i.e., how much of a country's wealth is being transferred to the younger or the older generation—is path-dependent on the genesis of the connected social policies and the underlying norms. In this sense, large variations between welfare states in age-related public spending can be observed.

This argument follows a rather extensive strand within the scientific community dealing with "generational accounting." This approach aims to make up the balance of all transfer flows between generations at a given point in time in order to identify possible "loser" or "winner" generations (e.g., Bravo and Holz 2009, Kotlikoff and Burns 2005, see also Part 4.1 of this chapter). The information provided by these analyses are crucial to assessing the economic standing of various generations within the welfare state from a scientific point of view.

However, it is unlikely that people are always aware of macro data of this kind when framing their social policy preferences. Relative changes in concrete redistributive policies are more important because they have a direct impact on people's incomes, and are therefore more visible to them than the overall balancing of whole generations. Furthermore, it is these relative changes that affect people's lives; e.g., in lowering or raising their purchasing power. Hence, for an individual's perception of whether or not a certain redistributive policy is justified, the absolute level of transfers within a state's budget is not necessarily decisive. It is therefore not surprising that recent macro studies on the change of age distributions on overall public spending for various policies did not find significant results for Germany and other Western countries (e.g., Tepe and Vanhuysse 2009; earlier studies have found some indication of countries with older populations spending more on pensions, e.g., Disney 2007, McDonald and Budge 2005, McManus 1995).

This dissertation will therefore look at public intergenerational relations at the micro level. What are the individual social policy preferences regarding changes in concrete redistributive measures (pensions, family policies)? What role do demographic factors (age, parenthood, marital status) play in determining these measures (see Part 4 in this chapter)? How are these relations perceived by political decision makers?

In Table 1, we combine our conceptual considerations into one analytical framework. At the centre, there is the political decision-making process: policy makers decide upon new policies or policy reforms. In the context of intergenerational transfers (e.g., pension reforms), policy makers have to take into account three factors in order to push their policies through: 1) the size and composition of the population affected (in our case, older people); 2) the policy preferences of these people, which themselves might be influenced by demographic factors; and 3) the reforms needed due to demographic developments (e.g., making pension systems sustainable). The political weight of the first and second factors is increased in this model if the people addressed by the reform express their interests not only as individual voters via their ballots, but also as a unified political actor in the form of interest groups.
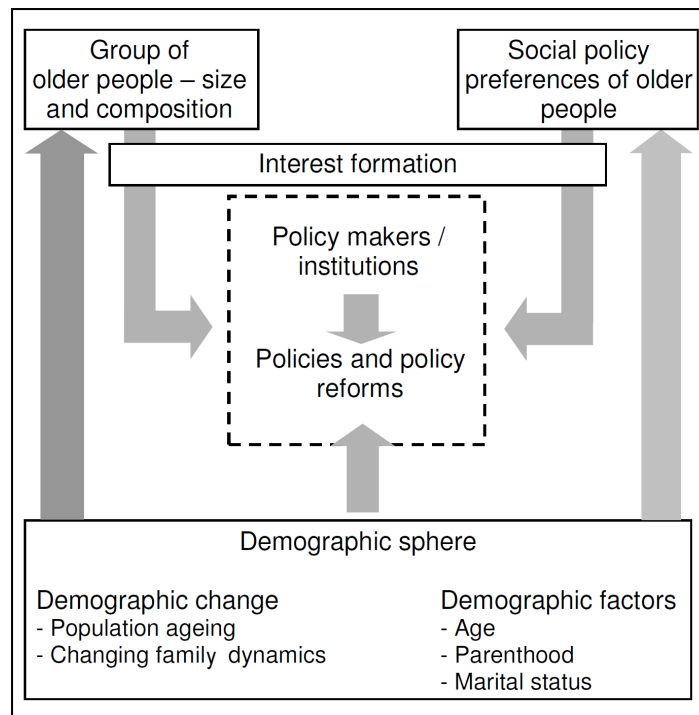
Table 1: Analytical framework

This framework also provides the structure for the empirical analyses of this dissertation. First, we will explore how demographic trends will alter the age structure and the composition of the German population. Second, we will look at how preferences regarding redistributive social policies differ across various demographic groups (old versus young, parents versus childless people, married versus unmarried people), controlling for other important socioeconomic factors. Third, we will examine to what extent Germany's political system is responsive towards these trends: i.e., how do political decision makers and interest groups perceive these trends, and what conclusions do they reach regarding public intergenerational relations?

It is important to note that while this study aims at detecting indications for the emergence of a new political generation which can be identified along its social policy preferences in light of demographic ageing, we will not argue that this conflict line may be the only one existing in the German society. Generations naturally remain heterogeneous beyond certain focal points of communality. Education, income, or eventual migratory backgrounds play an important role in structuring society – however, we are interested in finding out whether age- and other demography-related public

transfers will contribute a further conflict line policy makers will have to pay attention to in the future.

In the following, we will provide an overview of the existing research in each of these domains. We will pay special attention to studies on demographic effects on social policy preferences, and suggest a new approach to studying these effects which will complement the analytical framework presented.

3   Demographic forecasting: Predicting the age structure and familial characteristics for Germany's population

As outlined in Chapter I, demographic trends have triggered a discussion in Germany about whether or not older people have or will become a politically dominant group due to their growing share in the country's population (e.g., Streeck 2007, Sanderson and Scherbov 2007). In order to assess the future relevance of this argument, it is necessary to look at how this share will change in the coming decades.

Official statistics by Destatis (the German National Statistical Office), the United Nations' Population Division, and, for the first time in 2008, Eurostat (the European Statistical Office), provide regular population projections for Germany (Destatis 2009, United Nations 2008, Eurostat 2008). The time horizon for these projections is usually 50 years. Demographic input data and assumptions about how these develop in the future vary considerably, however. So do the scenarios, which combine certain patterns of assumptions (e.g., low fertility, high migration, and constant mortality; for a comprehensive overview on global population projections, see O'Neill, Balk, Brickman, and Ezra 2001).

The results of these projections usually provide the following demographic indicators: absolute population counts, sex ratios, population counts and shares in percentages by age group, and dependency ratios. They do not provide any further information on, for example, familial characteristics (parenthood, marital status), as this would require more complicated modelling and more detailed input data than for the cohort-component method, which is used for these projections (see Chapter III.2). A few studies (e.g., Härdle and Mysickova 2009, Betz and Lipps 2006) have used more sophisticated stochastic modelling to predict future demographic rates. However, their results were

also restrained to the classical indicators above, as the main projection method remained unchanged.

Projections by the UN Population Division, for example, predict in their medium variant (slow increase in fertility to 1.85 children per woman in 2050, increase of life expectancy at birth to 82 years for men and 87 for women, constant net migration), an increase in the share of people aged 65+ from 20.5 percent in 2010 to 32.5 percent in 2050 (UN Population Division 2010). This will also increase the old-age dependency ratio from 31 persons aged 65+ per 100 persons aged 15 to 65 years, to 59 persons.

Results from the German Statistical Office's Population Projections are very similar: in their medium variant model (constant fertility at 1.4 children per women, increase in life expectancy at birth to 84 years for men and 89 years for women, relatively high net migration p.a. at 100,000 to 200,000), this share will increase from 20 percent in 2008 to 34 percent in 2060 (Destatis 2009). Over the same period, the old-age dependency ratio will increase from 34 persons aged 65+ per 100 persons aged 20 to 65 years, to 67 persons.

However, for the research question at hand, as well as for many other social policy questions (e.g., need for care facilities at old age), these basic data are not sufficient to evaluate the impact of demographic trends on intergenerational relations. For example, preferences on redistributive social policies might depend not only on age, but also on the familial situation of the respondent (see also Parts 4 and 5 in this Chapter). In addition, a future increase in childless and/or single older people would mean that fewer and fewer people are going to live in the environment of the classical family, a domain German policy makers rely upon greatly when assessing the quality of intergenerational relations (see Chapter I, and, for the empirical analysis of this question, Chapter IV.3).

Therefore, it is important to analyse not only the future age structure of the German population, but also the development of family structures for older people; i.e., how big the share of childless and unmarried older people will be in the future.

In the international context, there are a range of recent studies addressing these questions using more sophisticated methods, such as micro simulation, e.g. Klevmarken and Lindgren (2008) for Sweden or Evandrou, Falkingham, Johnson, Scott, and Zaidi 2007 for Britain. Only a very few studies have done so for Germany. There are a range of smaller-scale, regional household projections—often commissioned by local authorities, banking institutions, insurances, real estate agencies, or enterprises—that

seek to predict household structures at the regional level in Germany (e.g., Bundesinstitut für Bau-, Stadt- und Raumforschung 2010, Waltersbacher 2006, van Suntum 2005). However, these only contain information on household sizes, and not on marital status or parenthood.

The only projections that provide detailed information on the future trends in marital status for older people in Germany can be found in the studies by Kalogirou and Murphy (2006) and Mai and Roloff (2006).

Mai and Roloff apply a simple extrapolation of current marital status of various age groups at higher ages until the year 2030 using data from the German Microcensus. In a first step, the authors define the marital status structure in each age group as the starting value for the year 2005, the first year of the projection. Then, they conduct the extrapolation for five five-year age groups up to the year 2030. The projection begins with 40- to 44-year-old people in 2005 (who will be 65 to 69 years old in 2030), and ends with people aged 55+ (who will be 80 years and older in 2030). The authors do not give detailed information on the assumptions concerning future developments in mortality, fertility, and migration; they only state that the extrapolation "takes into account" marriage, divorce, and mortality probabilities (p. 288).

As a result, Mai and Roloff conclude that, for both men and women, the share of married people will decrease significantly in all age groups analysed. Only 64.4 percent of men aged 65 to 69 will be married in the year 2030, compared to 83.1 percent in 2005. In addition, only a little more than half of the women in the same age group are predicted to have a living husband, corresponding to a decrease of 12 percentage points within three decades. For the age group 75 to 79, the shares will decrease from 77.0 to 65.1 percent for men, and to 35.0 to 30.3 percent for women, according to the extrapolation.

In their study, Kalogirou and Murphy (2006), come to different results using the micro simulation method. They predict that the share of married people aged 75+ in Germany will increase from 35.1 to 49.8 percent until the year 2031, mainly due to a substantial increase in the share of married females.

The reason for these substantial differences in the results of the two studies lies in the difference in the predicted shares of widowed people in the observed age group. Whereas Mai and Roloff predict this share will be constant until 2030, Kalogirou and

Murphy forecast a decrease of 21 percentage points among women, and of seven percentage points among men, until the year 2031.

This indicates that the differences in results are most likely due to differences in the assumptions of future mortality trends. Mai and Roloff do not give detailed information about their assumptions, and only state that mortality probabilities are taken into account. Kalogirou and Murphy, on the other hand, assume an increase in life expectancy at birth to about 80 years for men and 85 years for women in the year 2031.

As their study was conducted for the Federal Government of Germany, Mai and Roloff most likely used significantly higher mortality probabilities than Kalogirou and Murphy. Official statistics about the further increase of life expectancy at birth and at higher ages were relatively conservative at the time when the study was conducted by Mai and Roloff (Vaupel 2004, Vaupel and Kistowski 2007). Therefore, the forecast by Kalogirou and Murphy provides a more realistic picture of the future familial situation of older people in Germany.

As for future trends in childlessness, there is only one older study, by Dorbritz, Hullen, and Schiener (1997). Using macro and micro simulation, the authors are mostly interested in predicting household structures, and therefore forecast only the share of households in which parents live together with their children. They differentiate their results by parity and marital status of parents. The projection period is from 1993 to 2010. Studies addressing overall levels of childlessness for Germany beyond that year do not exist.

The research gaps discussed above will be addressed in Part 1 of Chapter IV in this dissertation. There we conduct a micro simulation to predict not only the future age structure of the German population, but also the familial situation of older people, particularly marital status and parenthood.

4   The importance of social policy preferences and underlying motives
        for intergenerational relations

Why is it important to consider preferences, along with the motives that underlie these preferences, when we want to analyse the effect of demographic change on public intergenerational transfers? In fact, taking into account preferences leads to three main

methodological problems. As information on preferences can be retrieved solely by asking individuals, there is a danger – as with all other survey data – that the expressed attitudes will be unsystematic and contradictory. Furthermore, it is not clear to what extent people's preferences comply with their actual behaviour. Finally, people may answer sensitive questions in accordance with social desirability, rather than with their actual beliefs (Swift et al. 1995).

Apart from these conceptual difficulties, it would be possible to explain behaviour between generations – within the family, as well as in the public context – using more reliable socio-demographic variables, such as income and the wealth of the giving generation relative to the needs of the receiving generation. Relational aspects—such as geographical distance, emotional closeness, or the frequency of contact between the young and the old—may also serve as explanatory variables for transfers (Kohli and Künemund 2001).

However, an explanation of transfer giving which is solely based on these socio-demographic or other objective criteria would remain incomplete. For example, Kohli and Künemund have pointed out that there is "good reason to believe that motives are important not only for the incidence and size of transfers but also for their 'quality'. For recipients, it makes a difference whether transfers from their family members are motivated by self-interest (only) or (also) by love, benevolence, generosity or a sense of personal obligation" (Kohli and Künemund 2001:5).

The ongoing pension policy debate in Germany provides an apt illustration of why motives or preferences – in this case, public acceptance of the so-called generational contract – are crucial not only for family, but also for public transfer flows between the generations. As long as the generation of working age perceive contributions to the pension system as insurance rates – and not as taxes – it seems plausible that workers would be more willing to make these contributions to older people.

On the other hand, a perception that pension contributions are pure taxes creates welfare losses due to lower support for these transfers; which may, for example, take the form of an increase in activities in the shadow economy (Börsch-Supan and Reil-Held 2001). Surveys show that, when the current German pension system began in the early 1960s, most workers saw their pension contributions as fair, whereas now the majority see pension benefits as transfers to the older generation which are linked only loosely to their own contributions (Boeri et al. 2001).

A further reason for the importance of motives and preferences arises from their relevance in structuring social relations as well as the political process. If the outcome of public transfer policies is conceptualised as a result of negotiations between generations, changes in the preferences of social (or age) groups—such as in the aforementioned example—are a crucial factor in forming the preferences of a whole generation toward certain policies.

Thus, preferences and their underlying motives are critical because they affect the acceptance of taxes and contributions imposed by the state at the individual level. They also condition the public acceptance of social security reforms on the collective level (Kohli 2005). With regard to the research framework developed above, this is of considerable relevance: if the policy preferences of older people are in line with the preferences presented by the interest groups for these generations to policy makers, then one could speak of the emergence of a political generation in Mannheim's sense. Following Kraemer, Nevell, and Prindle (2008), we define an interest group as a political organisation "of individuals who have banded together because of a common cause or role," and who "try to influence politicians to make public policy in line with their preferences." (p. 67) In contrast to political parties, they usually have a narrow agenda focusing on one issue or issue area.

On the basis of these considerations, we will, in the discussion that follows, present theoretical considerations regarding the underlying concepts of motivations and preferences for transfers in general. These considerations will provide the basis for identifying the main motives for public intergenerational transfers. We then conclude with an overview of the current state of research on preferences, with a special focus on age-related differences, and present a new analytical concept for analysing preferences in the generational context.

4.1 Beyond the dichotomy of altruism vs. exchange: Motivations for intergenerational transfers

The two main motivations referred to in the research on both public and private transfers (e.g., Feinerman and Seiler 2002) are self-interest (exchange between generations) on the one hand, and altruism on the other (Becker 1974).

Depending on the research field, altruism is to a greater or lesser extent favoured over self-interest as the explanatory framework, or vice versa. Some sociological studies tend to interpret all seemingly pro-social behaviour as indications of altruism: for example, contributions of money to charities, volunteer work, non-cash gifts made at social occasions, or other transactions through which the donor does not gain directly or immediately (e.g., Opaschowski 2004). Moreover, in the area of public transfers, where at first glance surprisingly high levels of support among younger age groups for transfers to older people can be observed, altruism serves as the explanatory basis (Kohl 2003). On the other hand, economic studies have the tendency to reduce all motivations – even seemingly altruistic ones – down to egoism. While this is not meant in the sense of a direct quid pro quo, some economists have argued that transfer donors may expect to gain in the longer run because they expect reciprocal action at a later stage when they themselves need help (Cox et al. 1998).

However, as Schokkaert (2003) points out, it should be common sense that neither a strategy of reducing pro-social behaviour to a somewhat advanced version of egoism, nor a one-sided view of altruistic preferences, helps to understand the mechanisms of transfers. Consequently, he proposes not only that both motives be treated as having equal explanatory value for transfer analysis, but also that this dichotomy be extended by two further motives, and by several sub-categories. Below, this rather comprehensive concept of transfer motives will be presented and discussed in light of the concepts of other authors. It has to be noted that there is no consensus about alternative sets of motivations and the relations among them in the existing literature, apart from the model of altruism vs. exchange (Kohli and Künemund 2001).

The first main motivation in Schokkaert's concept is self-interest, which is divided into two subcategories: material self-interest and social prestige. Material self-interest can be considered the "pure form" of self-interest, since the donor gives money and/or time because he expects direct consumption benefits from it. Schokkaert illustrates this using as an example the phenomenon of Rotary Clubs, in which a selected group of people (largely from business) organise themselves into a group not only to raise and give money to charities, but also in order to make new contacts that directly benefit their economic aims. Another example of transfers motivated by this form of self-interest are donations that are made solely in order to increase the donor's tax refund. The hope of gaining in social prestige by giving transfers is the second self-interested motivation.

With regards to public transfers, this might not at first appear to be a plausible motive, as, for example, paying taxes is not directly linked to social prestige. On the other hand, being able to make transfers may be especially important for older people whose status in society is threatened by their withdrawal from the labour market (Kohli 1999).

Another version of the self-interest motivation – and the second main transfer motivation – is reciprocity, which at first glance is not always clearly distinguishable from the first motivation, since, as in the pure egoism model, donors give in order to receive. However, in the case of reciprocity, the transfer takes the form of an exchange in which all partners benefit from the transfers made. The expectation that donors as well as recipients gain in this interaction is also a necessary condition for them to further participate in the social interaction. Thus, the self-interest of the donor overlaps with the self-interest of the recipient, in the sense that the latter is expected to reciprocate the transfer.

An example of reciprocal transfer motives could be that older people might be interested in paying public transfers to younger generations, as they in turn expect transfers (e.g., in form of contributions into a pay-as-you-go pension system) from the younger generation. A further illustration within the area of public transfer is the hypothetical case of a 50-year-old man or woman who has a wife or husband and two teenage children (still living at home), and who works full-time. Let us further presume that the 75-year-old mother of this man or woman suddenly needs intensive care due to an event which greatly worsens her health status. Who will provide this care? If the public care situation is poor, the 50-year-old man or woman will have to take care of his/her mother with all the negative side effects of taking on this role, such as being forced to move into a part-time position and having less time for the children and the partner. On the other hand, if there are sufficient care facilities provided by the public sector, the man or woman may be able to maintain his or her current life-style. That is, he or she is actually the one who benefits from the transfers to his/her old mother, in exchange for the contributions he or she is paying from his/her salary in order to finance the welfare state. A further benefit is that the mother's assets, which the man or woman may expect to inherit, do not have to be used to pay for care if the state provides facilities.

Additionally, public transfer returns within the family from the older to the younger generation—which exist to a large extent in Germany—provide another plausible

example of the reciprocity hypothesis. As Kohli (1999) points out, "the high acceptance of the public old-age pension system even among middle and young adults that is (still) demonstrated by survey data can partly be attributed to these return transfers in the family. Middle and young adults know that the public pension system […] allows them to expect material support [from their parents] in times of need and/or bequests at the time of their parents' death" (p. 111).

Further support for the concept of reciprocity may come from the findings of a study on generational accounting in the US welfare system by Bommier et al. (2004). Their results challenge the common view in the contemporary public discourse on transfers that the distribution of modern welfare burdens is stacked against the younger generation. Similar results were found by Kluge for Germany (Kluge 2009).

Although the study confirms that public transfers to older people led to large lifetime losses for all generations born after 1972, it also states that these losses are more than compensated for by gains for the younger generation through the educational system. As a result, there is a net positive balance for generations born up to 2043. Even the generations born afterwards will experience only relatively small lifetime losses, according to the study.

The authors conclude: "It no longer appears that we are exploiting the now and future young generations by forcing them to foot the bill for our profligate consumption, although the problem of high and rising tax rates, and consequent deadweight loss, remains. Indeed, older people of today have negative NPVs [net present values], while a baby born today is projected to have a positive one, directly counter to the prevailing view" (p. 17). This could further explain the high support levels among younger people for public transfers to older people: assuming the younger generations are aware of their potentially favourable position (which might not be the case due to incomplete information), they may be willing pay higher taxes and/or make greater contributions to the welfare state in exchange for large investments by the older generations in their future through a good educational system.

The third set of motives in Schokkaert's concept is called "norms and principles." Here, pro-social behaviour is explained by the obedience of a donor to either personal principles or to norms set up by society which impose altruistic rules for social interaction. Thus, a distinction between dutiful altruism and social pressure can be made.

Dutiful altruism is based on the internal norms of a person, which lead to a "sense of duty." This person feels committed to pro-social behaviour on the basis of a set of internal moral principles, generally called the "conscience." As a consequence, the actor behaves altruistically even if the recipient is not expected to return pro-social behaviour. Whereas a dutiful altruist will act pro-socially even if this behaviour cannot be observed or rewarded, social compensation is essential to explaining behaviour in a setting of social pressure, since the norms are exposed by society; i.e., externally.

Sanctions imposed by society on an individual who does not obey its norms are blame or disapproval. Even though the differences between the two concepts may be clear from a theoretical point of view, Schokkaert stresses that the motivations may not be clearly distinguishable in practice, since one cannot observe whether the norms which an individual obeys are externally or internally imposed.

"Pure altruism"—i.e., pro-social behaviour that is solely driven by a person's empathy for someone else—represents the fourth main concept of transfer motivations. Supported by recent results in psychological research, which now views empathy as a motivating aspect for social interaction, pure altruism has been also used in economic utility modelling, in which the recipient's utility enters the donor's utility function.

In conclusion, there are two main drawbacks to the typology presented above. First, it is comprehensive, yet incomplete, since it does not include the concept of justice and intergenerational solidarity, as proposed by Kohli (2005) or Andreß and Heien (2001), especially in the context of public transfers. Even though Schokkaert acknowledges the importance of justice and solidarity, the two aspects are not included in the set of motivations.

This is striking as they form a dimension of their own, not clearly distinguishable from either norms and principles or from reciprocal behaviour. Justice, for example, can serve as an externally imposed norm by society, with the threat of sanctions for those who do not obey this norm. At the same time, beliefs about justice always contain an element of concern about "fairness," i.e., a reciprocal exchange between partners or members of a society.

In a society where social justice plays an important role, and its manifestation through a more or less generous welfare state becomes visible, people may also be led by strong considerations of "justice" in their social interactions; e.g., the attitude that it is not

"just" if children have to suffer from poverty (especially in a rich society), or that older people should receive optimal health care, even at very advanced ages.

In Germany, the connection between social norms and justice becomes very clear when we look at the provisions for family support. Because the family is regarded as a social institution having a role that is central to the state, Article 6 of the German Constitution places the family under special protection. From this, state support for the family can be derived as a second step. At the same time, the family is regarded as being very important to Germany society, thus representing a "social norm." The second drawback of Schokkaert's set of motivations is that no distinction is made between motivations for public intergenerational transfers and preferences with regards to private/family transfers. As the research question of this work focuses on public transfers, it is necessary to endorse Schokkaert's model of motivations correspondingly, which will be done in the following.

4.2   A list of motivations for public transfers

Do individuals participating in private intergenerational transfers and transfers between generations on the welfare state level have the same motivations? Parsons (1982: p. 144) calls attention to the fact that

> "the forces that determine the magnitude and even the direction of public transfer payments are not well understood. Some economists have argued that public transfers are simply a reflection of the charity motives of taxpayers. Other economists have stressed the importance of voting power while suggesting that altruism has little to do with most public transfer programs. Of course, these behavioural models are not mutually exclusive; both may capture important elements of the transfer process."

One form of Schokkaert's motivations, pure altruism, illustrates how difficult it is to distinguish between motivations for public and private transfers. Pure altruism seems at first to be an appropriate explanatory variable of transfer interaction solely on the family level, since empathy for another person represents a relatively personal dimension of human life. However, people with children – who may be assumed to have strong feelings of empathy with one or more representatives of the younger generation – may

also favour public transfers (e.g., education) to the whole group of younger people in the society, and to a greater extent than childless people.

This question is not addressed by Schokkaert, and it does not play a role in the set of motivations proposed by Andreß and Heien (2001), which, however, provide (and is one of the few studies in economic research that do so) a special framework for the preferences concerning public intergenerational transfers.

Starting from the analytical problem of how to identify individual characteristics which lead to variations in attitudes toward public transfers, their concept introduces four dimensions: motivations concerning the welfare state and (i) its functions, (ii) its means (institutions, programmes, actors), (iii) its (intended and unintended) effects, and (iv) its financing. Within these dimension, there are four determinants of welfare state attitudes: self-interest, values and norms, different socialisation patterns, and national welfare cultures. The motivation of self-interest corresponds to Schokkaert's definition, but adds another aspect to it; namely, the different roles of the individual in the welfare state: citizens who are consumers of public intergenerational transfers are expected to support these regulations much more than taxpayers, who actually have to pay for it. Consequently, the older generation does not support transfers to the younger age cohorts, such as day care for children, as these transfers do not benefit them directly.

With regards to values and norms, Andreß and Heien, unlike Schokkaert, do not differentiate between social pressure and dutiful altruism. Additionally, they focus this dimension of motives exclusively on justice beliefs: "In terms of attitudes towards the welfare state, values and norms that concern the question of how material and non-material goods should be distributed between the members of a society are of particular interest. Since this question is connected with the problem of a just society, we call these values and norms *justice beliefs*" (p. 340). Special attention is paid to the distinction between egalitarian vs. non-egalitarian attitudes: justice beliefs can be classified along a continuum of transfer regulations, ranging from absolute equality to absolute differentiation. Egalitarian-oriented actors are expected to show more support for public transfers than non-egalitarian ones. This rather one-sided understanding of societal values is problematic, however, as other social norms such as (economic) efficiency, which might be helpful in enabling us to understand transfer interactions, are excluded.

Another conceptual weakness in the presented concept arises from looking at the third and fourth determinants of welfare state attitudes: differential socialisation and national welfare cultures. Andreß and Heien (2001) have stressed that values and norms are not given naturally, but are rather influenced by socialisation processes at the individual (social milieu), as well as at the aggregate level (welfare state organisation).

Consequently, these processes form a different category of determinants – since they are the basis on which observed attitudes are built – and should not be treated as being on the same level as self-interest and values and norms. This "distinction of quality" is considered in the concept presented. In order to analyse the specific socialisation processes, Andreß and Heien refer to several individual characteristics: age (i.e., generation), gender, education, and employment sector. With regards the explanatory capacity of age – which is of particular interest in the context of the research question at hand – the authors solely rely on Inglehart's (1977) theory of materialistic and post-materialistic values. According to this theory, younger generations, who are influenced by socialisation experiences different from those of their parents and grandparents, are expected to have post-materialistic values, such as the desire for self-fulfilment, environmental protection, and solidarity. In sociology as well as political science, there is a substantial amount of literature on the hypothesis of age conservatism. Even though there is a consensus that the influence of chronological age on changing social and political values should not be overestimated, the hypothesis that age has no effect at all does not hold in light of empirical results (Rattinger 1994). It also has to be noted that the family situation of the individual—i.e., the question of whether the person has one or more children, or remains childless—is not included in Andreß and Heien's set of characteristics, even though parenthood might have a considerable impact on attitudes towards public transfers. We will account for this by introducing another category of motives called "dynastic altruism" (see p. 48 in this Chapter).

4.3   Empirical findings on preferences regarding intergenerational transfers

4.3.1   Studies on the magnitude and direction of transfers

Whereas a detailed analysis of preferences has only recently been undertaken (Kohli 2003a), most of the economic and sociological research work that has been done on

relations between the generations has dealt with the magnitude and direction of intergenerational transfers.

Generally, these studies come to the conclusion that family transfers exist to a significant extent, and flow mostly from older people to the younger generations (e.g., McGarry and Schoeni 1997); whereas public transfers have been directed upwards (Lee 2003), even though recent generational accounting studies have added support to the hypothesis that – in the case of Germany and the US – the net present value over the life cycle for current younger generations is positive (Kluge 2009; Bommier et al. 2004). According to Schokkaert (2003), one of the most remarkable findings in the empirical work on the magnitude of transfers are the significant effects of age and education on volunteer work and charitable giving: the highly educated and older people give more of their resources than the less educated and younger members of society.

4.3.2 *Studies on preferences toward private intergenerational transfers*

When we look at preferences, it has to be noted that most studies dealing with the analysis of attitudes focus on private intergenerational transfers in specific social interactions in the family context (e.g., Cox and Soldo 2004). The results of these studies do not paint a clear picture of the motives that dominate in determining transfer giving.

Lillard and Willis (1997), for example, find evidence in their study on time and money transfers within Malaysian families that both the younger and the older generations participate in transfers for reasons of reciprocity: children are considered to be an important source of old age security in Malaysian society, and these transfers to older people serve, in part, as a repayment for parental investments in their children's education. Additionally, the study's results lend support to the hypotheses that parents and children engage in the exchange of non-cash transfers (e.g., time) for money. These findings have been confirmed in another study by Lillard and Willis (2002) on Southeast Asia. It should be mentioned, however, that in both case studies, the countries under examination do not have a highly developed welfare state, in particular with regards old age benefits; i.e., older people have to rely on private transfers from their children.

In contrast, the development of a generous welfare system in Western societies has enabled the older generation to give part of the public transfers upwards back to the young within the family. Whether this backflow of resources is mainly driven by altruistic motives cannot, however, be fully determined (Schokkaert 2003).

4.3.3   Studies on preferences toward public intergenerational transfers

Given the importance of preferences for redistributive policies, it is surprising that most studies dealing with the analysis of attitudes focus on private intergenerational transfers in specific social interactions in the family context (e.g., Kocka u.a. 2009, Haumann 2006, Cox and Soldo 2004, Attias-Donfut and Wolff 2000). Far less research has been devoted to the analysis of preferences regarding public intergenerational transfers. This is partly due to the fact that the necessary survey data are available only to a limited extent.

A comprehensive overview of studies on attitudes towards public intergenerational transfers is provided by Kohli (2005), who summarises that two data sources focusing on international comparisons are used in these studies (Andreß and Heien 2001, Blekesaune and Quadagno 2003, Hicks 2001, Smith 2000, European Commission 2004, Kohl 2003): (a) the International Social Survey Program (ISSP), a rather extensive (in terms of sample size) yearly survey with additional topical modules at larger intervals; and (b) the Eurobarometer, a regular survey of the European Union covering all member and candidate countries, and with small sample sizes similar to those of the ISSP, which makes the analysis of preferences according to age groups difficult, if not impossible (European Commission 2010, ISSP Research Group 2010).

Concerning attitudes towards transfers (regardless of, for example, the effect of age), all recent studies basically offer the same findings. Hicks' analysis (Hicks 2001), which is based on ISSP data, showed that the majority of people in all countries oppose reductions in old age benefits. Furthermore, when asked if government spending on pensions should be increased "more" or "much more," even at the cost of a general tax increase, a considerable fraction of the analysed populations were found to agree with this policy option. In Germany, 13.5 percent of the population opted for "much more," and another one-third for "more" public spending for older people, while only 3.9 percent supported "lower," and 0.4 percent "much lower" expenditures. With regard to the responsibility for the provision of pensions, the study found high levels of support in all countries for the proposition that the state should be responsible for the income of older people. In Germany, this view actually gained support during the last decade of the 20th century (38 percent in 1992, 40 percent in 1999).

Additional findings on these issues are provided by a special Eurobarometer poll conducted in late 2001 covering public attitudes to the welfare state's tasks, such as a guaranteed minimum pension or the pay-as-you-go system. Both of these were shown to have the support of a large majority of citizens throughout the EU, with very few differences seen between countries (European Commission 2004).

The drawbacks of these studies include the data they are based on, which were collected during the 1980s and 1990s when demographic change had not yet played a significant role in political agendas, and the fact that the statistical techniques they apply remain mostly on the descriptive level. In addition, most of these studies do not look at downward transfers, and if they do so, they only consider transfers in the form of education policies (Smith 2000).

Meanwhile, family policies are not considered, mostly because of data restrictions. These studies therefore fail to resolve the question of whether there are differences in preferences regarding the two directions of the public transfers. As people obviously tend to perceive the state as being the most responsible actor for social care (see above), it is plausible that the majority might support transfers to all age groups, regardless of the cost.

Smith's study addresses this gap to some extent by focusing on preferences concerning government expenditure on different policy fields (e.g., older people, police, education, health), using ISSP data from 1985, 1990, and 1996 (Smith 2000). The main results of this study are that, on average, an increase in public spending for the health care sector is favoured over increased retirement benefits, which in turn ranks above all other government sectors. However, relatively large country-specific differences can be observed. For example, (West) German respondents in 1985 and 1990 were found to overwhelmingly favour increases in expenditures for environmental protection (81.1 percent in 1985 and 89.5 percent in 1990), even at the cost of higher taxes. While this study points in the right direction, its results remain at a limited explanatory level, because the government sectors which were included in the ISSP modules could not be directly connected to the interests of either the younger or the older generation.

The one exception is education, which unfortunately is not analysed in Smith's study with regard to differences in age groups. This gap in adequate data also persists in very recent studies of international surveys. A Eurobarometer on the solidarity between

generations (European Commission 2009) again focuses solely on upward transfers in the form of pensions and old age care facilities.

4.3.4   Socio-demographic effects on social policy preferences: Does age matter?

A recent study on voting behaviour in Swiss referenda on redistributive policies have identified a significant effect of age, with older people being less likely to vote for policies supporting families, and more likely to vote for policies benefiting themselves (Bonoli and Häusermann 2009). In countries like Germany, where there are hardly any elements of direct democracy in the political system, analyses have to rely on social policy preferences. Here, whether or not age has an influence on attitudes toward public intergenerational transfers remains a controversial issue in the recent literature. Following arguments made by Blekesaune and Quadagno and by Hicks (Blekesaune and Quadagno 2003, Hicks 2001), Kohli draws the conclusion that "most attitude studies up to now show a level of acceptance of welfare policies that is much higher than the discourse on generational equity would lead us to think, with pensions being the most popular part of the welfare state. There is some differentiation along the age dimension, but much less than one would expect from an interest-based model of political preference" (Kohli 2005: p. 19, see also Kohli 2006).

On the basis of Eurobarometer data, Kohl also argues that differences in attitudes between age groups concerning the needs for social protection at old age are relatively small, even though he sees indications of weaker support for the idea of intergenerational solidarity among younger people (Kohl 2003).

A considerable share of studies investigating preferences on public transfers have indeed shown that factors related to social class, such as income, play a more important role than age (e.g., Taylor-Gooby 1998, Svallfors 1997). However, the authors of more recent work in the field argue that age is more important in defining social policy preferences than was initially expected (e.g., Armingeon 2006, Roller 2002).

Following this argument, Smith, analysing ISSP data, finds systematic differences in support of governmental spending on pensions: "Across age groups the predominant pattern was for support for governmental spending for retirement benefits to rise with age [...]. This occurred in 19 of 25 countries. The generational differences were often quite large." (Smith 2000: p. 12).

Similar findings are presented in a recent study by Busemeyer et al. (2009) using the 1996 wave of the ISSP, which looks at age/retirement and income effects on preferences toward education, health, and pension spending. Variations across countries and policy fields are considerable, with Germany (West) showing the smallest age differences. In their analytical concept, Busemeyer et al. frame age in an economic life-cycle perspective; their framework does not consider further demographic variables, such as parenthood or marital status.

Another very recent study by May looks at how the pension system is perceived by different age groups in Germany. The results of this analysis on the basis of Eurobarometer data (year of 2001) are that no significant differences by age can be identified, and that other factors, such as income, are more important in explaining pension preferences (May 2010: p. 203-205). May therefore concludes that there is no basis for a generational conflict in Germany. However, this study has two limitations. First, in the survey used for the analysis, people were solely asked about their anticipated satisfaction with the pension system once they retire in general. The question did not contain any redistributive dimension between generations. Second, the survey was conducted in 2001, when demographic issues were just starting to influence Germany's social policy agenda. And again, the empirical models used do not include further demographic variables, such as parenthood or marital status.

The only existing research work which extends the analysis to a broader demographic perspective are the studies by Logan and Spitze (1995), Miettinen et al. (2008), and Wilkoszewski (2008). Logan and Spitze compare the levels of support between age groups 40 to 80+ in 10-year intervals on a series of preferences regarding parent-child relations and governmental programs for older people. Programs within the family sector are not taken into account.

The data used in this study come from interviews with 1,200 residents of the Albany-Schenectady-Troy metropolitan area, a region in the US state of New York. Logan and Spitze conclude from their analysis that older people's attitudes in both spheres are least likely to appear to be selfish—i.e., to represent the "pro-elderly" position—when other variables are controlled for. The number of children seems to have an effect, though: "People with more adult children are more likely to adopt attitudes favouring the younger generation."

Using recent survey data, Wilkoszewski (2008), however, finds large effects of both age and parenthood on preferences regarding family policies for the German case: older and childless people are less prone to support increases in child benefits. A second study on Swiss referenda by Bonoli and Häusermann (2009) identifies age even to be the strongest predictor of policy preferences.

4.3.5   Summary

In summary, we find that existing research remains inconclusive on the question of whether age has an effect on social policy preferences. The great majority of studies are based on cross-country comparisons; some of these find some evidence for age differences in degrees of support for intergenerational transfers, but with large variations across countries, and with small, if any, effects for Germany.

Except for one study, the focus lies on education and pension policies as proxies for downward and upward transfers. Surprisingly, family policies, which cover various dimensions of redistributive policies to the younger generation (e.g., money, time, care, housing) are hardly considered, even though latest research has shown that large age differences can be found in related preferences (Bonoli and Häusermann 2009, Wilkoszewski 2008).

5   Extending the analytical framework for preference analyses

As far as the theoretical framework is concerned, the standard political economy approach to studying preferences on redistributive policies is based on concepts in which age as an explanatory demographic variable does not play a central role. Preferences for intergenerational transfers are rather explained by the individual's position in economic terms; i.e., by his or her income and/or need for public transfers. In their study, Busemeyer et al. (2009) extend this concept and assign age a more relevant function. They conceptualise age along different life-cycle phases (i.e., education, labour market participation, retirement) and identify seven functional age groups, including "young and in education," "young and in the labour market," and "old and in retirement." The authors concede that age might have more (demographic) explanatory power than just in structuring economically (in-) active phases:

"Given that education is focused on the young, it is to be expected that older people are less in favour of increases in education spending than younger people, controlling for their socio-economic status. Of course, older people will show a certain amount of support for education spending, either because they have (grand)children in education or realise that an educated workforce is needed to sustain economic well-being." (Busemeyer et al. 2009: p.199)

Yet, their main measure of age differences in preferences is the comparison between individuals participating in the labour market ("middle-aged and in work") and those out of the labour market ("old and retired"). Furthermore, Busemeyer's et al. concept basically remains within a rational-choice framework, which considers self-interest (in terms of receiving benefits, or the expectation of collecting them in the future) as the main underlying motive for the observed policy preference. Variables such as parenthood or grandparenthood and related motivations (altruism), which could capture the demographic life-course notion of possible age effects, are not included in their model.

Therefore, inconsistencies identified in the empirical analysis by Busemeyer et al. cannot be explained: the fact that many older retired people in Germany are not in favour of decreases in forms of spending they no longer benefit from, such as unemployment or education, may seem counterintuitive if we assume that people are motivated by self-interest. The authors conclude that more attention should be given to the underlying norms and values of preferences.

In this dissertation, we seek to tackle the obvious shortcomings of a basic political economy approach by adding a demographic life-course perspective to the economic life-cycle phases (see also Wilkoszewski 2010, Wilkoszewski and Muth 2009, and Wilkoszewski 2009). This will also enable us to take a deeper look into the underlying motives of preferences, as it allows us to use altruism as an explanation for preferences, which are seemingly inconsistent in the self-interest context (see discussion on motives in this chapter).

Like Busemeyer et al., we would argue, for example, that older people are also very likely to have children and/or grandchildren who are at risk of becoming unemployed; as a consequence, (grand)parents are dynastically altruistic, and do not support cuts in unemployment benefits to the same extent as older people who are childless. In order to test this hypothesis, however, variables like (grand)parenthood would have to be

included into the empirical model. In the following, we will briefly present our analytical framework, which is illustrated by Table 2.

From an economic life cycle to a demographic life-course perspective

In a simple redistributive context of a specific transfer, there are basically two groups of individuals: beneficiaries (recipients) and non-beneficiaries (contributors). The group of beneficiaries also includes those individuals who do not currently receive the benefit, but who are potentially eligible to receive it at a certain time. The tendency to support a specific benefit depends on the individual's socioeconomic position (income). According to Busemeyer et al., it also depends on the individual's position in the economic life cycle (= "age"), which also determines the individual's likelihood to be beneficiary or not.

The underlying motives for these preferences are various forms of self-interest (see discussion of motives in this chapter). As outlined above, this concept cannot explain the case of individuals who support a specific transfer, even though they are not recipients of this benefit or cannot expect to become beneficiaries in the future. Neither it is able to provide reasons for a (hypothetical) situation in which beneficiaries are not supporting the transfer they receive. Retirees, for example, could be willing to accept cuts in their pensions if, given budget constraints, this were the only option for providing essential transfers to the younger generation.

These seemingly counterintuitive social policy preferences require another dimension of motives in order to be analysed and explained: altruism. Since the set of motivations for transfers can be understood as a continuum between pure egoism and pure pro-social attitudes, it is possible to introduce sub-categories for both altruism and self-interest (see discussion of motives in this chapter). In the context of the research question at hand, we distinguish between two forms of altruism: dynastic altruism and societal altruism. Both kinds are triggered by demographic life-course events and phases: i.e., parenthood, grandparenthood, and, to a certain extent, marriage.
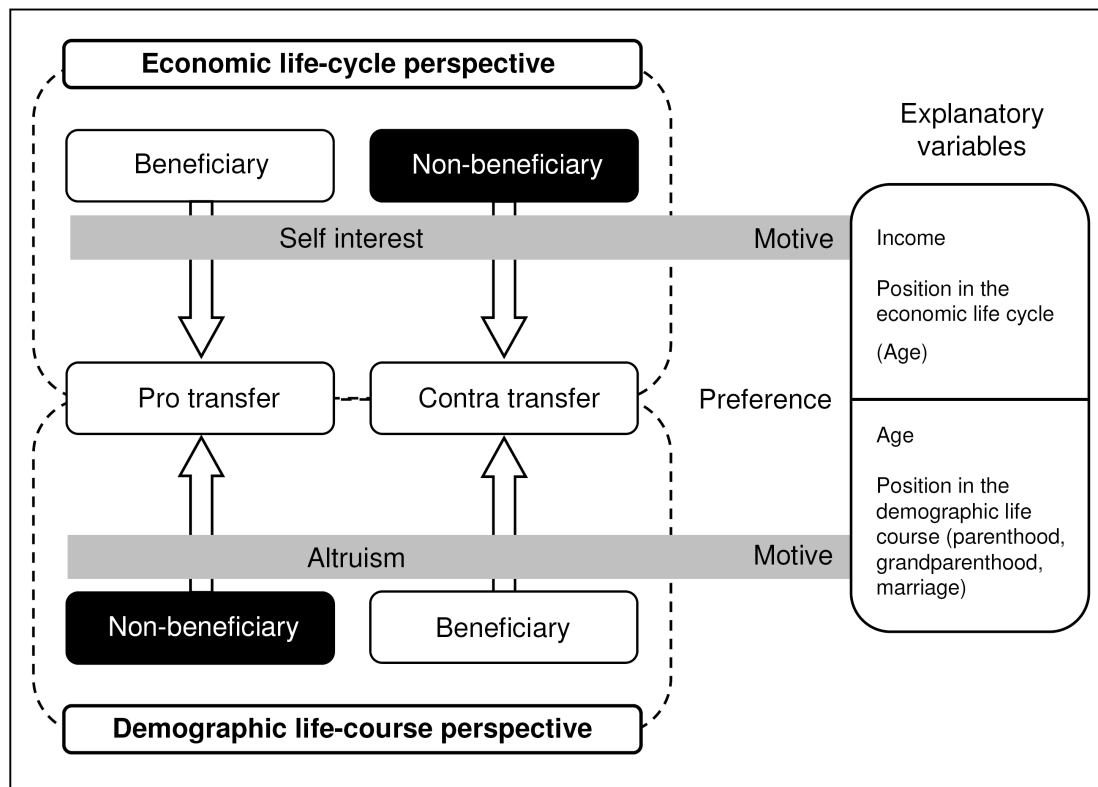
Table 2: Extended theoretical framework for the analysis of social policy preferences

Dynastic altruism – which in economic studies on intra-family transfers (bequests) is also referred to as "intergenerational altruism" – motivates parents and grandparents to support public transfers which they do not benefit from directly, but which are directed towards their children or grandchildren. Examples could be educational transfers or, in the case of grandparents, child benefits or other family policies. Societal altruism, on the other hand, assumes that individuals with offspring are also more likely than childless people to support transfers towards the younger generation as a whole. The experience of having or not having raised children (and thereby contributing to the continuance of society) might determine a person's general attitude on intergenerational relations beyond the private sphere.

In summary, we argue in this dissertation that adding a demographic perspective when analysing social policy preferences is key to understanding intergenerational dynamics in the public domain of ageing societies, as only then is age used as an explanatory variable of its own. Furthermore, underlying motives for social policy preferences are

determined not only by an individual's location within the economic life cycle, but also within the demographic life course (age, marriage, parenthood, grandparenthood).

6   Research on the political interest representation of older people

The question of how older people express their interests in the political system is relatively new in the German context. Unlike in the United States, where AARP (formerly, the American Association of Retired Persons) has become the main and very powerful interest group for the interests of older people (Morris 1996), political interest representation for older people in Germany has, until recently, been more fragmented and less clear-cut in its aims (Streeck 2007).

This is also reflected in the very few studies that have addressed this issue so far. Some of these analyses looked at the demands for and the scope of the emerging policy field of *Seniorenpolitik* (e.g. Klose 1999, Alber and Schölkopf 1999). Other studies described the beginnings of representation of older people in the political system, mostly in the political party context (Bürklin 1989, Alber 1994).

Researchers in the US have, however, also recently conducted comprehensive studies of how the growing share of older people in society address their concerns with regard to the welfare state politically (e.g., Campbell 2002, Campbell 2003, Binstock 2005, Binstock 2006).

Until very recently, comparable research had not been done for Germany. Schroeder, Munimus, and Rüdt (2010) rightly conclude:

> "A powerful 'grey lobby' like in the USA or Italy, which *exclusively* represents a policy guided by the interests of older people, has not been able to establish itself in Germany. If this will also be the case in the future is one of the central questions that motivate our study. In order to answer this question, one needs to obtain detailed knowledge about the organisations and institutions which represent the interests of older people. Strangely enough there is a substantial gap in knowledge concerning these issues in Germany. Therefore we would call the area of old-age interest groups in Germany a *terra incognita*." (p. 12)

In their latest book, the authors provide a comprehensive overview on the history and political role of all relevant institutions representing the interests of older people in Germany, with a special focus on civic and social associations, as well as trade unions.

The authors seek to provide insights into three questions: the organisational structure, the self-image of the institution, and, to a smaller extent, its influence on the political decision-making process.

The authors apply classical socio-historic methods (summary and analysis of primary printed sources of the organisations, such as bylaws, business reports, minutes, documentations, and statements). To a limited extent, the authors also conducted expert interviews with officials of the organisations under study, politicians, and social scientists. The findings of these interviews are, however, referred to in only a very few text passages. Moreover, the authors provide neither a systematic summary of interviews, nor a list of interviewees and their function.

Schroeder et al. show that the biggest civic associations have gained substantially in membership over the last one or two decades, that their media profiles are becoming more professional and pronounced, and that the fragmentation of actors decreases as the growth in membership is mainly concentrated in the two biggest associations (for a more detailed overview on the findings, see Part 3.1 in Chapter IV of this dissertation). In addition, organisations form alliances with respect to specific topics (e.g., pension reform) in order to enhance their political influence.

As a conclusion of their analysis, Schroeder, Munimus, and Rüdt state that these trends have only partially increased the power of old-age interest groups:

> "All things considered, the assumption that civic and social associations have gained more explicit political power in terms of influencing pension, care, and health care policies, has to be relativised. Even though growing numbers in membership do show that older people on the basis of their common interest to increase pensions and to maintain a good provision of health care are able to articulate their interests and mobilise themselves in the political arena. However, civic and social associations despite their success in recruiting new members have succeeded in achieving material gains for older people only to a limited extent. On the other hand, they seem to have been comparatively successful in the protection of vested rights, since the main cuts in pensions will only affect future generations of pensioners." (p. 296)

The author's main explanation for this is that the agendas of old-age interest groups are still oriented towards a more integrative approach across the generations, and to a lesser extent towards a clear-cut position for the interests of older people.

May (2010) draws a similar conclusion in her study. She analyses the discourse on intergenerational justice in leading German newspapers. On the basis of how often and

in which context various actors address the issue in the media, May concludes that the scenario of a generational conflict is mostly triggered by scientists or political commentators, rather than by interest groups or older people themselves, who would appear to have a more moderate position concerning the enforcement of their social policy preferences.

The problem with May's methodological approach here is clearly the constraints in data used for the analysis: press statements and documents as the only data source give only a limited view of possible agendas of old-age interest groups concerning the issue of intergenerational justice. Interviews with relevant decision makers as an important, direct source of information are essential to interpreting research findings from the discourse analysis.

For it is very likely, for example, that a press officer of an interest group would express his or her organisation's views differently in a leading daily newspaper, such as the *Frankfurter Allgemeine Zeitung,* than in the protected framework of an anonymous expert interview. Therefore, a possible bias in the obtained information due to political correctness or social desirability could be offset.

Schroeder et al. on the other hand, do use expert interviews for their study, albeit to a rather limited extent. Furthermore, their research perspective is the past and the present, and not the possible impact of further future demographic trends. As argued above, this might, however be the more relevant question in identifying future challenges for social policy makers in Germany.

Demographic change is an ongoing process, and the full extent of the changes in the age structure of the population, as well as in the familial situation of older people, will only become fully apparent in the years to come due to the typical lag in population trends (see Part 1 of Chapter IV in this dissertation).

After all, Schroeder, Munimus, and Rüdt (2010:446) also concede at the very end of their study that, in light of future demographic trends as well as of the projected increase in old-age poverty in Germany, the agendas of civic and social associations may align themselves to a greater extent with intergenerational conflicts over public resources than they do today.

Part 3 of Chapter IV in this dissertation will address this research gap by systematically analysing a range of in-depth expert interviews with both old-age interest group representatives and government officials. The semi-structured questionnaires have been

explicitly designed to reflect the prospective nature of the main research question (see Part 4.3 in Chapter III).

7 Research hypotheses

Based on the theoretical considerations and the literature overview above, we derive the following eight central research hypotheses for the empirical analyses of this dissertation.

(1) *Demographic change will significantly alter the age structure and the composition of Germany's population over the coming decades.*
Until the year 2040, the share of older, childless, and unmarried people in Germany will increase significantly.

(2) *Social policy preferences differ across age.*
Older people are less in favour of public transfers to the young than the younger generation, and they prefer that public transfers are channelled to the older generation.

(3) *Social policy preferences differ between parents and childless people.*
Childless people are less in favour of public transfers to the young than parents, and are more in favour of public upward transfers than parents.

(4) *Social policy preferences differ between married and unmarried people.*
Unmarried people are less in favour of public downward transfers than married people.

(5) *There are centralisation tendencies of interest groups for older people in Germany.*
Older people expect more from their political representation. Therefore, interest groups for older people streamline their positions and try to influence policy-making processes.

(6) *Interest groups for older people have gained importance.*

Due to the increasing share of older people, the number of interest groups for older people has increased over the past decades. They are more visible in the policy-making process.

(7) *Interest groups for older people have changed their self-perception toward being "lobby groups".*

Due to the fact that older people have many more resources than in the past, the nature of their interest groups has changed: They perceive themselves now as "lobby groups" with a clear political agenda. The implicit political power of older people starts to become an explicit one.

(8) *Political decision-makers are perceptive toward the increasing influence of older people and their interest groups.*

Political decision-makers are aware of the interests of older people and the influence of their interest groups. They actively seek to include these in the political decision-making process.

Hypothesis 1 will be examined in Chapter IV.1, hypotheses 2 through 4 in Chapter IV.2, and hypotheses 5 through 8 in Chapter IV.3 of this dissertation.

III   Methods and data

1   Mixed-methods approach

In the following we will present the methods and data used for this dissertation. The main methodological approach to the research question at hand was a mixed-methods approach (Creswell 2002). The three analytical steps for this dissertation outlined in the first chapter require each and per se different methods, both quantitative and qualitative in nature, as they address various scientific disciplines (demography, political sociology, classical political science). Since the three empirical analyses build on each other in order to answer one overarching research question, the methods used are complementary to each other. This is the central feature of a mixed-methods approach.

The demographic forecast alone would not tell us much about the likelihood of a future intergenerational conflict. However, in combination with a quantitative survey analysis of preferences as well as qualitative expert interviews, we obtain several indicators helping us to form a more complete, well-founded answer to our research problem. Sections 2, 3, and 4 in this chapter will present the methods and data used for each of the three empirical chapters.

2   Demographic forecasting

Population projections can serve various needs and research interests, from local-area projections with a short projection period for regional policy makers to forecasts of global demographic trends over 100 or 150 years or even longer by and for organisations like the United Nations. Indicators included in the output of the forecast vary from simple population counts, dependency ratios to finer categories such as population groups by socio-economic factors, e.g. income (for a comprehensive overview see O'Neill, Brickman, and Ezra 2001). Depending on the desired indicators to be projected, the forecast methods vary significantly, too (Luth, Goldstein, and Prinz 1996).

As outlined in the literature review (see section 3 of Chapter II), most of the existing population forecasts for Germany predict only population counts by age and sex using the cohort-component method. Here, initial populations for countries are grouped into cohorts according to age and sex. As the projection progresses in time, these groups are updated cohort by cohort in line with assumptions about mortality, fertility, and migration (Smith, Tayman, and Swanson 2002, Notestein 1945).

However, in the light of our research question, we are interested in more detailed information about the demographic future of Germany, such as marital status and parenthood. Demographic micro simulation is the principal method used for predictions involving indicators of kinship (Murphy 2004, van Imhoff and Post 1998, Zhao 1996, Wolf 1994, Wachter 1987, Smith 1987).

However, due to its relatively extensive data requirements, so far only one study has applied this method to predict the marital status of older people in Germany (Kalogirou and Murphy 2006). As the age groups and projection period in this study differ from the ones relevant to our question, we conduct our own micro simulation, by which we will not only predict marital status but also parenthood of people aged 55plus until the year 2040.

In the following, we will describe the micro simulation method as well as the software and data we used for our forecast.

2.1   Micro simulation

There are three main differences between traditional macro simulations (which the above mentioned cohort-component in principle consists of) and micro simulations: a micro simulation uses a sample of the population rather than the total population; its model works on the level of individual data rather than aggregated data; and it is based on repeated random experiments rather than on average fractions (Murphy 2004, Murphy 2001, van Imhoff and Post 1998).

Thus, macro simulations carry out the projection by updating the change over time of population data, which is grouped into certain categories (such as age or sex); micro simulations update the records of individuals within the population by conducting Monte Carlo experiments, which determine whether the individual is subject to a certain

demographic event, e.g. marriage, or not. As a result, micro simulations keep records in form of lists of individuals and their demographic characteristics as well as links to all related kin in the population, whereas macro simulations use aggregate cross-classification tables.

In general, data requirements for micro simulations are much more demanding than for macro simulations, since information on each demographic state for all possible combinations of classification must be provided on the individual level.

On the other hand, due to computational issues, macro simulations cannot handle greater numbers of demographic states (therefore limiting the output of official forecasts to a few demographic variables such as age and sex).

2.2   SOCSIM – A demographic micro simulation model

For our analysis we use a demographic micro simulation model called SOCSIM (Hammel, Mason, and Wachter 1990). The version used in this dissertation was further developed by Michael Murphy at the LSE. SOCSIM applies appropriate rates of mortality, fertility, and nuptiality (including divorce) to a starting population, which represents a sample of the population to be simulated. In order to test the robustness of the simulation results, the year of 1956 is chosen as the starting point of our simulation (simulation results for the year 2005 are checked with real values to see whether the simulation produces reliable outcomes). SOCSIM can also handle further rates such as for cohabitation (Murphy 2001), due to data constraints for the German case, this – has been excluded, though.

SOCSIM operates with a closed model, which means that partners have to be found within the existing simulation population (Wachter 1987). All individuals in the population are linked to other related individuals (spouses, parents, etc.) through both the mother and father. A closed model is more complex than open models in which a partner is added when needed. However, this additional individual in the population does not carry further demographic characteristics other than age, sex, and the link to the partner. In contrast, closed models allow for the analysis of any kinship relationship throughout the population by keeping detailed records of each individual (Murphy 2004).

In addition, SOCSIM comes with a set of further advantages: first, it is the most comprehensive of models for simulating populations with large sets of demographic states, and it allows for the input of variable demographic rates. The software is written in the C language and computationally efficient. It is freely available and its code can be adjusted according to specific analytical needs or research interests (Murphy 2004).

On the other hand, this flexibility comes at the cost of limited user-friendliness in terms of actually running the programme. In order to post-process and analyse the output of the simulation, various scripts have to be created or amended for specific indicators of interest; documentation of the various existing versions is scarce.

The initial population for our simulation has the size of 84,000 individuals and is built up using data from the UN's Demographic Yearbook (UN Statistics Division 2010, see also section 1.1.1 in Chapter IV). The results of our simulation for the year 2005 are cross-checked with data from the German National Statistical Office Destatis, before the actual forecast until 2040 is progressed (for results see section 1.1.1. in Chapter IV). We also cross-check our simulation results for the year 2040 with existing forecasts to examine their plausibility and robustness (see section 1.3 of Chapter IV).

2.3 Data requirements for SOCSIM

As stated above, data requirements for micro simulations can be extensive. Ideally, complete information on the following rates is needed to run the simulation for a population. As the individuals in the population are exposed to experiments on a monthly basis, yearly rates have to be transformed accordingly. Rates are then averaged over 10-year periods, as this is the main interval for simulation rounds in SOCSIM.

- age- and sex-specific mortality rates by marital status
- age- and parity-specific fertility rates by marital status
- age- and sex-specific first marriage rates
- age-specific divorce rates by duration of marriage
- age- and sex-specific re-marriage rates by marital status

Not all of these data are fully available for Germany, especially due to the country's separation which resulted in two, partially incomplete official statistical records for various demographic indicators until the year 1990.

We complete the missing data in various ways, depending on availability of alternative (sometimes aggregate) data and efficiency. When combined data for whole Germany is not available, rates are adjusted by weighted averages retrieved from aggregate data or expert information wherever possible. It is possible to insert factors into the simulation rounds of SOCSIM in order to adjust rates when necessary. This is an important tool to match the simulation output with real data before running the actual forecast into future periods.

Mortality rates

The Human Mortality Database (www.humanmortality.org) provides information on age- and sex-specific mortality rates sufficient to conduct a micro simulation for Germany. Rates for whole Germany are only available from the year 1990 onwards, however. For the period 1956 to 1990, therefore, rates for West Germany only were included into the model. To account for differences in mortality by marital status, the rates were factored by appropriate rate ratios retrieved from Manzolia, Villarib, Pirone, and Boccia (2007). Graphs 1 and 2 present the used rates for the period 1956 to 2004, in 10-year intervals.
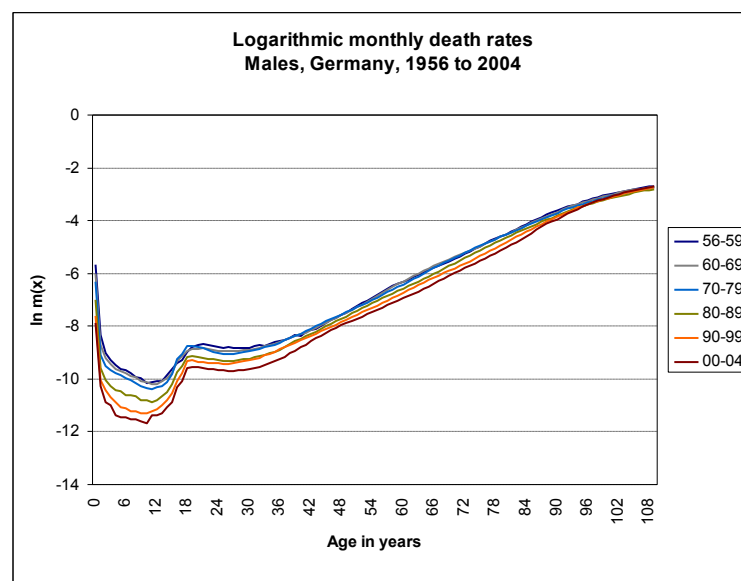
Graph 1: Logarithmic monthly death rates for males, Germany, 1956-2004 (Source: HMD, own calculations)

**Logarithmic monthly death rates
Females, Germany, 1956 to 2004**
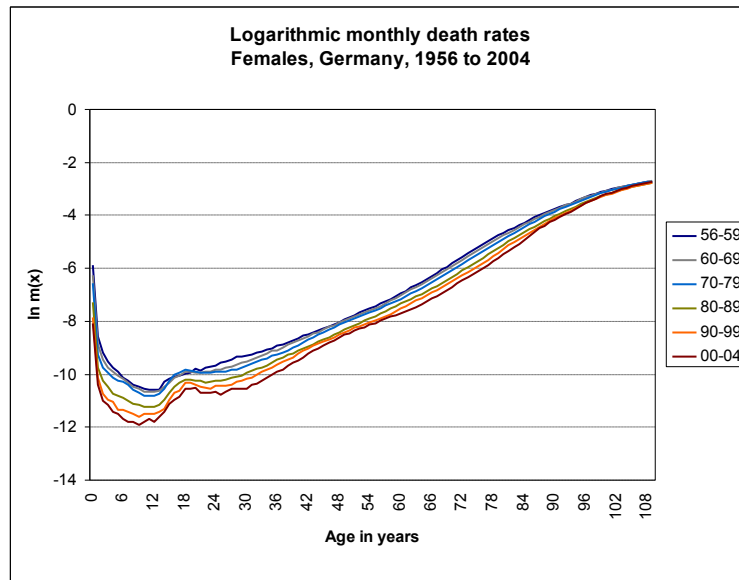
Graph 2: Logarithmic monthly death rates for females, Germany, 1956-2004 (Source: HMD, own calculations)

Fertility rates

Compiling the fertility rates needed for our micro simulation requires some estimation of missing data. Age-specific fertility rates (ASFR) by parity come from the *Human Fertility Database HFD* at the *Max Planck Institute for Demographic Research MPIDR* (www.humanfertility.org). These data entail information on West and East Germany; this is of particular importance, as fertility trends in both parts of Germany followed substantially different paths throughout the phase of Germany's separation, also due to varying family policy regimes (Henz 2008).

However, the necessary fertility rates are only available for the period from 1956 to 1985 for West Germany, and from 1956 to 1990 for East Germany. For estimating the missing data until 2004, we use a modified application of the Lee Carter model (LC), proposed by Camarda and Wilkoszewski (2008). The LC is usually being used in the area of mortality (Lee and Carter 1992). Since fertility patterns are generally speaking more erratic than mortality trends, however, the standard assumption of linearity in the forecast of the LC does not lead to reasonable results. Therefore, Camarda and Wilkoszewski use additional information given by the available TFR for the projected period to adjust the calculated ASFR from the model.

Graphs 3 through 6 show the fertility rates used for our micro simulation. The shift of first births toward later ages as well the general decline over time across all parities can be clearly seen in the diagrams.
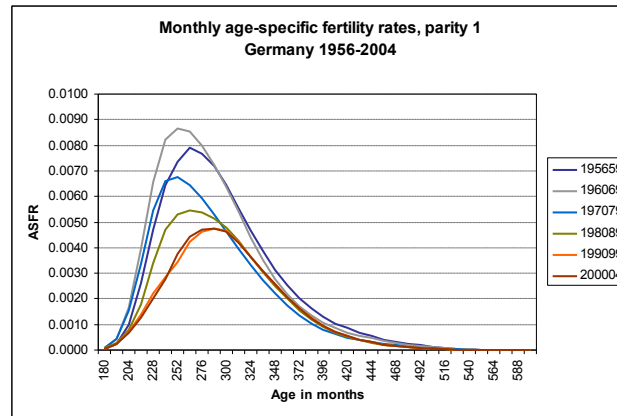
Graph 3: Monthly ASFR, parity 1, Germany, 1956-2004
(Source: HFD, own calculations)
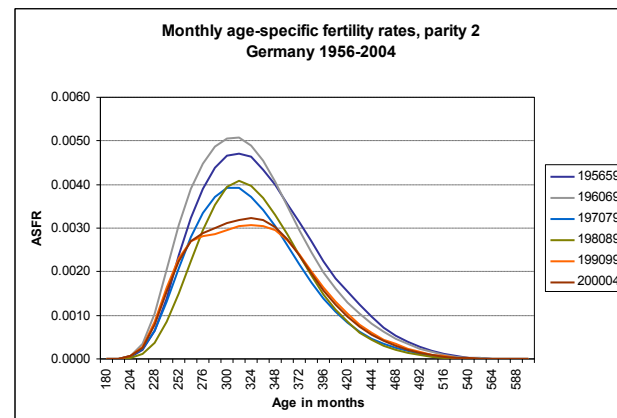
Graph 4: Monthly ASFR, parity 2, Germany, 1956-2004
(Source: HFD, own calculations)
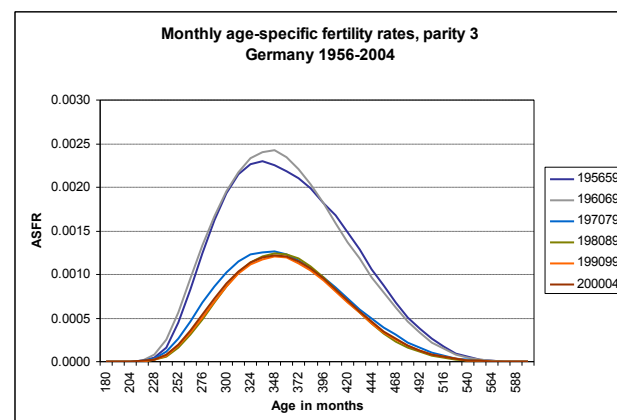
Graph 5: Monthly ASFR, parity 3, Germany, 1956-2004
(Source: HFD, own calculations)
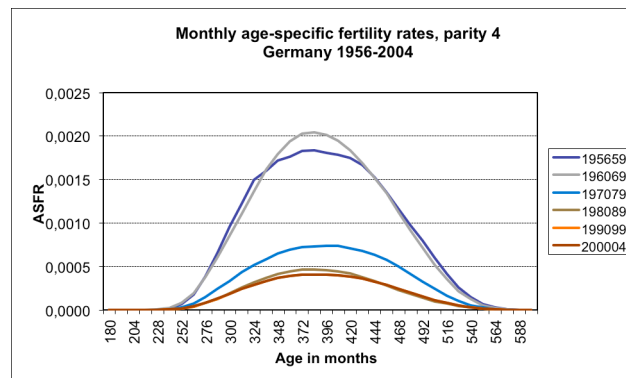
Graph 6: Monthly ASFR, parity 4, Germany, 1956-2004
(Source: HFD, own calculations)

Nuptiality rates

Rates for nuptiality were obtained by request of the author from the German National Statistical Office Destatis (first and re-marriage rates). Some of these rates have to be calculated from raw data provided by Destatis. Information on re-marriage rates have been particularly difficult to obtain. Official data for whole Germany are only available for the 1980s. We therefore assumed that the age profiles of re-marriage rates stay constant over the simulation period 1956 to 2005, and that the absolute levels of rates decline over time. These assumptions appear to be appropriate as they are in line with the general trend of falling re-marriage rates for both widowed and divorced individuals across Europe (Kalogirou and Murphy 2006).

Divorce rates are obtained from the online database at Eurostat (www.epp.eurostat.ec.europa.eu). It provides divorce rates for West Germany from 1958 to 1990, and for whole Germany from 1991 to 2001. In order to calculate data for whole Germany for the period 1958 to 1990, we used factors obtained from aggregate data by Emmerling (2002).

Graphs 7 and 8 present the final nuptiality rates used for the micro simulation in this dissertation. The decline in first marriage rates over time as well as the shift of first marriages to older ages can be clearly seen.
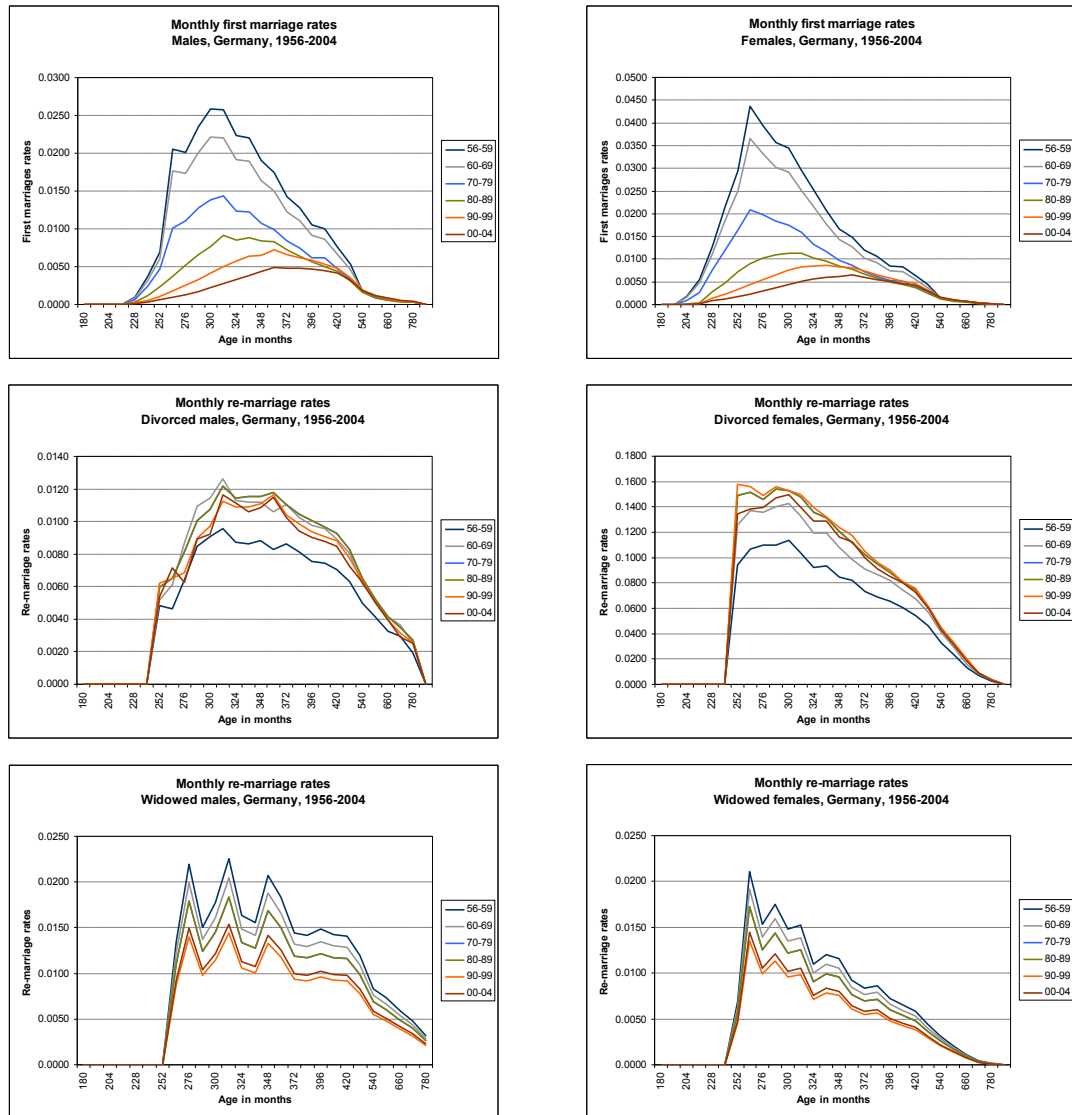
Graph 7: Monthly first and re-marriage rates, males and females by marital status, Germany, 1956-2004
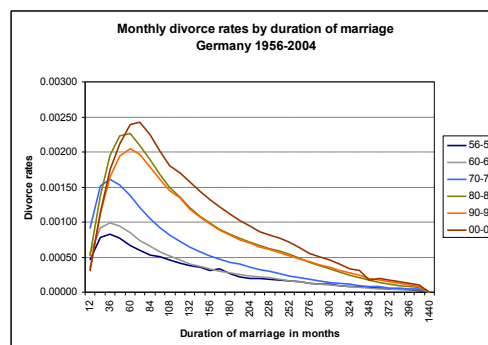
Graph 8: Monthly divorce rates by duration of marriage, Germany, 1956-2004

3   Methods and data for the analysis of social policy preferences

The second step in our empirical analysis is to investigate into demographic effects on preferences toward redistributive social policies. In the following, we will describe the methods and data used for this analysis.

3.1   Generalised Linear and Additive Models (GLM and GAM)

Preferences are usually analysed in quantitative terms using survey data (qualitative studies e.g. would use focus groups or the like). The outcomes of the surveys for our analysis are binary (for coding of dependent variables and model specifications see section 2.1.1 of Chapter IV). In order to describe causal relationships between these discrete response variables taking two possible values (0, 1) and a set of explanatory variables, binary logistic regression is the standard statistical method (Hosmer and Lemeshow 2000). The method belongs to the family of Generalised Linear Models *GLM*, which generalise the linear regression function of the form

$$y = \beta_1 + \beta_2 x_2 + \ldots + \beta_k x_k + e, \text{ with } e_i \sim N(0, \sigma^2)$$

by relating the linear model to the response variable *y* via a link function and by allowing the magnitude of the variance of each measurement to be a function of its predicted value. In logistic regression this link function is a logit function

$$X\beta = ln\left(\frac{\mu}{1-\mu}\right)$$

where μ is the expected value (to be interpreted as the probability p) of the response variable to take the value 1, predicted by the set of independent variables $X\beta$.

Results of logistic regressions are usually given in odds ratios for each independent variable. These provide information on how much more likely it is that the dependent variable will take the value of 1, if the respective independent variable changes by one

unit. Odds ratios with values greater than 1 indicated a positive relationship, values smaller than one a negative one.

In order to evaluate the goodness of fit of our logistic regression models, we report values for Nagelkerke R^2 as well as the results of the Hosmer-Lemshow test, which compares numbers of failures or successes (corresponding to the dependent variable taking the value of 0 or 1 respectively) observed in the real data to those predicted by the model. A good model fit is represented by non-significant *p*-values (Hosmer and Lemshow 2000).

Since linearity of coefficients is one of the central assumptions of Generalised Linear Models, we apply in a second step Generalised Additive Models (GAM, Hastie and Tibsharani 1990). This allows us to assess possible patterns of the effect of one of our main variables of interest (age) on the dependent variable over a (synthetic) life course.

GAM apply an iterative scatterplot smoothing algorithm to obtain a preliminary smoothed value, which then is used to fit the model in order to obtain a better value until convergence to a smoothed value with optimal statistical properties is reached (Kalogirou and Murphy 2006).

As a result, the relationship between the dependent variable and the explanatory variable, whose coefficient is smoothed in a non-parametric form, is no longer forced into a linear pattern. Thus, any trait that this relationship might have due to the real data can be identified. GAM represent a fairly new method and so far have been widely used in epidemiology (e.g. Dominici, Mc Dermott, Zeger, and Same 2002), while they have not been used for studying preferences in the field of social sciences. One reason might be the specific requirements concerning the set-up of the variables: the independent variable, whose coefficient is supposed to be smoothed, must be continuous while the dependent variable has to be dichotomous.

The model specifications of the GAM used in our analysis are identical with the ones of the GLM, except for the smoothing function entered into the equation for estimating the coefficient of the independent variable *age*. The results for the coefficients of the other explanatory variables, therefore, remain unaffected.

3.2   Survey data: Generations and Gender Survey *GGS* and Population and Policy
         Acceptance Survey *PPAS*

For our analysis we use the most recent data suitable to addressing the questions at hand: the German Population and Policy Acceptance Survey (*PPAS*) and the German Generations and Gender Survey (*GGS*). These are independent, cross-sectional datasets with large sample sizes (4,110 individuals for PPAS and 10,017 respondents for the GGS). The age ranges of the interviewed persons were 20 to 65 years for the PPAS and 17 to 85 years for the GGS, in both cases sufficiently big for the central research question of the preference analysis.

The second wave of the PPAS was collected in the year of 2003 in the framework of the EU project "Population Policy Acceptance Study – The Viewpoint of Citizens and Policy Actors Regarding the Management of Population Related Change (DIALOG)" (BiB 2010). The institution responsible for the German survey is the Federal Institute for Population Reseach *BiB*. The first wave of the PPAS is not suitable for our analysis, as the age range of interviewees is too small (20 to 40 years).

Like the PPAS, the German GGS is embedded into an internationally comparative project coordinated by the Population Activity Unit of the United Nations Economic Commission for Europe (UNECE) in Geneva (Ruckdeschel, Ette, Hullen, and Leven 2006). The first wave of the German GGS was conducted in the year 2005. The responsible institution is again the BiB.

We used both datasets for our analysis for two reasons: first, PPAS and GGS contain an identical battery of questions concerning preferences on 13 family policies, which we use as a proxy for public downward transfers. Including both datasets in our analysis allows us to test the robustness of the effects found, as the datasets are entirely independent. Second, the PPAS contains a further set of questions concerning preferences on eight pension policy reform options. By analysing these, we are able to shed light on the second type of redistributive policies: public upward transfers (for details on the questions see section 2.1.1 in Chapter IV).

4   Analysis of political responsiveness: expert interviews

While the first two empirical analyses in this dissertation have applied quantitative methods, the third and last analytical part uses a qualitative approach in form of expert interviews to shed light on the question of how the political system in Germany responds to the demographic trends and policy preferences identified. In the following we will introduce this method by explaining its underlying concepts and how we prepared and conducted the interviews.

4.1   Qualitative approach: expert interviews

Expert interviews are special forms of guided interviews. Their design and execution is more flexible than e.g. standardised questionnaires. This makes them more suitable for the structured collection of interviewees' views on complex issues (Flick 2004, Hopf 2004).

In contrast to biographic interviews, the research interest of expert interviews focuses on a person as an expert for a specific issue or area rather than on as a person as such. In this function, the interviewee is considered to not only represent his own views but the ones of a whole group of experts or societal actors (Flick 2004, Meuser und Nagel 1991).

In this respect, the information which the researcher seeks to obtain from the interviewee is more focussed than in other, more explorative forms of qualitative interviews. Therefore, an appropriate design of guidelines for the interview is crucial to limit the conversation to insights relevant to the research question. According to Meuser und Nagel (1991) the following forms of shortcomings should be avoided by an adequate selection of experts and a thorough preparation of guidelines:

- the expert interrupts the interview because it turns out that he or she is no expert for the matter at hand;
- the expert is involving the interviewer into a conversation about internal issues or problems of his or her organisation and deviates from the topic of the interview;

- the interviewee switches between his role as an expert and a private person too often, which yields in fewer insights into his or her expert knowledge;

- the expert interview turns into a "rhethoric interview", during which the interviewee does not engage in a real Q&A-style conversation but rather delivers some sort of speech or lecture.

In order to analyse the collected information, expert interviews are usually recorded and then literally transcribed. These transcriptions are the basis for further analysis according to categories and instruments which depend on the overall research interest, the number of interviews as well as resources available to the researcher (Schmidt 2004, Flick 1999). For our analysis we apply the technique of repetitive reading of the transcripts in order to obtain an analytical grid along specific questions and terms used in the interviews. This grid is then used to compare and summarise the central evaluations of the experts (for details see section 3 in Chapter IV).

4.2   Selection of experts

As explained above, interviewees of expert interviews are selected in order to provide insights into views and evaluations representative for groups of people. In our analysis, this concerned two types of groups within the political system of Germany: first, representatives of interest groups of older people; second representatives of the country's main federal decision-making institutions.

By gaining information on the first group, we aim at shedding light on the question, how demographic trends have influenced and will trigger the political self-organisation of older people in Germany.

The second group of experts is supposed to give information on how demographic trends on the one hand and interest groups of older people on the other influence the politics of established institutions such as federal ministries or the national parliament. The main question here is in how far the political system has already responded to or is likely to respond in the future to a possibly emerging "grey power".

As experts for the first group, we select the leading representatives of two of the biggest interest groups for older people in Germany: The Federal Working Group of Associations of Older Citizens (*BAGSO*) and the Association of older citizens and handicapped people (*VdK*). Due to the history and membership coverage of the two associations, we aim at securing a sufficient level of representativeness of the data collected. In addition, we select leading representatives of interest groups for older people within the five political parties represented in the national parliament, since these associations due to their organisational linkage with political parties are particularly close to the traditional decision-making process. In order to contrast these views from the perspective of the younger generation, we also select a leading representative of the German Association for families (*Deutscher Familienverband*), one of the country's biggest civic associations for families.

As for the second group we select high-ranking officials of the three main federal ministries dealing with demographic and related social policy issues: the Federal Ministry for Labour and Social Affairs (BMAS); Federal Ministry for Family Affairs, Older People, Women and the Young (BMFSFJ); and the Federal Ministry for Research and Education (BMBF). In order to complement the evaluation of the executive branch of the political system, we also select Members of Parliament, who are in leading function in two parliamentary committees most important to our research question: the Committee on Labour and Social Affairs as well as the Committee on Family Affairs.

All interviewees were guaranteed that they would remain anonymous in the summary of the interviews for this dissertation. On request, names, dates, and transcripts can be accessed through the author of this dissertation to validate the findings.

In the following we will provide a short overview of the interest groups selected for this qualitative study. Where not stated else, information for this overview are taken from Schroeder, Munimus, and Rüdt (2010).

The Federal Working Group of Associations of Older Citizens (BAGSO)

BAGSO is the largest umbrella organisation for the existing associations of older people in Germany. Its self-perception is expressed by the claim "Lobby for older people", which makes clear that the association is not the technical organisation it has been in its early years anymore, but rather sees itself as an interest organisation for older people, too. It was founded in 1989 by eleven associations and comprises now 102 associations

with about 13 million members (BAGSO 2010). The member associations cover a wide range of activities, not all of them being necessarily related to politics (e.g. sports or culture). Main activities of BAGSO have been public relations and the organisation of regular conferences on issues related to ageing. Recently, it has been issuing statements on a range of issues related to pension and health policies.

Association of older citizens and handicapped people (VdK)

VdK was founded in 1950 as an association representing the interests of war victims and their surviving dependants. Over the past decades the organisation has transformed itself into the biggest and best known civic association in Germany with about 1.5 million members today. In 1988 VdK had less than 950,000 members. VdK also regularly claims in its statements to be *the* interest group for now 20 million pensioners in Germany. According to its bylaws, the main activity of the association is the exercise of influence on legislation and public administration when it comes to the interest of older and handicapped people. Almost 85 percent of its members are aged 50 or older.

Association for older people within the Conservative party (Senioren-Union – CDU)

The *Senioren-Union* was founded in 1988 and had about 55,000 members in 2009 (after about 48,000 in 1994 and a peak of 74,000 in 2001). Every person aged 60plus may apply for membership in the association, about 35 per cent of its members, therefore, are not members of the CDU. The main aim of the organisation is to represent the interests of people in the party's decision making process.

Association for older people within the Social-democratic party (AG 60 plus)

After its foundation in 1994, all members of the Social-democratic party SPD, who are 60 years or older automatically become members of the party's association for older people *AG 60 plus*. With over 250,000 members it is the biggest group within the party. The initial motivation to found the association was to recruit more older party members for leading roles within the party. Since 1974 the share of SPD members who are 60 years or older has increased from about 22 per cent to over 45 per cent.

Association for older people within the Green Party (Grüne Alte)

As a young party with regard to its appearance in the political spectrum as well as to its members, the Green Party for a long time had no specific agenda for older people. However, in 2004 the association *Grüne Alte* was founded, in order to represent the interests of older people within the party as well as within the German society as a whole. With less than 100 members, the organisation is still in an early stage of its development.

Association for older people within the Liberal Party (Liberale Senioren)

Like the Green Party, the Liberals decided to establish an own organisation for older people within the party relatively late. In 2001, the group *Liberale Senioren* was founded with about 900 members today. Its aims are to recruit older people for leading positions as well as the representation of older people's interests within the party.

Association for older people within the Former Communists: Die Linke (Seniorenarbeitsgemeinschaft)

In 1992, the former Communist party *PDS* (now *Die Linke*) established a working group of and for older people within the party. This organisation differs slightly from the associations for older people within the other political parties, as one of its main tasks is to draft political position papers for the party. As such it has more the nature of a staff unit at the headquarters rather than a membership organisation. Information on the numbers of its members is not available.

4.3   Construction of guidelines for the expert interviews

The questions for the guidelines of the expert interviews conducted for this dissertation have been designed to meet the criteria outlined in section 4.1 of this chapter. A brief summary of the guidelines was sent to all experts in preparation to the interview.

In the introductory part of the interview, all interviewees were given the opportunity to reflect on the in their view biggest political challenges arising from demographic change. The purpose of this was to initiate the conversation without going directly into the main topics of interest, in order to create a constructive atmosphere for both the interviewer

and the expert. It also enabled both parties to exchange their views in more general terms to build up trust between the interviewer and the interviewee.

The second part of the guidelines brought the topic of intergenerational relations into the conversation by asking the interviewees to evaluate the relationship between the old and the young in Germany in general. Subsequently, the political dimension of this issue was added by asking varying questions about the experts' views on the influence of older people in the political system.

In order to counter-balance possibly too straight-forward answers by the interviewee, this question was repeatedly asked in various forms. The experts were always asked to give reasons why they think that older people would gain in political influence or not. This aimed at getting insights into the experts view on the importance of demographic trends for political decision-making as opposed to other factors.

In the third part of the guidelines the experts were asked to specify their evaluation with regard to the quality of intergenerational relations in the public sphere. At this point, the interviewees were also asked about their views on the findings of the preference analysis in this dissertation and how these relate to the assessment of intergenerational relations. Here, our aim was to identify the relevance of preferences concerning redistributive social policies for a possible conflict between generations in Germany.

The final part of the guidelines concerned questions about the history and the role of interest groups for older people. Representatives of these interest groups were asked to evaluate their own organisation's political impact today and in the future. Officials of ministries and MPs were asked to evaluate the frequency, quality, and relevance of interaction between interest groups and the respective political institution.

All interviewees were asked to give reasons for their assessment, to quantify these, if possible, and to give examples of how the interaction or exercise of influence works in practice.

Ethical issues

The in-depth interviews with key stakeholders were conducted in line with current LSE ethical guidelines. The participants were not vulnerable and gave full consent to participation, both via eMail or Fax prior to the interview as well as before the interview was undertaken and the recording of the interview began. No deception was involved and the project did not involve the handling of sensitive information. There were no

issues of independence of the research being affected by partial funding being provided by the Max Planck Institute for Demographic Research. No financial inducements were offered to participants. Neither pain nor more than mild discomfort was likely to result from the study. It also did not induce unacceptable psychological stress or anxiety, neither did it cause harm or negative consequences beyond the risks encountered in normal life. Neither the author of this dissertation nor the supervisor at LSE had any doubts regarding the author's psychological wellbeing during the research period. Also, they did not have any concerns regarding confidentiality, privacy or data protection. No particular groups are likely to be harmed by the dissemination of the results of this project. Responses of participants were anonymised in publications arising from the research.

4.4   Organisational aspects

Due to the fact that most of the interviewees are high-ranking representatives of their respective institutions and organisations, the preparation and execution of the interviews were relatively time- and resource-consuming. The majority of the 13 interviews had to be re-scheduled due to ad-hoc commitments of the respective interviewee. Three interviews had to be conducted over the phone due to problems of scheduling. All other interviews were conducted face-to-face in the offices of the interviewees. The interviews took place from May 2008 to January 2009. Durations of the interviews vary between 30 minutes and 2.5 hours.

IV   Analysing the indicators of a possible conflict between generations

1   Age and familial structure for the German population, 2005 and 2040

The first of the three empirical analyses of this chapter seeks to examine future demographic trends in Germany. As outlined in Chapters I and II, the scenario of a conflict over public resources between generations becomes more likely if the population share of older people increases significantly over the decades to come. Furthermore, the social policy preferences of older people depend not only on age, but also on other demographic factors, such as parenthood and marital status. As shown in Part 3 of Chapter II, existing official forecasts for Germany only contain information on age or household structures, but do not predict parenthood and – with two exceptions – marital status.

Applying a micro-simulation method (SOCSIM software, see Part 2.2 of Chapter III), this analysis will, therefore, forecast levels of childlessness and marital status among older people in Germany for the first time. In terms of the research hypotheses set up for this dissertation (Chapter II, p. 32), the analysis will test the following:

> (1) *Demographic change will significantly alter the age structure and the composition of Germany's population over the coming decades.*
> Until the year 2040, the share of older, childless, and unmarried people in Germany will increase significantly.

As argued in Chapter I, we define "older people"as people aged 55+, since the age of 55 is close to the actual retirement age in Germany, which in 2008 was about age 63 (Bundesministerium für Familie, Frauen, Senioren und Jugend 2010). The years shortly before retirement mark a transition phase to a new life-course episode, during which people might change their views on public intergenerational transfers. We are therefore interested in how the share of the people aged 55+ will change until 2040, and how large the share of childless and unmarried people amongst this group will be.

In the following section, we will first briefly present the set-up of the micro simulation, including starting population and simulation scenarios. We then present the results of

the simulation and compare them to existing population projections. The last part of this chapter will provide a brief summary of the findings.

1.1 The set-up of the micro simulation

As described in Chapter III.2 of this dissertation, the micro simulation starts with a base population, which evolves under given mortality, fertility, and nuptiality rates over a specified period of time. For the analysis at hand, the aim is to predict several demographic variables until the year 2040. In order to test the robustness of the simulation results, the year 1956 was chosen as the starting point of the simulation. For Germany, this is also the first year for which reliable information on demographic rates needed for the simulation are available (for details about the rates used for the simulation, see Chapter III.2.3).

1.1.1 Starting population

The starting population of 84,000 individuals was built by applying mortality rates for Germany for the time period 1956 to 2006 to a synthetic population with a rectangular age-structure; i.e., a population with the same number of individuals at each age from ages zero to 50. The resulting population in the last simulation year was then compared to the real German population at ages 50 to 100 in the year 2006 in terms of age structure and sex ratio (Destatis 2007). Finally, the initial rectangular population was adjusted by the ratio of the real number of individuals by sex and age to the simulated number of individuals by sex and age in order to retrieve the real age and sex structure of the German population in the year 1956.

As individuals in this population are unmarried, a set of very high marriage rates (with no further fertility and mortality rates included) were applied for a short simulation period of five years until the simulated population in the year 1961 matched the population by age, sex, and marital status of the real German population in that year. Data for comparison were retrieved from the United Nation's Demographic Yearbook (UN Statistics Division 2010). To create the final initial population for the simulation period 1956 to 2040, the lower five years of the population pyramid were again cut off to shift back the population.

1.1.2 Robustness of Simulation

The simulation period from 1956 to 2040 was split into two periods: from 1956 to 2005, and from 2005 to 2040. Before the latter period was simulated, a range of demographic indicators produced for the year 2005 by the first simulation period were cross-checked with their actual values in order to test the robustness of the simulation.

In terms of mortality, the simulation yields values for life expectancy at birth of 77.04 years for males and 83.10 years for females. These figures are only slightly higher than the values provided by the German National Statistical Office (76.98 years for males and 82.25 years for females, Destatis 2010a).

The simulated TFR for the year 2005 is 1.31 children per woman, which again only slightly deviates from the real value of 1.36 (Destatis 2010b). As we are particularly interested in the development of childlessness, it was important that the simulated percentage of childless women at higher ages be matched as closely as possible with the respective real values. Table 3 shows that there are only relatively small differences between actual and simulated levels of childlessness for the year 2005. Errors produced by sources commonly used for analyses on Germany are usually significantly larger (see e.g. Kreyenfeld et al. 2011 and Kreyenfeld et al. 2010a).

Share of childless women at higher ages, simulated and real values, 2005 (in %)		
Age group	Real values (Destatis 2010a)	Simulated values
40 – 44	20.8	20.2
45 – 49	17.2	17.1
50 – 54	15.7	12.9
55 – 59	14.1	13.0
60 – 64	12.4	10.5
65 – 69	11.2	12.5

Table 3: Share of childless women at higher ages, Germany 2005, simulated and real values

Finally, we also checked for the robustness of the nuptiality indicators produced by the simulation, including the mean age at first marriage for men and women, as well as the population distribution by age, sex, and marital status.

The simulated mean age at first marriage for the year 2005 is 31.5 years for men and 28.5 years for women, which is only slightly lower than the figures provided by the German National Statistical Office for the year 2003 (32.0 years for men, 29.0 years for women, Bundesministerium für Familie, Senioren, Frauen und Jugend 2005). Tables 4 and 5 show that the simulated population shares with respect to age, sex, and marital status are predominantly in line with the actual values (Destatis 2006).

In summary, the comparison between real values and simulated results provides evidence that the set-up of the simulation yields realistic results. Migration is not included in the model. Therefore, these results relate to a closed population that experienced values very close to those observed in Germany over the second half of the twentieth century.

Female population by age and marital status Germany 2005, simulated and real values (per 1,000)								
Age group	Single		Married		Divorced		Widowed	
	Real	Sim.	Real	Sim.	Real	Sim.	Real	Sim.
15 – 19	995	996	5	4	0	1	0	0
20 – 24	903	890	93	106	4	3	0	1
25 – 29	666	649	303	328	29	22	1	1
30 – 34	426	402	502	533	69	64	4	1
35 – 39	286	278	600	588	107	129	7	5
40 – 44	185	175	656	648	144	161	15	15
45 – 49	118	118	697	681	156	168	29	33
50 – 54	81	80	721	712	146	160	51	49
55 – 59	58	77	726	698	131	138	85	88
60 – 64	47	59	704	686	115	115	133	140
65 – 69	47	44	650	640	91	88	212	228
70 – 74	54	24	542	568	69	68	336	340
75 – 79	68	36	393	457	56	52	483	455
80 – 84	87	99	235	280	53	56	626	565
85plus	92	283	103	94	46	38	758	584
Total	373	310	434	461	77	84	116	145

Table 4: Female population by age and marital status, Germany 2005, simulated and real values

Male population by age and marital status **Germany 2005, simulated and real values (per 1,000)**								
Age group	Single		Married		Divorced		Widowed	
	Real	**Sim.**	**Real**	**Sim.**	**Real**	**Sim.**	**Real**	**Sim.**
15 – 19	999	1000	1	0	0	0	0	0
20 – 24	966	966	32	33	1	1	0	0
25 – 29	816	823	170	168	14	9	0	1
30 – 34	585	602	368	366	47	32	1	1
35 – 39	417	422	496	497	85	80	2	1
40 – 44	287	290	586	576	122	132	4	2
45 – 49	193	188	652	662	147	143	8	6
50 – 54	133	134	710	712	142	145	14	9
55 – 59	95	112	756	738	126	132	23	18
60 – 64	76	92	781	780	105	99	38	29
65 – 69	65	72	799	783	77	83	59	62
70 – 74	51	50	798	779	55	60	95	112
75 – 79	41	24	758	761	39	39	162	177
80 – 84	37	38	678	652	33	43	253	266
85plus	57	73	464	460	36	34	443	433
Total	455	383	450	503	67	72	28	42

Table 5: Male population by age and marital status, Germany 2005, simulated and real values

1.1.3   Four simulation scenarios for the years 2005 to 2040

For the second simulation period from 1956 to 2040, we developed four scenarios on the basis of various assumptions concerning the future developments of the demographic rates used (see Table 6). We followed the main patterns of deterministic forecasts, such as the UN's or the German National Statistical Office's, which provided scenarios as a combination of lower, constant, or higher birth rates; and slowly or rapidly increasing life expectancies at birth. Assumptions that take into account migration are excluded for reasons explained in Chapter III.2. Life expectancy and TFRs are adjusted by factors included into the simulations for the respective rates. These factors are simple multipliers to all rates at all ages and parities respectively.

Scenario 1: Rapid ageing

In this scenario, mortality is assumed to decline at the same rate that it has in recent decades, which corresponds to an increase in life expectancy at birth of three months per year – the same rate at which international record life expectancy has increased (Oeppen and Vaupel 2002). The values for life expectancy at birth are therefore projected to reach 80 years for men and 85 years for women in 2020, 82.5 years for men and 87.5 years for women in 2030, and 85 years for men and 90 years for women in 2040. As for fertility, we assume that the TFR will further decline to a value of 1.25 children per women for the period from 2010 to 2040, which would further accelerate the ageing process of the German population ("rapid ageing"). Marriage and divorce rates are assumed to stay constant at about the level of 2005. This is because first marriage rates have already fallen in recent decades in Germany to a relatively low level, while divorce and re-marriage rates have already increased significantly to a relatively high level, and there is some indication that they are levelling off (see Chapter III.2.3).

Scenario 2: Medium ageing

In the second scenario, the assumptions concerning future trends in mortality are the same as in Scenario 1 (increase in life expectancy at birth by three months per year). However, fertility rates are being kept constant at a TFR of about 1.36 over the next three decades (value for 2010). Again, marriage and divorce rates are assumed to stay constant over the whole projection period.

Scenario 3: Constant ageing

In the third scenario, all of the rates are kept constant at current levels for the whole simulation period from 2005 to 2040 (TFR at about 1.36, life expectancy at birth at 77 years for men and 82 years for women).

Scenario 4: Slow ageing

In the fourth scenario, population ageing is assumed to be slowing down significantly due to an immediate rise in TFR to 1.7 children per woman over the simulation period from 2005 to 2040. This increase of about 0.35 children per woman on average would correspond to a new "baby boom": the peak of the baby boom during the second half of the last century was in 1964, when the TFR reached 2.54; up from a value of below 2.20 before the onset of the baby boom in the mid-1950s (Bundesinstitut für Bevölkerungsforschung 2008). The ageing process of the population is further decelerated due to the assumption of constant values for life expectancy at birth at current levels. Marriages and divorce rats are kept constant at current levels, as in the other three scenarios.

Table 6: Scenarios for micro simulation, Germany 1956-2040

Given the trends in fertility and mortality in recent decades (Bundesinstitut für Bevölkerungsforschung 2008), Scenario 2, or "medium ageing" appears to be the most likely one.

Neither an immediate, significant increase in fertility corresponding to a new baby boom, nor a halt to further improvements in mortality reduction, seem to be probable in the near future.

In the following, we will present the results produced by the micro simulation for the four outlined scenarios.

1.2   Results: Shares of older, childless, and unmarried people of the German population in 2005 and 2040

The micro simulation conducted for the period from 1956 to 2040 yields the following results. Depending on the scenario chosen, the share of people aged 55+ of the whole German population will increase significantly, from 31.0 percent to values of between 47.2 percent for Scenario 4, and of 56.6 percent for Scenario 1 (see Graph 9).

The simulation results show that, even under the conditions of a new, immediate baby boom, combined with stagnating mortality improvements (Scenario 4), the present German population is going to age drastically over the next three decades, with the share of people close to retirement representing about half of the whole population.

The familial situation of these older people will also change considerably until 2040. Our simulation results show that the share of married people among those aged 55+ will drop from almost two-thirds in 2005, to values of between 41.2 percent for Scenario 3, and of 43.2 percent for Scenario 1 (see Graph 10; Table 65 presents detailed results by age group and gender). It should be noted that the four simulation scenarios do not differ in their assumptions concerning future nuptuality rates, therefore their results with regard to the marital status of older people in 2040 show not much variance.
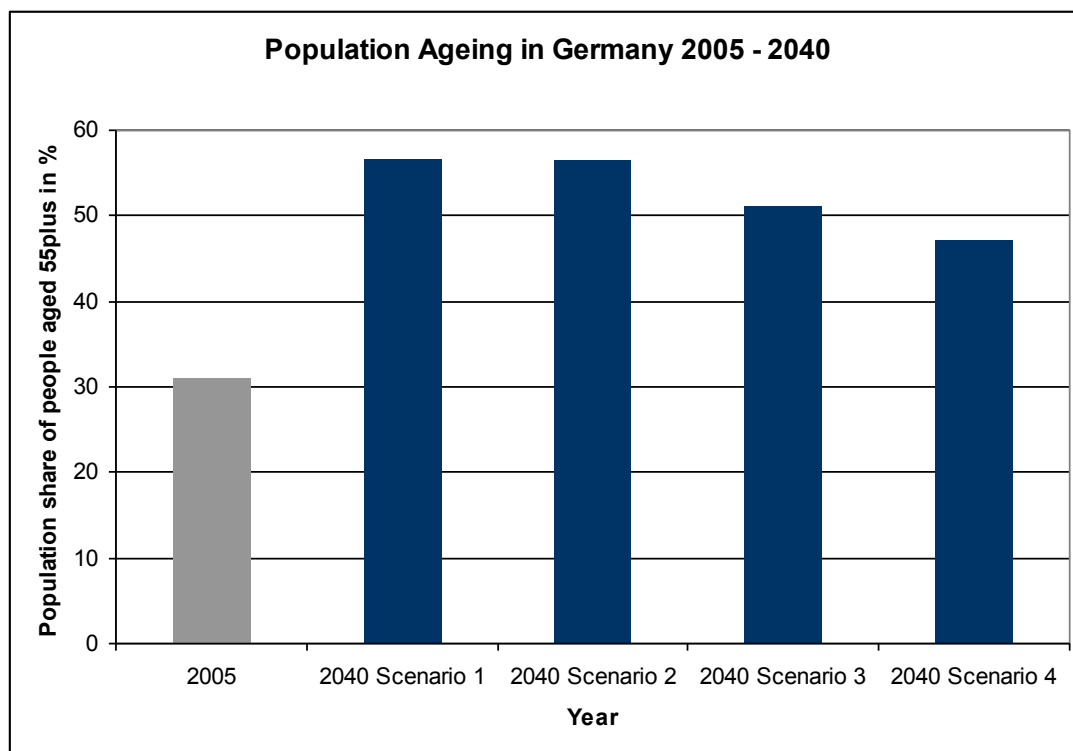
Population Ageing in Germany 2005 - 2040

Graph 9: Population share of people aged 55+, years 2005 and 2040 (four simulation scenarios), Germany

Share of married older people in Germany 2005 - 2040
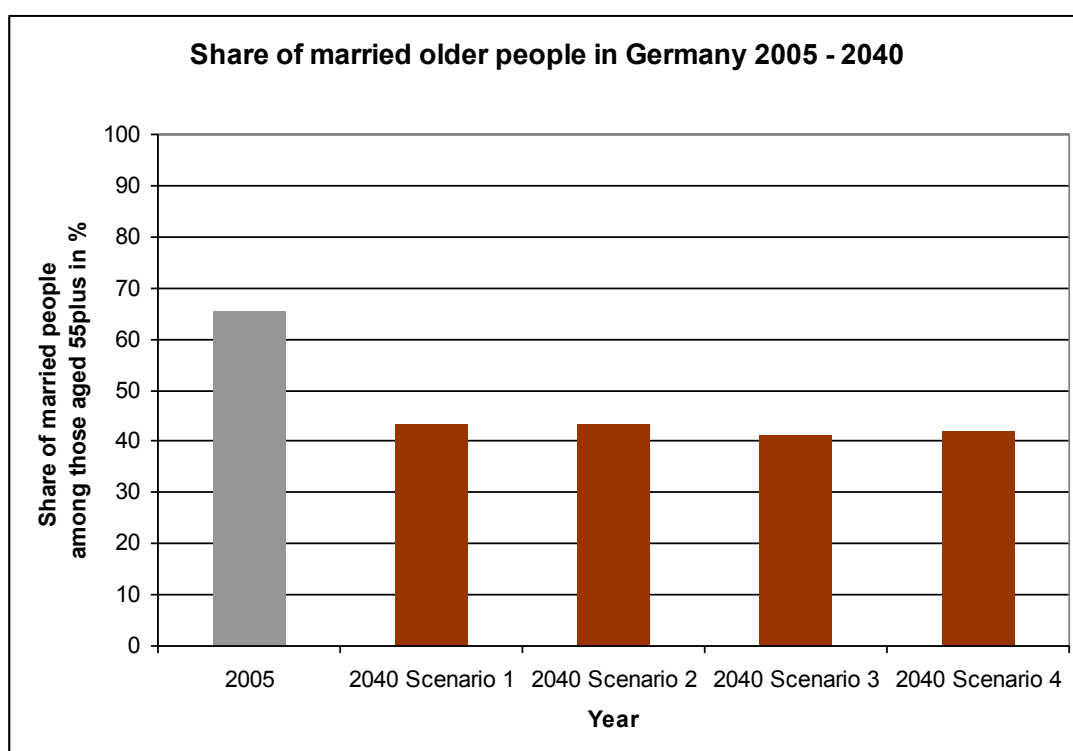
Graph 10: Share of married people among those aged 55+, years 2005 and 2040 (four simulation scenarios), Germany

Germany 2005 - 2040										
Married population by age and gender										
in %			Simulation Scenarios							
	2005		2040_1		2040_2		2040_3		2040_4	
Age	Females	Males	Females	Males	Females	Males	Females	Males	Females	Males
20-24	10,6	3,3	9,2	2,5	10,2	2,3	11,0	2,9	10,8	4,3
25-29	32,8	16,8	32,9	16,0	29,5	17,0	31,1	19,4	32,9	17,9
30-34	53,3	36,6	48,4	34,2	47,1	33,7	48,1	32,8	50,4	36,4
35-39	58,8	49,7	49,8	43,7	53,2	43,6	53,4	42,6	52,1	44,2
40-44	64,8	57,6	51,5	47,6	51,5	46,5	53,0	46,0	51,4	48,6
45-49	68,1	66,2	52,4	47,2	51,7	47,5	49,2	48,3	50,4	51,1
50-54	71,2	71,2	50,0	46,8	50,5	48,4	47,9	48,8	48,7	48,0
55-59	69,8	73,8	48,2	48,8	48,4	49,7	45,8	47,9	46,9	50,0
60-64	68,6	78,0	48,2	47,1	48,5	46,8	47,0	47,4	46,6	48,5
65-69	64,0	78,3	45,9	49,3	47,8	48,6	41,9	51,5	43,4	51,0
70-74	56,8	77,9	47,9	50,0	49,1	52,3	40,3	51,0	40,3	52,0
75-79	45,7	76,1	42,5	54,7	44,3	57,1	33,8	53,7	36,6	55,3
80-84	28,0	65,2	36,5	53,1	37,7	54,1	28,3	52,8	28,2	53,1

Table 65: Share of married people by age group and gender, years 2005 and 2040 (four simulation scenarios), Germany

The challenges surrounding issues such as old age care will also become even greater for the state due to the fact that the share of childless persons (who have less access to informal care) among this population subset will increase, too. Graph 11 shows that, for Scenarios 1, 2, and 3, the share of childless women in the age group 45-49 (ages at which a woman's reproductive phase is generally completed) will increase from 17.1 percent in 2005, to about 25 percent in the year 2040. In Scenario 4, which assumes an immediate increase in fertility of the magnitude of a baby boom, levels of childlessness will increase for the next two decades to about 24 percent, and subsequently drop again to the level of 2005, since in the last 10 years of the simulation period the high fertility rates applied to younger age groups take effect.

Subsequently, the share of childless women among the age group 55+ will also increase significantly, from 12.2 percent in 2005 to about 19 percent in 2040 (18.5 percent for Scenario 1, 18.6 percent for Scenario 2 and 3, and 18.4 percent for Scenario 4), but we emphasise that changes in fertility in the years to come have little impact on the demographic characteristics of the older population.

Share of childless women aged 45-49 | Germany 2005 - 2040
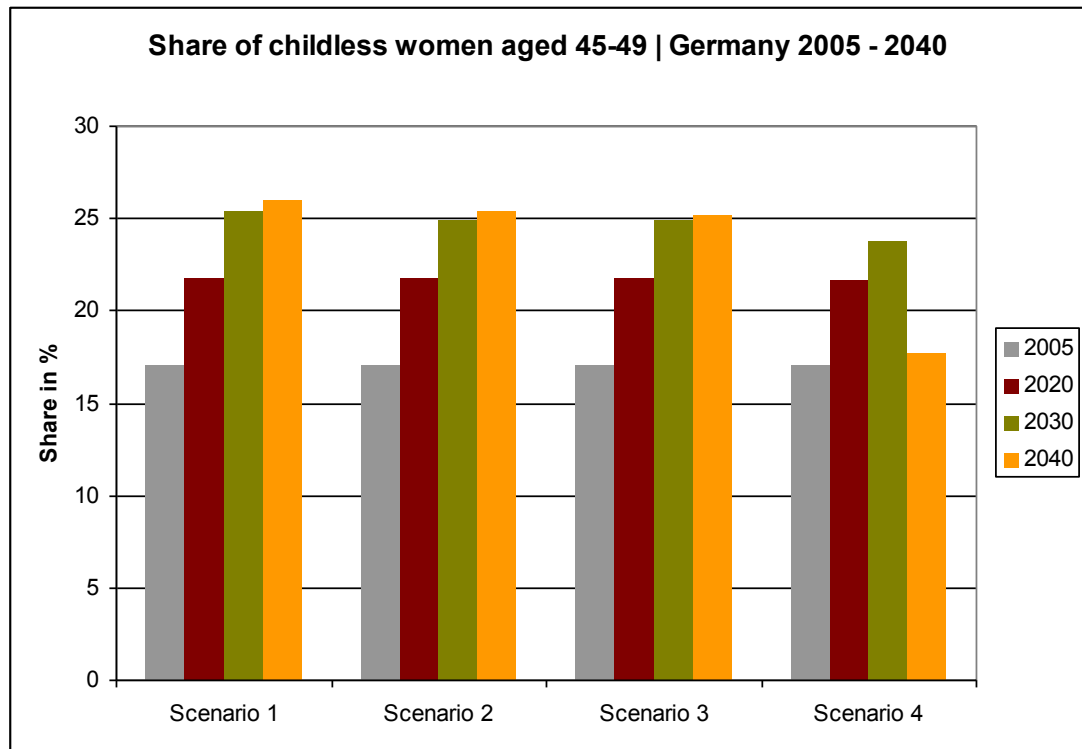
Graph 11: Share of childless women aged 45-49, years 2005 through 2040 (four simulation scenarios), Germany

This becomes particularly evident when looking at the share of childless women by age group (see Table 66): only an unlikely, immediate increase in fertility (similar to a new "babyboom") would sustain today's share of childless older women.

Germany 2005 and 2040 Childless women by age group (in %)					
		Simulation Scenarios			
Age	**2005**	**2040_1**	**2040_2**	**2040_3**	**2040_4**
20-24	51,0	55,1	53,0	55,9	38,4
25-29	30,5	32,6	32,7	34,1	20,5
30-34	23,2	27,6	24,7	25,8	14,4
35-39	22,0	27,9	27,0	28,2	15,4
40-44	20,2	28,0	27,1	25,7	16,4
45-49	17,1	26,0	25,4	25,2	17,7

Table 66: Share of childless women by age group, years 2005 and 2040 (four simulation scenarios), Germany

1.3   Comparison with existing forecasts

In the following, we will compare the forecast results from our micro simulation with existing projections. We first compare our findings concerning the future age structure of the German population with forecasts by the UN Population Division, and then briefly contrast our simulation concerning future marital distributions among older people with those from the Federal Ministry for Family Affairs, and from Kalogirou and Murphy.

1.3.1   Population ageing: Share of people aged 55+

As for the predicted share of people aged 55+, we use the results of the 2008 Revision of the UN World Population Prospects (UN Population Division 2010). In contrast to, for example, the projections provided by the German National Statistical Office, the UN forecasts are provided via an online database allowing for a selection of specific projection periods, scenarios, age groups, etc.

For its projections, the UN Population Division uses eight variants, which are a combination of various assumptions concerning the future development of mortality, fertility, and migration rates outlined in the following.

Fertility assumptions

While the UN assumes that total fertility in all countries will sooner or later converge to a level of 1.85 children per woman, the paths toward this level are differentiated for three groups of countries. According to the UN classification, Germany belongs to the group of low-fertility countries, with a total fertility rate below 2.1 children per women in the period of 2005 to 2010. As Germany also belongs to a group of countries among which fertility rates were even lower than the convergence level of 1.85 children per woman, further assumptions concerning future fertility apply in five variants (medium, high, low, constant, and instant-replacement fertility).

For the medium-fertility variant, the UN assumes that, over the first 10 years of the projection period, fertility will follow the recently observed trends in Germany at very low levels of about 1.3 children per woman. After that transition period, fertility is assumed to increase linearly at a rate of 0.05 children per woman per five-year period. Thus, Germany, will reach a level of 1.7 children per woman in the period 2045 to 2050.

For the high-fertility variant, fertility is projected to remain 0.5 children above the fertility in the medium variant over the projection period. Under this variant, Germany would reach a TFR of 2.2 by 2045.

Under the low variant, fertility is projected to remain 0.5 children per woman below the fertility in the medium variant over the projection period. By 2045, Germany would reach a TFR of 1.2.

The constant fertility and the instant-replacement fertility variants finally assume that fertility remains at current levels, or is set to a level necessary to ensure a net reproduction rate of one.

Mortality assumptions

For future trends in mortality, the UN projections establish two variants. In the "normal mortality assumption", mortality is projected on the basis of models produced by the UN Population Division. The key premise here is that, the higher the life expectancy already reached in a country is, the smaller the gains in life expectancy will be over the projection period for this country.

For Germany, a country with a high life expectancy at birth in international comparison, this variant yields in an assumed life expectancy in 2040 of 86.5 years for women and 81 years for men, which is considerably lower than the values that would be reached if it is assumed that improvements in life expectancy will continue at the same rate as the one observed over the past five decades in Germany (to 85 years for men and 90 years for women).

Under the second variant, or "constant mortality", life expectancy is maintained at the levels of 2005 over the whole projection period.

Migration assumptions

Concerning future international migration, the UN Population Division has established two variants. The "normal migration"variant expects net migration for Germany over the whole projection period of 110,000 people per year. The "zero migration"variant assumes zero net migration as of the year 2015.

The 2008 Revision of the UN World Population Prospects constructed eight projections variants out of the various assumptions on mortality, fertility, and migration outlined above (see Table 7).

Projection scenarios	Assumptions		
	Mortality	*Fertility*	*Migration*
High	Normal	High	Normal
Medium	Normal	Medium	Normal
Low	Normal	Low	Normal
Constant fertility	Normal	Constant as of 2010	Normal
Instant replacement fertility	Normal	Instant replacement as of 2010	Normal
Constant mortality	Constant as of 2010	Medium	Normal
No change	Constant as of 2010	Constant as of 2010	Normal
Zero migration	Normal	Medium	Zero as of 2015

Table 7: UN Population Division Population Forecast (World Population Prospects 2008 Revision): Project scenarios and respective demographic assumptions

Out of these eight scenarios, however, the World Population Prospects Database (http://esa.un.org/UNPP/) only provides access to the first four (high, medium, low, and constant fertility). These variants differ only in the assumptions concerning the future development of fertility.

These variants provide the following results for the future population share of people aged 55+ in Germany. In the high variant (TFR at 2.2, moderate increase in life expectancy, net migration p.a. at 110,000), the predicted share for the year 2040 is 41.6 percent. The medium variant (TFR at 1.7) forecasts a share of 39.7 percent, the low variant (TFR at 1.2) predicts a share of 40.6 percent, and the constant fertility variant anticipates a share 45.9 percent.

At first glance, these results are about 10 percent points lower than the values provided by our micro simulation (see Graph 9 on p. 78). However, the scenarios used in this dissertation are not entirely comparable to the ones established by the UN. Thus, a closer look to the differences in assumptions and their possible effect on projection outcomes is necessary.

The UN's medium variant can be best compared to our Scenario 4, "slow ageing": both assume an increase of fertility levels to 1.7 children per woman, and life expectancy is

assumed to be about four years higher for both men and women in the UN variant than in our scenario, in which mortality rates remain at the level of the year 2005. A significant difference is the assumption concerning migration. Whereas all of our simulation scenarios assume zero net migration, the UN's medium variant predicts a yearly net migration of 110,000 individuals.

Over a prediction period of 35 years, this corresponds to a difference in total population of 3,850,000 people for the year 2040. Assuming that the age distribution of international migrants coming to Germany is not uniformly distributed, this significantly alters the age structure of the projected populations. The great majority of migration occurs at younger ages. In 2004, 75 percent of in-migrants to Germany were aged 40 or younger (Bundesamt für Migration und Flüchtlinge 2005).

For reasons of simplicity, let us assume that all of the 3,850,000 additional persons are younger than age 55 in the year 2040. To adjust for zero migration in the UN projections, we now subtract the number of in-migrants from the denominator to get an adjusted population share of people aged 55+ for a crude comparison with our micro simulation.

The UN result would then rise from a share of 39.7 percent to 41.9 percent, which is a 5.3-percentage point difference from the value from our micro simulation (47.2 percent).

Another UN scenario that is comparable to our variants is the "constant fertility"variant, which in the following will be compared to our "constant ageing"scenario. In both variants, fertility is held constant at the current level (TFR of about 1.36); the projected life expectancy in 2040 differs by about four years each for men and women between the UN variant and our scenario.

The projected population share of people aged 55+ is 45.9 percent in the UN projection and 51.1 percent in our micro simulation. If adjusted for the difference in the assumptions for future migration (zero migration in our micro simulation, 110,000 net migrants per year according to the UN) the UN projections forecast a share of 48.5 percent, which is only 2.6 percentage points lower than our predicted value.

An overview of the comparison discussed can be found in Table 8.

Overview of Population Forecasts – Share of People aged 55+ in the Year 2040			
Scenario	UN World Population Prospects	UN WPP – adjusted for zero migration	Micro simulation
High	41.6 %	43.8 %	
Medium	39.7 %	41.9 %	
Low	40.7 %	43.1 %	
Constant Fertility	45.9 %	48.5 %	
Fast Ageing			56.6 %
Medium Ageing			56.4 %
Constant Ageing			51.1 %
Slow Ageing			47.2 %

Table 8: Overview of Population Forecasts – Share of people aged 55+ in the year 2040 – UN World Population Prospects 2008 and micro simulation in this dissertation; various scenarios

1.3.2 Marital status

As discussed in Part 3 of Chapter II in this dissertation, there are very few previous studies that have provided forecasts of the German population by marital status. To compare our results, we use the two latest studies by Mai and Roloff (2006) and Kalogirou and Murphy (2006).

However, their findings can only be compared to the results of the micro simulation in this dissertation to a limited extent, as these studies focused on different age groups and projection periods.

In their simple extrapolation of current marital status levels, Mai and Roloff predicted population shares of married people for various age groups above the age of 65 for the year 2030, separately for men and women (see Table 9).

In all age groups and for both men and women, the share of married people was projected to decrease significantly. According to the simulation, only 64.4 percent of men aged 65 to 69 will have a marriage certificate in the year 2030, compared to 83.1 percent in 2002; and only a little over half of the women in the same age group will have a living husband, corresponding to a decrease of 12 percentage points within three decades.

Share of married people in various age groups, Germany, 2002 and 2030, in %							
	65 – 69 years		70 – 74 years		75 – 79 years		80plus	
	2002	2030	2002	2030	2002	2030	2002	2030
Males	83.1	64.4	81.9	66.0	77.0	65.1	65.1	54.9
Females	64.1	52.1	49.7	41.8	35.0	30.3	14.6	9.6

Table 9: Share of married people in various age groups, Germany, years 2002 and 2030 (Source: Mai and Roloff 2006)

In their study, Kalogirou and Murphy (2006) sought to predict marital status for people aged 75+ in a range of European countries. They applied micro-simulation techniques to project the trend from the year 2001 to 2031.

For the development of future mortality, the authors assumed an increase of life expectancy at birth to about 80 years for men and 85 years for women in the year 2030, which is 2.5 years lower than in Scenarios 1 and 2 of the micro simulation in this dissertation.

Furthermore, the authors assumed that nuptiality rates will basically stay constant over the projection period (after a slight increase of a maximum of two percent until 2010), and that net migration will remain at zero, which is in line of the assumptions in all of the scenarios of our micro simulation.

The results of the simulation by Kalogirou and Murphy are displayed in Table 10. According to these, the share of married people at higher ages will increase from 35.1 to 49.8 percent over the next two decades, mainly triggered by a significant increase in married females, while the share of married men aged 75+ will decrease slightly.

Share of married people among those aged 75+ in %, Germany			
Year	Females	Males	Total
2001	20.6	68.3	35.1
2031	38.6	66.2	49.8

Table 10: Share of married people in the age group 75+, Germany, years 2001 and 2031 (Source: Kalogirou and Murphy 2006)

Thus, the two studies differ significantly in their results. Whereas Mai and Roloff predicted a decrease in the share of married people aged 75+, Kalogirou and Murphy forecast an increase in this same group. This is mostly due to the fact that the share of widowed people in this age group was predicted to stay constant by Mai and Roloff, whereas Kalogirou and Murphy forecast a decrease of 21 percentage points among women, and of seven percentage points among men until 2031.

Even though Mai and Roloff did not give any further details about their assumptions concerning mortality and nuptiality trends over the projection period, it can be stated that these differences are most likely due to differences in mortality assumptions, apart from the effect caused by the different methods applied. As Kalogirou and Murphy (2006) argued:

> "[…] Sensitivity analyses show that forecasts of the numbers aged 75 and over who are in the married state in the next 30 years depend largely on two factors; the numbers now married (since relatively few will marry or divorce at older ages) and on their own and their spouses' mortality, rather than on future trends in marriage and divorce (at younger ages, nuptiality rates are, of course the dominant determinants)." (p. 75)

Mai and Roloff in their study for the Federal Government of Germany most likely used significantly higher mortality probabilities than Kalogirou and Murphy. Official statistics about the further increase of life expectancy at birth and at higher ages were relatively conservative when Mai and Roloff conducted their study (Vaupel 2004, Vaupel and Kistowski 2007). In the light of this, the results provided by Kalogirou and Murphy seem to provide a more realistic picture of future marital status structures of German people at higher ages.

The micro simulation in this dissertation focuses on a different age group (55+) and a slightly different projection period (2040) than those used by Kalogirou and Murphy, and its results show how diverse the future familial situations of older people in Germany are depending on the age group considered. Whereas it can be expected that the share of married people aged 75+ will increase significantly in the decades to come, the opposite trend will apply to people aged 55+, of whom less than half will be married in 2040, compared to two-thirds in 2005.

The reasons for these diverging prospects are to be found in current and past nuptiality trends, as pointed out by Kalogirou and Murphy: "The higher rates of marriage that

were experienced by those who will be aged 75 and over in 2031 when they were young adults mean that the proportions never-married are particularly low compared with both those who went before and those who will come after them."

1.4   Summary

The aim of this chapter was to analyse the impact of demographic trends on the future age structure of Germany's population, in particular the share of people aged 55+, and their future familial situations. We applied a micro simulation to forecast these indicators, a method which, due to its data requirements, has rarely been used for the German case. For the forecast, we establish a set of four prediction scenarios, which are a combination of various assumptions concerning the future development of mortality, fertility, and nuptiality rates. Due to data constraints, we assumed a net migration of zero for the projection period.

Before running the actual simulation for the years 2005 to 2040, we compared the results of our simulation for the year 2005 with official data with regard to age, parity, and marital distributions. Apart from the very high ages, the simulated results sufficiently captured the real structure of the German population, and therefore provided a sound basis for conducting the simulation until the year 2040.

On the basis of the results of this simulation, we were able to confirm our first research hypothesis: "Demographic change will significantly alter the age structure and the composition of Germany's population over the coming decades. Until the year 2040, the share of older, childless, and unmarried people in Germany will increase significantly."

According to our simulation, the share of people aged 55+ will increase from 31.0 percent in the year 2005, to values of between 47.2 and 56.6 percent in 2040, depending on the prediction scenario.

In addition, the share of childless people will increase significantly over the coming decades. Among women aged 45 to 49, the share of childlessness will increase from 17.1 percent in the year 2005, to about 25 percent in 2040 according to three prediction scenarios. Only when assuming an immediate increase in fertility of the magnitude of a baby boom (from 1.3 to 1.7 children per women) is the share of childless women in this

age group projected to remain constant (after a substantial increase in the first two prediction decades).

Finally, the share of unmarried people among older people will increase, as well, over the coming decades. Our simulation results predict that the share of married people among those aged 55+ will drop from almost two-thirds in 2005, to values of between 41.2 and 43.2 percent, depending on the prediction scenarios.

Where appropriate, we compared our results with existing population forecasts. In summary, our simulation seems to yield realistic predictions. Even though our forecast for the future share of people aged 55+ is higher than the one provided by the UN World Population Prospects 2008, these differences can largely be explained by different mortality and migration assumptions. For example, when we make a simplified adjustment of the UN forecasts for zero net migration across the projection period, the differences from our simulation results decrease to values of between just 2.6 and 5.3 percentage points.

Comparing our results for future marital status structures among older people in Germany with micro-simulation results obtained from Kalogirou and Murphy (2006), it can be shown how diverse the familial situations of various age groups affected by demographic change in the future will be. Whereas the share of people aged 75+, who are married will increase significantly until 2031, the opposite is true for people aged 55+ in 2040 due to different generational experiences of marriage and divorce rates.

This will have major effects on future social policy planning in Germany. For example, when we look at the provision of old age care, the likelihood that unmarried and childless people will move to formal arrangements provided by the state is much higher than for married people, as the latter can theoretically rely on support from their spouses or children. In addition, never-married people are much more likely to be childless as well (Kalogirou and Murphy 2006).

Unmarried and childless older people therefore need a different policy mix of institutionalised and ambulant care than older people with spouses and children. The challenge for German social policy makers will be to move the care system first towards a more family-based care model within the next 10 to 20 years, and then, possibly, towards a more state-based care model for the generations of people at higher ages thereafter.

Despite these insightful results into the demographic future of Germany, the analysis at hand also bears certain limitations. Micro simulations in general require extensive and very detailed input data – data that is often not available for Germany and therefore needs to be estimated. This was particularly true for fertility rates (where we made a contribution to estimating missing data on age-specific fertility rates by parity); since meaningful estimations were not possible, we also had to exclude migration as well as cohabitation from the simulation – both clear limitations for the German case in which historically immigration played an important role and cohabitation becomes the predominant family form at least in one part of the country.

While the results from the simulation for the initial year 2005 seem to be robust, it is important to note that the exercise conducted in this study should not be understood as an "exact forecast" – which in the discipline of demography is not a plausible endeavour anyway. By constructing four scenarios with variations of future mortality and fertility rates, we accounted for the intrinsic errors of determinist assumptions. These scenarios could be extended by further variations or additional variables, e.g. nuptuality rates.

Finally, the output from the simulation used for this study was limited to indicators of ageing, parenthood, and marital status, as these three were of main relevance for the research question to be answered. With additional programming, further or more detailed information on the possible demographic future of Germany could be obtained.

In the context of the research question in this dissertation, it was important to analyse not only the future age composition of Germany's population, but also the marital status structure of people aged 55+, since both age and the familial situation are likely to affect not only the social policy needs of these people, but also their social policy preferences with regard to redistributive intergenerational transfer policies. This question will be empirically analysed in the next part of this chapter.

The preceding analysis has shown that demographic change will, to a significant extent, alter the characteristics of the German population in the coming decades. In particular, the overall share of older people will increase substantially, as will the share of those older people who are not married and remain childless over their whole life course. In order to assess the possible implications of these population trends for relations between the generations and the related policies, the preferences of these demographic groups (older people, unmarried, childless) have to be analysed. Thus, this section seeks to empirically test the following three out of the set of hypotheses outlined for this dissertation (see pp. 50-51):

> (2) *Social policy preferences differ across age.*
> Older people are less in favour of public transfers to the young than the younger generation, and they prefer that public transfers are channelled to the older generation.

> (3) *Social policy preferences differ between parents and childless people.*
> Childless people are less in favour of public transfers to the young than parents, and are more in favour of public upward transfers than parents.

> (4) *Social policy preferences differ between married and unmarried people.*
> Unmarried people are less in favour of public downward transfers than married people.

In terms of operationalisation, this section analyses the effects of a range of demographic variables (age, (grand)parenthood, marital status) on social policy preferences. Our discussion concentrates on a set of policies which are to indicate the magnitude, direction, and nature of transfers between generations; i.e., family and pension policies.

As the literature review has shown, most previous studies on this subject were not only based on descriptive approaches, but also produced contradictory evidence, particularly on the question of whether there is an age effect on social policy preferences. Other demographic variables, such as (grand)parenthood and marital status, played practically no role in previous research. In addition to taking into account these main variables of

interest, the statistical models developed for this analysis also control for other important factors, such as sex, socioeconomic status, differences between East and West Germany, current benefit entitlements, and general attitudes.

For our analysis, we use the most recent data suitable for addressing the questions at hand: the German Population and Policy Acceptance Survey (PPAS 2003) and the German Generations and Gender Survey (GGS 2005). Both cross-sectional datasets have a large sample size (over 4,000 and over 10,000 respondents, respectively) and include an identical set of questions concerning preferences regarding 13 family policies, which we use as a proxy for downward public transfers. By applying the same model of support for these transfers to two independent surveys, it is possible to test the robustness of the coefficients found. Furthermore, each dataset has specific features that justify the use of both surveys in our analysis. For example, the PPAS contains a question on preferences regarding eight pension policies which allows us to conduct a complementary analysis of demographic effects on upward transfer preferences. The PPAS also has information on general attitudes concerning intergenerational relations. Meanwhile, the GGS provides data on grandparenthood, a variable that could prove to be an important source of additional information within our set of questions.

As a first step, we apply classical Generalised Linear Models (GLM, logistic regression) to determine the impact of demographic factors on transfer preferences, in particular the role of age. Since linearity of coefficients is one of the basic assumptions of these models, we use Generalised Additive Models (GAM) in as second step to assess the patterns of age effects found over the life course. This not only allows us to identify possible age trajectories of social policy preferences; it also enables us to reflect on the underlying motives of preferences.

In the following section, we present for each of the datasets our descriptive findings, variable construction, and the results of the GLM and the GAM analyses, respectively. As this is a study with an exploratory character, a large amount of data is presented. For reasons of readability, only selected graphs and tables are presented throughout the text. However, all graphs and tables (including the ones presented throughout the text) are compiled in the annex for a better overview.

We close the chapter with a summary of our findings, including a discussion of the relevance of these results in the context of the overall question of this dissertation, as well as of how they contribute to existing studies.

2.1   The Population and Policy Acceptance Survey

*2.1.1   Descriptives, Variable Construction, and Model Specifications*

An international survey project, the Population Policy Acceptance Survey had its first wave in 1992. The second wave for Germany, which was conducted in 2003, contains information on general views about demographic trends, as well as about intergenerational relations and preferences regarding various policy options. The sample size of 4,110 respondents is sufficiently large for useful statistical analysis. With an age range of 20 to 65, the 2003 wave also covers the age groups relevant for the research question at hand.

However, the dataset has two limitations. First, it is cross-sectional, and therefore not suitable for identifying possible changes in preferences over time. While the first wave from 1992 could, theoretically, be used as a reference point in the past, the limited age range of its respondents, 20 to 39, could lead to distorted conclusions about trends. The second limitation is the design of the questionnaire, which does not always require the respondent to make a choice between transfers for the older or for the younger generation. However, it contains general questions on relations between older and younger people, as well as very specific policy measures that place additional burdens on state budgets or specific generations. Furthermore, the dataset includes a range of relevant socio-demographic variables, and represents one of the most recent data collections available for Germany in the area of demography and intergenerational transfers.

At first glance, the preliminary descriptive analysis of the data presents a mixed picture with regard to a possible age effect on attitudes towards intergenerational relations, and, more specifically, on public transfer policy preferences.

When asked for their views on the government's responsibility to support either the younger or the older generation, a remarkably uniform pattern of attitudes emerged across all age groups. Thirty-five percent of the youngest age group (20 to 29) and 48 percent of the oldest age group (50 to 65) in Germany said they think that the level of the government's responsibility for the "support of the elderly" is "very high;" while 49 percent of the youngest and 40 percent of the oldest group rated the level of responsibility as "high." The categories "low" and "very low" had far less support (see Graph 12). When asked about the responsibility of the government in the area of family

support ("compatibility of work and children"), the patterns were similar: 35 percent of respondents aged 20 to 29, 42 percent of those aged 30 to 39, 43 percent of those aged 40 to 49, and 35 percent of those aged 50 to 65 said they believe the government has a "very high" degree of responsibility; while the respective percentages for the category "high" were slightly larger: 45 percent, 43 percent, 41 percent, and 45 percent (Graphs 13). These uniform patterns might be due to the political culture in Germany, which is influenced by the legacy of a generous system social welfare, as well as by the politically promoted principle of the equalisation of living standards, not just between different parts of Germany, but also over the life course.
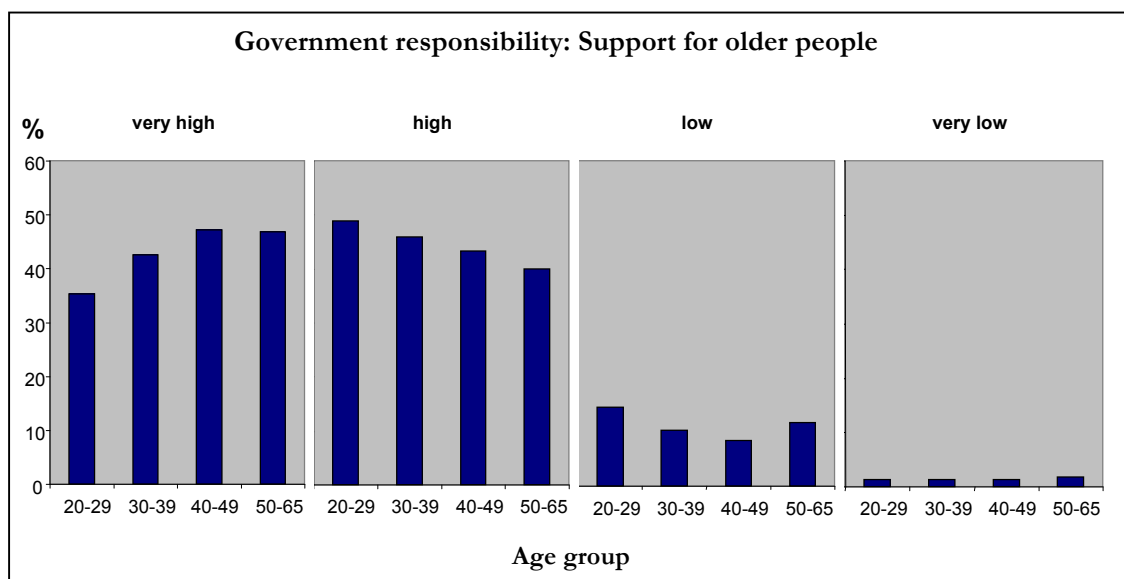
Graph 12 – Source: Own calculations, Population Policy Acceptance Survey 2003
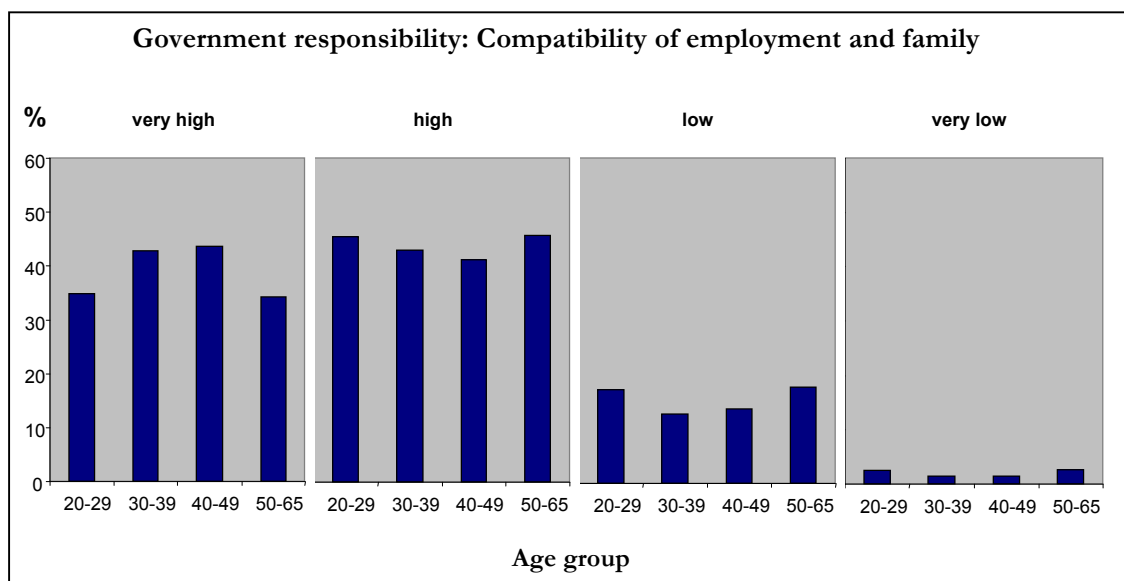
Graph 13 – Source: Own calculations, Population Policy Acceptance Survey 2003

A clearer picture emerged when the respondents were asked about their views on the general role of older people in society: whereas the age differences in evaluating the statement "elderly people are not productive anymore" were still relatively small (Graph 14, boxplots showing range and quartiles), older respondents clearly tended to reject the view that "elderly people are a stumbling block for (social) change" more often than younger respondents (Graph 15).
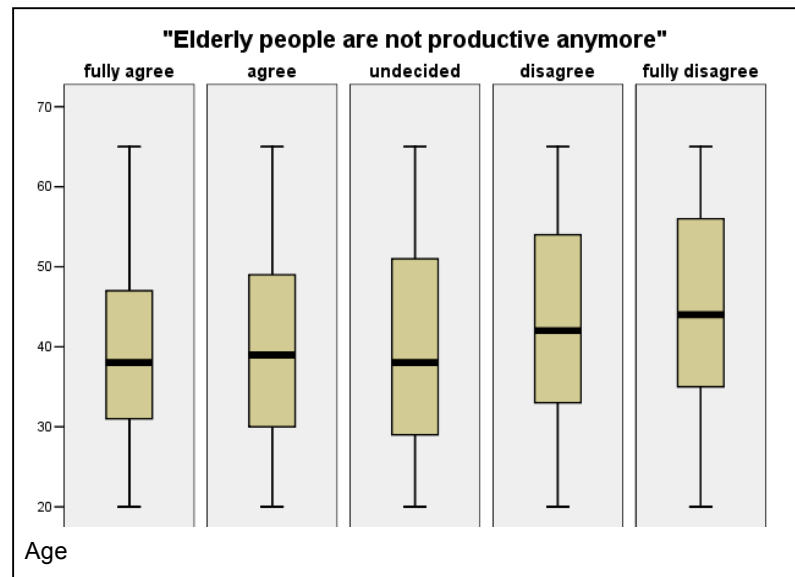
Graph 14 – Source: Own calculations; PPAS 2003
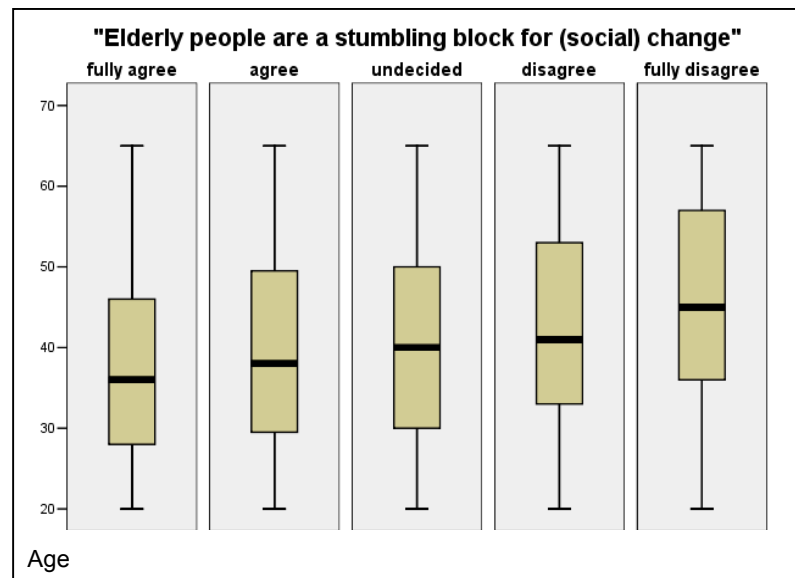
Graph 15 – Source: Own calculations; PPAS 2003

Further indications of age effects can be seen more specifically in terms of concrete policy measures. In the PPAS, respondents were asked to state their desired retirement age, which can serve as an indicator of the willingness to work beyond the de facto retirement age of 60 at that time. In the German policy discourse on the sustainability of the pension system, working longer has been widely seen as a sort of contribution of the older to the younger generation, who then would have to pay less into the pay-as-you-go system. Based on this idea, the German parliament passed a law in 2007 which raises the official retirement age from 65 to 67. However, this policy change will have a long implementation period, with a gradual transition to the new retirement age occurring from 2012 to 2029.

Desired retirement age: working beyond 60?
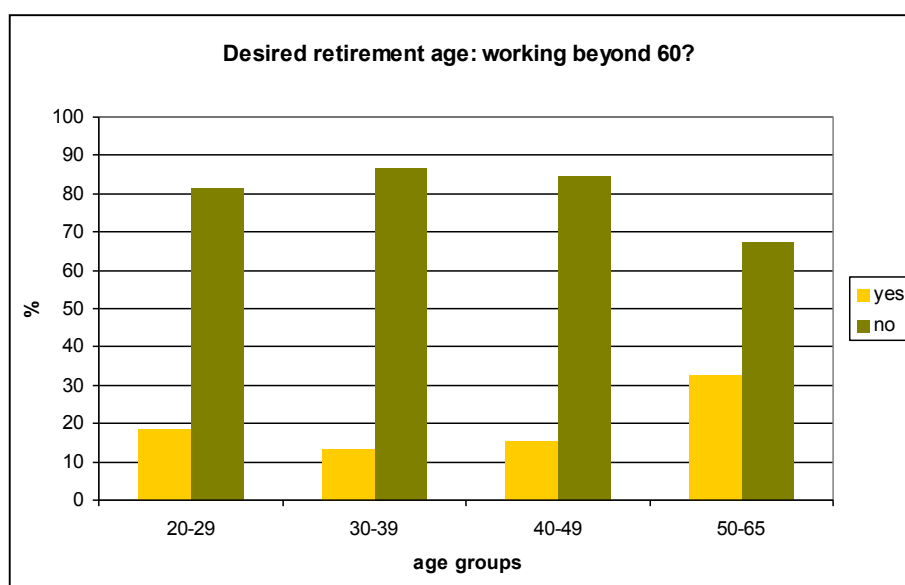
Graph 16 – Source: Own calculations, Population Policy Acceptance Survey 2003

Graph 16 shows that the option of working longer is not preferred by the great majority of Germans across all age groups. However, older people seem to be more willing to work longer than younger people: whereas only 12 percent of respondents in the age group 30-39 selected a desired retirement age of above 60, almost one-third of respondents aged 50 to 65 did so. One reason for this surprising result could be that older people have come under increasing pressure on the German labour market in recent years: the risk of losing a job is significantly higher among older employees. Furthermore, the highest age group in the survey also includes pensioners. Retrospectively, these respondents, who have potentially experienced the negative side

of a functional disengagement from society, might judge retirement differently than people who are still working.

Dependent Variables – Downward Public Transfers: Family Policies

The PPAS dataset contains questions on specific transfer-related social policies, including a battery of items on 13 family policies covering a wide range of downward public transfers (money, time, education, and housing; see Table 11). Respondents were asked to evaluate the importance of each of these policies:

> "What do you think about the following policies, which are supposed to make it easier to have, raise, and care for children? Are you more in favour of or more against these measures? These policies are not fictitious; most of them do exist in some European countries. A few have also been implemented in Germany, or have been considered by policy makers."

	Family policy	Transfer type
1	Better maternity leave schemes for working mothers	Time
2	Lower income taxes for parents of minor children	Money
3	Better childcare facilities for children under the age of 3	Time
4	Better childcare facilities for children from the age of 3 to the age of primary school entry	Time
5	Financial bonus for families with children (means-tested)	Money
6	Financial bonus at birth of a child	Money
7	Financial assistance for mothers or fathers who give up their jobs because they want to look after their minor children	Money
8	A substantial increase of child benefits to €250 per child and month	Money
9	Care facilities for children of school age for the time before and after school hours, as well as during school holidays	Time
10	Flexible working hours for working parents with small children	Time
11	More and better part-time work options for parents with children	Time
12	Significantly lower costs for education	Education / Money
13	Better housing for families with children	Housing / Money

Table 11: Family policies and respective type of transfer; PPAS 2003

As a first step, we look at the support levels for each of the 13 policies. To do so, we dichotomise the variables, with "1" representing those respondents who fully agree or agree, and "0" for all other responses. Even though the PPAS represents a dataset with a relatively high number of respondents, this step is necessary to avoid problems in the further analysis, which will include a range of covariates. The combination with a non-dichotomised variable would result in too few cases for some of the combinations to retrieve meaningful results. By the same token, some of the independent variables will be dichotomised as well.

	Family policy	**(fully) agree (1)**	**other (0)**
1	Better maternity leave schemes for working mothers	82.9 %	17.1 %
2	Lower income taxes for parents of minor children	85.9 %	14.1 %
3	Better childcare facilities for children under the age of 3	81.3 %	18.7 %
4	Better childcare facilities for children from the age of 3 to the age of primary school entry	88.5 %	11.5 %
5	Financial bonus for families with children (means-tested)	83.8 %	16.2 %
6	Financial bonus at birth of a child	70.8 %	29.2 %
7	Financial assistance for mothers/fathers who give up their jobs because they want to look after their minor children	81.7 %	18.3 %
8	A substantial increase of child benefits to €250 per child and month	73.9 %	26.1 %
9	Care facilities for children of school age for the time before and after school hours, as well as during school holidays	81.2 %	18.8 %
10	Flexible working hours for working parents with small children	89.3 %	10.7 %
11	More and better part-time work options for parents with children	89.4 %	10.6 %
12	Significantly lower costs for education	74.4 %	25.6 %
13	Better housing for families with children	77.1 %	22.9 %

Table 12: Support levels for 13 family policies; PPAS 2003 (own calculations)

Table 12 shows that the majority of respondents fully agreed or agreed with the implementation of the proposed family policies. However, depending on the transfer type, between 11 and almost 30 percent of respondents opposed these reforms. Respondents were most likely to reject money transfers (6, 8, 12, 13).

To investigate the possible presence of an age effect, we first look at policy (8), which asks whether the respondent would support a "significant increase in child benefits" to a monthly level of €250 per child. This item was selected not only because it represents a clear-cut policy measure, but also because the state would have to spend significantly more money to implement the policy. In 2003, the year the survey was conducted, parents received €154 per child each month; i.e., the proposed policy would have been equivalent to an increase in benefits of over 60 percent. The boxplot in Graph 17 shows that the median age of the respondents who said they disagree or fully disagree with this policy option was four to five years higher than that of the respondents who said they are in favour of it, thus indicating the presence of a certain age effect in preferences.
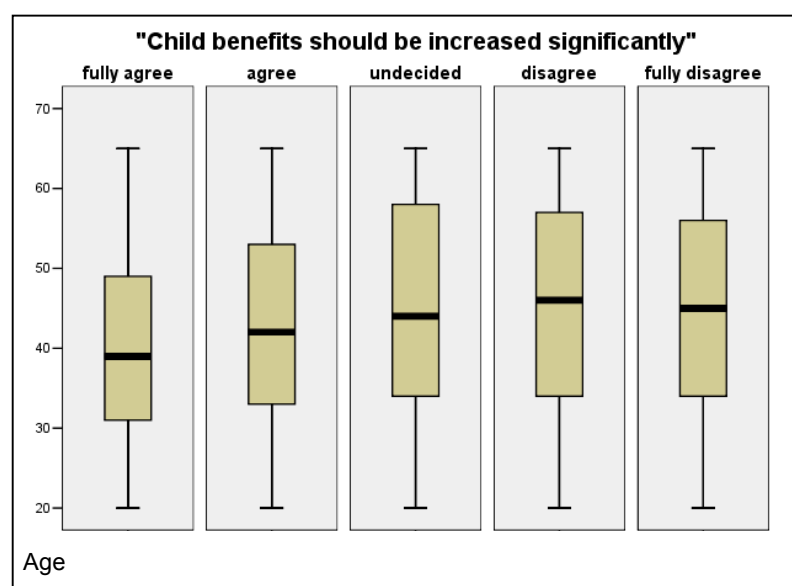
Graph 17 – Age gradient in family policy preference
Source: Own calculations; PPAS 2003

This observation also holds for most of the other 13 items to a greater or lesser extent. Using factor analysis, we subsequently analyse whether items can be clustered into a smaller set of dependent variables with more comprehensive explanatory power.

We first selected the four items with the lowest support levels (6, 8, 12, 13). The graphical analysis (scree plot), as well as the standard diagnostics, demonstrate that the

four items clearly load on one factor (Graph 18 and Tables 13 through 15 in the annex). As Cronbach's alpha for the four items is .75, the finding is highly reliable. The factor analysis for all 13 policy items provided similar results (Graph 19 and Table 16 in the annex), too. Here as well, a high degree of reliability is given, with a Cronbach's alpha value of .89.

This enabled us to construct two main dependent variables for our statistical analysis based on a) the four policies with the lowest support levels and b) all 13 policies, and used these indexes as proxies for downward public transfers. Since the factor analysis gave a clear one-factor loading, we decided to use the simple average of the four and the 13 policies, respectively. We then dichotomised each into 1 for the range from 1.00 to 2.00 ("fully agree" or "agree" on average), and 0 for the range from 2.01 to 5.00 ("other").

Our initial descriptive results suggest that demographic variables such as age, parenthood, and marital status do play a role in determining preferences regarding all 13 family policies. Tables 17, 18, and 19 in the annex show that older, childless, and unmarried people tended to fully agree or agree with the implementation of the 13 policies to a lesser extent that younger married respondents or parents: 62.8 percent of the 50- to 65-year-old respondents said they want to see more family policies implemented, compared to 72.2 percent in the age group 30 to 39. Nearly three quarters of all the parents surveyed said they fully agree or agree with the proposed policies, whereas over 40 percent of the childless respondents indicated they do not.

In addition to the two indexed summary dependent variables, all 13 policies were included in our statistical models as separate dependent variables. This was done for two reasons. First, including all of the policies makes up for the information loss that results from combining preferences regarding potentially very different policies into one variable. Second, we are interested in whether or not socio-demographic indicators, such as age, have different characteristics across the 13 policies.

Dependent Variables – Upward Public Transfers: Pension Policies

Downward transfers to families and the young are only one side of the coin of intergenerational transfers. Upward transfers to older people are also important when analysing the exchange between the young and the old. To this end, the PPAS contains

a question about which policies are most appropriate for sustaining the current pay-as-you-go pension system in Germany:

> "Many people fear that the state will not be able to pay for their public pensions after they retire. There are several options for securing the financial basis of the public pension system. Please select out of the following options the policy you would most like to see implemented to achieve that goal. Please give also a second choice."

Respondents had to select from a range of 10 policies designed to tackle this problem, with some of them putting a greater burden on the younger generation, and some of them requiring greater contributions from older people (see Table 20).

	Pension policy	**Transfer direction**
1	Raise the official retirement age	Downward
2	Increase income taxes	Upward
3	Reduce monthly pension payments	Downward
4	Force children to support their parents	Upward
5	Abolish early retirement programmes	Downward
6	Make the amount of the monthly pension payments dependent on the number of children the recipient has	Downward
7	Put extra burdens on certain groups within society	Upward
8	Fight unemployment	n.a.
9	Promote more private pension plans	n.a.
10	Pay pensions only to those who contributed to the system	Upward

Table 20: Pension policies and respective direction of transfer; PPAS 2003

Respondents were also asked to give a second choice. However, for our subsequent statistical analysis, we will not consider the second policy option given by the respondent. We argue that in this type of question, the actual policy preference is made clear by ranking the policy option as the "preferred" one, leaving the second option with less power to identify policy preferences (as the question is not an "either-or" one). We have identified eight of these policy measures as proxies for upward or downward transfers. Policies (2), (4), (7), (10) are upward transfers, in the sense that they place a burden on the younger generation in order to ensure pensions for the older generation.

Policies (1), (3), (5), (6) put the burden on the older generation, and can be therefore seen as proxies for downward transfers. Policies (8) and (9) (fight unemployment and promote more private pension plans) cannot be clearly assigned to either direction of transfers. Hence, we exclude these from our sample (with frequencies of 0.5 percent and 1.9 percent, respectively, this also seems to be justified in order to avoid influencing the sample too much).

We construct our dependent variable by recoding responses favouring upward transfers into 1, and those preferring downward transfers into 0, with the latter representing roughly 20 percent of responses.

As in the case of the family policies, our initial descriptive statistics suggest that demographic variables, such as age, parenthood, and marital status, play a role in determining preferences regarding pension policies, albeit on a slightly smaller scale. Tables 21, 22, and 23 in the annex show that older, childless, and unmarried people tend to favour upward transfers: 15.7 percent of respondents in the age group 30 to 39 said they favour upward transfers, compared to 20.9 percent in the age group 50 to 65. Of the respondents with children, 17.5 percent indicated they prefer upward transfers, compared to almost 23 percent of childless respondents. The share of unmarried people who said they support transfers to older people was, at about three percentage points, only slightly higher than the percentage of married interviewees (17.7 percent vs. 20.8 percent).

Model specifications – Independent variables

As outlined above, we used a set of dependent variables on policy options in order to test the effects of socio-demographic variables on social policy preferences related to public intergenerational transfers. The central specification of the binary logit model is as follows:

$$\text{SupTra} = \beta_1 * age + \beta_2 * childless + \beta_3 * area + \beta_4 * currentben + \beta_5 * edu + \beta_6 * sex + \beta_7 * marital + \beta_8 * consval + \beta_9 * inc + (\beta_{10} * inc\_dum) + const$$

The dependent variables (**SupTra**) include 1) preferences regarding each of the 13 family policies separately; 2) synthesised preferences regarding the least popular of the four family policies; 3) synthesised preferences regarding all 13 family policies; 4)

preferences regarding policies that entail reforming the German pension system so that a greater burden is placed on the younger generation. The dependent variables are dichotomised with the value of 1 if the response is fully agree or agree; and 0 if another response is given (i.e., "undecided," "disagree," or "fully disagree"). The following covariates are included:

age

Age of the respondent; main covariate of interest; continuous; range: 20 – 65 years

childless

Childlessness: coded 1 if the respondent is childless, 0 if other

area

Area of residence: coded 1 if West Germany, 0 if East Germany

currentben

Current benefits: coded 1 if respondent currently receives child benefits, 0 if other

edu

Educational level: 1 if higher education, 0 if other

sex

Coded 1 for male, 0 for female respondents

marital

Marital status: 1 if married, 0 if other

consval

Proxy for respondent's conservatism: 1 if conservative, 0 if other

inc

Net household income: 1 if below the median (€1993.--), 0 if above

inc2

Net household income (imputed): 1 if below the median (€1993.--), 0 if above

inc_dum

Dummy for models using imputed household income variable: 1 if the missing case was replaced by the variable mean, 0 if other

In addition to age, we included several other demographic indicators (sex, marital status, childlessness) which we believe influence preference patterns. Furthermore, we controlled for economic factors, such as education and household income. The latter usually shows higher levels of missing cases than other variables. In order to evaluate the impact of these missing cases on our results, we ran the logit model with the original income variable (**inc**), as well as with an imputed variable (**inc2**).[1] When using the imputed variable, the model was extended by an imputation dummy (**inc_dum**).

We also included variables measuring potentially important attitudinal effects. The first of these variables is on the area of residence (**area**): the fact that respondents in West Germany and in East Germany experienced fundamentally different welfare state regimes might be reflected in different preference levels concerning child benefits. General political views might also play a role. A respondent who agrees, for example, with a significant increase in child benefits may want to support the younger generation. However, this preference may also be an expression of a conservative political view, since more generous state transfers to the child advantages the male breadwinner model. Therefore, we included a covariate to test for these attitudes (**consval**). In the PPAS, interviewees were asked several general questions about relations between men and women, and about the role of the institutions like marriage or the family. One item asked whether respondents believe that couples who want to have children should marry (dummy: yes/no). We used this variable as a proxy to identify possible effects of conservative attitudes on the dependent variable.

Finally, in the logit models on family policy preferences, we also controlled for any "egoistic" motives of current beneficiaries regarding the policy measures under question (**currentben**). As a proxy, we used information about whether or not the respondent was receiving child benefits at the time of the survey, coding beneficiaries as 1, and all other respondents as 0.

For each dependent variable, we ran up to five different model specifications: 1) including all covariates without imputing the missing cases of the household income variable, 2) including all covariates with imputation, 3) including only significant

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1   Missing cases are replaced by the variable mean (€1993.--).

variables, 4) including only demographic variables, and 5) including only demographic and significant variables.[2]

The central specification for the generalised additive models was the same as for the logit model, except for the fact that the independent variable **age** was entered into the model via a smoothing function:

$$\textbf{SupTra} = \textbf{s(age)} + \boldsymbol{\beta_2}\textbf{*childless} + \boldsymbol{\beta_3}\textbf{*area} + \boldsymbol{\beta_4}\textbf{*currentben} + \boldsymbol{\beta_5}\textbf{*edu}$$
$$+ \boldsymbol{\beta_6}\textbf{*sex} + \boldsymbol{\beta_7}\textbf{*marital} + \boldsymbol{\beta_8}\textbf{*consval} + \boldsymbol{\beta_9}\textbf{*inc} + (\boldsymbol{\beta_{10}}\textbf{*inc\_dum}) + \textbf{const}$$

For each of the dependent variables, we ran only two model specifications: 1) including all covariates and with imputation of the household income, and 2) including **age** as the only covariate. The latter allowed us to analyse the role of age after adjusting for other covariates: in the full model, we expected to be able to identify the "pure" age trajectory of policy preferences by controlling for all other relevant factors. In the restricted model with age as the only variable, we expected to find different patterns, as the age effect is distorted by other life-course effects, such as parenthood, which are not controlled for. As our goal is to assess the trajectories of age effects found over the life course, we will only present the graphical results from the generalised additive models.

2.1.2   *Effects of age, parenthood, and marital status on downward transfer preferences – Family policies*

This section presents the results of our statistical models that analysed downward transfer preferences. We display the findings from the binary logit models, grouped by the type of public transfer (monetary, time, education, housing). The results of the Generalised Additive Models for downward and upward transfer preferences combined are presented in Section 2.1.4.

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2   Model specification 5 is only applicable depending on the model results of other specifications. For the full model we test for collinearity of the covariates. The Variance Inflation Factors (VIF) are clearly below 10.0 for all covariates and below 2.5 for all covariates except for childlessness (the value here is 2.7), thus giving no cause for concern about the collinear relationships between the variables included in the model.

Demographic effects on the four family policies with the lowest support levels

The descriptive analysis in the preceding section showed that the following four family policies were given the lowest levels of support by the respondents of the PPAS: a financial bonus at birth (6), a substantial increase in child benefits (8), significantly lower costs for education (12), and better housing for families with children (13).[3] Table 24 on the following page shows the results for the dependent variable, which is constructed as an index of these four items.

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3   The numbers in parentheses refer to the order of policies in Table 11, p. 100.

Binary Logit Models Predicting Support for Downward Transfers: PPAS 2003
4 Selected Family Policies

Variable	Odds Ratios (Standard Errors in Parentheses)				
	Model 1	Model 2	Model 3	Model 4	Model 5
Age	0.977 ***	0.976 ***	0.979 ***	0.977 ***	0.972 ***
	(0.004)	(0.004)	(0.004)	(0.004)	(0.003)
Childlessness	0.553 ***	0.554 ***	0.545 ***	0.546 ***	0.380 ***
	(0.119)	(0.115)	(0.115)	(0.112)	(0.090)
Area of Residence	0.568 ***	0.555 ***	0.569 ***	0.555 ***	
	(0.094)	(0.092)	(0.093)	(0.091)	
Current benefits	1.563 ***	1.532 ***	1.571 ***	1.537 ***	
	(0.106)	(0.101)	(0.104)	(0.099)	
Education	0.680 ***	0.664 ***	0.684 ***	0.670 ***	
	(0.077)	(0.074)	(0.076)	(0.073)	
Sex	0.765 ***	0.769 ***	0.762 ***	0.767 ***	0.751 ***
	(0.072)	(0.069)	(0.071)	(0.068)	(0.067)
Marital Status	1.063	1.050			0.972
	(0.095)	(0.091)			(0.080)
Conservativism	1.062	1.053			
	(0.076)	(0.073)			
HH income	1.383 ***		1.353 ***		
	(0.079)		(0.075)		
HH income (imputed)		1.360 ***		1.337 ***	
		(0.079)		(0.074)	
Imputation dummy		0.730 *		0.753 *	
		(0.137)		(0.135)	
Constant	7.468 ***	8.282 ***	7.450 ***	8.227 ***	8.913 ***
	(0.235)	(0.226)	(0.232)	(0.223)	(0.154)
Nagelkerke R²	0.103	0.104	0.101	0.102	0.085
Hosmer/Lemeshow	0.783	0.517	0.066	0.246	0.052
-2 Log likelihood	4604.902	4974.842	4649.222	5021.638	4425.017
N	3,706	3,945	3,743	3,985	4,061

[c]$p < .10$; *$p < .05$; **$p < .01$; ***$p < .001$

Table 24: Support for downward public transfers, regression results; PPAS 2003

In all five model specifications, we found a clear and highly significant age effect, with the strongest effect seen in Model 5, which includes only the demographic covariates. Here, the odds of supporting the introduction of this policy decreased by 2.8 percent per year of age. This might appear to be a small effect only. However, when the youngest respondent in the sample was compared to the oldest respondent, the effect

summed up to an odds ratio of $0.972^{45}=0.279$; i.e., the estimated odds that a 65-year-old respondent would (fully) agree with the policy were shown to be 72.1 percent lower than those of a 20-year-old.

The range of the age effect was rather narrow, between an odds ratio of 0.972 and 0.979, depending on the model specification and the monetary transfer type.

Parenthood appeared to be as important as age in determining preferences regarding the four selected family policies: the coefficients found were large and highly significant for all five model specifications.

The odds that a childless person would support the introduction of the four proposed family policies was found to be roughly 50 percent lower than those of a respondent with children (Models 1 through 4; in Model 5, the odds are even lower by 72 percent).

With regard to the other demographic variables of interest, only gender seemed to have an effect on downward transfer preferences, as the coefficients for marital status were all marginal and non-significant.

In general, men tended to support the four proposed family policies to a lesser extent than women, with a highly significant change in odds ratios of about 25 percent.

Large differences in preferences could also be found between respondents who were currently benefiting from downward transfers, and those who were not: the odds of supporting the set of four downward transfers among those who were receiving this transfer at the time when the survey was conducted were between 53.2 and 57.1 percent higher than for those who were not.

Educational attainment and household income also showed considerable effects.[4] People with high school degrees were in favour of the four family policies to a lesser extent than respondents with lower educational levels, which corresponds to a difference of roughly 32 percent.

Meanwhile, the odds that respondents with a net household income below the median (€1993.--) would support these downward transfers were between 33.7 and 38.3 percent higher than among better-off interviewees.

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4   The model results also show that changing sample sizes due to missing cases in the household income variable do not affect the coefficients found, as they have similar values and significance levels in both imputed and non-imputed samples, with the imputation dummy in Models 2 and 4 having only low significance levels.

Finally, large and highly significant regional differences were observed. For respondents in West Germany, the odds of supporting the four family policies were over 50 percent lower than for interviewees in Eastern Germany.

The model fit across the range of models we ran varied. We found the best fit (in terms of Nagelkerke R^2 and Hosmer/Lemeshow) for the model including all covariates based on a non-imputed sample (Model 1).

Demographic effects on all 13 family policies combined

In addition to illustrating that the four selected family policies that were the least popular among respondents clearly load on one factor, the factor analysis in Section 2.1.1 also showed that all 13 items practically measure the same preference. Table 25 displays the results for the dependent variable, which is constructed as an index of all 13 items.

All effects found for the dependent variable, including the four selected family policies, remain highly robust; only household income seems to have had a somewhat smaller effect, and sex appears to have had a somewhat larger influence on preferences regarding all 13 family policies.

| Table XX | Binary Logit Models Predicting Support for Downward Transfers: PPAS 2003 |
| | All 13 Family Policies |

Odds Ratios (Standard Errors in Parentheses)

Variable	Model 1	Model 2	Model 3	Model 4	Model 5
Age	0.977 ***	0.977 ***	0.979 ***	0.978 ***	0.972 ***
	(0.004)	(0.004)	(0.004)	(0.004)	(0.003)
Childlessness	0.501 ***	0.527 ***	0.493 ***	0.520 ***	0.380 ***
	(0.123)	(0.118)	(0.118)	(0.113)	(0.093)
Area of Residence	0.498 ***	0.487 ***	0.508 ***	0.497 ***	
	(0.102)	(0.100)	(0.101)	(0.099)	
Current benefits	1.513 ***	1.533 ***	1.519 ***	1.536 ***	
	(0.112)	(0.107)	(0.109)	(0.104)	
Education	0.918	0.923			
	(0.081)	(0.078)			
Sex	0.655 ***	0.649 ***	0.645 ***	0.640 ***	0.642 ***
	(0.075)	(0.072)	(0.074)	(0.071)	(0.070)
Marital Status	1.047	1.036			0.987
	(0.100)	(0.096)			(0.085)
Conservativism	1.024	1.023			
	(0.079)	(0.076)			
HH income	1.263 **		1.266 **		
	(0.082)		(0.077)		
HH income (imputed)		1.246 **		1.251 **	
		(0.082)		(0.077)	
Imputation dummy		0.814		0.829 *	
		(0.143)		(0.140)	
Constant	12.484 ***	12.736 ***	11.881 ***	12.200 ***	13.228 ***
	(0.246)	(0.226)	(0.241)	(0.232)	(0.154)
Nagelkerke R^2	0.104	0.104	0.102	0.102	0.074
Hosmer/Lemeshow	0.085	0.288	0.126	0.552	0.473
-2 Log likelihood	4288.000	4641.035	4338.568	4695.389	4816.092
N	3,680	3,918	3,734	3,977	4,013

[c]$p < .10$; *$p < .05$; **$p < .01$; ***$p < .001$

Table 25: Support for downward public transfers, regression results; PPAS 2003

Preferences regarding monetary downward public transfers

As outlined in Section 2.1.1, the family policies that mainly involve monetary transfers include lower taxes for parents (2), a means-tested financial bonus for families (5), a financial bonus at birth (6), financial assistance to parents who give up their jobs, (7) and a substantial increase in child benefits (8).[5]

Tables 26 through 29 in the annex present the results for all models concerning policies (2), (5), (6), and (7); Table 30 on the next page shows the results for the increase in child benefits, to which we will devote special attention in the following.

As with the models with the two indexed dependent variables, we found a clear and highly significant age effect, with the strongest effect found in relation to the increase in child benefits (Model 4, Table 30). The odds of supporting the introduction of this policy were shown to decrease by 4.1 percent per year of age. When comparing the youngest with the oldest respondent in the sample, we found that the effect sums up to an odds ratio of $0.959^{45}=0.152$; i.e., the estimated odds of a 65-year-old respondent (fully) agreeing with the policy were 84.8 percent lower than those of a 20-year-old respondent.

The range of the age effect was between an odds ratio of 0.959 and 0.987 (Model 3, Table 28 in the annex; policy: benefits for parents who give up their job), depending on the model specification and the monetary transfer type.

Parenthood was shown to play an equally important role in determining the preferences regarding the five family policies, as the coefficients were found to be large and highly significant for all models and all policies. The odds that a childless person would support the introduction of a significant increase in child benefits were almost 50 percent lower than those of a respondent with children (Models 1, 2, and 3 in Table 30; in the restricted Model 4, the odds were even 77.5 percent lower). The range of the parenthood effect was found to lie between an odds ratio of 0.312 (Model 4, Table 24, policy: lower taxes for parents) and 0.627 (Model 2, Table 29 in the annex).

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5   The numbers in parentheses refer to the order of policies in Table 11, p. 100.

Binary Logit Models Predicting Support for Downward Transfers: PPAS 2003
Family Policy: Significant Increase in Child Benefits up to € 250.--

	Odds Ratios (Standard Errors in Parentheses)			
Variable	Model 1	Model 2	Model 3	Model 4
Age	0.969 ***	0.969 ***	0.968 ***	0.959 ***
	(0.004)	(0.004)	(0.004)	(0.003)
Childlessness	0.510 ***	0.542 ***	0.544 ***	0.325 ***
	(0.127)	(0.122)	(0.117)	(0.099)
Area of Residence	0.503 ***	0.479 ***	0.464 ***	
	(0.111)	(0.109)	(0.107)	
Current benefits	1.946 ***	2.036 ***	1.974 ***	
	(0.120)	(0.115)	(0.112)	
Education	0.786 **	0.802 **	0.799 **	
	(0.086)	(0.082)	(0.081)	
Sex	0.874 °	0.860 *	0.851 *	0.838 *
	(0.080)	(0.077)	(0.076)	(0.075)
Marital Status	1.041	0.993		1.001
	(0.106)	(0.101)		(0.90)
Conservativism	0.926	0.938		
	(0.084)	(0.080)		
HH income	1.116			
	(0.087)			
HH income (imputed)		1.092		
		(0.087)		
Imputation dummy		0.870		
		(0.150)		
Constant	23.002 ***	23.817 ***	26.090 ***	29.292 ***
	(0.262)	(0.251)	(0.239)	(0.175)
Nagelkerke R²	0.115	0.118	0.117	0.085
Hosmer/Lemeshow	0.033	0.887	0.093	0.052
-2 Log likelihood	3916.147	4236.216	4268.442	4425.017
N	3,719	3,960	4,001	4,061

°$p < .10$; *$p < .05$; **$p < .01$; ***$p < .001$

Table 30: Support for downward public transfers, regression results; PPAS 2003

With regard to the other demographic variables of interest, only gender seems to have had an effect on downward transfer preferences, as the coefficients for marital status were all shown to be marginal and non-significant. In general, men tended to support the five family policies to a lesser extent than women, with odds differences of between 15 and 30 percent found for the following policy options: benefits for parents who give up their job, a financial bonus at birth, and an increase in child benefits.

Large differences in preferences could also be found between respondents who were benefiting from downward transfers at the time of the survey and those who were not: for example, the odds of supporting an increase in child benefits were twice as large among respondents who were receiving this transfer when the survey was conducted as for those who were not (Table 30).

Among the socioeconomic factors included into our models, only educational attainment seems to have influenced social policy preferences, leaving household income with small and non-significant effects.[6] People with high school degrees supported an increase in child benefits and a financial bonus at birth (Table 28 in the annex) to a lesser extent than respondents with lower educational levels, corresponding to odds differences of about 20 and 40 percent, respectively.

Considerable and highly significant regional differences were also found. For respondents in West Germany, the odds of supporting higher monthly payments for children were over 50 percent lower than for interviewees in East Germany (Table 30). With regard to a financial bonus at birth, the gap between East and West was, at 65 percent (Table 28 in the annex), even higher.

Finally, the covariate testing for the effect of broader attitudinal effects only provided significant coefficients in the case of a financial bonus at birth. Here, conservative respondents were found to be 40 percent more likely to support this policy than more liberal interviewees (Table 28 in the annex).

The model fit across the range of models we ran varied. We found the best fit (in terms of Nagelkerke R^2 and Hosmer/Lemeshow) for the imputed sample with an increase in child benefits as the dependent variable, including all covariates into the model (Model 2, Table 30).

Preferences regarding downward public transfers providing more time for parents and families

In a further step, we looked at the downward transfers that are supposed to provide parents and families with more time, thus facilitating better childcare and parent-child relations. This transfer type includes the following family policies: better maternity leave schemes for working mothers (1); better childcare facilities for children under the age of three (3); better childcare facilities for children from the age of three to the age of

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6   The model results also show that changing sample sizes due to missing cases in the household income variable did not affect the coefficients found, as they have similar values and significance levels in both imputed and non-imputed samples.

primary school entry (4); care facilities for children of school age for the time before and after school hours, as well as during school holidays (9); flexible working hours for working parents with small children; (10) and more and better part-time work options for parents with children (11).[7]

Tables 31 through 35 in the annex present the results for all models concerning policies (1), (3), (4), (9), and (11); Table 36 on the next page shows the results for the flexible working hours for parents, which we will pay special attention to in the following.

As in the case of monetary downward transfers, age seems to have played role in determining attitudes towards this set of policies, but on a considerably smaller scale. This is not surprising, as transfers in time appear to have far smaller consequences for the state budget, and thus have less potential for creating conflict the between age groups.

A highly significant age effect could be found concerning more flexible working hours for parents: the odds of supporting this policy decreased by about 1.5 percent per year of age, summing up to an odds difference of about 50 percent when a 20-year-old was compared to a 65-year-old respondent (Table 36). A smaller, but still significant age effect of about 1.0 percent difference in odds per year of age was found for the policy options "better maternity leave schemes" and "better part-time work options for parents" (Tables 31 and 35 [Models 4 and 5] in the annex). For the three other family policies, age did not seem to play a role.

Parenthood, however, appears to have been as important in shaping attitudes towards downward public transfers in the form of time as in the form of money. Here, the coefficients were also found to be large and highly significant for all of the models analysing four out of the six family policies (flexible working hours, better part-time work options, better childcare facilities after school, better day care for children above the age of three). The odds that a childless person would support the introduction of flexible working hours for parents were more than 50 percent lower than for a respondent with children (Table 36); in the case of better part-time work options, the odds difference amounted to about 60 percent (Table 35 in the annex).

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7   The numbers in parentheses refer to the order of policies in Table 11, p. 100.

Binary Logit Models Predicting Support for Downward Transfers: PPAS 2003
Family Policy: Flexible Working Hours for Parents

Odds Ratios (Standard Errors in Parentheses)

Variable	Model 1	Model 2	Model 3	Model 4
Age	0.986 **	0.987 **	0.984 ***	0.983 ***
	(0.005)	(0.005)	(0.004)	(0.004)
Childlessness	0.458 ***	0.493 ***	0.448 ***	0.454 ***
	(0.169)	(0.163)	(0.118)	(0.132)
Area of Residence	0.751 *	0.750 *	0.783 °	
	(0.145)	(0.142)	(0.138)	
Current benefits	1.156	1.238		
	(0.165)	(0.160)		
Education	1.190	1.155		
	(0.119)	(0.115)		
Sex	0.677 ***	0.691 **	0.665 ***	0.670 ***
	(0.109)	(0.106)	(0.105)	(0.105)
Marital Status	1.028	1.009		1.095
	(0.145)	(0.141)		(0.127)
Conservativism	0.878	0.887		
	(0.113)	(0.110)		
HH income	0.899			
	(0.118)			
HH income (imputed)		0.893		
		(0.117)		
Imputation dummy		1.724 *		
		(0.025)		
Constant	32.308 ***	29.586 ***	35.488 ***	28.515 ***
	(0.341)	(0.330)	(0.254)	(0.233)
Nagelkerke R²	0.045	0.045	0.038	0.036
Hosmer/Lemeshow	0.040	0.199	0.632	0.451
-2 Log likelihood	2494.150	2646.182	2708.778	2700.457
N	3,720	3,961	4,073	4,063

°$p < .10$; *$p < .05$; **$p < .01$; ***$p < .001$

Table 36: Support for downward public transfers, regression results; PPAS 2003

With regard to the other demographic variables of interest, the coefficients for marital status were all found to be marginal and non-significant.[8] Again, only gender seems to have had an effect on downward transfer preferences, with high significance values and substantial coefficients found for all model specifications and for all six family policies.

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8   Except for the policy option "better day care for children below the age of three," which married people were less likely to support than unmarried people (26.8 percent odds change, see Model 4 in Table 32 in the annex).

In general, men tended to support these to a lesser extent than women, with an odds change of about 25 to 35 percent.

In contrast to our findings for monetary downward transfers, results showed that whether the respondent was receiving child benefits at the time of the survey did not have an impact on his or her preferences regarding these six family policies: the coefficients were mostly marginal, and all were non-significant. Education and household income also showed no effect,[9] except for the policy option "better part-time work," which respondents with higher education tended to support more than those with lower educational attainment (odds change of 23.2 to 29.8 percent, see Table 35 in the annex).

On the other hand, the differences between West and East German expectations towards transfers organised by the state also seemed to manifest themselves in this set of "time" transfers. They were large and highly significant for all model specifications, with an odds change of about 20 (better maternity leave schemes) to 60 percent (better childcare facilities after school and during holidays), West Germans were clearly shown to be less in favour of these transfers than East German respondents.

Finally, when looking at the three policies that focus on establishing more childcare facilities of different kinds, conservative respondents were shown to be far less likely to support these transfers than interviewees with more liberal attitudes (odds changes from 17.2 to 25.5 percent, see Tables 32, 33, and 34 in the annex).

The model fit across the range of models we ran again varied. We found the best fit (in terms of Nagelkerke R^2 and Hosmer/Lemeshow) for "flexible working hours for parents" and the model specification, which included only significant covariates (Model 3, Table 36).

Preferences regarding downward public transfers providing lower education costs and better housing

In addition to monetary and time downward transfers, our analysis also included two additional kinds of family policies which are designed to provide less expensive education and better housing to families. While these goods are connected to monetary transfers in a sense, we argue that they form their own categories because they each

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9   The model results again show that changing sample sizes due to missing cases in the household income variable did not affect the coefficients found, as they have similar values and significance levels in both the imputed and the non-imputed samples.

target a specific policy field: education and infrastructure. Tables 37 and 38 in the annex present the results of the binary logit models.

A highly significant age effect could be found concerning the policy measure "providing better housing for families:" the odds of supporting this policy decreased by about 1.2 percent per year of age, summing up to an odds change of about 42 percent when a 20-year-old was compared with a 65-year-old respondent (Table 38). A smaller age effect, or a change in odds of about 0.6 to 1.0 percent, appeared with the policy option "drastically lower costs for education," which turned out to be significant only in the most restricted model specification (Table 37 in the annex).

However, parenthood again seemed to be crucial in determining preferences regarding these two policies: the odds of a childless person supporting better housing for families were about 40 percent lower than for a respondent with children (Table 37 in the annex); in the case of lower education costs, the effect varied between almost 50 percent and about 30 percent, depending on the model specification (Table 36 in the annex).

For the other demographic variables included in the model, our findings for the other two sets of transfers were similar, with the coefficients for marital status being marginal and non-significant, and those for sex having a high degree of significance, with the odds of men supporting the policies being more than 20 percent lower than those of women.

Receiving benefits at the time of the survey was found to have had a clear impact on preferences regarding lower education costs, but was shown to be non-significant for better housing. By contrast, household income was found to have had an effect on preferences regarding the latter policy only, with the odds of supporting the measure being about one-third higher for a household with a net income below the median.[10] The effect of educational level appeared to be of the same magnitude and significance as for monetary transfer policies.

An interesting difference can be observed in the effect of the area of residence: whereas in all other models, West Germans were found to be clearly less likely to support the policy, the odds that they would be in favour of "better housing for families" was roughly 75 percent higher than those for respondents living in East Germany. A possible explanation for this could be that, throughout West Germany, housing for

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10   The model results also show for these two policies that changing sample sizes due to missing cases in the household income variable did not affect the coefficients found, as they have similar values and significance levels in both imputed and non-imputed samples.

families is much more expensive than in the area of the former GDR, where there is actually an oversupply of housing.

2.1.3   Effects of age, parenthood, and marital status on upward transfer preferences – Pension policies

To complement our analysis on intergenerational family policies, we also looked at preferences regarding intergenerational upward transfers. As a proxy for these, we used support levels for pension policy options. It is generally assumed that, in order to sustain the German pension system, younger generations will have to bear greater burdens in the future (for a detailed description of variable construction and model specifications, see Section 2.1.1). Table 39 on the following page displays the results of the binary logit models.

Commensurate with the negative age effect on preferences regarding downward transfers, we found a clear positive age effect on preferences regarding upward transfers: the older the respondent was, the more likely he or she was to favour a pension policy mix that puts greater burdens on the younger generation.

The odds ratio changed by about one percent per year of age, depending on the model specification, and therefore was somewhat smaller than in the downward transfer models. The significance levels were also found to be lower; yet the effect was distinct: the odds that a 65-year-old respondent would (fully) agree with the policy mix were 71.1 percent (since $1.012^{45}=1.711$) higher than those of a 20-year-old. [11]

The effect of parenthood was also found to be reversed. Whereas childless people were less in favour of family policies than fathers or mothers, they were significantly more likely to support an increased burden for the younger generation: the odds change relative to parents ranged between 59.9 and 76 percent, depending on the model specification.

Of the other covariates, only the East/West divide was shown to have had a distinct and highly significant effect on upward transfer preferences; as in the downward transfer models, West Germans indicated that they see the state as less responsible for organising transfers between generations.

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11   The model results also show that changing the sample sizes due to missing cases in the household income variable did not affect the coefficients found, as they have similar values and significance levels in both the imputed and the non-imputed samples.

Binary Logit Models Predicting Support for Upward Transfers: PPAS 2003
Policy-Mix: Reforming the Pension System by Putting More Burden on the Young

Variable	Model 1	Model 2	Model 3	Model 4	Model 5
Odds Ratios (Standard Errors in Parentheses)					
Age	1.009 *	1.011 *	1.010 **	1.011 **	1.012 **
	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)
Childlessness	1.760 ***	1.653 ***	1.675 ***	1.599 ***	1.709 ***
	(0.127)	(0.122)	(0.107)	(0.119)	(0.121)
Area of Residence	0.575 ***	0.571 ***	0.562 ***		0.564 ***
	(0.118)	(0.115)	(0.111)		(0.112)
Education	0.946	0.944			
	(0.105)	(0.101)			
Sex	0.919	0.880		0.863	0.855 °
	(0.097)	(0.094)		(0.093)	(0.093)
Marital Status	0.985	0.975		0.936	0.965
	(0.125)	(0.120)		(0.108)	(0.109)
Conservativism	0.969	0.923			
	(0.102)	(0.098)			
HH income	1.040				
	(0.106)				
HH income (imputed)		1.041			
		(0.106)			
Imputation dummy		1.057 °			
		(0.192)			
Constant	0.218 ***	0.222 ***		0.138 ***	0.210 ***
	(0.250)	(0.239)		(0.204)	(0.219)
Nagelkerke R²	0.025	0.024	0.023	0.012	0.024
Hosmer/Lemeshow	0.656	0.537	0.742	0.265	0.751
-2 Log likelihood	2782.566	2988.268	3039.899	3051.163	3026.186
N	2,736	2,905	2,950	2,943	2,943

°$p < .10$; *$p < .05$; **$p < .01$; ***$p < .001$

Table 39: Support for upward public transfers, regression results; PPAS 2003

2.1.4   Age trajectories of public transfer preferences

Generalised Linear Models assume linearity of the effects found; i.e., in our case, a regular increase or decrease in the likelihood of supporting or opposing certain transfer policies by each single year of age.

However, our analysis has shown that preferences are highly dependent on time-varying demographic factors, such as parenthood. Therefore, the age effects identified in our

models might follow a non-linear pattern over the life course. In order to investigate these possible trajectories, we apply Generalised Additive Models (GAM) in this section. This will also enable us to reflect on the underlying motives of preferences, as outlined in Section 4 of Chapter II.

Since the GAM only differs in the smoothing term for the metric covariate age, and otherwise provides coefficients that are essentially identical with those obtained from the GLM, we will base our analysis solely on graphical output.

We first look at possible age trajectories of preferences regarding downward transfers (family policies), and then at those regarding upward transfers (pension policies).

Age trajectories of preferences regarding four selected policies, as well as regarding all 13 family policies combined

Graphs 9a and 9b display the results of the GAM for the four selected family policies with the lowest support levels combined (financial bonus at birth (6), substantial increase in child benefits (8), significantly lower costs for education (12), and better housing for families with children (13)[12].
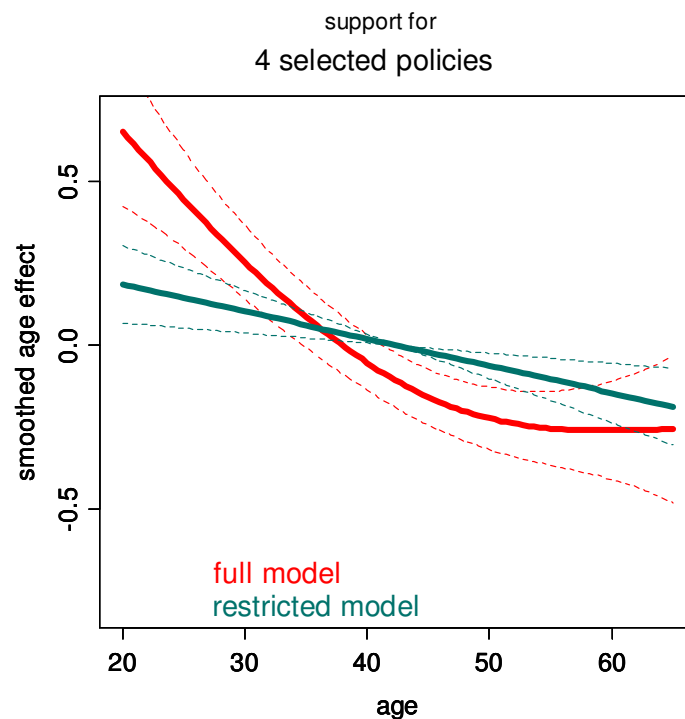

Graph 20a: Smoothed age effect on support for family policies (PPAS 2003)

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12   The numbers in parentheses refer to the order of policies in Table 11, p. 100.

The red line in Graph 20a shows the pattern of the age effect found in the full model including all covariates,[13] while the green line represents the age trajectory found in the restricted model with age as the only covariate.

We can see considerable differences between the two models: whereas the age pattern in the restricted model is practically linear with a moderate slope (probability differential of about 10 percent from the youngest to the oldest respondent), the age effect in the full model follows a much steeper slope (probability differential of about 20 percent).[14] Since the age effect in the restricted model is "distorted" by other life-course relevant variables, such as parenthood, the model underestimates the negative impact of age on preferences regarding downward transfers at younger ages, when parenthood is more likely. This gives a first indication that dynastic motives behind transfer preferences might play a central role.

We further suggest that the reason for the less steep slope of the age effect in the full model at higher ages is due to the fact that grandparenthood could not be controlled for in the model, as the survey did not contain information about this issue.
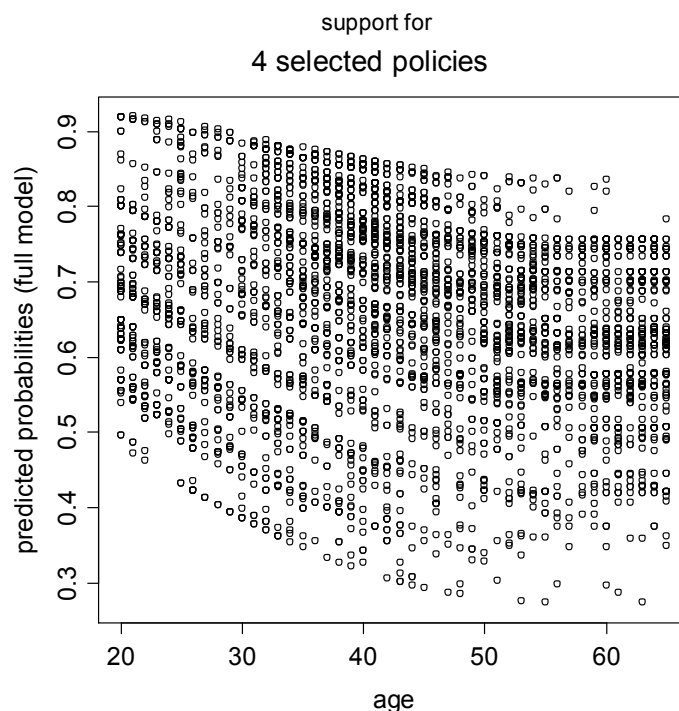
Graph 20b: Predicted probabilities of support for family policies (PPAS 2003)

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13   All models with imputation of missing values for net household income. In order to obtain one line for the age effect in the full model, the values of all covariates other than the covariate of age were set to their mean.

14   For predicted probabilities of the restricted vs. the full model see Graph 20c in the annex.

Graph 20b displays the predicted probabilities of supporting all four selected family policies for all possible combinations of covariate outcomes in the full model. A clear downward trend for most combinations can be identified. Furthermore, a considerable share of trajectories is clustered between the 80 and 60 percent band. The overall variance of support levels is much larger, however, varying from a maximum of over 90 percent at the younger ages, to a minimum of below 30 percent at the oldest age. Graphs 21a through 21c in the annex show that these results also hold for the second indexed dependent variable with all 13 family policies combined.

*Age trajectories of preferences regarding monetary downward public transfers*

The monetary downward public transfers included in our analysis covered the following five family policies: lower taxes for parents (2), a means-tested financial bonus for families (5), a financial bonus at birth (6), financial assistance to parents who give up their jobs (7), and a substantial increase in child benefits (8).[15]

In the following section, we will pay special attention to policies (2) and (8) because the age effects found follow quite remarkable non-linear traits, as shown in Graphs 22a and 23a.

Whereas on the basis of the full model a rather clearly linear negative age effect on support for a policy promoting lower taxes for parents can be identified (red line, Graph 22a), the restricted model (green line) reveals a pattern which can arguably be attributed to demographic, as well as occupational phases of the life course.

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15   The numbers in parentheses refer to the order of policies in Table 11, p. 100.

support for
lower taxes for parents
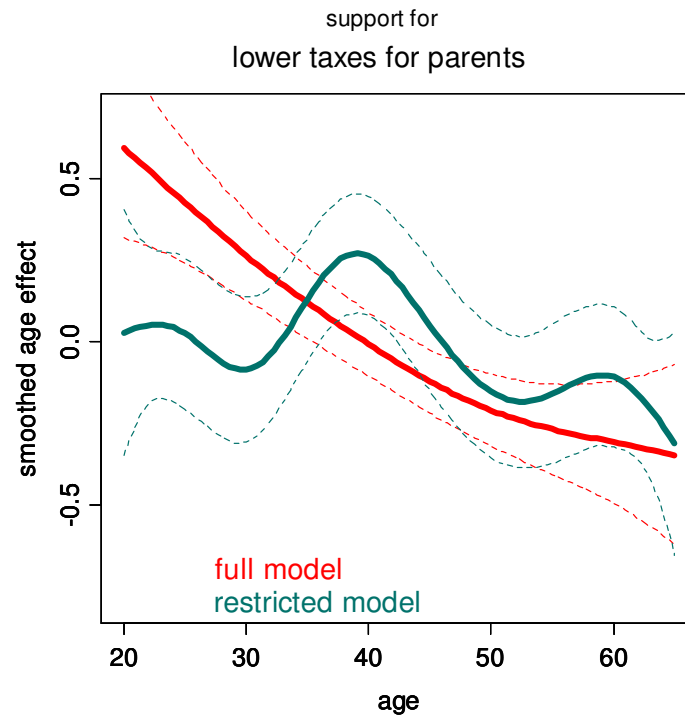
Graph 22a: Smoothed age effect on support for family policies (PPAS 2003)

During the age spans 20 to 25 (first entry into the labour market), 35 to 45 (peak of occupational phase, parenthood), and, to a lesser extent, the late fifties to mid-sixties (transition to retirement, grandparenthood), there are humps interrupting the overall negative effect of age, with the largest deviation seen during the life-course phase in which parenthood and career coincide, and family-related tax issues thus become most relevant for the respondent.

With regard to underlying motivations, these findings confirm on the one hand the importance of a dynastic rationale (parenthood), but further suggest some kind of "egoistic" motive, as tax discounts on income do not correspond to immediate transfers to the child, like childcare facilities or, to a certain extent, child benefits.

support for
lower taxes for parents
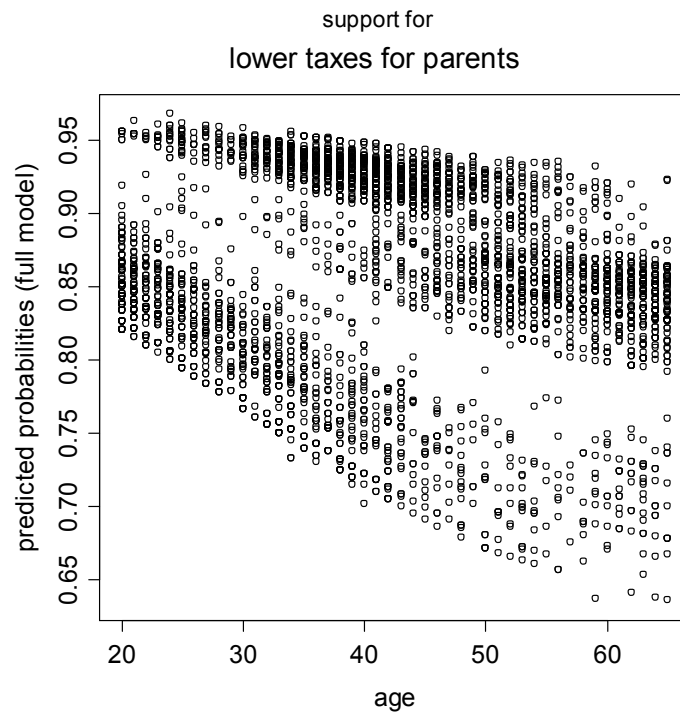
Graph 22b: Predicted probabilities of support for family policies (PPAS 2003)

Even though the probability differential appears to be somewhat small in case of the restricted model and the standardised full model (10 percent, see Graph 22c in the annex), Graph 22b reveals a considerable span of probabilities based on all possible combinations of covariate values between 95 percent at younger ages, and below 65 percent at older ages.

In the case of preferences regarding a significant increase in child benefits up to €250 per child and month as well, the graphical output of the GAM proves to be a useful tool for further analysing the age effect found.

support for
increase in child benefits
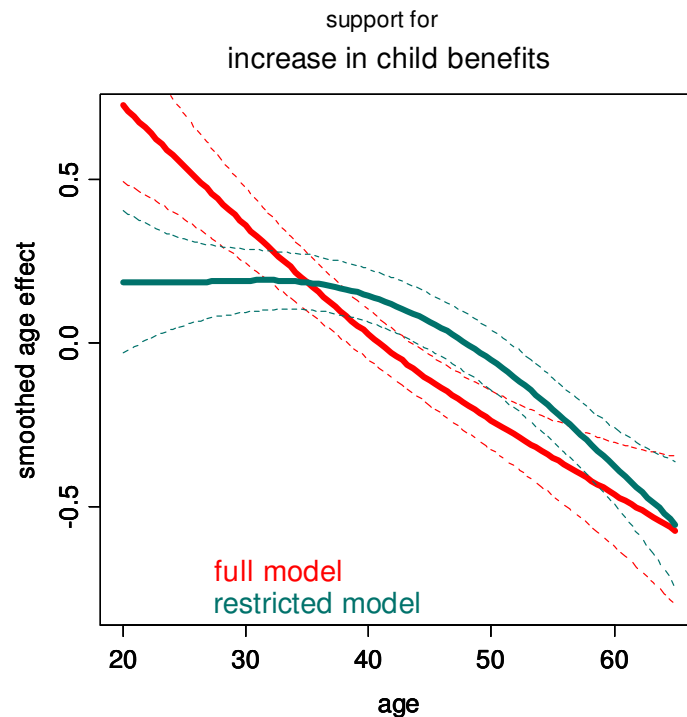
Graph 23a: Smoothed age effect on support for family policies (PPAS 2003)

When a range of possible life-course relevant covariates are controlled for, the "pure" age effect follows an almost perfect linear pattern, as shown in Graph 23a (red line); however, the "distorted" age effect in the restricted model remains marginal up until the age of 40 (again the period in which respondents are most likely to be exposed to parenthood), and follows a rather steep slope thereafter. Our interpretation of the corresponding underlying motivations (dynastic altruism) appears to be supported in this case as well.

The probability differential in the restricted, as well as the standardised full model, is about 20 percent (see Graph 23c in the annex), whereas the overall probability gap amounts to over 50 percent, with a maximum of over 90 percent at younger ages, and a minimum of under 40 percent at older ages, as shown in Graph 23b.

support for
increase in child benefits
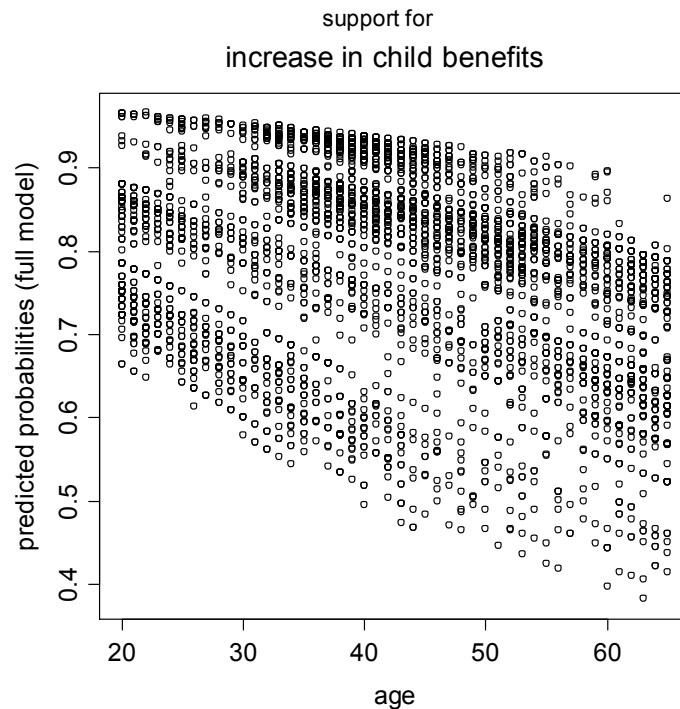
Graph 23b: Predicted probabilities of support for family policies (PPAS 2003)

Graphs 24a-c, 25a-c, and 26a-c in the annex present the GAM results for family policies
(5), (6), and (7) (means-tested financial bonus for families, a financial bonus at birth,
financial assistance to parents who give up their jobs); the age effect on preferences for
policies (6) and (7) here have traits similar to those of the two indexed dependent
variables (four or 13 family policies); the age effect on preferences for policy (5) reveals
once more a "grandparent hump" at higher ages.

Age trajectories of preferences regarding downward public transfers providing more time for parents
The second group of downward public transfers includes the following family policies:
better maternity leave schemes for working mothers (1); better childcare facilities for
children under the age of three (3); better childcare facilities for children from the age of
three to the age of primary school entry (4); care facilities for children of school age for
the time before and after school hours, as well as during school holidays (9); flexible
working hours for parents with small children (10); and more and better part-time work
options for parents with children (11).[16]

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16   Numbers in parentheses are referring to the order of policies in Table 11, p. 100.

Policies (1), (3), (10), and (11) mostly follow a slight U-shape trajectory (parent and grandparent hump), with the predicted differences by age being somewhat smaller than those of monetary public transfers, which corresponds to the smaller age effects found in the GLM for this type of transfer (see Graphs 27a-c, 28a-c, 29a-c, and 30a-c in the annex).

For policies (4) and (5), we could not identify a significant age effect in the linear models. However, when looking at the graphical results of the additive models, it becomes clear that the linear model will not detect effects where non-linear traits cancel each other out over the whole age span, as is the case for support for better day care for children above the age of three, as well as for better care for children before and after school hours. Graphs 31a and 32a display the respective age trajectories, which once again lends support to the hypothesis that preferences regarding transfer-related policies are highly dependent on the life-course phase the respondent finds him- or herself in.
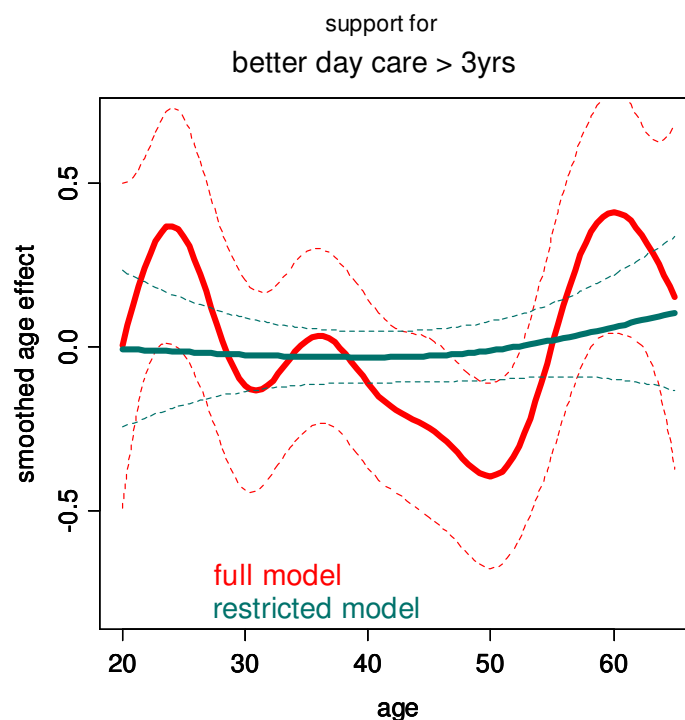
Graph 31a: Smoothed age effect on support for family policies (PPAS 2003)

Both trajectories show clear parent and grandparent humps: during the ages at which these demographic states are most common, the negative age effect is reversed. In the case of school-related childcare, the first hump covers the age range 25 to 45, which is exactly the period during which the parents surveyed are likely to have children of

school age. When looking at the age effect on support for better day care for children above the age of three, we can identify a second, smaller parent hump around the age of the parents at which a potential second child would turn three.
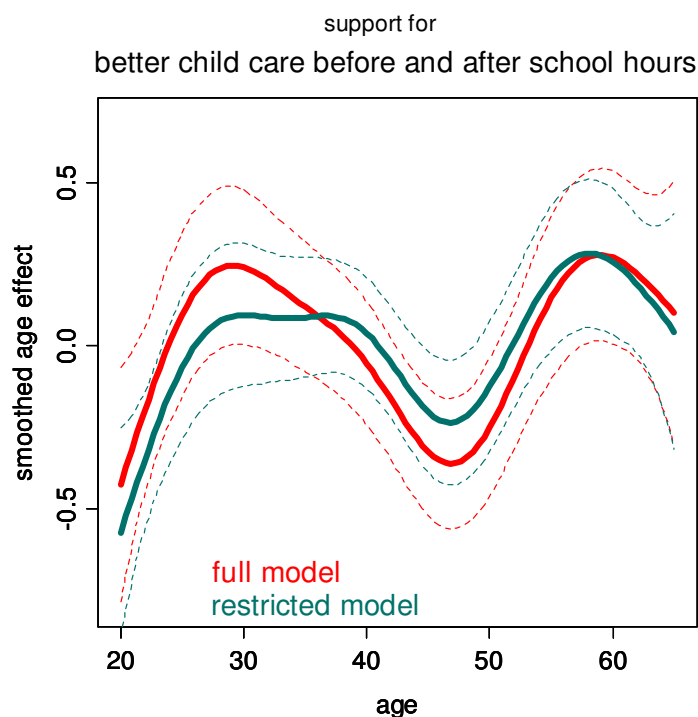
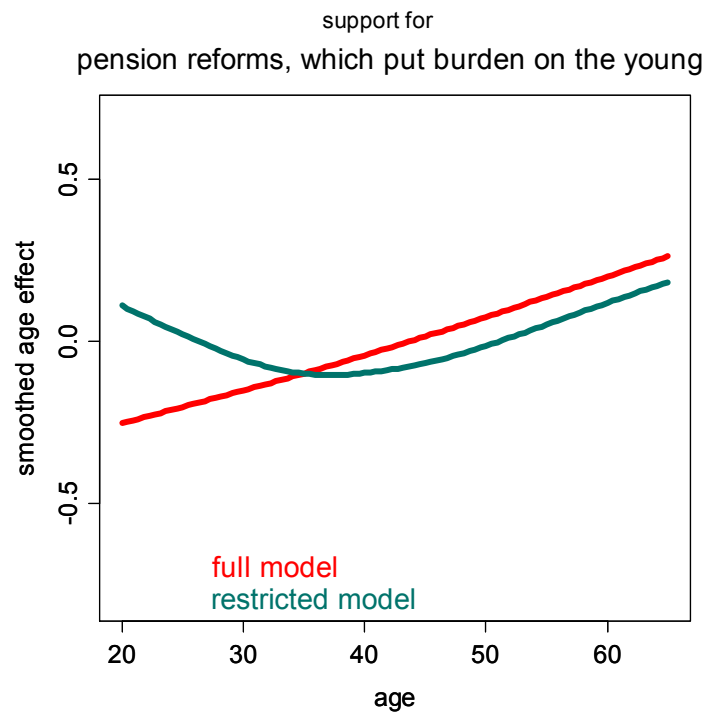*Graph 32a: Smoothed age effect on support for family policies (PPAS 2003)*

Furthermore, Graphs 31b and 32b in the annex show that, even thought the GLM did not identify a significant age effect, the predicted probabilities gaps in support for these two policies were considerable (around 25 percent for policy (4) and over 30 percent for policy (5)).[17]

Age trajectories of preferences regarding upward public transfers: pension policies

Finally, we look at the graphical results of the GAM, analysing the support for upward transfers, which are shown in Graph 35a. We basically see a reverse pattern of the age effect on support for the four selected policies, as well as for all 13 family policies combined (see Graphs 20a and 21a in the annex): in the full model with all covariates

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17   The remaining two policies ("better housing for families" and "drastically lower costs for education") basically follow a U-shape; see Graphs 33a-c and 34a-c in the annex.

included, a nearly perfectly linear positive age effect can be identified; but when only age is controlled for, the effect flattens at younger ages until the ages of 40 to 45, when pension issues start to become more salient. This observation lends support to the hypothesis that self-interest and economic rationale are underlying motives for transfer preferences.

support for
pension reforms, which put burden on the young

Graph 35a: Smoothed age effect on support for upward transfers (PPAS 2003)

Even though the identified age effect in the linear models is somewhat smaller than the effect on downward transfers, Graph 35b in the annex illustrates that, in combination with the other covariates, the gaps in predicted probabilities are considerable, with a minimum of 10 percent at lower ages, and a maximum of over 40 percent at higher ages.

2.2   The Generations and Gender Survey

2.2.1   *Descriptives, Variable Construction, and Model Specifications*

Since the 2005 wave of the Generations and Gender Survey (GGS) for Germany contained a whole set of variables taken from the PPAS – including basically identical variables for family policies, which we used for our analysis in Section 2.1 – we were interested in exploring the question of to what extent our results and conclusions drawn from the PPAS dataset also hold on the basis of these data. Furthermore, with 10,017 respondents, the GGS provides a larger sample size and covers a bigger age range (17 to 85) than the PPAS (20 to 65), and contains information on grandparenthood, which the PPAS does not. On the other hand, the GGS does not include questions on upward transfers comparable to the question on pension policies in the PPAS, which are critically important to the subject of this thesis.

In the following, we will briefly present the construction of the dependent and independent variables, as well as the model specifications of the linear and additive models; we will also point out differences from the analysis presented in Section 2.1.

Dependent Variables – Downward Public Transfers: Family Policies

Like the PPAS, the GGS contains questions on specific transfer-related social policies, including a battery of items on 13 family policies which cover a whole range of downward public transfers (money, time, education, and housing; see Table 40). Respondents were asked to evaluate the importance of each of these policies.

> "What do you think about the following policies, which are supposed to make it easier to have, raise, and care for children?"

Hence the wording of the introductory question is slightly different from the corresponding question in the PPAS, leaving out the explanatory part about the implementation of the suggested policies and the possible effects of implementation on the state budget. In addition, item 12, which in the GGS is the policy option "significantly lower costs for education," is changed to "more all-day schools."

	Family policy	Transfer type
1	Better maternity leave schemes for working mothers	Time
2	Lower income taxes for parents of minor children	Money
3	Better childcare facilities for children under the age of 3	Time
4	Better childcare facilities for children from the age of 3 to the age of primary school entry	Time
5	Financial bonus for families with children (means-tested)	Money
6	Financial bonus at birth of a child	Money
7	Financial assistance for mothers or fathers, who give up their jobs because they want to look after their minor children	Money
8	A substantial increase of child benefits to €250 per child and month	Money
9	Care facilities for children of school age for the time before and after school hours, as well as during school holidays	Time
10	Flexible working hours for working parents with small children	Time
11	More and better part-time work options for parents with children	Time
12	More all-day schools	Education
13	Better housing for families with children	Housing / Money

Table 40: Family policies and respective type of transfer; GGS 2005

Respondents were asked to evaluate these 13 policy options using five categories: very important, important, neither-nor, not important, and not important at all. In order to assess the support levels for these policies, we dichotomise the variables, with 1 representing those respondents who opted for very important or important, and 0 for all other responses.[18]

Table 41 shows that the majority of respondents fully agreed or agreed with the implementation of the proposed family policies. However, depending on the transfer type, between roughly 10 percent and almost one-third of respondents indicated they oppose these reforms. The least popular items were those involving money transfers (6, 8). These findings are very similar to those of the PPAS (cf. Table 12 on p. 97).

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18   Even though the sample size of the GGS is much larger than that of the PPAS, some spells would still contain too few cases when using ordered logistic regression, resulting in the non-significance of most effects found. By dichotomising the variables we avoid this effect. This also allows for a better comparison between the results obtained from the two datasets.

	Family policy	(very) important (1)	other (0)
1	Better maternity leave schemes for working mothers	79.0 %	21.0 %
2	Lower income taxes for parents of minor children	82.9 %	17.1 %
3	Better childcare facilities for children under the age of 3	78.0 %	22.0 %
4	Better childcare facilities for children from the age of 3 to the age of primary school entry	86.5 %	13.5 %
5	Financial bonus for families with children (means-tested)	84.2 %	15.8 %
6	Financial bonus at birth of a child	67.4 %	32.6 %
7	Financial assistance for mothers/fathers, who give up their jobs because they want to look after their minor children	78.2 %	21.8 %
8	A substantial increase of child benefits to €250 per child and month	69.5 %	30.5 %
9	Care facilities for children of school age for the time before and after school hours, as well as during school holidays	78.5 %	21.5 %
10	Flexible working hours for working parents with small children	89.7 %	10.3 %
11	More and better part-time work options for parents with children	90.6 %	9.4 %
12	More all-day schools	73.9 %	26.1 %
13	Better housing for families with children	75.3 %	24.7 %

Table 41: Support levels for 13 family policies; GGS 2005 (own calculations)

In investigating a possible age effect, we again, as in the PPAS analysis, first look at item 8, which asks whether the respondent would support a "significant increase in child benefits" to a level of €250 per child each month. In 2005, the year the GGS was conducted, the proposed policy would have been equivalent to an increase in benefits of over 60 percent. The boxplot in Graph 35 shows that the median age of respondents who evaluated this policy as not important at all was about 10 years higher than the

median age of people who said they consider the policy to be very important, which indicates a certain age effect in preferences.
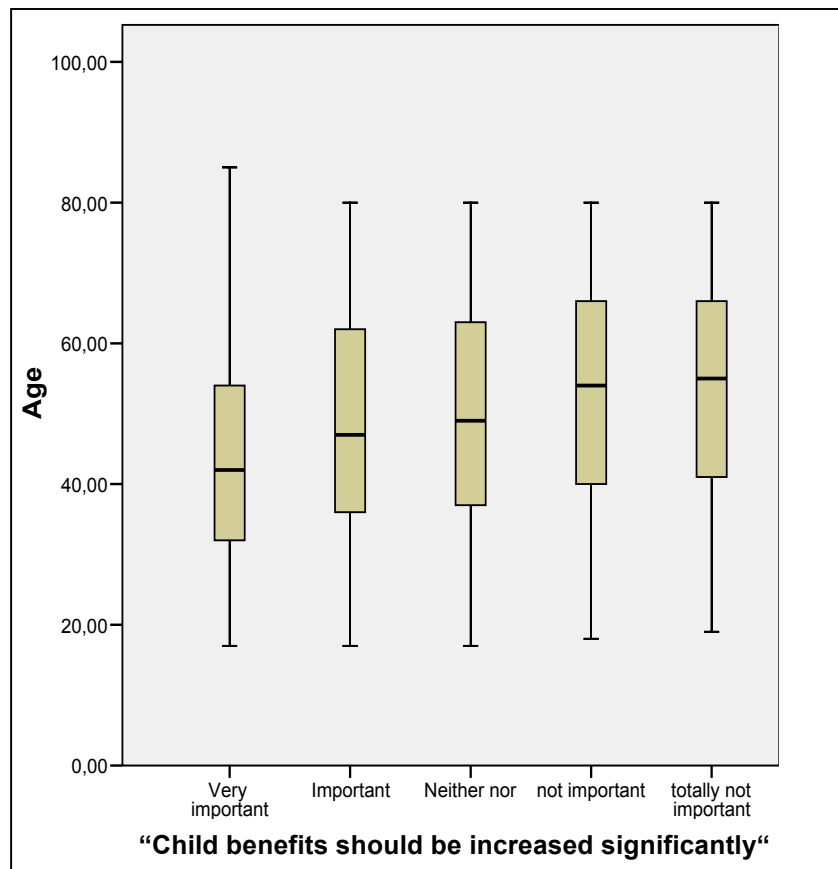
Graph 35 – Age gradient in family policy preference Source: Own calculations; GGS 2005

This observation also holds for most of the other 13 items to a greater or lesser extent. As in Section 2 of this chapter, we intend to investigate, using factor analysis, whether items can be clustered into dependent variables with more comprehensive explanatory power. We first selected the eight items with the lowest support levels (1, 3, 6, 7, 8, 9, 12, 13). Using a 20-percent margin like the one used in the PPAS analysis, we this time found twice as many items. The graphical analysis (scree plot), as well as the standard diagnostics, demonstrated that the eight items clearly load on one factor (see Graph 36 and Tables 43 through 45 in the annex). Cronbach's alpha for the four items is .85, which means that the finding is highly reliable. The factor analysis for all 13 policy items provided similar results (see Graph 37 and Table 46 in the Annex), as well. Here, too, a high degree of reliability is given, with a Cronbach's alpha of .91.

Thus, we again constructed two main dependent variables for our statistical analysis: we built two indexes of a) the eight policies with the lowest support levels, and b) all 13 policies, and used these as a proxy for downward public transfers. Since the factor analysis gave a clear one-factor loading, we decided to calculate the simple average of the eight and the 13 policies, respectively. We then dichotomised each into 1 for the range from 1.00 to 2.00 ("very important," "important"), and 0 for the range from 2.01 to 5.00 ("other").

Our initial descriptive results suggest that demographic variables such as age, parenthood, and marital status played a role in determining preferences regarding all 13 family policies. Tables 47, 48, and 49 in the annex show that older and childless people tended evaluate the 13 proposed policies as very important and important to a lesser extent than younger respondents or parents: 50.2 percent of the over 70-year-old respondents said they want to see more family policies implemented, compared to 63.2 percent in the age group 30 to 39. Nearly 60 percent of all parents said they consider the proposed policies to be (very) important, whereas over 47.3 percent of childless respondents indicated they do not. In contrast to our findings from the PPAS dataset, marital status did not seem to play a role in determining these preferences, as the frequencies of the two demographic groups (married and other) were very close to each other. As in the PPAS analysis, all 13 policies will be included in our statistical models as separate dependent variables, in addition to the two indexed main dependent variables.

Model specifications – Independent variables

The model specifications of this analysis basically mirror those from Section 2.1 in this chapter, but with some minor changes, which are outlined in the following paragraphs. The central specification of the binary logit model is extended by a further variable **grandch**, which is coded 1 if the respondent has grandchildren, and 0 if other:

SupTra = β_1*age + β_2*childless + β_3*area + β_4*currentben + β_5*edu + β_6*sex + β_7*marital + β_8*consval + β_9*inc + (β_{10}*inc_dum) + β_{11}*(grandch) + const

As in the PPAS analysis, the dependent variables (**SupTra**) will include 1) preferences regarding each of the 13 family policies separately, 2) synthesised preferences regarding

the eight family policies that are the least popular, and 3) synthesised preferences regarding all 13 family policies. The response to these dependent variables is predicted by a function of the following covariates:

age

Age of the respondent; main covariate of interest; continuous; range: 17 – 85 years

childless

Childlessness: coded 1 if the respondent is childless, 0 if other

area

Area of residence: coded 1 if West Germany, 0 if East Germany

currentben

Current benefits: coded 1 if respondent currently receives child benefits, 0 if other

edu

Educational level: 1 if higher education, 0 if other

sex

Coded 1 for male, 0 for female respondents

marital

Respondent's marital status; 1 if married, 0 if other

consval

Proxy for respondent's conservatism; 1 if conservative, 0 if other

inc

Net household income: 1 if below the median (€1750.--), 0 if above

inc2

Net household income (imputed): 1 if below the median (€1750.--), 0 if above

inc_dum

Dummy for models using imputed household income variable: 1 if missing case was replaced by variable mean, 0 if other

grandch

Grandparenthood: coded 1 if the respondent has grandchildren, 0 if other

In addition to age, we again included several other demographic indicators (sex, marital status, childlessness, grandparenthood), which we believe influence preference patterns. Furthermore, we controlled for economic factors, such as education and household income. We found that, in the GGS as well, this variable had higher levels of missing cases than others. In order to evaluate the impact of these missing cases on our results, we ran the logit model with the original income variable (**inc**), as well as with an imputed variable (**inc2**).[19] When the imputed variable was used, the model was extended by an imputation dummy (**inc_dum**).

All of the other covariates were shown to have the same definition as in the PPAS models, except for **consval**, which we used as an indicator for more general political views. Due to the different phrasing of attitudinal questions in the GGS dataset, we had to change this covariate. As in the PPAS, the GGS interviewees were asked several general questions regarding relations between men and women, and the role of institutions like marriage or the family. One item asked respondents whether they support the idea of abolishing the right to divorce (dichotomous response yes/no). We selected this variable as a proxy to identify possible effects of conservative attitudes on the dependent variable.

As in the PPAS analysis, we ran up to five different model specifications for each dependent variable: 1) including all covariates without imputing the missing cases of the household income variable, 2) including all covariates with imputation, 3) including only significant variables, 4) including only demographic variables, and 5) including only demographic and significant variables.[20]

The central specification for the generalised additive models was again the same as for the logit model, except for the fact that the independent variable **age** was entered into the model via a smoothing function:

$$\textbf{SupTra} = s(age) + \beta_2*childless + \beta_3*area + \beta_4*currentben + \beta_5*edu + \beta_6*sex + \beta_7*marital + \beta_8*consval + \beta_9*inc + (\beta_{10}*inc\_dum) + \beta_{11}*(grandch) + const$$

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19   Missing cases are replaced by the variable mean (€ 2299.--).
20   Model specification 5 is only applicable depending on the model results of other specifications. For the full model, we test for collinearity of the covariates. The Variance Inflation Factors (VIF) are clearly below 2.5 for all covariates, thus giving no cause for concern about the collinear relationships between the variables included in the model.

For each of the dependent variables, we ran only two model specifications: 1) including all covariates and with imputation of the household income, and 2) including **age** as the only covariate to analyse the role of age after being adjusted for other covariates.: in the full model, we expected to be able to identify the "pure" age trajectory of policy preferences by controlling for all other relevant factors. In the restricted model with age as the only variable, we expected to find different patterns, as the age effect is distorted by other life-course effects, such as parenthood or grandparenthood, which are not controlled for. As our goal is to assess the trajectories of age effects found over the life course, we once again present the graphical results from the generalised additive models.

2.2.2   *Effects of age, parenthood, grandparenthood, and marital status on downward transfer preferences – Family policies*

This section presents the results of our statistical models analysing downward transfer preferences on the basis of GGS data. We present the findings from the binary logit models, and pay special attention to the comparison with the findings from the PPAS analysis. It turns out that in general the results are consistent and highly robust. In order to avoid redundancies, we therefore show the effects found grouped according to the main covariates of interest (age, childlessness, grandparenthood, marital status) across all of the dependent variables, followed by a summary of the effects of the other covariates included in the models. All model results are presented in detail in Tables 50 through 64 in the annex. The results of the Generalised Additive Models will be presented in Section 2.2.3.

Demographic effects on downward transfers – Age

Using GLM, the effects of age found in the PPAS data were clear cut and could be replicated to a large extent using GGS data. The highly significant odds change of about two percent per year of life (ranging from 2.6 percent for the significant increase in child benefits (Model 1, Table 56 in the annex) to 1.0 percent for better day care for children below the age of three (Model 1, Table 58), resulted in a large aggregated odds change of $0.980^{(85-17)} = 0.253$ when the youngest respondent in the sample was compared to the oldest respondent. Thus, the estimated odds that an 85-year-old respondent would have evaluated a range of downward transfers as very important or important were found to

be 75 percent lower than those of a 17-year-old interviewee. Generally speaking, the odds changes were again higher for monetary transfers than for other types of transfers. As in the PPAS analysis, we found no significant age effect for the policy "better childcare facilities after school and during holidays" (Table 60 in the annex) and the policy "more all-day schools" (Table 63 in the annex). However, we also identified some differences between the two datasets. Whereas in the PPAS analysis, no age effect was found for the policies concerning better day care for children below and above the age of three, differences across ages were found in the GGS data concerning this policy preference, with a highly significant odds change of about one percent per year of life observed (Tables 58 and 59 in the annex). In addition, the magnitude for the age effect found for the policy "better maternity leave schemes" was larger in the GGS than in the PPAS data, and showed higher significance levels (Table 57 in the annex).

Demographic effects on downward transfers – Parenthood and grandparenthood

Like the PPAS data, the GGS suggest that, in addition to age, parenthood is one of factors that are most influential in shaping preferences regarding downward public transfers. We were able to replicate all results concerning this covariate, both with regard to the magnitude of the effect, as well as its significance levels. Only when we looked at the policies "lower taxes for parents" (Table 52 in the annex), "better day care for children above the age of three" (Table 59 in the annex) and "more all-day schools" (Table 63 in the annex)[21] did we find that the odds changes were slightly smaller than in the PPAS analysis.

Generally, the odds that childless people would rate public transfers to the younger generation as very important or important were about 30 to 35 percent lower than for parents.

Unlike in the PPAS analysis, we were also able to control for grandparenthood using the GGS data. Having or not having grandchildren might be of similar importance for shaping public transfer preferences as having children or being childless, especially at older ages.

In all models, grandparenthood was found to increase the odds of reporting the two indexed variables, as well as of all 13 family policies separately, as very important or

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21   However, this educational transfer was phrased differently in the PPAS questionnaire, where the proposed policy was "drastically lower costs for education."

important. In most of the models (Tables 50, 51, 53, 54, 56, 57, 58, 59, 60, and 62 in the annex), this effect was also found to be significant or highly significant. With an overall odds change with age of between 10 and almost 45 percent, there is considerable variance in the results. The biggest effects were found with regard to time-related public transfers. The highest odds changes concerned the policies "flexible working hours for parents" (Table 62), "better day care for children below and above the age of three" (Tables 58 and 59), and "better maternity leave schemes" (Table 57). These results are likely to reflect the significant role that grandparents play in providing care for the younger children of their own children.

Demographic effects on downward transfers – Marital status and gender

In contrast to age, parenthood, and grandparenthood, the other two demographic covariates included in the models – sex and marital status – seemed to have had smaller or only very limited effects. This was particularly true for marital status, which in the GGS data was again found to have had almost no impact on public transfer preferences. For a large number of the analysed policies, as well as of the model specifications, the coefficients were found to be marginal and of no significance. The only exception was for the policy "better day care for children below the age of three," as the odds of married respondents rating this transfer as very important or important were found to be about 15 percent smaller than those of non-married interviewees. This might be related to the fact that married people tend to be less in need of care for their very young children than, for example, singles or people in other types of relationships.

Gender, however, showed significant effects on support for all policies except for "financial bonus at birth," "more all-day schools," and "better housing for families" (Tables 54, 63, and 64 in the annex; though in the PPAS analysis significant effects were found for the latter two policies). Generally, men tended to support downward transfers to a lesser extent than women, with odds changes mostly in the area of 15 to 20 percent. The largest odds changes were observed with regard to policies "flexible working hours for parents" and "better part-time work options for parents;" here the odds that men would support these policies were roughly 35 percent lower than those of women (Tables 61 and 62 in the annex). Higher odds changes of about 25 percent were found with policies relating to day care for children (Tables 59 and 60 in the annex).

We suggest two possible reasons for these results. First, German men used to be less concerned with facilitating childcare due to the prevalence of the male breadwinner model in Germany. Second, men have traditionally been less willing than women to scale back their careers (e.g., by working part-time or requesting flexible working hours).

Effects of further covariates, impact of imputation, model fit

In the following section, we will present a short summary of the main findings from the other covariates included in the model. Apart from a very small number of exceptions, most of the results of the PPAS analysis can be replicated using the GGS dataset, including with regard to the socioeconomic and value-based effects that are of interest to us.

In this case, the East-West divide appears to have played a crucial role: with odds changes of about 30 to 50 percent, West German respondents were far less likely than their East German counterparts to have evaluated downward transfer policies as very important or important. However, there are two exceptions. First, as in the PPAS analysis, the effect for the policy "better housing for families" was reversed; this policy was more often supported by respondents who were living in the western regions of Germany than by interviewees who were living in the area of the former GDR, with an odds change of almost 60 percent (Table 64 in the annex). Second, the GGS data showed that the area of residence had no effect on preferences regarding the policy "more all-day schools" (Table 63 in the annex).

The question of whether the respondent was receiving family-related benefits at the time of the survey seems to be relevant when using GGS data, as well: the odds of those interviewees who were not benefiting from state transfers supporting these policies were about 20 percent smaller than for those who were. However, this only holds for money-related transfers and the indexed dependent variable including all 13 family policies (Tables 51, 52, and 55 in the annex).

Some bigger differences concerning the effect of respondents' educational attainment could be identified between the two datasets. Whereas in the PPAS analysis there was no effect of education on the policies "better day care for children below and above the age of three," "better childcare facilities before and after school and during holidays," "better part-time options for parents," and "flexible working hours for parents;" we found significant effects when we looked at GGS data. Generally, respondents with

higher education appeared to support these care-related policies to a greater extent than those with lower educational attainment, with the odds changes ranging between 25 and almost 60 percent (Tables 58, 59, 60, 61, and 62 in the annex). As a possible explanation for this gap, we suggest that better educated people tend to have higher occupational status, and therefore might be more in need of childcare facilities. On the other hand – and in line with the findings on basis of the PPAS dataset – higher educated respondents were less likely to evaluate money-related transfers as very important or important than less educated interviewees, with odds changes of about 15 percent (e.g., Tables 52, 54, and 55 in the annex).

Finally, the effects of general conservative attitudes, as well as of household income, on transfer preferences appeared to be largely robust when we compared the two datasets. The latter seems to have had only a marginal impact on the levels of support for the proposed family policies, except for money-related policies, such as "financial bonus at birth" and "increase in child benefits," both of which were supported to a lesser extent by respondents with higher incomes than by those with lower incomes, with the odds changes ranging from about 20 to 40 percent (Tables 54 and 56). Even though some of the effects of the imputation dummies seem to be significant, the comparison between the coefficients retrieved from the imputed and the non-imputed sample, respectively, clearly showed that differing sample sizes due to missing cases of this covariate did not affect the results.

When looking at the indexed variables of all 13 family policies and the eight policies with the lowest support levels, we found conservative attitudes to be relevant: conservative respondents tended to be less in favour of the proposed policies than more liberal interviewees, with a highly significant odds change of about 15 percent (Tables 50 and 51 in the annex). This was due to the fact that conservative respondents tended to reject care-related policies – which form a considerable share of the 13 policies – to a greater extent than more liberal respondents, with an odds change of about 20 to 30 percent (Tables 58, 59, 60, and 63 in the annex). On the other hand, conservative respondents appeared to be more inclined than liberal respondents to rate monetary transfers enabling the mother to stay at home as very important or important. The odds that conservative respondents would support a "financial bonus at birth" or a "substantial increase in child benefits" were about 16 percent higher.

Most of the model specifications applied showed a good to very good fit on the basis of the Hosmer and Lemeshow test. Only the tests for models including the dependent variables "financial bonus at birth" and "significant increase in child benefits" resulted in significant values.

### 2.2.3   Age trajectories of public transfer preferences

In order to assess possible deviations of the age effect found across the life course, we will present the results of the Generalised Additive Models in a manner similar to the approach taken in Section 2.1.4, with special attention being paid to the robustness of the trajectories identified on the basis of the PPAS dataset.

Age trajectories of preferences regarding eight selected policies, as well as of all 13 family policies combined

Graphs 38a and 38b display the results of the GAM for the eight selected family policies with the lowest support levels combined (better maternity leave schemes (1), better childcare facilities for children under the age of three (3), financial bonus at birth of a child (6), financial assistance for parents who give up their jobs (7), increase in child benefits (8), childcare facilities before and after schools and during holidays (9), more all-day schools (12), better housing for families (13)[22]).

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22   The numbers in parentheses refer to the order of policies in Table 40, p. 134.

support for
8 selected policies
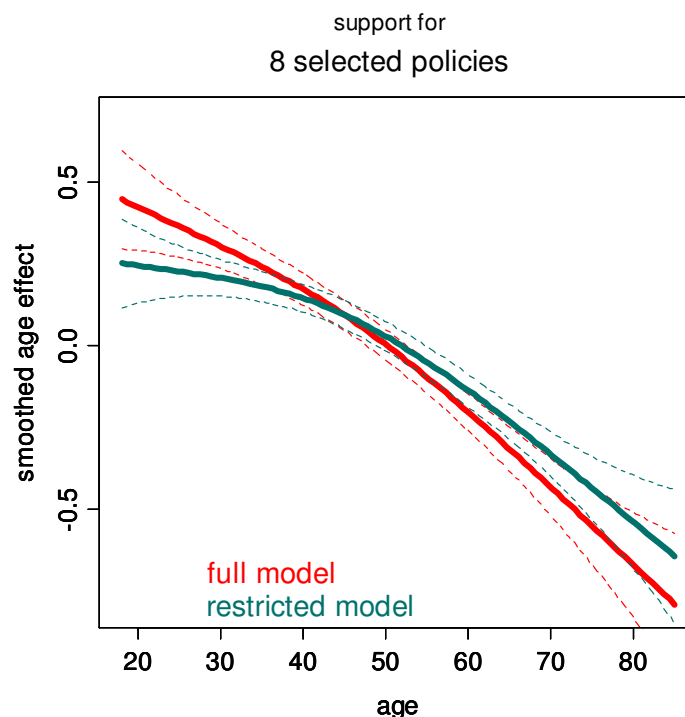
Graph 38a: Smoothed age effect on support for family policies (GGS 2005)

The red line in Graph 38a shows the pattern of the age effect found in the full model including all covariates;[23] while the green line represents the age trajectory in the restricted model with age as the only covariate.

As in the analysis based on the PPAS dataset, we found considerable differences between the two models: again, the age pattern in the restricted model was clearly distorted by life-course effects, such as (grand-)parenthood, resulting once more in an underestimation of the negative age effect. In contrast to the findings from the PPAS data, the age trajectory of the full model was shown to be practically linear, with a rather steep slope over the whole age range (probability differential of about 30 percent, compared to 20 percent in the restricted model).[24]

On the other hand, the age pattern in the restricted model can be separated into two linear effects: one with a less steep slope during younger ages, when parenthood is more likely; and one with a steeper slope during higher ages. Furthermore, we can see that the age effect at ages 50 to 80 is smaller in the restricted model than in the full model, which

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23   All of the models are with imputation of missing values for net household income. In order to obtain one line for the age effect in the full model, the values of all covariates other than the covariate of age were set to their mean.
24   For predicted probabilities of the restricted vs. the full model, see Graph 38c in the annex.

controls for grandparenthood. This adds further support to the dynastic motive interpretation.
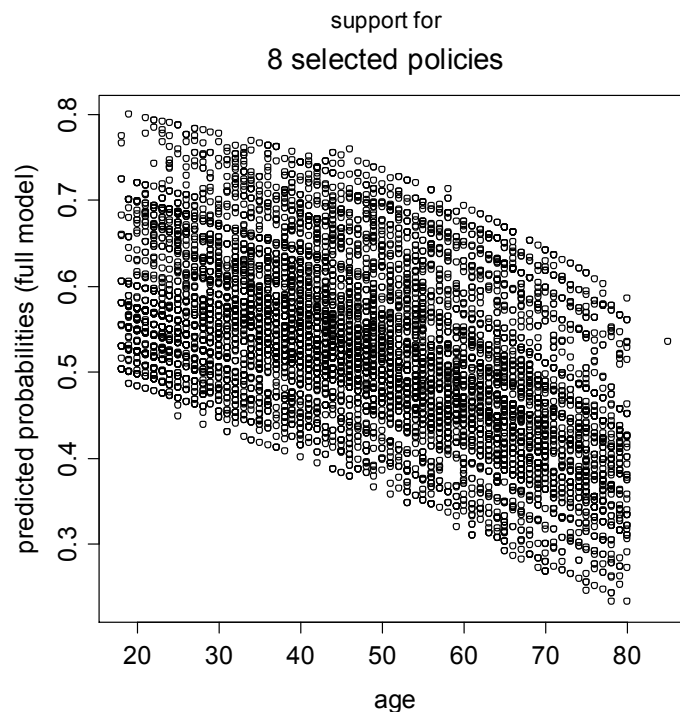
Graph 38b: Predicted probabilities of support for family policies (GGS 2005)

Graph 38b displays the predicted probabilities of supporting all eight selected family policies for all possible combinations of covariate outcomes in the full model. A clear downward trend for most combinations can be identified. Furthermore, a considerable share of trajectories is clustered between the 70 and 40 percent band.

The overall variance of support levels is, however, much larger, varying from a maximum of over 80 percent at the younger ages to a minimum of below 30 percent at the oldest age. Graphs 39a through 39c in the annex show that these results also hold for the second indexed dependent variable with all 13 family policies combined. Therefore, the trajectories identified on the basis of the PPAS dataset appear to be very robust (compare with Graphs 21a through 21c in the annex).

Age trajectories of preferences regarding monetary downward public transfers

The monetary downward public transfers included in our analysis of the GGS dataset cover the following five family policies: lower taxes for parents (2), a means-tested financial bonus for families (5), a financial bonus at birth (6), financial assistance to parents who give up their jobs, (7) and a substantial increase in child benefits (8).[25]

In the following, we will pay special attention to policies (2) and (8) in order to test for the robustness of the trajectories found on the basis of the PPAS dataset. Graphs 40a and 41a show the trajectories for the preferences regarding these two policies.

As in the PPAS analysis, we found for the full model a rather clear, linear negative age effect on support for a policy promoting lower taxes for parents (red line, Graph 40a), whereas the restricted model (green line) revealed a pattern which deviates from the linear trend: in the economically and demographically most active phases between ages 25 to 45 we see a big hump, with high support levels after that age interval.
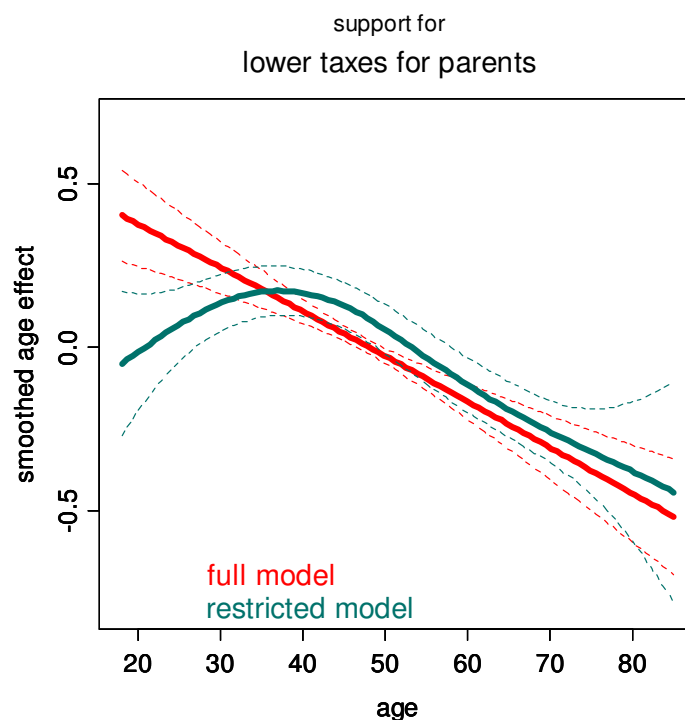

Graph 40a: Smoothed age effect on support for family policies (GGS 2005)

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25   The numbers in parentheses refer to the order of policies in Table 40, 111.

At higher ages, the restricted model, which does not control for grandparenthood, somewhat overestimated the support level; however, this pattern is not as distinct as in the PPAS analysis. This might be attributable to the fact that the age range of the two data sets differs. Nevertheless, we did find the distinct parenthood effect, which distorts the age effect at younger ages to be very robust, which again confirms our hypothesis that dynastic altruism is an important factor shaping social policy preferences.
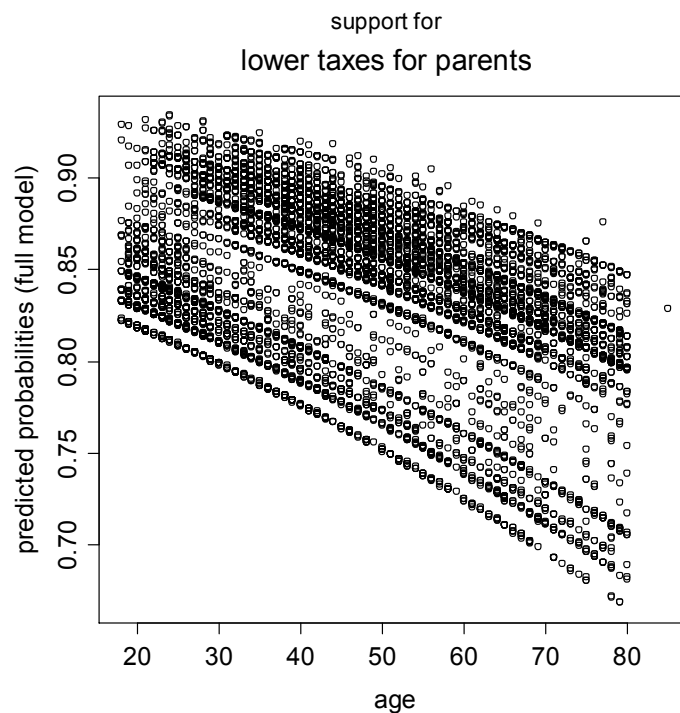
Graph 40b: Predicted probabilities of support for family policies (GGS 2005)

Even though the probability differential appears to be somewhat small in case of the restricted model and the standardised full model (15 percent, see Graph 40c in the annex), Graph 40b reveals a considerable span of probabilities when we consider all possible combinations of covariate values between 95 percent at younger ages and below 70 percent at older ages.

In the case of preferences regarding a significant increase in child benefits up to €250 per child and month, as well, the graphical output of the GAM show that the age trajectories for this policy preference were rather robust across the two datasets analysed (compare Graphs 23a-c in the annex for PPAS results).

support for
increase in child benefits
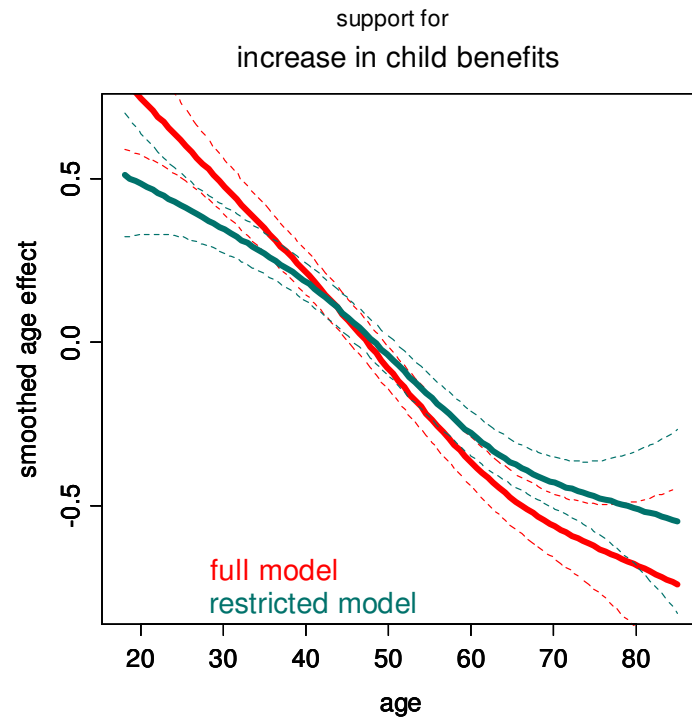
Graph 41a: Smoothed age effect on support for family policies (GGS 2005)

When a range of possible life-course relevant covariates are controlled for, the "pure" age effect follows an almost perfect linear pattern, as shown in Graph 41a (red line); the effect levels somewhat off at higher ages above 65, which are not included in the age range of the PPAS dataset. The restricted model again overestimated support levels at ages 50 and over. Taking into account the varying age ranges covered in the two datasets, the trajectories found were practically identical.

The probability differential in the restricted model was about 30 percent, and the one in the standardised full model was about 20 percent (see Graph 41c in the annex); whereas the overall probability gap amounted to over 50 percent, with a maximum of over 90 percent at younger ages and a minimum of under 40 percent at older ages, as shown in Graph 41b. These results are identical to those obtained from the PPAS dataset.

support for
increase in child benefits
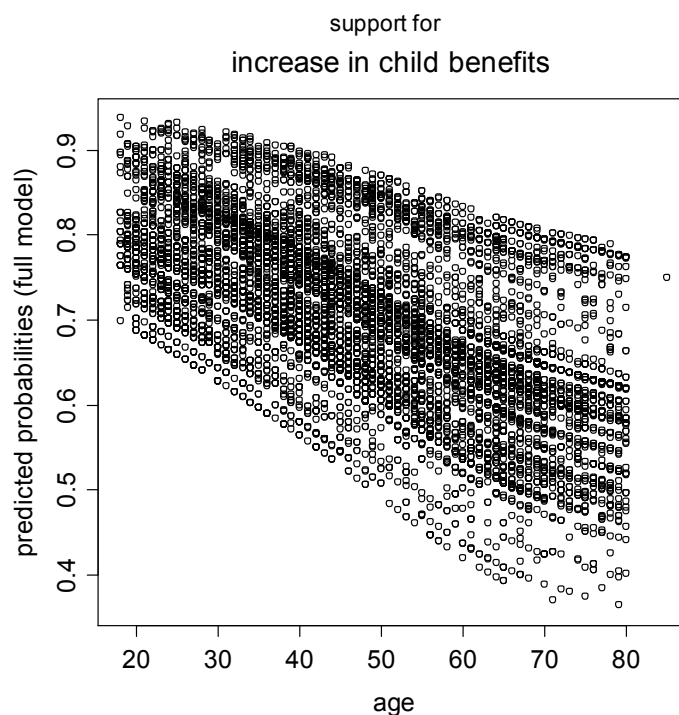
Graph 41b: Predicted probabilities of support for family policies (GGS 2005)

Graphs 42a-c, 43a-c, and 44a-c in the annex present the GAM results for family policies (5), (6), and (7) (means-tested financial bonus for families, a financial bonus at birth, financial assistance to parents who give up their jobs); the age trajectories here are robust to a lesser extent with regard to the shape of the trajectories. However, the general finding that the restricted model overestimates support levels for these policy options at higher ages is again confirmed.

Age trajectories of preferences regarding downward public transfers providing more time for parents
The second group of downward public transfers includes policies which are intended to provide parents and families with more time, thus facilitating better childcare and parent-child relations. This transfer type includes the following family policies: better maternity leave schemes for working mothers (1); better childcare facilities for children under the age of three (3); better childcare facilities for children from the age of three to the age of primary school entry (4); care facilities for children of school age for the time before and after school hours, as well as during school holidays (9); flexible working

hours for working parents with small children (10); and more and better part-time work options for parents with children (11).[26]

The age trajectories found for these policy preferences differed considerably across the two datasets, with the exception of policy (3) (see Graph 47a). Here, the double hump at younger and older ages is clearly visible, and corresponds to the findings on the basis of the PPAS dataset in Graph 31a in the annex.

support for
better day care > 3yrs
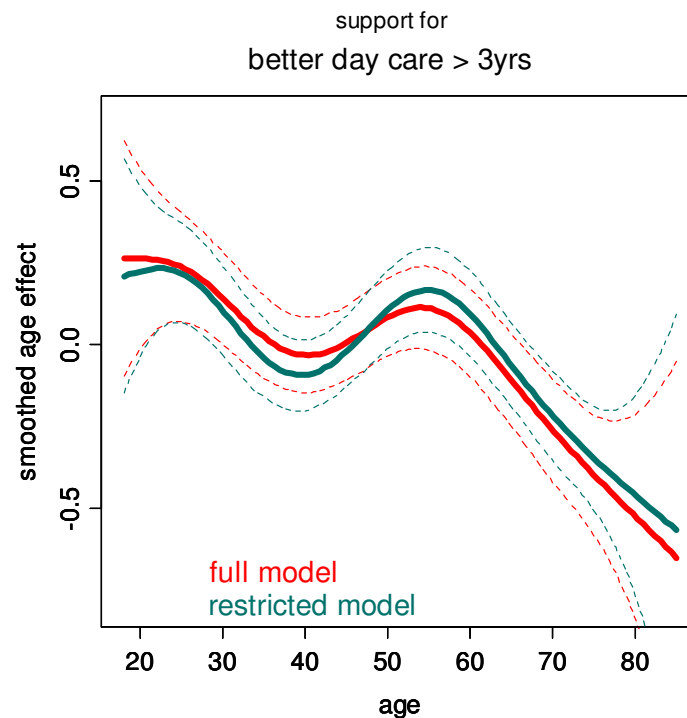
Graph 47a: Smoothed age effect on support for family policies (GGS 2005)

In contrast to the findings in the preceding chapter, where no such trajectory was found for policies (3), (10), and (11), the GGS data revealed clear grandparent humps in the preference trajectories over age (see Graph 46a, and 49a, 50a in the annex). This provides further evidence of the importance of the demographic life-course perspective on policy preferences, as well as of the role played by dynastic altruism as an underlying motivation for these preferences.[27]

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26   The numbers in parentheses refer to the order of policies in Table 40, p. 134.
27   The remaining two policies ("better housing for families" and "more all-day schools" did not reveal clear patterns, see Graphs 51a-c and 52a-c in the annex.

support for
better day care < 3yrs
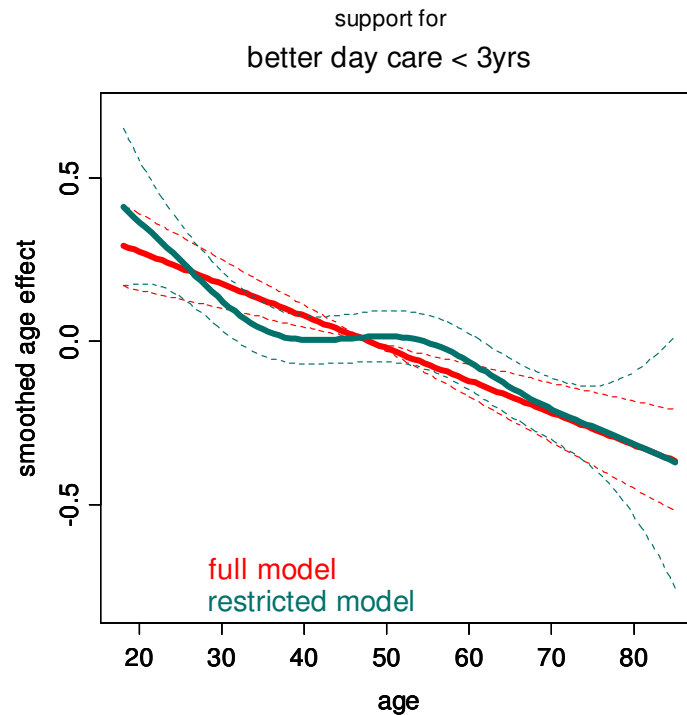
Graph 47a: Smoothed age effect on support for family policies (GGS 2005)

2.3   Summary

The goal in this chapter was to shed light on the interrelations between demographic factors and redistributive social policies by assessing the plausibility of the assertion that there is a conflict over public resources between the young and the old. Investigating the policy preferences of different demographic groups and their underlying motivations is extremely useful in enabling us to understand these dynamics. Relatively little research has so far been devoted to this issue. Our literature overview identified a persisting research gap on the question of how demographic factors, and particularly age, influence public transfer preferences. Furthermore, the few studies that have addressed this issue have produced contradictory results, and often framed their analysis using an economic life-cycle perspective. Here, age is conceptualised along phases of labour market participation (education, work, retirement) which constitute the beneficiary groups of various redistributive policies (education, unemployment, pensions). In this context, the underlying motives of related preferences can only be explained through

forms of self-interest. As a consequence, the reasons for counterintuitive, possibly altruistic preference outcomes remain unclear.

We have therefore suggested extending the conventional economic life-cycle concept by adding a demographic life-course perspective, which allows us to take into account forms of altruistic motivations in explaining these seemingly inconsistent findings. In analytical terms, this requires us to consider further demographic variables (parenthood, grandparenthood, marriage), which has seldom been done up to now.

The empirical models were designed accordingly, and were based not only on standard statistical estimation procedures, but also on newer techniques which allowed us to identify possible age trajectories of social policy preferences over the life course. In terms of data, we opted to use a comprehensive set of family policies as proxies for downward transfers, as these appeared to be more suitable for testing our demographic life-course perspective argument than education, which is used by most existing studies. Furthermore, we were able to test the robustness of our findings by applying our models to two large independent surveys.

The results of the standard logistic regression models showed that the effects of age, parenthood, and grandparenthood on social preferences were strong and highly significant. In general, older and (grand)childless respondents were shown to be less likely to support public transfers to families with children, and more likely to prefer pension policies which place a greater burden on the younger generation. Our fourth demographic variable, marital status, did not seem to have any effect on preferences, however. We can therefore confirm our Hypotheses (2) and (3), and reject Hypothesis (4) (see p. 90).

An extremely insightful finding from the preferences analysis was that the impact of age differs according to the nature of the policy preference: the strongest age-effect can be found with regard to monetary transfers (e.g. substantive increases in direct child benefits or lower taxes for parents). It seems that respondents are more sensitive to the costs of a policy, if it implies concrete amounts of money or a financial incentive, and then are making harder choices. Policies, on the other hand, that relate to care facilities or time management, show a smaller age effect. Reasons for this might be that there is a higher consensus within society and across age groups that e.g. the care sector needs to be extended; it might also be the case that respondents are more inclined to agree to these policies as their financial impact is less evident.

Despite these important nuances the main message drawn from this analysis is that age is an important factor in determining social policy preferences in Germany, together with other demographic variables, in particular parenthood and grandparenthood. The preferences for almost all policies under study – concerning both upward (pension policies) and downward transfers (family policies) – differed significantly between childless respondents and parents. People without own children or grandchildren seem to be less inclined to support public transfers for families. And again the effects were stronger for financial transfers as compared to e.g. care policies. These results, albeit being the first ones of this kind in the German context, do not come as a surprise: It seems plausible that expectations of people as to what state and society should devote public resources to, largely depend on the personal situation or the specific phase of the person's life course. One could conclude from this that childless people tend to be more "egoistic" in their preferences – however, in order to draw this conclusion further information would be needed as to the underlying motivation for the expressed policy preference.

In addition, the age trajectories of our Generalised Additive Models (GAM) revealed that there are significant variations in the age effect that in fact may interact with the respondent's family situation, especially when we looked at grandparents, who tend to support transfers from which they do not directly benefit. Following our concept of a demographic life-course perspective, we attribute this preference, which would be inconsistent in an economic life-cycle view, to dynastic altruism motives.

We applied two model specifications for the GAMs in order to shed more light on this questions: the first model did not differ from the logit model in its specifications, i.e. it contained the full set of covariates; the second model, which we called "restricted" included only one single covariate to explain the policy preference: age. The trajectories retrieved showed for some policies (mostly the ones with a strong age effect in the logit model) a linear pattern for the full model, but deviating patterns for the "distorted" age effect when further covariates where missing. One of particularly striking results appeared when looking at the policy "lower taxes for parents": the age-trajectory in the restricted model showed clear parent- and grandparent-"humps", i.e. stronger support ratios for the policy in the ages where parenthood and grandparenthood are more likely. The full model, which controlled for parenthood (in addition to others), showed a linear negative effect across the entire age range. These findings confirm the plausibility of the

statistical modelling conducted in this study, as we can conclude that the age effect which is retrieved while not controlling for any other important covariates, mirrors the important impact of these – age and parenthood interact: in general age has a negative effect on this particular policy preference; however, phases during which the benefits of this measure become more evident to the respondent, either through the increased likelihood to have own children or – at higher ages – through the parenthood of own children, this negative age effect is counter-balanced.

At the same time, the trajectories for other policies, mainly concerning care and time management for families, where less clearly distinguishable between the full and the restricted model, as parent- or grandparent-"humps" were also visible in the full models. This finding could indicate that people in hold similar values as their peers, regardless of whether they have own children or not. In other words: childess people at an age at which parenthood is very likely for themselves or at which they are exposed to parenthood in their immediate environment, adapt their preferences to their peer group and show stronger support for family transfers. The underlying reason might be that by observing their peers, these respondents get a clearer view of what it means to be a parent and therefore develop an understanding for the needs of this group. The study at hand cannot provide clear evidence for this, so it remains somewhat speculative, but in case this observation of attitudes transmitted through networks holds in future analyses, it could potentially cushion the age and parenthood effect identified in our analysis.

Further limitations of the findings are due to data constraints. First, the analysis at hand had to treat upward and downward preferences separately, as respective proxies we used family and pension policy preference. Unfortunately, none of the existing survey data contain questions of choice between upward and downward transfers, e.g. "When budgets are limited, would you prefer an increase in pensions or higher child benefits?" Also, there are further policy fields that could be used as suitable transfer proxies, such as health care or education.

Secondly, some of the questions of the datasets used in the analysis at hand are phrased rather vaguely, e.g. "lowering the costs of education". While these policies in the context of the other questions can be assigned to a transfer direction they do neither quantify nor specify concrete implications of policy choices. The results of our analysis, however, show clearly, that the effects of demographic variables, such as age, are also smaller when the interviewee is left with more general questions. The item on a concrete

increase in child benefits for example yielded in the strongest age effect of all tested models. We would therefore argue that the clearer the (financial) consequence of a policy is conveyed, the stronger the differences between the various demographic interviewee groups are. While more vaguely phrased questions have less explanatory power, they still contain valid results, especially as they were asked in the explicit context of a survey focussing on intergenerational questions and in connection with a range of other policy options that aim at the distribution of public goods between different demographic groups. Furthermore, different variables in a survey might serve different purposes, which are only known to the designers of the survey. This might include the aim to make the interviewee reflect not only on quantifiable variables, but also on more general contexts. It might also be for political reasons as some policies are e.g. not in the realm of the national level (as is the case with education in Germany, while both surveys were funded by national agencies). Another reason could be that there is no clear reference point to compare the financial consequences of a policy to the status quo. In the case of the significant increase of child benefits for example, it can be assumed that most respondents would know the current levels, especially as they had been discussed in the media frequently. It is also a benefit paid on a monthly basis, so the average respondent can relate this back to what it means in terms of concrete costs of living. In the case of education, however, it is much harder to design a similar item. As education is generally free, the costs for families are more hidden so to speak and vary according to the financial and social capacity of parents and other kin. Nevertheless, education is a transfer that in the German context would be mostly understood as a transfer to the younger generation, and therefore a question of redistribution of public resources also between different demographic groups (albeit not exclusively). In this context it is meaningful to ask whether the interviewee would agree to put efforts forward that reduce the costs of education. In general, and as with any analysis using survey data, findings only allow conclusions about preferences expressed by interviewees. If respondents then actually turn these into e.g. corresponding voting behaviour or respective social and political engagement or consumption cannot be answered by the data. By the same token, underlying motives that lay the foundation for policy preferences, such as self-interest or dynastic altruism, can only be framed indirectly. In the study at hand we approached this problem by applying additional models (GAM) to obtain clues about how the various covariates might interact.

Since the data available for our analysis is only cross-sectional, we cannot give clear answers as to what extent age, cohort, and period effects are predominant in explaining the findings. While we argue that the effect found in our models can be attributed in large parts to age, the other two domains may be of relevance, too. Both surveys used in the study at hand were conducted during years of significant social reform in Germany; therefore it cannot be excluded that the political discourse on e.g. substantial cuts in social benefits or very low fertility rates had a significant influence on how the respondents expressed their preferences in the survey. Also cohort effects could determine the lower support ratios of older respondents towards family policies, as they might reason that back in the days when they were young the state had not been as generous as it is now and they still managed to bring up children and lead successful life courses or careers.

Finally, as this study is looking into the future it necessarily assumes that the findings retrieved from today's data will bring important insights in what to expect in 30 or 40 years. However, preferences can change, and this change cannot be captured by any cross-sectional analysis as it does not allow for identifying trends. Also, the influence of age and other demographic variables on social policy preferences might not be constant but change over time. We do not know enough about the underlying mechanisms to answer these questions. However, we can see from studies looking at general levels of support in society that modern life courses seem to change how people interact and invest into each other. Today's labour markets increasingly require a strong self-marketing and career-streamlining of young people, leaving less time for social engagement and possible changing the general attitude towards other members in society and the value of society as such. Assuming that self-interest is on the rise and will significantly shape the views of the future older generation, our analysis might still provide an optimistic view of what social policy preferences might look like in the future.

In any case, the results of the study at hand were highly robust, and could be replicated on the basis of two large independent surveys. The findings show that policy makers should begin to take into account the full spectrum of demographic change, which precisely is not only about ageing populations only but also concerns changing family structures. One main challenge here will be the question of how to reconcile the various expectations of the different demographic groups in a coherent social policy approach.

3   Responsiveness of the German political system to demographic trends
        – A qualitative analysis

The preference analysis has shown that there are clear differences in the perceptions and expectations of the welfare state between different demographic groups, in particular between the old and the young, and between parents and childless people, with the elderly and the childless being less likely to support downward transfers. As the results in the micro simulation chapter have shown, it is precisely these two groups who will grow to become much bigger relative to the total population over the coming decades.

In order to evaluate the relevance of these findings for our overall question of whether or not there is a looming conflict between the generations, we have to look not only at attitudinal differences, but also at political responses to these demographic trends. How is the increase in the share of the elderly in the German population perceived by policy makers? Do they assign older people a more powerful role than younger people? How do elderly interest groups perceive and address these issues? Is Germany experiencing the beginnings of a gerontocracy like the former Federal President of Germany Roman Herzog warned of? On 11 April 2008 several newspaper came up with headlines like "Generational justice: Herzog provokes discussion on Pensioner's Democracy" (FAZ).

This chapter seeks to shed light on the question of whether older people in Germany are gaining more political power or are likely to do so in the future using a qualitative approach. We conducted in-depth interviews with a range of experts on these topics: with representatives of cross-partisan elderly interest groups, of elderly interest groups within political parties, and of interest groups for the younger generation, as well as with government officials and members of parliament. 13 interviews were conducted in the years 2008 and 2009, each of them between 30 minutes and 2 hours in length. This is the first qualitative study of this kind that has been conducted for Germany.

The semi-structured interviews were designed to test the following four out of the set of hypotheses outlined for this dissertation (see pp. 50-51):

> (5) *There are centralisation tendencies of interest groups for older people in Germany.*
> Older people expect more from their political representation. Therefore, interest groups for older people streamline their positions and try to influence policy-making processes.

(6) *Interest groups for older people have gained importance.*

Due to the increasing share of older people, the number of interest groups for older people has increased over the past decades. They are more visible in the policy-making process.

(7) *Interest groups for older people have changed their self-perception toward being "lobby groups".*

Due to the fact that older people have many more resources than in the past, the nature of their interest groups has changed: They perceive themselves now as "lobby groups" with a clear political agenda. The implicit political power of older people starts to become an explicit one.

(8) *Political decision-makers are perceptive toward the increasing influence of older people and their interest groups.*

Political decision-makers are aware of the interests of older people and the influence of their interest groups. They actively seek to include these in the political decision-making process.

In terms of operationalisation, this section analyses the literal interview transcripts along the following grid:

- How do the interviewees characterise relations between the generations?
  - Within the family
  - In the public sphere
- What are the expectations of the elderly regarding their political representation?
  - To what extent do they expect more representation/ participation?
  - What are the reasons for possible changes in these perceptions?
- How great do the interviewees believe the level of political power of age-related interest groups is, and why?
  - How much influence do the elderly have?
  - How much is this potential influence triggered by demographic trends (growing numbers of older people)?

- What are the interviewees' views on the age-related social policy preferences?
  - Can these views be confirmed by the interviewee's own professional experiences?
  - What are the political consequences of demographic trends when combined with social policy preference structures?

In the following, we will present for each set of interviews (cross-partisan interest groups, elderly interest groups within political parties, interest groups for the younger generation, government officials, members of parliament) a summary along the lines of the analytical grid (for details on the interviewees and the organisations they are representing, see section 4.2 of Chapter III). The chapter will close with a summary of the findings which discusses their relevance in the context of the overall question of this dissertation.

3.1   Cross-partisan interest formation of the elderly

3.1.1   Expert interview: Bundesarbeitsgemeinschaft der Seniorenorganisationen BAGSO

3.1.1.1 The character of relations between the generations

The interviewee considers relations between the generations to be good to very good, particularly within the family:

> "I believe that relations between the generations, in particular between the young and the old, are good to very good. We know from various studies that within the families, communication between the generations is very good. Of course young people always define themselves by their differences from the other generations, and I think one has to accept that. Indeed, the elderly accept this dynamic, but naturally this nevertheless leads to conflicts. I find this conflict necessary and not problematic at all, in general."

If there is some conflict between the old and the young, the interviewee believes it is probably triggered by another divide: rich versus poor.

> "Recent reports prepared for the government show that the gap between the rich and the poor in Germany is becoming bigger. Of course this worries us, too."

According to the representative, this second gap is becoming even more relevant in the context of the recent developments in the pension system, in which yearly pension increases have been marginal or zero:

> "In 2008 the increase in pensions was 1.1 percent, which is very little if you think about the cuts in payments German pensioners had to face. In fact, there were about eight concrete policy reforms to the detriment of pensioners, and which have led to a reduction in pensions. To make up for these cuts – and inflation – pensions would have to be increased by 10 percent, rather than by 1.1 percent. The BAGSO was very much calling for that increase, even though we know that it is quite costly. However, given the aforementioned cuts for pensioners in earlier years, we do believe that the pension increase was a good decision."

All in all, the representative still sees the potential for positive outcomes in the relations between the generations:

> "However, I still see that there is considerable willingness among the old and the young to work together for reasonable political results. I do believe that the desire for compromise is high, too."

3.1.1.2 Is the power of the elderly growing?

The representative does not see either generation dominating the other:

> "There is this idea that the elderly dominate the young with their political power. On the other hand, there is the scenario of the young dominating the old by holding large percentages of important economic positions, and because they ultimately decide how much the elderly get from the state budget. I do not believe in either of these two ideas."

However, there has been an increase in the institutionalised political activity of the elderly in recent decades:

> "The rise of elderly interest groups [Seniorenvertretungen] is a new development. I think these bodies have grown so quickly in numbers and size because of the feeling that the interests of the elderly are not adequately and sufficiently represented in Germany. There has always been the argument that old people should not seek a separate form of interest representation, but should rather use the existing structures by running for political positions on the federal, regional, and local level. We clearly say that we need both for the time being. The elderly interest groups are needed to promote the political and civic engagement of the elderly, especially because an older person in an established political body would always have to look out not only for the interests of the

> elderly, but also for members of other groups. An elderly interest group can focus on the interests of old people, and I think that is very important these days."

Nevertheless, according to the interviewee, there is a clear need to increase the political participation of the elderly by nominating older people for and electing them to political positions, since they are currently underrepresented in the system:

> "It is clear that the elderly have been pushed out of important political bodies and offices in recent decades. If you look at the political landscape, you have to conclude that the leading politicians belong to the age group 40 to 60, and not to the group over 60."

According to the interviewee, the main reason for the increased political activity among the elderly is that older people are healthier and wealthier than in the past:

> "The elderly are more engaged in activities in the social and political spheres. The new cohorts of old people are better educated and more self-confident. Thus, their civic engagement is also political. […] I do believe that this new perspective is very important. Ten to 15 years ago, the elderly wanted to invest some of their creativity into society. This led, for example, to the establishment of elderly offices [Seniorenbüros]. […] No, we can take this a step further by asserting that the elderly are investing their time and resources in society, but they want something back in return. They particularly want to be seen as equal by the institutions they are dealing with on the local level, for example."

3.1.1.3 How great is the power of age-related interest groups?

The interviewee has a mixed opinion on the influence and importance of elderly interest groups, such as his own:

> "Of course we cannot compare ourselves to the American AARP, which is the world's biggest elderly interest group, with around 39 million members. That is a long way for us, especially because in Germany elderly organisations are very heterogeneous due to their history. […] I do not believe that a single issue pensioners' party could be successful in Germany. However, this also depends on how policy makers deal with issues that are important to the elderly. I do believe that it is important that the older generation know that their interests are taken into account politically."

The BAGSO sees itself as the German "lobby for the elderly," which is a clear-cut political message in the sense that the organisation claims to represent the interests of a

particular group. However, the interviewee provides a new, somewhat softer (and possibly more politically correct) definition of lobbying:

> "When I say that we are the lobby of the elderly, I wish to emphasise that we do this in different ways without losing perspective. It is very important for us to make people understand that we are lobbying for the elderly, but not against other generations. Of course we can debate whether this is realistic in the actual political process. However, my experience is that those elderly who organise themselves in interest groups never fail to take into account the perspective of future generations. Sustainability is high on the agenda in all of our member associations. Of course the reason for this is that most of the elderly have families."

In describing how the BAGSO works, the representative explains the channels the association uses to influence the political process:

> "We do lobbying work like any other lobbying organisation. We get involved with concrete political and legislative processes, develop statements for these processes, and are also invited by parliamentary committees for hearings that are of importance for the elderly. With regard to the concrete projects we have been successful with, I would like to mention the anti-discrimination law. The debate was about whether or not age discrimination should be included in the black list of the law. It was a big challenge for our association to find a common position on this issue, as we also have the elderly interest groups of all the political parties amongst our members, and they had some conflicting views on the matter, but we succeeded. In general, I believe that we are profiting from the fact that our issues are also high on the political agenda due to demographic change. Many ministries are dealing with these issues, which means that we are often involved in political decision making. Thus I do think that our association has indeed gained more influence. At the end of the day, our 100 member associations represent 13 million people."

3.1.1.4 Response to preference analysis

The interviewee thinks that the demographic effects on social policy preferences found in Chapter IV.2 of this dissertation are plausible. His conclusion for future policy making is as follows:

> "Changing family structures [with more childless people in the future] will make it essential that we create public spaces in which generations can meet and exchange their views beyond the traditional family."

3.1.2   Expert interview: Sozialverband VdK

3.1.2.1 The character of relations between the generations

The interviewee considers relations between the generations to be positive in general, but sees some indications that criticism of the elderly is increasing:

> "Well, the clash of generations is not reality – if we look at the exchange between the old and the young within the family, we find a very positive situation. The war of generations, at least for the time being, is mostly taking place in the media and not in the real lives of people. On the other hand, critical views on the elderly are becoming more common. I think the reason for this is that the number of young people has decreased, and they are therefore garnering more attention and are becoming more self-aware. The argument is that the few young who are left should be given more attention and opportunities. This is accompanied by what I would call a massive decline in respect for the value of the elderly. We observe this in many workplaces. We also find this attitude in the political arena, because here the battle for position and power is particularly evident. Each position that is filled by one of the many 70-year-olds cannot be taken by a 28-year-old. Even though it has to be said that not many 70-year-olds are still active in politics."

3.1.2.2 Is the power of the elderly growing?

In general, the interviewee does not believe that the elderly have accrued more political power, but he does hint that the level of influence has generally been high since Konrad Adenauer, Germany's first chancellor, was in office:

> "I do not think that the influence of older people has changed over time; it certainly has not increased. There is the claim that Adenauer won his elections with the support of the pensioners. Studies obviously show that this was true. There is this image among politicians that the elderly should always be taken into account when writing election platforms or the like. Nevertheless, I do not see that the increasing numbers of elderly have translated into more power. This is due to the fact that the elderly are a very heterogeneous group with different interests."

However, the interviewee puts his view into perspective immediately after making this statement:

> "Of course numbers do play a role in politics. We can see that very well in the current discussions on pension reforms, in which politicians tend to underestimate the number of people entitled to basic benefits. This is due in part to political correctness: in the successful German social model, there cannot be three million people who are entitled to basic benefits

> [Grundsicherung]. However, this number does not really translate into real political power. This would only happen if, for example, the elderly were to base their votes on such issues. And this has not happened so far."

The representative sees a clear need for more involvement of the elderly in politics:

> "I find the discussion around age-based political representation quite astounding, I have to say. Very recently, in one of the political parties, young members have made the claim that they have to be represented adequately, i.e., that there should be at least five or 10 representatives per age group. This is neither justified by the number of voters in these young age groups, nor by their voting behaviour. At the same time, there are attempts by elderly associations to place a single candidate in these bodies, but these are usually not successful. The reality is that 65- or 70-year-old politicians are often pushed out of their positions because of pressure within the party to promote younger people. Now one has to know that, for example, the German parliament, the Bundestag, is not at all representative in terms of age, with the elderly being clearly underrepresented."

3.1.2.3 How great is the power of age-related interest groups?

In responding to the question about how influential elderly interest groups are, the interviewee first claims that he sees a very mixed picture:

> "The bigger our association gets, the more difficult it is to satisfy our members' expectations, which also grow. For example, if I start one of my speeches by expressing my happiness about 5,000 new members joining our organisation, it is really hard for me to then explain why we did not succeed with our campaign to lower VAT on drugs, which was presented to the chancellor with 2.5 million signatures. Nevertheless, it is important in my opinion that we try to influence the public debate and set the political agenda based on our interests."

The interviewee then goes on to claim – in contradiction to his first statement – that the political importance of his association has grown because of the number of members represented:

> "In Bavaria for example, we have 533,000 members; in some parts of the region, this comes close to seven percent of the population. Our association can easily initiate a petition for a referendum. Thus, the VdK can make sure that its claims are at least being heard, and that they are taken into account to a certain extent in the political decision-making process. […] Other than that we use very traditional means of influencing politics – we write letters, give statements on the legislative process, or get in touch with individual politicians."

According to the interviewee, the perception of the group by the media is evidence of the association's influence:

> "A big German news magazine has called the VdK one of the most important interest groups in Germany. This was in because of our statements promoting the pension increase of 1.1 percent in the year 2008. […] The main thrust of the article was that the government only opted for a pension increase, even though it is very costly, because of the power of our association. […]We did our own internal analysis on the matter. We found that 10 days after we campaigned in Berlin, the government started to favour of the pension increase. Of course we had big campaigns on pension issues in the preceding years, so our view on the matter was known. But I do believe that we influenced the discussion with the latest campaign."

The interview expresses optimism about the future development of the association:

> "I think we will recruit more members in the future as well. […] This is partly due to the fact that we also offer some services to our members: we give legal advice on social matters, and only members can take advantage of these services. But we also realise that the number of people who join the group because they believe in our mission is increasing. It will be very interesting to see what happens to our association when all the well-educated elderly retire in the near future. They often have a lot of professional experience with organisations. I think our association will further profit from that."

3.1.2.3 How great is the power of age-related interest groups?

The interviewee finds the social policy preferences presented in this dissertation very plausible, particularly the diverging perspectives of parents and childless people:

> "For older people, family issues are not necessarily their main interest. Pension issues and especially health care are naturally more important. Whether they are interested in the needs of the younger generation depends heavily on whether they are parents or grandparents. This is also my personal experience. It is quite interesting to see an elderly male member strongly arguing in favour of childcare facilities, and to find out afterwards that he has a daughter who has just become mother and who would like to combine motherhood and career. […] And there are various cases of extreme opposition toward new childcare facilities by a certain group – I observed many of these in one of Munich's neighbourhoods. It has a lot to do with property. People who have bought an expensive flat in a house in a nice neighbourhood do not want to have noise coming from young children in their vicinity because they fear that the value of their property will decrease. […] The question of support for young families is therefore strongly linked to the question of assets and property."

As a result, the interviewee sees the necessity of having a political agenda that integrates the interests of both the young and the old:

> "It is very important to us that we do not only address the interests of the elderly, though these interests are, of course, strongly emphasised. However, we also offer some activities for the handicapped or for parents with handicapped children. Given the demographic development, it is absolutely necessary that we create enough public spaces to prevent age segregation. […] I believe that older people do not primarily want to live in neighbourhoods with other older people only. They usually prefer to stay in the area where they have always lived. In that respect, there are some limits to integrated neighbourhoods, but solutions can be found for that."

3.2   Interest formation of elderly people within political parties

3.2.1   Expert interview – Conservatives CDU: "Senioren-Union"

3.2.1.1 The character of relations between the generations

The interviewee considers relations between the various generations in Germany to be generally good, particularly within the family context:

> "I would say that relations between the young and the old are amicable. Many old people think about the well-being of the young, especially of their own children or grandchildren. Without the downward transfers of their grandparents, some families would not make it financially in these times. […] Of course this can change due to demographic developments. If we have more and more childless people in our society, attitudes might change. […] There are obviously cases in which older people oppose having childcare facilities within their immediate vicinity. I do not think that this is something new. Sometimes I myself find the noise produced by my own grandchildren annoying, but I still love them. Perhaps the elderly should be more tolerant about these natural disturbances, though some of them are not. But at the end of the day this noise is the music of our future."

3.2.1.2 Is the power of the elderly growing?

According to the representative, the self-image of the elderly has changed in recent decades, resulting in more political power, which is due in part to their increasing demographic weight:

> "In the past, the elderly were regarded as – and saw themselves – a group of people who have to be taken care of. Due to healthy ageing, people today are fit and active at the ages of 60, 70, and even 80. This is also changing older people's self-image: they see that they can still be an active part of society and that they are strong. At the same time, older people have gained a great deal of political power simply because their share of the population has increased. Today we know that we cannot win any election without the support of the elderly. Soon, more than 50 percent of the electorate will be over 60 years old. The elderly know their power and they also want to use it. Civic engagement also has to be seen in this context. There is a new dimension to older people's activities in society, in the sense of 'We do not want to be looked after anymore, we want to take part in the decision-making.' If you look at the public campaigns of political parties you will see that they heavily rely on the help of older people."

3.2.1.3 How great is the power of age-related interest groups?

The interviewee believes the power of age-related interest groups is growing in line with their influence as group within society:

> "The role of elderly associations has changed in recent decades. Twenty years ago these organisations were mostly founded to facilitate social exchange among elderly people, to organise events and such things. […] Now, with a different self-image and more self-confidence among the elderly, their interest groups have changed, too. There are clear-cut political agendas which do not necessarily overlap with, for example, our political party [the Christian Democrats]. And I strongly believe that this desire to determine political decisions will increase over the coming years, as demographic change continues.

3.2.1.4 Response to preference analysis

The interviewee finds the differences in social policy preferences between the old and the young plausible, but believes they do not represent a new phenomenon:

> "Indications of varying social policy preferences have been around for a long time, I believe. If hundreds of years ago people decided not to have children, their attitudes were also different from those of people who had children. […] I can imagine a scenario in which we might run into problems if there were more and more childless people with a certain political preference, because they would no longer interact with younger people when they reached old age. But I am very careful with such statements. Currently, I do not see any problems arising from the demographic trends we have in Germany."

3.2.2   Expert interview – Social Democrats SPD: "AG 60 plus"

3.2.2.1 The character of relations between the generations

Respect for each other is the main precondition for good intergenerational relations, the interviewee argues. However, in the interviewee's view, this precondition is not always met:

> "I think the most important thing for our ageing society is mutual respect. I have personally observed a lack of this mutual respect. This does not necessarily have anything to do with a conflict between generations. I generally see that there is not enough respect within our society. That also includes the elderly. I have seen some older people who do not have any respect for the situation of younger people. I have noticed a lack of respect especially towards very young

and very old people, because they tend to be weak and are therefore an easy target."

However, for the most part the representative does not believe there is a real conflict between the old and the young:

> "I really do not understand why there is always this discussion about a generational conflict, because I cannot see such a thing. Of course there are differences between the old and the young, but they have been there for a long time and are normal. Different people in different life-course phases have different views and expectations. This has nothing to do with a generational conflict. I believe that the whole argument is being promoted by the media for some reason. Also, some other politicians think it might find it advantageous to argue that very old people should get costly hip replacements. This of course triggers more media attention. However, I cannot take these demands seriously."

Even though the elderly are growing in number and are demanding more rights of co-determination, the interviewee does not believe that this influence would be used for elderly interests only:

> "There are more and more older people, and they are claiming their legitimate rights. The political system will have to deal with this. But elderly people are also willing to contribute to build a society that is worth living in for everyone. My strong conviction and experience is that we can only build a positive future if the old and the young work together. In my generation, most of us have children and grandchildren. My experience is that people care for their families, and therefore are interested in the needs of the younger generation as a whole."

3.2.2.2 Is the power of the elderly growing?

The interviewee regards the strong emphasis on civic engagement among older people as problematic, as it masks their political ambition:

> "I find rather problematic the argument that the civic engagement of elderly people after retirement is valuable, even though these activities are important for society and also for the elderly. But it is not enough and it is too simple. We want to play an active role in political decision making. That can be done through special committees for the elderly at a local level. Our association has been demanding for a long time such a committee be formed in every commune. Progress has been slow so far, however. And to make it very clear: it is not enough to create such a committee without granting voting rights in the local council. It is not enough that the elderly can just go there and listen to what the other representatives discuss. Currently, this is the situation most members of these committees find themselves in. We have not yet succeeded in giving the elderly a strong political voice. It is a very difficult endeavour."

The lack of political representation of the elderly is also an issue at the higher political levels, the interviewee argues:

> "I see a problem here: check out the website of the German Parliament, the Bundestag, for the age composition of the MPs. Guess how many MPs beyond the age of 60 you will find. In this respect I cannot understand how anyone can claim that older people are a powerful political group. In my view, the discrepancy between the numerical weight of older people and their actual political representation is bigger than it has been for women. Even though our membership numbers are increasing, and will increase in the future due to demographic change, we are still at the beginning stages with a couple of things."

On the other hand, the interviewee sees that demographic change is having an impact on the relative power of the various age groups.

> "I do hope that the situation will change in line with the demographic development. This is a simple necessity: if there are fewer young people, the political system will have to deal with the old people who are there. I am convinced that this is inevitable. Politicians will have to cooperate with the elderly to a greater extent."

3.1.1.3 How great is the power of age-related interest groups?

The interviewee believes the power of age-related groups within political parties has increased slightly, but not sufficiently:

> "We [the AG 60 plus within the Social Democratic Party SPD] have become better at influencing the direction in which the party is moving as a whole. The party relies heavily on its older members during campaigning. We are very reliable there and I would say the party appreciates our engagement. However, this is not enough for us. That is also why we have argued that we should have more influence at our national party conventions. There we only had one vote for the whole group. We wrote to the party's secretary general in order to get two votes, which he finally approved. Of course we got quite a lot of criticism, especially from the party groups of smaller regions in Germany. For them one vote is a lot. But we were able to make clear that one vote is simply not enough for a group like ours, which is in fact growing in number."

According to the interviewee, this development is also occurring among other age-related interest groups, such as the umbrella organisation "BAGSO" (see 3.1):

> "The BAGSO clearly has become politically more demanding in recent years. This is partly due to the fact that its member organisations are pushing for more political influence. But it still has a long way to go. In my view, the BAGSO has the potential to become the real 'lobby for

elderly people,' but currently it is not strong enough. This is why our organisation is mostly using its own channels within the party to push our goals through, and is not using the BAGSO."

3.2.2.4 *Response to preference analysis*

The interviewee is somewhat sceptical about surveys showing that there are demographic effects on preferences, in particular about evidence suggesting that there is a strong age effect:

> "I cannot imagine that older people can be so selfish. I find these results literally appalling. As I said in the beginning, there are general differences between the young and the old when it comes to lifestyle and habits. I myself am not amused when there are excessively loud children on the train, for example, even though I have grandchildren myself. But why should an individual oppose transfers to children and young families only on the basis of his or her own age? It is plausible to me that the situation might be different with childless people, as they probably are not fully aware of the needs of young families."

Integrating the various demographic groups and mediating between the conflicting interests, especially of childless people and parents, might therefore be one of the important tasks of future social policy:

> "I believe that people without families – singles and childless people – will need other networks which they can relate to and in which they feel at home. This could be a chance for social policy makers to mediate between different interests. Segregation of the various demographic groups is not good at all, and it should be our task to create environments in which these groups can interact, and thus learn to recognise the needs of the other."

3.2.3   Expert interview – The Green Party: "Grüne Alte"

3.2.3.1 *The character of relations between the generations*

The interviewee rates the relations between the generations as relatively good, with some differences between the public and the private spheres:

> "The old and the young in Germany have relatively good relations, I think. I feel that there are more younger than older people who think that there is something like a war between the generations. However, this is from a perspective of someone who comes from a very intact family with a certain

socioeconomic status. If think about how much I support my children with money – well, you know what I mean. I could imagine that within families in which the financial situation is a bit tighter, and in which solidarity is not that strong, conflicts might arise between the generations. Beyond the family, unfortunately, the old and the young do not have many opportunities for interaction. Clearly the old and the young have different interests and needs – this is expressed by a certain segregation of their living environments. Those naturally trigger prejudices against each other. Maybe this is also the reason why they have less respect for each other. Just go on a tram and see how the age groups interact; it is sometimes a bit frightening.

3.2.3.2 Is the power of the elderly growing?

When asked whether older people in general have greater expectations for their political representation, the interviewee gives a very hesitant response:

> "I do see that older people have become more politically engaged, they want to see their interests on the political agenda. However, this is mostly true of well-educated individuals only. We see that clearly in the events we organise: you just cannot reach a certain group of people because they are not interested in politics – very often due a lack of education and a lack of political socialisation and integration."

3.2.3.3 How great is the power of age-related interest groups?

According to the interviewee, the power of age-related interest groups is not that great, yet it is growing:

> "You know, we are not that powerful at all within our party. When I started working with our group, I asked myself whether I wanted to continue, because our influence on the party as a whole was quite marginal. My colleagues and I even asked ourselves whether establishing an age-based party group makes sense at all. But then we saw that the cause we are working for is really important. And indeed our influence within the party has grown, and is still growing. This is also due to the fact that we have become more professional and a bit more demanding concerning our representation within the party structures. Even more important, I think that we have the full support of the party chairmen and -women."

3.2.3.4 Response to preference analysis

The interviewee finds the results of the preference analysis relatively convincing, as they are in line with his own experiences of how varying interests between different demographic groups are translated into social policy decisions:

> "Well, yes, I do think that these results reflect reality to a certain extent. To give you a very concrete example: in my hometown there are very few activities for younger people, so they frequently travel to a bigger neighbouring city, where there are discos and so on. Of course, parents are worried they will be involved in car accidents and the like. Now, my hometown owns a piece of land on which some sort of club is finally supposed to be built. Suddenly, concerns were raised that building on this site would have negative effects on the natural environment. These complaints were mostly raised by childless people. Isn't that interesting? In fact, the property is a standard piece of land with no particular need for natural protection. Therefore, I think your findings are quite plausible: parents and grandparents have different views about the needs of the younger generation than people without children. I also think that this is partly true of older people in general, especially those who are not so well-off. If I had a very small pension and had to decide what the state should spend money for, I would also think carefully about my own economic situation first."

In this context, the interviewee sees a clear mandate for social policy makers to bring the various generations closer together. However, attempts that have so far been made this direction are viewed critically:

> "Policy makers in Germany have already tried to find solutions to the ageing of the society and the problems arising from this trend, one of them being the fact that the old and the young do not have much to do with each other in day-to-day life beyond the family. One policy was to promote housing solutions for all generations [Generationenwohnen]. Sadly, it appears that this is not working, mostly because the older people want to choose themselves the time and place when they interact with children, especially those at very young ages. It is sort of a dilemma for the state: policy makers cannot dictate how people should live together. On the other hand, there is need for action. To be honest, I am a bit clueless about how to tackle this situation."

3.2.4   Expert interview – Liberals FDP: "Liberale Senioren"

3.2.4.1 The character of relations between the generations

Reflecting on his experiences in the course of his political work, the interviewee rates the relations between generations in Germany as generally good:

> "If I look how the older party members work together with the younger members, I have to say that relations between the generations are good. Generational justice is high up on the agenda of the Liberals, and we are discussing various aspects of this topic together with the party's youth organisation. This dialogue is working very well. I have the impression that the media is trying to stir up some sort of generational conflict, which in reality is not there. However, if we look closer, we can see that there are some imbalances within the discourse about the contributions of different generations to the national welfare. In the discussion of transfers between the old and the young, for example, there is a strong emphasis on pension payments. Of course, pensioners receive a considerable share of the country's budget. On the other hand, they are also giving a lot to the young: money, time, social engagement. This very often is forgotten, thus producing a one-sided story about the distribution of burdens among the generations."

3.2.4.2 Is the power of the elderly growing?

Over the past decade, age-related social policy issues have become more important. According to the interviewee, this has also led to an increase in the influence of elderly people within the society. However, the interviewee sees clear deficits in the political representation of older people:

> "Ageing and its related issues have moved to the centre of public interest over the past six or seven years. More and more organisations and public leaders are dealing with the question of age, and the media are as well. The older generation has become more political. Due to demographic change, especially the growing numbers of older people, this development will continue in the future. Interestingly enough, the political representation of older people in the system has not kept pace with the growing importance of their needs and their increasing share within the population. For example, we do not have enough deputies in the parliament who are members of the higher age groups. There is a clear gap that should be closed."

3.2.4.3 How great is the power of age-related interest groups?

Generally, the interviewee sees the increase in political influence of older people reflected in an increase in power among old-age interest groups:

> "More and more older people come to us as an interest organisation and ask us to put their political views on the agenda. This is very likely due to the fact that established political structures leave them with a sort of vacuum. As I mentioned before, older people are underrepresented in political institutions. Therefore, organisations like ours have become more important. Very clearly, the power of our group within the party has increased. And it will further increase because of the ageing of the population, and because the political issues

related to this trend are attracting more attention. Look at the TV news, look at the newspapers – every day you will find some report related to older people, their interests, their living conditions, and their needs. Political parties have therefore realised that they need to develop ideas to address these needs. That is why party leaders increasingly listen to old-age groups within parties. Let me give you an example. At the national party convention in 2008, the party's executive board put forward a proposal dealing with social policy issues. It covered a lot of areas, including the interests of older people. This proposal came about as a result of discussions within the party which we had not had much influence on. The paragraph dealing with our interests was very superficial in our eyes. We then protested massively and sent an alternative text to the party's executive board, which then was put to vote at the convention and was finally adopted. This was a clear success for our group."

3.2.4.4 Response to preference analysis

The interviewee is particularly open to the results of the preference analysis concerning possible conflicts between parents and childless people. To a lesser extent, he sees a conflict of interests between the young and the old:

> "Well, I know from my personal experience that singles and childless people tend to have different views on life, which are very much in line of what you found in your study. I think that in the last two decades our society has moved more and more into an egoistic, individualistic model of living. It has become more important for people to realise their personal goals than to start a family. I find this particularly problematic because I believe that the family is the best environment in which to experience solidarity. Beyond the familial sphere, the different groups are much more segregated, which makes it more difficult for people without families to have experiences similar to those that occur in a family context. I am deeply worried about what will happen with our society if this development continues, especially because the older generation today experienced hard times during and after the war, and therefore has a much greater willingness to act in solidarity than the younger generation today."

In order to preserve and promote solidarity between the generations in the public sphere, the interviewee thinks it is crucial that future social policy initiatives mediate between these interests to a much greater extent than today. The interviewee also believes that necessary reforms will have to be better explained to the citizens affected in order to gain their support:

> "Politicians have made big mistakes when it came to the latest pay freezes for pensioners. These were necessary steps, but they were not sufficiently explained to the people affected. The result was major protest against the reforms by older people. If social policy makers had demonstrated from the beginning that they understand these concerns, but that no alternatives were available, these

measures would have had much wider support. For the future, this will be a major task for social policy makers. Communication will be key to political success."

3.2.5 Expert interview – Former Communists/Die Linke: "Seniorenarbeitsgemeinschaft"

3.2.5.1 The character of relations between the generations

The interviewee has a positive opinion of intergenerational relations in Germany, especially in the private sphere. However, when it comes to the public domain, he sees a clear potential for conflict:

> "Of course there is some disagreement between the generations when we look at public transfers. I would not yet call this a conflict, especially because, for the time being, it is the political decision makers who are creating the problems we see. Transfers to older people in the form of pensions are continuously cut. In my view, the solution to the problems with our social security system cannot be to lower the pension level to 40 percent of final gross income, with only 24 percent covered by the state. This scenario is not unlikely, and this is what alienates the generations in Germany."

3.2.5.2 Is the power of the elderly growing?

First, the interviewee does not see older people as a homogeneous group with widely common interests. Furthermore, he argues that elderly people constitute one of the groups that are most discriminated against in social policy terms:

> "In the past two decades, we had almost 20 pension reforms, one each year. The majority of these reforms were designed to reduce transfers to the current pensioner generation. For example, two years ago it was decided that pensioners have to fully pay into the old age care insurance [Pflegeversicherung]. But attempts have also been made to take basic rights away from older people. Some seriously claim that citizens of higher ages should no longer have voting rights. Medical doctors are seriously discussing which health care treatments should be denied to older people because they are no longer profitable. If you consider these developments, I simply do not see how the political power of older people could have increased in recent years."

According to the interviewee, this discrimination is also reflected in the current political representation of older people in established political institutions:

"Pensioners are heavily underrepresented in Germany's national and regional parliaments. In the Bundestag, only 0.7 percent of all deputies are pensioners. The situation in the regional parliaments is only slightly better. And yet some commentators want to create the impression that we should be scared of the political power of older people. Of course, pensioners are not an entirely heterogeneous group, as I mentioned before. They constitute a generation with common experiences. Discrimination against pensioners outrages all pensioners, regardless of whether they are rich or poor. However, political power cannot automatically be derived from this unity."

3.2.5.3 How great is the power of age-related interest groups?

With regard to the power of age-related interest groups within political parties, the interviewee has a similar view:

"I should emphasise that our group is not quite comparable to its equivalents in other parties like the CDU or SPD. There, old-age groups are much bigger in size, because from a certain age practically all party members are part of that group. Our group is a voluntary special task force within the party's national executive board. We are basically the only group who deals with political issues around ageing. On the regional levels, we do have equivalents, with about 100 to 200 members each. Our group emerged shortly after German reunification, because back then there was no positive view in the party at all regarding the older party members. Basically, the new executive board wanted to push away the older people within the party in order to allow for a new start. Our group sought to protect these older party members. Over the years, we have now become a centre of knowledge on ageing issues within the party. We have become much more professional than we were in our early days, and we are quite proud of that. I would also say that our influence within the party has increased over the years. But there is still a long way to go: we consider it necessary for members of our group to become regular members of the executive boards on all levels. Unfortunately, some of the chairmen and -women do not see the potential of this exchange between the generations within the party. They are quite reluctant to let our members in. Currently we are represented in 11 of 16 German regions."

In addition, beyond the political party itself, the interviewee sees a need to integrate more older people into the established political decision-making procedures:

"The key question for us is how older people can achieve greater co-determination, especially in regional political institutions. Berlin is the only region in Germany which has a co-determination law [Mitwirkungsgesetz]. This enables older people to influence decision making on issues of interest to them. They can actively design policies, and are not forced to wait and then protest

after an inadequate law has passed. It is quite remarkable that there is this massive rejection of legally binding co-determination in most of the country."

3.2.5.4 Response to preference analysis

The interviewee considers only some of the findings on the differences in the preferences among different demographic groups to be plausible:

> "I assume that everyone who decides deliberately not to have any children has made up his or her mind about life in general. This view necessarily differs from the perspectives of parents and grandparents. A certain distance among childless people regarding the needs of the younger generation is therefore natural, in my view. However, if an older single mother who has raised three children were to oppose transfers to the younger generation, this would mainly have to do with her financial situation – which social policy is partly responsible for – and not with some sort of old-age egoism."

Even though the interviewee sees no clear conflict in preferences between the young and the old, he predicts that old-age interest groups will play a crucial role in mediating interests between the generations in the future:

> "If we only see ourselves as a sort of lobby for older people, we will not be successful. We will have to look beyond the interests of a simple lobby organisation. One of our challenges will be to include those who do not have a family and help them integrate into society. There are many older people in this country who are alone, and this phenomenon will become more widespread in the future."

3.3   Interest representation for the younger generation: Deutscher Familienverband

In order to mirror the findings from the expert interviews with old-age interest groups, we also conducted an interview with a representative of the German Association for Families [Deutscher Familienverband]. The goal of this interview was to get the younger generation's views on age-related political influence in Germany.

3.3.1 The character of relations between the generations

The interviewee sees a clear distinction between intergenerational relations within the family and in the public sphere, with the latter worsening over time:

> "There is only a problem with intergenerational relations if we look outside the family, where people do not know each other personally, when relations become anonymous. Within the family the different generations support each other to a great extent – this is, however, because they know and rely on each other. In the public domain, it is much harder to form this kind of solidarity. And of course we do have a conflict between the young and the old here: the old rebuilt the country after the war, they worked hard, and now they live very good lives – but somehow they have not thought about what might happen in 20 or 30 years, when today's young people will have to deal with high debts and so on."

However, according to the interviewee, these differences are not visible, since political decision makers tend to negate potential conflicts:

> "The generations do have different interests. But these are very often not made explicit, as if the officials are scared to talk about the problem. For example, when we look at the way national spending in the social sector is presented, there are no clear-cut lines. It becomes more and more difficult to discern what funds are being budgeted for which generation or demographic group. This was different in the past. Back then it was possible to clearly identify the priorities the government was prepared to invest money in."

3.3.2 Is the power of the elderly growing?

In the opinion of the interviewee, demographic change and growing numbers of older people have clearly increased the political power of the elderly with the system:

> "Of course the political power of elderly people has increased. This is mainly due to their increasing share within the population. Politicians focus on the interests of the majority, and the elderly have become the majority of the electorate, or at least the most significant age group."

However, the interviewee believes that the increase in the power of older people is attributable not only to demographic trends, but also to their new self-image within the political system:

> "Even more important than the demographic development is the new political self-confidence of older people. Today, they do not become inactive as soon as they retire, as they did in the past. Retirees know that they have an increasing life expectancy, too, and this means more and more years in retirement, and mostly in good health and with considerable financial resources. Thus, they still want to fully participate in society and in the political system. They want to engage in politics. Even our association's president is a pensioner!"

3.3.3 How great is the power of age-related interest groups?

In line with the increased influence of older people in general, the interviewee also sees an increase in the power of old-age interest groups:

> "It is a fact that the interests of older people are taken into account to a far great extent in our political system than those of the younger generation. Even if older people are underrepresented in the national or regional parliaments, they have a lot of influence in other bodies. Let me give you a concrete example: in every passenger advisory board of public transport associations, there is always a representative of an old-age interest group, but none for families or children, who also have special needs when it comes to public transport. Isn't that remarkable? Some might argue that the pay freezes in pensions have shown that there is no such a thing as the power of the elderly. However, the really fascinating thing is that, while real wages, upon which the pension formula is based, have shrunk quite considerably, pensions have more or less stayed the same. This tells me that the interests of the pensioners are being considered. Politicians just could not do more for them because there was de facto no more money."

While the influence of old-age interest groups has grown over time, the power of interest groups for the younger generation decreased, according to the interviewee:

> "This might seem quite surprising, but the influence of our association is diminishing considerably. This for a very simple reason: we do not support the political mainstream anymore; we are not satisfied with a bit of child benefits here and some more maternal leave there. This is why we became inconvenient for political decision makers. And this is reflected in the extent to which are involved, for example, in the legislative process. I will give you a very good example: for the parliamentary consultations for a new law dealing with the needs of children [Kinderförderungsgesetz], not a single association for families was admitted. Trade unions and public childcare institutions could give their input, we had to sit there as guests with no right to speak."

3.3.4 Response to preference analysis

The interviewee confirms the findings of the preference analysis based on his personal and political experience:

> "As they get older, people have less and less sympathy for the needs of younger families. And there is a very simple reason for this. Older people compare today with the times when they were young. In the 1950s, the size of transfers to families was far smaller than today. Yet people raised children and made a living. I have the feeling that older people sometimes think that the younger generation today is sort of spoiled. But they forget that they cannot compare our time with the 1950s. A family cannot raise children properly in today's context with the same amount of money as 60 years ago. I also believe that the views of childless people differ from those of parents. But I do not think that they are against children and their needs. I would rather say that the opportunities for interaction between these groups are not very great. Thus, both sides move away from each other."

The interviewee therefore believes that the agenda of future social policy makers should be much more devoted to an integrated approach that considers the interests of all of the generations:

> "We do have to stop the segmentation in our thinking. This will also be a tremendous challenge for my association. In my ideal world, the associations for families would join together with old-age interest groups to fight for better social policies in this country. This does not mean that we all have the same interests at all times. However, it is a necessary first step to clearly put these interests on the table and start working on solutions for the needs of families and the elderly; for children and pensioners together. As long as we negate differences in interests, and as long as we are not working together, we will not be successful."

3.4   The Executive – Federal Ministries

3.4.1   Federal Ministry for Family Affairs BMFSFJ

3.4.1.1 The character of relations between the generations

The interviewee did not give any response to this question in general.

3.4.1.2 Is the power of the elderly growing?

The interviewee sees a change not only in the quantity of older people in Germany, but also in the quality of their lives, which could lead to a situation in which they will play a more significant role within society:

> "Not only is the share of older people in the population growing; old age as such has changed tremendously. With their resources and their capabilities, the elderly play a much more important role in society than in the past. Old people are not sick or dependent. The opposite is true. They are healthy, educated, and full of energy. Society has to make use of what they have to offer, especially in the labour market, where we should increase the opportunities for older people."

3.4.1.3 How great is the power of age-related interest groups?

Based on these developments, the interviewee sees distinct changes in the role of old-age interest groups, which have become more influential:

> "Of course the influence of old-age interest groups has changed, especially if we look at the biggest one, the BAGSO [see 3.1]. The number of member organisations in this umbrella organisation has increased significantly over the past decade. Now there are more than 100 organisations working together. The BAGSO is acting more prominently in the political scene than it used to. On the one hand, this is due to the fact that the organisation has changed its image, and has become more political and active. On the other hand, the media, the politicians, and other organisations have become more aware of the interests of older people. These actors are addressing the BAGSO, which has become a sort of lobby for older people, and to ask more frequently for its views and its input in the course of decision-making processes. In addition, old-age interest groups are no longer perceived as single-issue organisations; they are consulted on a variety of topics dealing with ageing and related social policy issues. Thus, the influence of older people has clearly increased. There is another interesting development: on the local level in particular new old-age organisations have been emerging. This means that the rate of organisation among older people is

much higher than it used to be. Over the past two decades, the number of groups for older people in cities and communes has grown from 120 to 1,500."

According to the interviewee, the higher rate of involvement of older people is especially apparent in the political parties:

> "The influence of old-age groups within political parties has grown significantly. Of course this has to do with the increasing number of older party members – the parties are ageing just like the overall population. The share of members over 60 years old is growing in all parties. This is particularly true for the Conservatives, the Social Democrats, as well as the Liberals. The share of older people in these parties has increased by roughly 50 percent. This means that the interests of older people are better articulated within the parties, as well as within the political system as a whole."

3.4.1.4 Response to preference analysis

The interviewee finds the results of the preference analysis quite surprising:

> "The results you presented are quite surprising to us; we have had not seen such evidence before. I actually cannot confirm the results based on my personal or private experience, I have to say. The diverging interests between the old and the young, as well as between parents and childless people, might have something to do with the fact that there are fewer and fewer points of interaction for these demographic groups. For an old person whose familial context has dissolved, social policy preferences might indeed be different from those of people who are still living within a functioning familial context."

However, the interviewee asserts that, even if the results of the preference analysis accurately reflect attitudes towards social policies, he would not assume that there is a conflict between the young and the old:

> "I do not believe there is a conflict between the generations, even if the media and the public discourse frequentlypromotes the idea that such a problem exists. Of course there are diverging interests between the young and the old, and the latter assert their claims more prominently than in the past. In particular, they claim more political co-determination. Nevertheless, I do not have the impression that this is causing an open conflict. Very often it is argued that this hypothetical conflict materialises in the current debates about pension reforms. Again, all stakeholders, the old and the young, the trade unions and so forth, articulate their interests in the negotiations. But what I have not yet experienced is the elderly selfishly asking for higher pensions without considering the bigger picture. They know that the money to pay for these pensions has to be earned by someone. And if the economic situation only allows for modest increases – or none at all -- then this is well understood."

The interviewee predicts that intergenerational exchange and solidarity will be a crucial factor for future social policy decisions:

> "Regardless of how big the various generations are, intergenerational solidarity is key for the functioning of the society. Future social policy will therefore have to take into account demographic trends and invest more in fostering this solidarity. Some policies have already been implemented, such as the creation of public spaces where the young and the old can meet and spend some time together [Mehrgenerationenhäuser]. More infrastructure projects of this kind should be developed and implemented so that there are more opportunities for the old and the young to meet and learn from each other. This will be particularly necessary in the future, when we will have a greater share of childless people. These people are not selfish per se or ignorant of the needs of children or families. It has more to do with the general climate within a country. If you look at France, you see that more than 80 percent of the people feel that their country is family-friendly. In Germany it is only about 30 percent. Future social policy therefore will also have to work for a change in the mentality of the people."

3.4.2   Federal Ministry for Labour and Social Affairs BMAS

3.4.2.1 The character of relations between the generations

A conflict between generations does not exist, according to the interviewee. Within the family, as well as beyond familial ties, the old and the young live together without experiencing any problems:

> "I do not see any conflict between the generations in our country. My hunch is that the conflicts between the rich and the poor, and between men and women, are much more severe than any conflict I could think of between the young and the old. Look at the debate on the national budgetary deficit: the elderly will not have to deal with future debts, and the young are happy that we are investing in them today. I find it hard to see a conflict there. The family is still the place for generational exchange in Germany, and if there are problems, they will be solved between Grandpa, Grandma, Dad, Mum, and the children."

In addition, the debates over the establishment of new childcare facilities in Germany or about pension reforms are not an indication of a generational conflict, according to the interviewee:

> "People have always complained about noisy children. The fact that they now bring these cases to court has nothing to do with a generational conflict, it is a general tendency in Germany to call for judges to solve societal problems. I also

do not believe there is a generational conflict over pension reforms. If you talk to people and explain to them that there is not enough money to increase pension payments, they will understand."

3.4.2.2 Is the power of the elderly and of age-related interest groups growing?

In line with his earlier statement, the interviewee does not see an increase in the political power of older people in general, or of old-age interest groups in particular:

> "If the hypothesis were correct that, as their numbers grow, societal groups gain more political power, then Germany would always have an employees' government. I actually cannot see any reason why the membership of old-age interest groups is increasing. To be very honest, they do not do much. The only thing I do understand is that organisations are diversifying in line with changing societal realities."

Confronted with the opposing statements made by other interviewees (see Chapter 3.5.2), the interviewee modifies his rigid interpretation to a certain extent:

> "Of course my point of view has to do with the fact that I am working for the executive branch of the political system. As a state secretary in a ministry, I am not required to consider what voters think or do. I only have to watch out that I keep my hands clean and give adequate advice to the Minister. And the Minister, too, has a totally different view than, for example, a Member of Parliament. But keep in mind that the Minister is probably more politically influential than the MP."

3.4.2.4 Response to preference analysis

When presented with the results of the preference analysis, the interviewee continues to maintain his scepticism concerning the underlying hypotheses, as well as the research results in particular:

> "In preparation for this interview, several departments of my ministry have collected research results on whether or not there are differences in the social policy preferences of the old and the young. My view that there are no age differences are based on state-of-the-art scientific research,. You seem to have found different results on the basis or newer data, but I would have to read your study first before changing my views. Our analyses did not verify your conclusions."

Even though the interviewee does not support the hypothesis that there is a generational conflict, or even age differences in social policy preferences, he sees the

communicating to the people the reasoning behind necessary reforms as a primary challenge for future social policies:

> "In my view, not enough emphasis is being placed on explaining political reforms to the people, especially when it comes to social policy measures, like those concerning pensions. If the state does not win the support of the people by talking to them more clearly and more often, our whole social security system will collapse in the future."

3.4.3 Federal Ministry for Education BMBF

3.4.3.1 The character of relations between the generations

The interviewee believes that current intergenerational relations in Germany are quite good. However, he sees a potential for future conflict:

> "I think that in Germany relations between the generations are quite positive, especially because the older generation today is more flexible and more open to new developments. However, I also believe that there is a looming generational conflict over public resources due to the fact that our economic situation no longer allows for generous social welfare."

3.4.3.2 Is the power of the elderly growing?

This looming conflict is due in part to the changing role of older people within society, according to the interviewee:

> "For a long time older people were pushed out of their jobs and also out of politics. In national and regional parliaments, it was argued that older deputies should make room for younger ones. Now I have the impression that the situation is reversing. It is not unlikely that, in the future, a 72- or 78-year-old can run for parliament. I expect that this will be perceived as normal in the future. This political development has been somewhat in line with the developments on the labour market, where lots of people thought that the elderly should be kicked out to give jobs to the younger generations. This is not the prevailing political view anymore. In the economy, as well as in politics, the influence of elderly people has grown. And it is obvious that the share of older people in the electorate has increased significantly."

3.4.3.3 How great is the power of age-related interest groups?

The interviewee argues that the influence of old-age interest groups has increased somewhat over time, and that this development is very likely to continue in the future:

> "For example, we are in regular contact with the BAGSO, the umbrella organisation of old-age interest groups in Germany. At least once a year I meet up with their officials to discuss education policies and their relevance for ageing. A decade ago, such an exchange did not exist. This is probably also due to the fact that old-age interest groups have realised that education is an important topic for older people as well. I am convinced that the influence of such interest groups will further increase in the future. This for two reasons: first, because the share of older people within the electorate will continue to grow; and, second, because older people have far more resources than in the past, and are more willing to invest them in society."

As they grow in influence, old-age interest groups will also have a greater say when it comes to the distribution of public resources between generations, according to the interviewee:

> "If we assume that our current tight economic conditions will continue into the future, we have to expect that there will not be much room for generous social policies. Choices will have to be made, and this will also affect different demographic groups and generations. It is to be expected that old-age interest groups will raise their voices louder in the future concerning these questions."

3.4.3.4 Response to preference analysis

In response to the research results presented, the interviewee tries to find possible explanations for the differences in social policy preferences between the young and the old:

> "One explanation could be that older people want to decide themselves when and to what extent they support the younger generation. Given a sufficient level of pension, an elderly person might be willing to give his or her grandson more financial support, for example, to study at university. We clearly have to see that the willingness of pensioners to waive part of their pensions has decreased tremendously in recent years. The reason is that, for the first time since the war, pensions had not been increased for a number of years. Older people might now feel that they have sacrificed enough already. It is also important to recognise that older people today grew up in times when social welfare was not as generous as it is today. They might therefore think that today's younger generation is sort of spoiled. If this is true, then their willingness to give public resources to the young would naturally be lower."

3.5 The Legislative – Deutscher Bundestag Parliamentary Committees

3.5.1 Expert interview – Committee for Family Affairs

3.5.1.1 The character of relations between the generations

Intergenerational relations in Germany are very good, according to the interviewee, both within the family as well as in the public domain. Thus, the interviewee sees the growing influence of older people within society as problematic:

> "I find the hypothesis that older people will gain political power because their numbers are growing quite problematic because it is used to play the generations off against each other. Certainly it is apparent that there are more older people around, and these people also voice their political concerns, especially when it comes to pension reforms. Then sometimes we see quite angry reactions."

3.5.1.2 How great is the power of age-related interest groups?

The interviewee finds it quite difficult to assess whether or not old-age interest groups have gained more power in recent decades:

> "I cannot analyse the preceding decades. I have only been chairwoman of the Committee for Family Affairs for the past six years, and I have to say that old-age interest groups have always been quite strong. In that sense I cannot tell you if there have been any changes over time."

When told about the latest developments in the agendas of old-age interest groups, such as the VdK (see Chapter 3.1), which has started to move away from representing old-age interests only, and has initiated a campaign against child poverty, the interviewee replies that he was not aware of these trends:

> "The VdK has started a campaign against child poverty? I was not aware of that. I wonder why the VdK is doing something for children and families at all. The association's president is a clear lobbyist for pensioners."

3.5.1.3 Response to preference analysis

The interviewee clearly sees intergenerational relations more from a familial perspective rather than a public one, and therefore cannot confirm the age differences found in the preference analysis:

> "Well, my experience is that grandparents give tremendous support to their grandchildren. We know that grandparents give about 10 percent of their income directly to their grandchildren. Furthermore, grandparents have a strong interest in the political reforms we are initiating, because the future of their grandchildren is one of their main interests. In fact, most of the older people living in Germany today have grandchildren, so I do not see a problem arising from the possibly differing social policy preferences of childless people. This might change in the future, though, with new familial living arrangements and as more people are childless. It is therefore important that we create institutions and opportunities for all generations to meet and interact. But if you ask me if we should increase pensions by one percent or put the money into all-day schools, I would always opt for the latter."

3.5.2   Expert interview – Committee for Labour and Social Affairs

3.5.2.1 The character of relations between the generations

The interviewee sees increasing tensions between the generations when it comes to the redistribution of public resources:

> "I see intergenerational relations in Germany to be increasingly critical. To put it in positive terms: questions of generational justice have become increasingly relevant in the political discourse. We can clearly see that in our debates in the parliament and among the parliamentary groups. If you take the latest decision on whether to raise pension payments, you can see that younger deputies clearly have a negative view. In general I would say this reflects the fact that there is more distinct discourse between the young and the old now than in the past."

3.5.2.2 Is the power of the elderly growing?

Along with this more pointed discourse, the interviewee also asserts that the influence of older people is increasing in the political domain.

> "Older people are more active than in the past. They have plenty of resources and capacities and want to use these. Within political parties, especially in the Christian Democratic Union, there are more and more people between the ages of 60 and 80 who participate in our old-age interest group within the party [Seniorenunion]. You see, we have two developments: the share of older people in the population, and particularly within the electorate, is growing fast, so we have more quantity. But we also have more quality, because older people are much fitter than, say, 30 years ago. It is also clear that no political party can win elections against 20 million pensioners. This is particularly true for the Conservatives."

Due to demographic change, the interviewee argues that the power of older people will increase further:

> "I am convinced that the influence of older people will continue to grow as their numbers increase. And I believe that this increase in quantity will translate into more political quality. This will not necessarily lead to a new generational conflict. Politics in our country has always had an integrative dimension, as our system is very much consensus-based. After all, people are not only interested in maximising their own utility. They also have empathy and are able to see the needs of the others."

3.5.2.3 How great is the power of age-related interest groups?

The interviewee rates the influence of old-age interest groups as rather high, and reports that there are regular exchanges and consultations with these groups on the political level:

> "Germany has a few very strong elderly interest groups, among them the BAGSO and the VdK. The latter is really of utmost political importance, with its membership growing every day. Let me give you an example. The regional group of the VdK in Hesse is able to attract 3,000 to 4,000 interested people to their conventions on, for example, current questions of social policy. This certainly has some political importance. This is also why the Minister President of Hesse regularly attends these meetings. And this why I am regularly in touch with representatives of the VdK. I read their magazine regularly. We invite the VdK and other interest groups, for example, to parliamentary hearings in our Committee for Labour and Social Affairs. It really is a continuous dialogue."

3.5.2.4 Response to preference analysis

Based on his political experience, the interviewee generally finds the social policy preferences identified in the study plausible:

> "Your results perfectly describe the situation social policy makers find themselves in today: it gets more and more difficult to design policies that meet the needs of all generations. It is very hard to provide elderly people with a decent pension, and, at the same time, support young families and children. This very often is a tightrope walk, which will become even tighter in the future. We know that in the bigger cities of Germany today, up to 60 percent of households are single. These people naturally have different expectations of the welfare state than, say, a family with six children. And the debate about the latest pension increase illustrates the dilemma we are in very well: a 1.1 percent increase of pension payments sounds like too little to argue about, but it is a lot

of money for a considerable number of pensioners. On the other hand, it was very hard to justify the increase given the economic situation the country is in at the moment."

As a result of this dilemma, future social policies will have to be communicated more effectively to the people, the interviewee concludes:

> "Communication about necessary reforms has to be improved significantly. We need to tell people why we decide how we decide. I am convinced that a pensioner would be willing to accept certain reforms if they appear to be reasonable. In that sense we have to look at what people think and expect. On the other hand, social policy should not only react to particular interests; it also has to pursue the common good. In a sense, social policy makers also have to lead the public discourse and convince people. We have to become better at this in the future in order to foster solidarity between generations."

3.6   Summary

The goal of this chapter was to shed light on the question of what the response of Germany's political system to demographic developments, as well as to social policy preferences related to intergenerational relations and transfers, looks like. In particular, we were interested in how various political and societal stakeholders perceive the quality of intergenerational relations, as well as the level of political clout of older people in general, and of age-related interest groups in particular. Their views and insights are helpful in assessing whether Germany is in the beginning stages of becoming a sort of gerontocracy. The chapter therefore presented detailed results from 13 in-depth interviews along a standardised analytical grid. The interviews were conducted with high-ranking representatives of cross-partisan old-age interest groups, of old-age groups within political parties, and of an interest group for families, as well as of the executive and the legislative branches of the German political system.

In general, all interviewees stated that the relations between the generations are good to very good in Germany, in particular within the family context. Several interviewees were, however, of the opinion that intergenerational relations in the public domain are worsening, or are likely to worsen in the future due to increasing conflicts over tighter public resources. Other interviewees asserted that this scenario has been triggered by the media and some politicians in order to exert control over the different generations by playing them off against each other. All of the interviewees agreed that the image of ageing and of older people has changed to a large extent over the past decades, both in terms of size and of quality. The simple fact that the numbers of older people are growing rapidly has made their needs more visible to society and politics, most of the interviewees argued. The majority of interviewees also stated that greater numbers lead to more influence or power within the political system. Due to demographic change, the influence of older people will continue to grow in the future, the respondents concluded. Only a few interviewees denied this causal relationship. It is important to note at the same time that interviewees did not seem to feel comfortable with this conclusion as they connected it immediately with further observations that go beyond considerations of sheer political power. For example, all of the interviewees argued that the self-image of older people has changed, as well. They are more active, healthier, better educated and more aware of their capabilities and resources than in the past.

Most of the interviewees stated that older people have a high potential for civic engagement, and that a considerable number are investing money, time, knowledge, and experience in society in general, and in the younger generation in particular, beyond the family context. However, this greater engagement is accompanied by new and greater expectations for political representation, according to the majority of the interviewees. This is reflected in a higher rate of organisation: more older people are engaged in more old-age interest groups and associations than in the past.

All of interviewees representing old-age interest groups emphasised that there is a lack of political representation for elderly people, especially in national and regional parliaments, which no longer reflect changing demographic realities. They claimed that, rather than simply creating new institutions or offices, especially those that have no right to vote or speak, older people should be better represented in established political institutions. Within some of the political parties, this is already happening. In line with this assumption, three out of the five representatives of the executive and the legislative branches stated that the role of elderly interest groups has become more important in the political system. This seems to be the case especially in the parliamentary area, where bigger interest groups, such as the umbrella organisation BAGSO or the VdK, are regularly invited for hearings. The interviewees also predicted that the influence of these interest groups will increase in the future due to the demographic and social developments mentioned above.

As for the differences in social policy preferences between the different demographic groups that were identified in this study, most of the respondents agreed that these findings are plausible, but said they were new to them. Only the representative of the old-age interest group within the Social Democratic Party and the State Secretary in the Federal Ministry for Labour and Social Affairs seemed to reject the new research findings. The latter explicitly argued that the state-of-the-art research conducted by the internal research support at the Ministry found no age effects on social policy preferences. While mostly acknowledging the new insights on how age influences political attitudes, most of the interviewees stated that, within the political sphere, there is a general assumption that the old and the young do not differ in their experiences of the welfare state. This could be explained by the fact that most politicians focus their views about intergenerational relations on dynamics within the family context, where old and young people support each other to a great extent using various means.

In conclusion, all of the respondents agreed that a social policy challenge looms when it comes to future political reforms: policy makers will have to mediate between interests and gain support for necessary political measures by explaining them effectively to the people. All of the interviewees were of the opinion that this communication aspect of policy-making will become more important in the future, as, due to financial constraints the ability of the state to provide generous social policies will lessen, and choices against certain demographic groups and generations will necessarily have to be made. Two interviewees even said they believe the social security system as a whole will be at risk if policy makers fail to integrate people's views and feelings into the political process. Representatives of the legislature and the executive, as well as of interest groups, all assigned an important role to old-age interest groups in helping to mediate between the interests of different generations.

In addition to these findings, it would be possible to gain more insights, if the qualitative analysis was repeated or included more expert interviews. While the selected experts cover a range of relevant actors and stakeholders in the areas of parliamentary politics, ministries and interest groups, information obtained from the interviews remain naturally limited: the interviews were conducted as in-depth, semi-structured conversations, but have – similar to survey data – only collected perceptions, views and judgements of individuals, even though these stand for a wider context. Semi-structured interviews allow for a more efficient way of collecting data (as compared to for example open interviews without any guideline); at the same time they open the door for the subjectivity of the interviewer, as it is him or her who possibly prepare a pre-set narrative for the interview. In the analysis at hand, this limitation was addressed by selecting a range of rather high-level interviewees who have the capacity to make their arguments without being guided too much. In fact, in some cases the respondents tended to wander off to other issues of demographic change, only remotely related to the central questions of this dissertation. In these cases, the semi-structured questionnaires were helpful to lead back to the main issues of interest. Also, the interviewer was aware of the limitations of the chosen approach and took this into account when analysing the collected interview data.

Non-experts representing various demographic groups (old, young, parents, childless people, grandparents etc.) were not interviewed for this study due to time and other constraints of resources. Focus groups involving these actors could shed further light on

underlying motives of the identified preferences and the consequences thereof for the political decision-making in Germany. In addition, the analysis of relevant legal or other documents of the bodies and institutions represented by the experts could further shed light on the connection between social policy preferences and their political representation – and ultimately power – in the system.

The discourse about generational justice in light of demographic change has just started in Germany and is still scattered across political levels, institutions and various domains of the society; as awareness about the issue increases, the discourse might intensify and lead either to a better understanding between the generations or stronger alignment of preferences and the expression of these between generations and other demographic groups. Finally, the analysis of the collected qualitative data in the study at hand is focussing on the creation of a narrative, mostly based on direct quotes from the full transcripts of the recorded interviews. Due to the wealth of some of the interview data, further qualitative analyses of the text could provide additional information.

Despite these limitations and taking all findings from the qualitative analysis into account, we can confirm all of our hypotheses for this part of the study to a certain extent. Elderly people expect more from their political representation than they did in the past, and elderly interest groups are reacting to this by becoming more professional and demanding more political participation for older people in established institutions (Hypothesis 5). The interviewees also confirmed that old-age interest groups have become more influential in the political process, particularly because they are more visible in the political arena (Hypothesis 6). All of the representatives argued that the quality of political engagement of older people has changed. Due to their increased resources in money, time, and health, they can contribute more to society than in the past. Accordingly, interest groups now present themselves in a more self-confident way, and with distinct political agendas (Hypothesis 7). Finally, political decision makers have become more aware these changes, albeit to varying degrees. In the legislative process in particular, old-age interest groups are being given the opportunity to provide input and influence decisions more frequently than in the past. Practically all of interviewees predicted that this development will continue in the future as the number of older people increases (Hypothesis 8).

V Summary – Germany's Social Policy Challenge

This final chapter will provide a synopsis of the results of the three empirical analyses, and place these analyses within the analytical framework of this dissertation. It will provide an answer to the central question of whether there is a looming generational conflict over public resources in Germany, and to the related question of whether this conflict will become more evident in the future.

In a second step, the chapter will explore the remaining research gaps which could not be addressed in this dissertation, and which serve as the basis for future research in this field.

The final part will derive policy recommendations from the central research findings. The recommendations are directed to government officials who design social policies or communicate reforms to the public.

1 Synopsis: Happy together or divided by conflict? The future of intergenerational relations in Germany in light of demographic change

Population ageing and budgetary constraints for the state have triggered a discussion in the public, as well among the scientific community, about whether there is a looming conflict between generations over public resources in Germany. Being a relatively new question in the German context, public debates and scientific studies on this issue have been relatively rare, and have been contradictory in their conclusions.

Generally, the majority of political commentators and scientists argue that there is no evidence for a generational conflict. This is because they are mainly looking at past developments or the status quo, rather than taking into account the importance of future demographic trends. In addition, they often base their judgments on functioning intergenerational relations within the family, and do not take into account the sphere beyond traditional familial ties between the young and the old. If they look at the public sphere, they often use improper proxies for public intergenerational transfers as a data basis, as we showed in Chapter II.

Thus, in this dissertation we placed our research interest within a consistent analytical framework, and based our empirical analyses on the most recent data suitable for investigating the subject under study.

Referencing theoretical considerations by Mannheim on the rise of "political generations," we argue that the likelihood of generational conflict can be examined along the following three dimensions: first, the relative size of the group of older people and their familial situation in the country; second, their preferences regarding redistributive social policies between generations; and, third, the political responsiveness of the political system to demographic trends and social policy preferences in the form of interest groups and their impact on parliamentary and governmental decision-making structures.

According to these dimensions, the likelihood of a generational conflict may be expected to increase under the following three conditions. First, the risk of a conflict will be higher if there are growing numbers of older people, and if further demographic developments (such as increased childlessness and a bigger share of unmarried people) weaken the traditional familial structures within which intergenerational relations seem to be well-functioning. Second, the probability of friction increases if these demographic groups (old vs. young, parents vs. childless people, married vs. unmarried people) come to differ in their expectations regarding redistributive policies, and start to favour transfers policy options which are to the advantage of their own group. Third, generational conflict is likely to intensify if the importance of interest groups within the political system increases (more members, greater influence on political decision making, streamlining of agendas), and if the relevant governmental and parliamentary decision makers come to perceive the role of these interest groups as influential.

Our empirical analyses were designed along these three dimensions.

First, we explored how demographic trends will alter the age structure of the German population and the familial situations of older people in the future.

Second, we looked at how social policy preferences differ across various demographic groups, controlling for other important socioeconomic factors (for this analysis, we developed a novel conceptual framework allowing for an explicit inclusion of demographic factors into the empirical models; see Part 2 in Chapter IV).

Third, we examined the extent to which Germany's political system is responsive to these trends: How do political decision makers and interest groups perceive these trends, and what are their conclusions about public intergenerational relations?

In order to operationalise the empirical analyses, we derived the following eight research hypotheses:

(1) *Demographic change will significantly alter the age structure and the composition of Germany's population over the coming decades.*

Until the year 2040, the share of older, childless, and unmarried people in Germany will increase significantly.

(2) *Social policy preferences differ across age.*

The elderly are less in favour of public transfers to the young than the younger generation, and prefer that public transfers are channelled to the older generation.

(3) *Social policy preferences differ between parents and childless people.*

Childless people are less in favour of public transfers to the young than parents, and are more in favour of public upward transfers than parents.

(4) *Social policy preferences differ between married and unmarried people.*

Unmarried people are less in favour of public downward transfers than married people.

(5) *There are centralisation tendencies among old-age interest groups in Germany.*

Elderly people expect more from their political representation. Therefore, elderly interest groups streamline their positions and try to influence policy-making processes.

(6) *Elderly interest groups have gained importance.*

Due to the increasing share of older people, the number and size of interest groups for the elderly have increased over the past decades. They are more visible in the policy-making process.

(7) *Elderly interest groups have changed their self-perception, and now see themselves as "lobby groups."*

Because older people have substantially more resources than in the past, the nature of their interest groups has changed. They now perceive themselves as "lobby groups" with a clear political agenda. The implicit political power of the elderly starts to become explicit.

(8) *Political decision makers are aware of the increasing influence of the elderly and their interest groups.*

Political decision-makers are aware of the interests of the elderly and the influence of their interest groups. They actively seek to take these interests into account in the political decision-making process.

In the following, we will present a summary of the central findings for each of the three analyses as they relate to the outlined research hypotheses. We will discuss their relevance for answering the main research question of this dissertation.

The future of the German population: More older, childless, and unmarried people

For the analysis of future demographic trends in Germany, we applied a micro-simulation method to forecasting the share of people aged 55+, and their future familial situations (parenthood, marital status). Micro simulation has been very rarely applied in the German context due to its extensive data requirements. Existing official statistics compiled on the basis of more user-friendly techniques usually provide only information on future population counts by age and sex; only two studies have predicted future marital status levels for Germany, but with varying projection periods and a focus on people at very high ages (see Part 3 of Chapter II).

Our study therefore provides for the first time forecasts of marital status structures and levels of childlessness among older people (defined in this dissertation as people aged 55+) in Germany. A cross-check with official statistics for the initial year of the forecast (2005), as well as comparisons with existing projections (UN World Prospects 2008 for the future age structure of the German population, and a study applying micro simulation for predicting marital status structures at higher ages by Kalogirou and Murphy), show that our micro simulation provides realistic results.

Depending on the scenario, we predict that the share of people aged 55+ will increase from 31.0 percent in the year 2005, to values of between 47.2 and 56.6 percent in 2040. This means that about half of the German population will be within 10 years of retirement, or will already be retired by the end of the projection period. It also shows

that the effects of demographic change have only just begun, and will become fully apparent until the decades to come.

However, not only will the age structure of the population change, but the familial situations of older people will be altered substantially – a prospect that current social policy discussions hardly take into account. Based on our micro simulation, we predict that the share of people without children will increase significantly. In 2040, about 25 percent of women aged 45 to 49 will be childless, compared to about 17 percent in 2005. The share of women aged 55+ who will remain childless will increase from 12 percent in 2005 to about 19 percent in 2040. This change in the "traditional family" as the main living arrangement in German society will be further triggered by a decline in the share of married older people. We forecast that about three-fifths of people aged 55+will be without a spouse in the year 2040, compared to over 65 percent in 2005.

In summary, we can thus confirm our first research hypothesis: i.e., that the German population will undergo fundamental changes in its age structure and familial structure over a period of less than 30 years from now. The number of older people will increase significantly. They will represent the majority of voters in 2040. Therefore, the potential for this group to become a powerful political actor will grow. In addition, the family, or the traditional sphere in which relations between generations have been shown to function well, will become a rarer phenomenon. Policy makers will therefore be less able to count on the family as a preserver of positive intergenerational relations. This does not necessarily mean that an open conflict between generations in the public sphere will emerge, but the conditions for friction will be certainly there, especially if the state budget remains under pressure, and fewer resources for social policies are available.

Preferences regarding redistributive social policies: Age matters – and so does parenthood

The second analytical dimension addresses the question of how demographic factors, such as age, influence preferences toward redistributive social policies. Understanding to what extent these preferences differ across various demographic groups is key to making statements about a possibly evolving generational conflict. If, for example, the old and the young do not differ in their expectations regarding the welfare state with

regard to how public transfers are distributed, the potential for a generational conflict is very low.

In the German context, not much research has been devoted to this issue so far. In our literature review, we showed that there is a persisting research gap on the question of how demographic factors—particularly age—influence public transfer preferences.

In addition, the few existing studies addressing this issue have produced contradictory results, often used inadequate survey data, and framed their analyses using a restricted political-economy perspective (see Part 4 of Chapter II). Here, demographic variables are only included as proxies for phases in or out of the labour market (or education). The full explanatory power of age is therefore not used in these studies, and parenthood and marital status are excluded from the analyses. Furthermore, the motives that underlie these preferences are restricted to self-interest in these models, and do not allow for the possible influence of quasi-altruistic attitudes.

Thus, for our analysis we developed a novel approach that takes into account the demographic life course. In this framework, we explicitly include age, parenthood, and marriage as phases or events that structure an individual's life course. As a data basis we used the latest data available on social policy preferences in the form of two large independent surveys, conducted at different points in time, which also allowed us to test for the robustness of results found (Gender and Generations Survey GGS 2005 and Population Policy Acceptance Survey PPAS 2003).

Both datasets contained extensive information about public downward transfers in the form of specific family policies. The existing studies did not use these as a proxy for state transfers to the younger generation, but instead relied mostly on education policies. The PPAS also contained information on pension policy preferences as a proxy for upward transfers.

As a consequence of our extended analytical framework, our empirical models were not based solely on standard statistical estimation techniques (logistic regression). We also applied newer methods (Generalised Additive Models, or GAM) in order to estimate possible age trajectories of social policy preferences over the life course.

On the basis of our logistic regression models, we identified substantial and highly significant effects of age, parenthood, and grandparenthood on redistributive social policy preferences.

In general, older and (grand)childless respondents were found to be less prone to support public transfers to families with children, and more inclined to support pension policies which place a greater burden on the younger generation in order to maintain the current the German pension system. Marital status however, mostly did not appear to have any significant effect on the preferences under study.

With regard to the age trajectories identified on the basis of our Generalised Additive Models, we found that there are significant deviations from the negative age effect on downward transfer preferences: grandparents tend to support transfers which they themselves do not directly benefit from, but which benefit their children and grandchildren. In a demographic life-course perspective, we argue that this preference, which would be inconsistent in a pure economic life-cycle framework, can be attributed to dynastic altruism motives.

Here, positive attitudes concerning intergenerational relations within the family—for example, towards one's own children—appear to have an effect on the person's preferences within the public sphere beyond the family, presumably because these public transfers may also benefit close family members. With this finding, we illustrate the importance of developing approaches that go beyond pure political economy models, and conclude that demographic indicators may play a seminal role in this case.

All of these central findings were highly robust, and could to a large extent be replicated using the same models for the two datasets, GGS and PPAS. We therefore confirm our Hypotheses (2) and (3), and reject Hypothesis (4).

In combination with the demographic forecast, we can conclude that, in the future, members of precisely those demographic groups who will grow in numbers over the next three decades (older and childless people) seem to be less inclined to support public transfers to the younger generation. We argue that this increases the likelihood of a generational conflict in the future.

In our analysis, we cannot forecast future preferences; our conclusion only holds if the preference levels remain at least constant over the coming decades and across demographic groups. However, there is good reason to suspect that today's younger generations – and tomorrow's older people – are becoming less altruistic.

Recent studies (O'Brien, Hsing, and Konrath 2010) have shown that college students in the USA are significantly less empathetic to other people than their counterparts in the 1970s. The authors argue that the results reflect what is colloquially known as the

"Generation Me;" a generation, who due to exposure to new communication channels and pressure on the labour market, put growing emphasis on the self, while devaluing others.

Should this trend also prove to be true for Germany (where younger generations are also exposed to higher pressure on the labour market and to new media), then the picture we have drawn in our preference analysis may be as good as it gets for Germany in the future.

Political responsiveness: Moving from implicit to explicit political power among older people in Germany

In the third and last step of our empirical analysis, our goal was to find out how the political system in Germany is responding to the observed demographic trends and social policy preferences. In particular, we looked at the following questions: How are the increase in the share of the elderly in the German population and their changing familial situations perceived by policy makers? Do policy makers assign a more powerful role to older than to younger people? Will this power increase or decrease in the future? How do elderly interest groups define their own roles in this context? What indications are there that a generational conflict exists in Germany? We were especially in the assessment of the political weight of older people in general, and age-related interest groups in particular.

For our analysis, we conducted a range of in-depth expert interviews with high-ranking stakeholders of relevance to the topic: cross-partisan elderly interest groups representatives, elderly interest group representatives within political parties, interest groups for the younger generation, government officials, and members of parliament. A qualitative study of this kind has not been previously conducted for Germany. We also sought to both complement and present a possible contrast to the existing qualitative research done by May (2010) and Schroeder, Munimus, and Rüdt (2010) (see Part 6 of Chapter II).

The transcripts were analysed and summarised along a standardised analytical grid composed of the following central questions:

- How do the interviewees characterise relations between the generations?
  - Within the family
  - In the public sphere
- What are older people's expectations regarding their political representation?
  - To what extent do they expect more representation/participation?
  - What are the reasons for possible changes in these perceptions?
- What are the interviewees' own estimates of their level of political power of age-related interest groups, and why?
  - How much influence do older people have?
  - How much is this potential influence triggered by demographic trends (growing numbers of older people)?
- What are the interviewees' views on the age-related social policy preferences found?
  - Can these be confirmed by the interviewees' own professional experiences?
  - What political consequences do demographic trends, combined with the identified social policy preference structures, have?

Even though all of the interviewees stated that, in general, relations between the generations are good to very good in Germany – particularly within the family context – the majority of experts expressed concerns that intergenerational relations are worsening, or are likely to worsen in the future. The main reason for this assumption is that public resources are getting tighter and tighter due to the budgetary constraints of the state, leaving smaller amounts to be distributed between generations. Those few interviewees who did not share this view argued that it was spread by the media or politicians in order to exert control over different generations by playing them off against each other.

One of the most important findings from the interviews is that all of the experts agree that the image of ageing and older people has changed considerably in recent decades, both in terms of quantity and quality. The fact that the number of older people is

growing – and will continue to grow in the future – means that politicians and society are paying more attention to the needs and expectations of older people.

Furthermore, all of the experts argued that, due to the increasing resources of older people (better health, education, financial assets, more time) their self-image has changed, too. They are more aware that they make valuable contributions to society, and in turn expect more political representation.

Consequently, all of the experts observed that older people are becoming more involved in political and civic organisations dealing with their concerns. This observation can be confirmed by the development of membership counts in the biggest civic associations: e.g., the membership in the association VdK grew 50 percent between 1992 and 2008, with a considerable share (22 percent) of this growth occurring from 2003 to 2008 (Schroeder, Munimus, and Rüdt 2010).

Especially the experts who represent old-age interest groups raised concerns that there is a lack of political representation of older people, particularly in national and regional parliaments.

Similarly, the majority of experts representing the executive and legislative branches of the political system claimed that the role of elderly interest groups has become more important in Germany, particularly in the parliamentary area, as civic and social organisations are regularly invited for hearings. Due to the future demographic development of the country, the experts also expect that this involvement will become more intense in the coming decades.

Until recently, policy makers in Germany have mostly assumed that there are no differences in social policy preferences between various demographic groups. This is actually in line with the findings of most of the existing research, as we showed in our literature review (see Part 4.3.4 in Chapter IV). Therefore, the findings from our preference analysis were new to all of the interviewees. Except for one expert, all of them said, however, that the findings were plausible, especially with regard to the preferences of childless people relative to those of parents.

Consequently, most of the interviewees argued that these differences in preferences could translate into future conflicts between the old and the young, and childless people and parents, especially due to the accompanying demographic trends.

They concluded that, in order to prevent this scenario, the biggest challenge for social policy makers would be to mediate between the varying interests and to explain the

reasons why changes are needed in intergenerational transfers (e.g., in the form of raising the retirement age) to the people affected.

Two interviewees even said they believe the social security system as a whole is at risk unless these efforts are made. All of interviewees saw the cooperation between governmental decision makers and old-age interest groups on this issue as crucial for creating good relations between the generations in Germany.

On the basis of these results, we were able to confirm all four research hypotheses (5, 6, 7, and 8).

Conclusion: Generational conflicts – A likely scenario for Germany in the future

In contrast to existing studies and the official views expressed by a large fraction of influential policy makers, we argue generational conflict over public resources is likely to occur in Germany in the coming decades if policy makers do not invest more in building good relations between generations in the public sphere.

Our empirical analyses showed that, in all three dimensions relevant for such a scenario (demographic trends, social policy preferences, and responsiveness of the political system), there are emerging trends to be observed which justify such an assessment.

Occasional clashes of interest between the generations are already occurring, as we outlined in the introductory chapter of this dissertation: e.g., policy makers face significant implicit and explicit opposition when trying to implement necessary cuts in levels of pensions, raise the retirement age, or establish new childcare facilities.

This cannot yet be called a general and open conflict between generations, but with demographic change progressing, differences in social policy preferences between the various demographic groups emerging, and the self-confidence older people growing in the political arena, the number and intensity of controversies may increase in the future.

The biggest social policy challenge for Germany will, therefore, be to find the means to mediate between the interests of the old and the young, and between childless people and parents, in order to gain the necessary support for political reforms that provide adequate and fair public support to all demographic groups. In the final part of this chapter, we offer some policy recommendations which may help to successfully address these issues.

2   Directions for future research

Due to the natural limitations in resources (e.g., time, data availability, money, personnel) for a PhD dissertation (or any other piece of research of comparable extent), not all research gaps could be addressed by our analyses. In addition to the existing gaps, new questions arise from our findings. This part will address both of these types of gaps, and thus give directions for future research in the field.

Further development of theoretical and analytical concepts

For the theoretical framework of this dissertation, we used Mannheim's concept of "political generations" as a starting point. This idea – like the idea of generations itself – has attracted increasing attention in the field of sociology, having been mostly being rejected in terms of providing suitable categories for empirical analyses in the political context (see Part 1 in Chapter II). For our research purposes, it was sufficient to adapt the concept in an ad hoc manner. At the same time, we have emphasised the potential of this theoretical approach in explaining societal dynamics affected by demographic trends.

Some attempts have been made to further develop the concept of generations in this direction (e.g., "welfare generations"). However, the political dimension, which is an integral element in Mannheim's concept, has not been sufficiently addressed by these approaches, which mostly seek to describe possible generations from a historical perspective, without drawing conclusions about their influence on the political system.

As was pointed out by Dunham (1998), further research should be conducted that examines the role of common identity with one's age group in producing political action. There have been some studies that have looked at the situation in the USA (e.g., Campbell 2003), but the situation in Germany is mostly *terra icognita*. In order to shed light on this question, Mannheim's concept, or the idea of generations as such, should not be given up as an empirical category (as was suggested, for example, by May 2010), but should instead be developed further.

In terms of directions for theoretical advances in the field of the study of political preferences, we also suggest further development of our novel approach to include a

demographic life-course perspective on classical life-cycle models in political economy. Here, additional work on the question of what underlying motivations are crucial in shaping political preferences could be promising. In our extended analytical approach, we added dynastic altruism as a second motivation in addition to self-interest. On the basis of our discussion of motivations and preferences for redistributive policies (see Part 4 of Chapter II), the question is whether the model could be extended by further variations of either self-interest or altruism.

Detailed demographic forecasting through micro simulation

Demographic change is more complex than "just" population ageing, even though some social policy makers still reduce the issue to one of "too many old people and too few babies" (as was done, for example, by the French State Secretary for European Affairs in a recent interview, Ulrich 2011). Indeed, the growing share of older people will pose challenges to the future of the German welfare state, but family structures will be changing significantly, too. This will also affect older people and their need for public transfers, as well as their political preferences, as we showed in our preference analysis. Modern social policy makers need to more know about what the future familial network of the country will look like, and what new forms of stable living arrangements are evolving. How many people will be childless, and how many older people will be cohabiting?

Micro simulation is the method of first choice in forecasting these trends, as it can handle multiple demographic states. In the German context – in which reliable forecasts are scarce or non-existent, as in case of childlessness – this method has been rarely applied due to the extensive data requirements for running the simulations.

With the micro simulation conducted for this dissertation, we were able to shed light on some important indicators, such as marital status and parenthood of older people in the coming decades; however, there is much room for improving and extending this analysis.

First, the data basis used for the micro simulation should be updated and extended continuously. This applies to fertility rates (where we made a contribution to estimating

missing data on age-specific fertility rates by parity), as well as to data for migration or cohabitation, which we had to exclude entirely from our analysis.

As for assumptions of future developments of mortality, fertility, and nuptiality rates, the simulation could be extended from deterministic ad hoc considerations, which we used for our simulation, to stochastic modelling of rates. These are rather extensive exercises, but might be worth conducting, as they would address the uncertainty of future developments in a more systematic way than deterministic assumptions.

Finally, with additional programming, further indicators could be retrieved from the output of the *Socsim* software package that was used. For the current dissertation, the chosen indicators of ageing, parenthood, and marital status were sufficient. More detailed information may, however, be useful to social policy makers, or in conducting further demographic analyses.

Collecting more data on preferences regarding redistributive social policies and underlying motivations

For the first time in the German context, our preference analysis provides comprehensive insights into demographic determinants of preferences regarding redistributive social policies. Even though we could prove the robustness of the highly significant effects of age, parenthood, and grandparenthood on preferences, further research into this area is needed.

First, due to data constraints, we had to analyse upward and downward preferences separately. Our datasets provided comprehensive information on family policy preferences, which we used as a proxy for downward transfers; and, to a certain extent, on pension policies. However, existing survey data do not contain any questions of choice between upward and downward transfers. Preference structures in the intergenerational context may be more clearly identified through questions like: "When budgets are limited, would you prefer an increase in pensions or higher child benefits?" In addition, the set of public transfers could be extended to education, health care, and old-age care, as well as to housing and infrastructure.

However, it is important that the questions are phrased so that the type of transfer (upward or downward transfer) can be clearly determined. Questions like "Would you prefer that state spending on health care be increased?" cannot be assigned to either the

older or the younger generation, as health care affects all generations. Therefore, the questions should ideally entail questions on specific policies (e.g., "Would you prefer spending on care institutions for older people to be increased?"). The results of our preference analysis have shown that the more specific the policies are that people are asked about, the more easily the differences between various groups can be identified. Existing surveys dealing with intergenerational transfers should revise their questions along these lines. Ideally, an entirely new battery of questions should be included in one of the large international surveys.

By applying Generalised Additive Models, we were able to investigate how social policy preferences change over age. This allowed us to speculate about the underlying motivations. Further analyses should be conducted to make more explicit the links between motives such as self-interest or dynastic altruism and preferences. Apart from a further development of our empirical models, this could be achieved by other methodologies, such as focus groups with individuals who come from various demographic backgrounds, or complementary social experiments which are already being conducted in social psychology or economics. It is important in this context that both the questions for the focus groups and the set-up of the experiments allow for conclusions about relations between generations in the political context.

Finally, in order to identify possible changes in preferences across generations and across time, longitudinal data with suitable survey question would be essential. If a second wave of the Generations and Gender Survey GGS became available, a study of family policies could be undertaken. Other than that, suitable data along the lines described above do not yet exist, and would have to be collected in a consistent way. In light of the importance of the issue of intergenerational relations—not only for Germany, but also for other (European) countries—this may be a resource-intense but rewarding endeavour.

Continuing research on the responsiveness of the political system

As demographic issues in general, and the question of intergenerational relations in particular, have gained more relevance on the political agenda, the responsiveness of the political system regarding these trends is relatively dynamic, and merits continuous

observation and analysis. For example, in one of the German *Länder* , the regional government established in 2005 a Ministry for Generations with an entirely new departmental layout and integrated responsibilities across many "traditional" policy fields (e.g., family, care, youth, older people). However, this ministry was abolished following last year's regional elections, and a subsequent change in government.

The area of interest groups is also subject to changes, as we demonstrated in the third part of our empirical analysis. It would be possible to gain more insight into these processes if the qualitative analysis conducted in this dissertation were repeated, possibly also involving more expert interviews and focus groups. After all, as we pointed out in our main conclusion, we have so far only seen the beginnings of a rise in the political involvement of older people in Germany, and some initial reactions by political decision makers to this growing involvement.

3   Policy recommendations

In the following, we will provide some recommendations for political decision makers, which we derive from the main findings of our empirical analyses. In doing so, we will address the issues of *policy*, *polity*, and *politics*.

Policy – From acknowledging new demographic and societal trends, to new political discourses

Our interviews with leading stakeholders in the field of intergenerational relations have shown that political decision makers in Germany are not yet fully aware of the complexity of future demographic trends. The fact that more older people will be childless and unmarried in the decades to come has not yet started to influence the country's social policy agenda. When evaluating intergenerational relations, most interviewed experts still refer to well-functioning exchange structures between the old and the young within the traditional family. These respondents appear to be unaware that a modern welfare state can no longer exclusively rely on the family, and must now also consider the more abstract relations between generations who are not related via a common family. One interviewee phrased it like this: "Intergenerational relations always become problematic when the generations do not know each other."

How relations between the generations can be organised and supported in the public context, beyond the civic engagement that is already taking place, remains still unclear, however. In addition, our findings from the preference analysis were new to all of the interviewees. However, the great majority of them acknowledged their plausibility and relevance to future demographic trends.

In light of this, social policy makers in Germany should foster a broad political discourse on one central question: What is intergenerational justice in an ageing society?

"The specific interests of the different generations in Germany are on an equal footing," Chancellor Angela Merkel said in a 2008 speech on this issue (Merkel 2008). This statement shows in a nutshell that there is no comprehensive political concept for intergenerational justice in Germany. In view of the future demographic developments and the anticipated constraints on the state budget, it must be clear that the interests of the old and the young *cannot* be on an equal footing. With reforms like raising the

retirement age to 67, the current government indeed demonstrates the need for reform of, for example, the social security system in Germany. However, it remains unclear why a reform that will affect mostly future generations of pensioners (because of a transition phase of 20 years) would be "intergenerationally just."

The social policy discussion in Germany lacks a clear idea of what the duties and rights of individual generations are, or should be in the future. There is no general debate about questions such as the issue of what each generation can contribute to make social security more sustainable. This is even more surprising as the current government has established a high-ranking, inter-ministerial committee under the guidance of the Federal Ministry of the Interior to prepare a report on the demographic future of Germany (Deutscher Bundestag 2010).

This committee could launch a broad public debate on intergenerational relations by various means (hearings, campaigns, projects with civic and social associations, and the like), and thus raise necessary awareness about the issue within society.

Polity – New institutions for new social policy issues

With demographic and social realities changing, traditional political institutions, such as ministries, are on trial, too. Future demographic developments, such as increasing childlessness and changing marital status structures, will make the picture for social policy makers increasingly complex, as our micro simulation has shown. In addition, the question of intergenerational relations is, by its very nature, a topic that cuts across many traditional policy fields: family, health, older people, young people, etc.

A few regional policy makers in Germany grasped these new developments and founded a Ministry for Generations in North Rhine-Westphalia in 2005, which was, unfortunately, abolished in 2010 due to a change in government, as mentioned above. The ministry's combination of traditional policy fields was unique in Germany. Its main aim was to establish a new culture in relations between the generations. Armin Laschet, the former Minster for Generations stated in a brochure oft the ministry (MGFFI 2007:1):

> "In many families generations support each other naturally, for example by taking care of children or grandchildren or by financially supporting mothers and fathers. However, we cannot take these good relations between generations

in our society for granted anymore. The relations have to be strengthened and made sustainable for the future. For according to demographic projections, in the year 2020 about a third of people aged 65 and older will have no own children or grandchildren […] For the solidarity in our society it is important that each generation appreciates the needs, wishes, and problems of the other generations."

The establishment of a Federal Ministry of Generations in Germany along these programmatic lines seems to be an unlikely scenario given the constancy of political departments in the federal government. Such a ministry would, however, certainly help in the effort to develop innovative solutions to the social policy issues arising from the research findings of this dissertation.

Politics – Political communication is key

"We have to improve how we inform people about specific political reforms, and about why certain political decisions are being made the way they are – I see the biggest gap certainly here. [...] What upsets people is when painful reforms are not being sufficiently explained to them; saying good-bye to things we are used to is indeed painful, and therefore thorough explanations are required." (ZDF 2011, TV broadcast on 2 January 2011)

This statement by Joachim Gauck, who ran for the office of the Federal President of Germany in 2010, refers to the fierce protests of citizens against an extensive state project to restructure the central station in Stuttgart. After decades of low-key discussions, the state's decision to start construction in the summer of 2010 led to demonstrations by thousands of citizens over a number of weeks (e.g., Peters 2010). The protests were so fierce that authorities had to implement a public mediation process, which was unprecedented in Germany. The mediation sessions were broadcast live on one of the nationwide television stations, and attracted considerable attention among the wider public (Soldt 2010).

In the light of modern communication channels, such as the internet, citizens are better informed about political issues and processes. At the same time, however, they seem to expect better explanations of political reforms, especially if these reforms are not in their interests.

This is of relevance for the research question of this dissertation, as well. As was pointed out by all of the experts who were interviewed in the course of the qualitative analysis, it is to be expected that policy makers will have to put more effort into organising support for necessary social policy reforms, especially if they are painful for certain societal groups, e.g., older people.

In order to achieve this support, various aspects of political communication will have to be put at the centre of social policy agendas. As the numbers of people who are inclined to support transfers to the young decreases, the tools of political education and campaigning might be needed to help to clarify the necessity of, for example, family policies. NGOs and interest groups (e.g., of the elderly) might help to provide channels for reaching these people, and therefore should be better integrated into respective policy-making processes.

Germany's social policy challenge in the coming decades will therefore be to mediate the different interests of the young and the old, and of childless people and parents, while at the same time guaranteeing that necessary social policy reforms with regard to demographic change are being implemented, without putting disproportionate burdens on specific generations.

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Annex – Table of Contents: Graphs

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Annex – Table of Contents: Tables

Annex: Graphs

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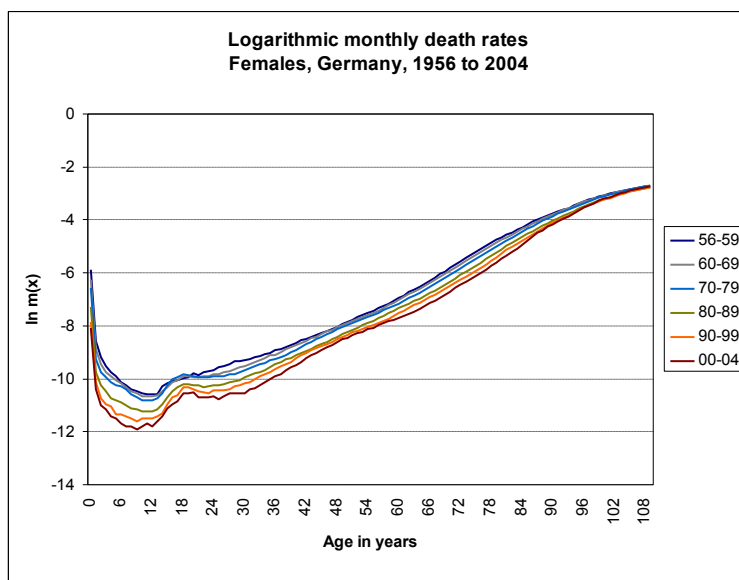
Graph 2: Logarithmic monthly death rates for females, Germany, 1956-2004 (Source: HMD, own calculations)
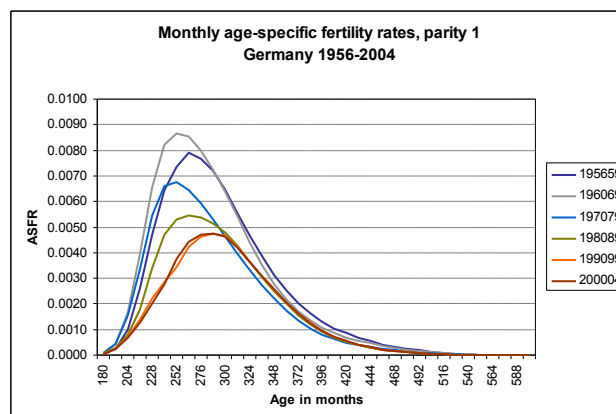
Graph 3: Monthly ASFR, parity 1, Germany, 1956-2004 (Source: HFD, own calculations)
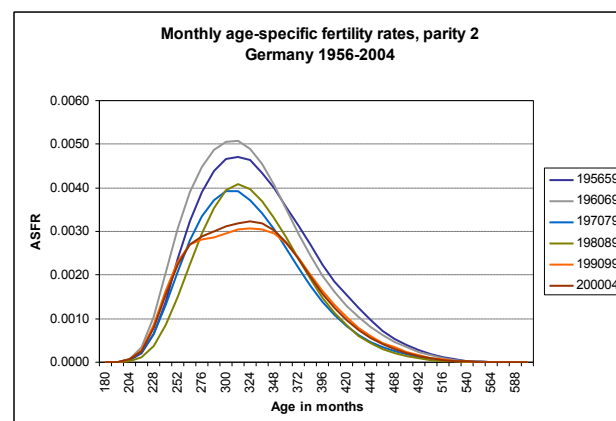
Graph 4: Monthly ASFR, parity 2, Germany, 1956-2004 (Source: HFD, own calculations)
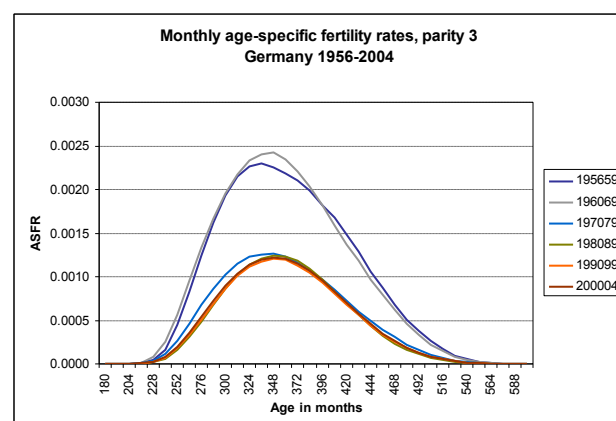
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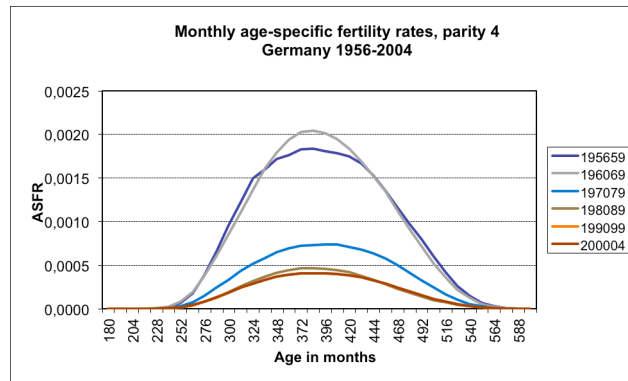
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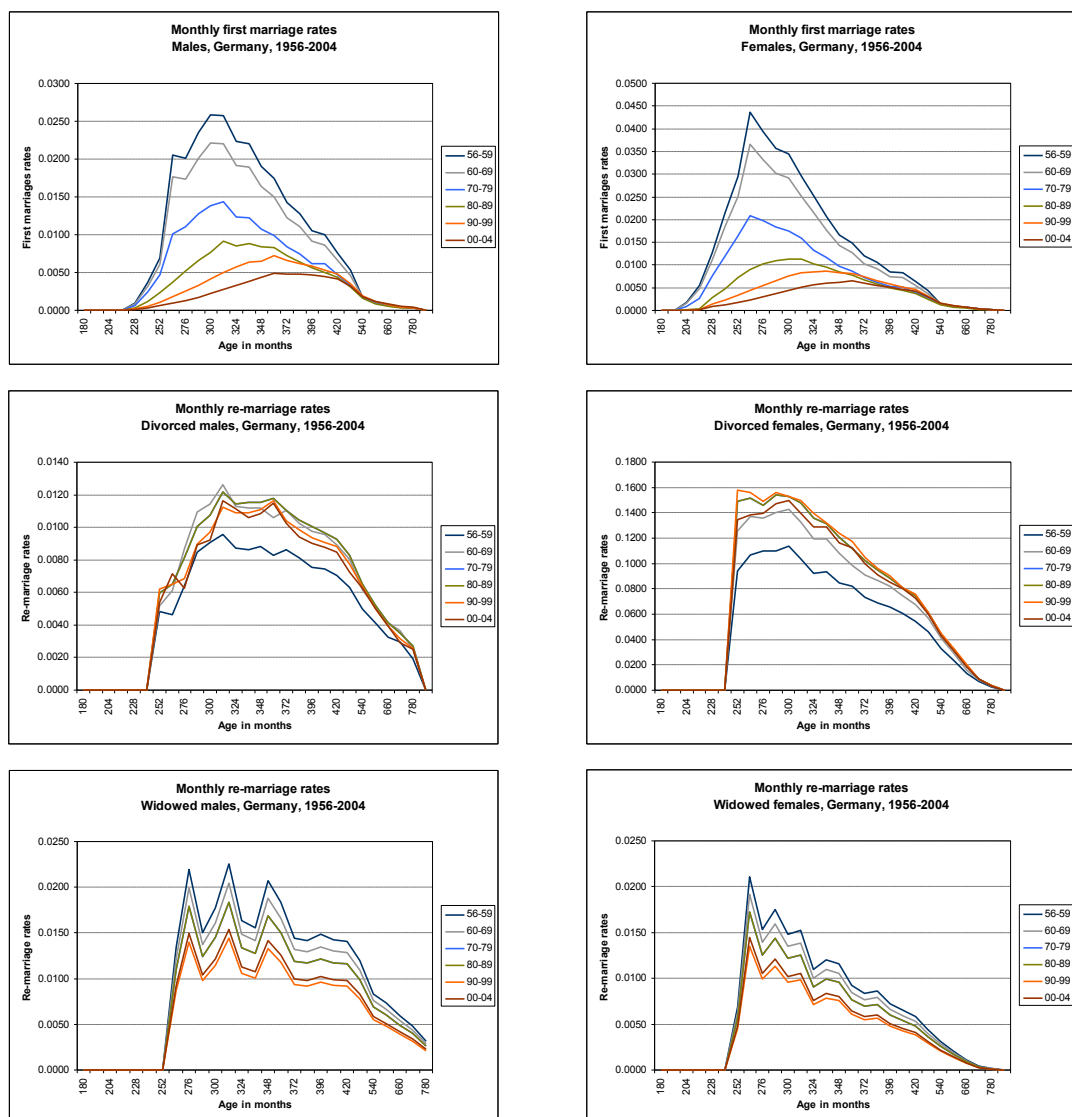
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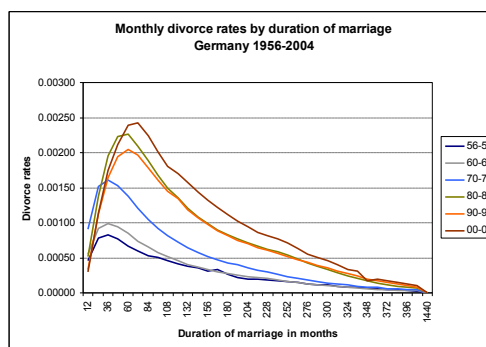
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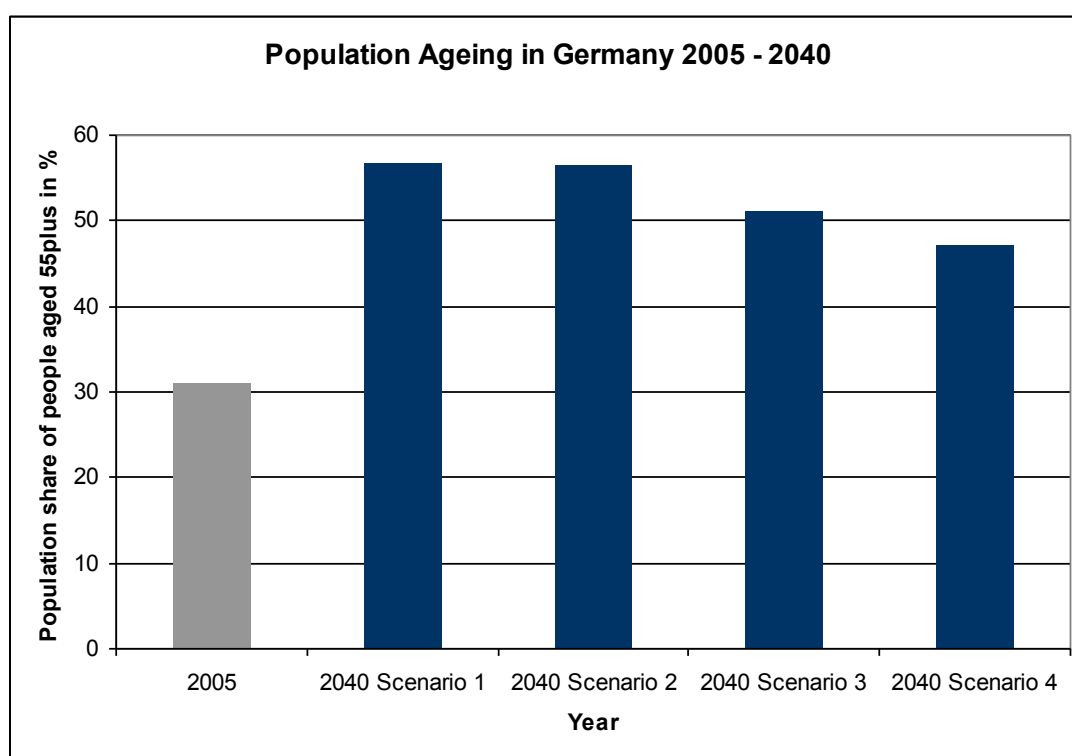
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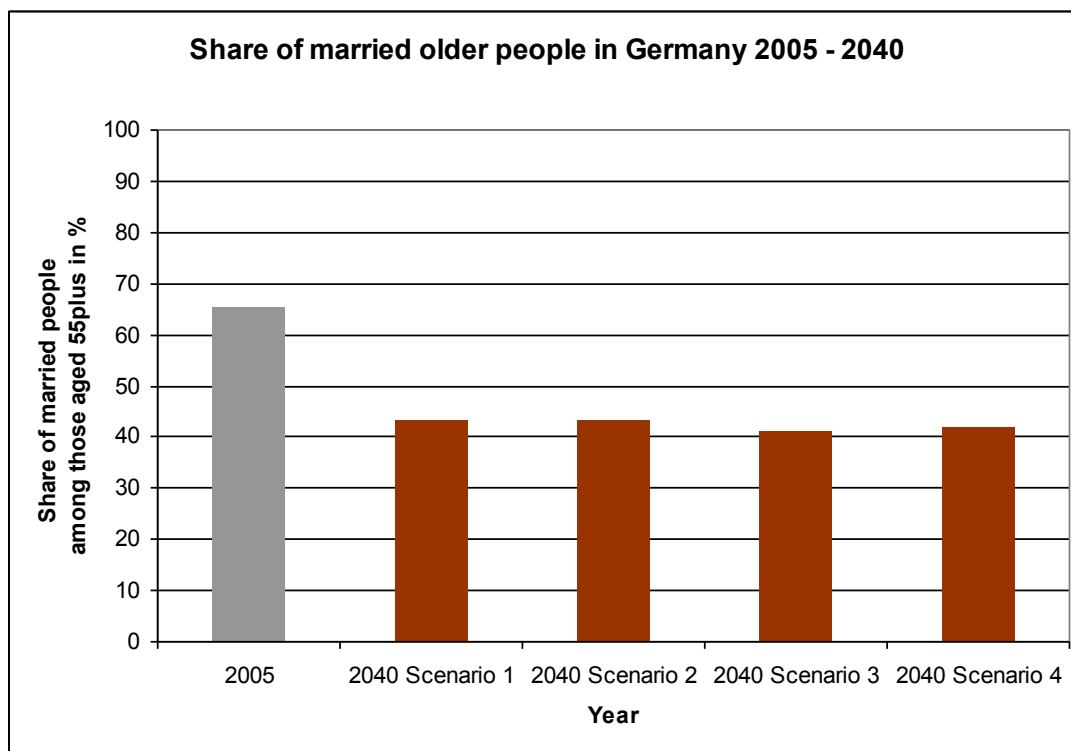
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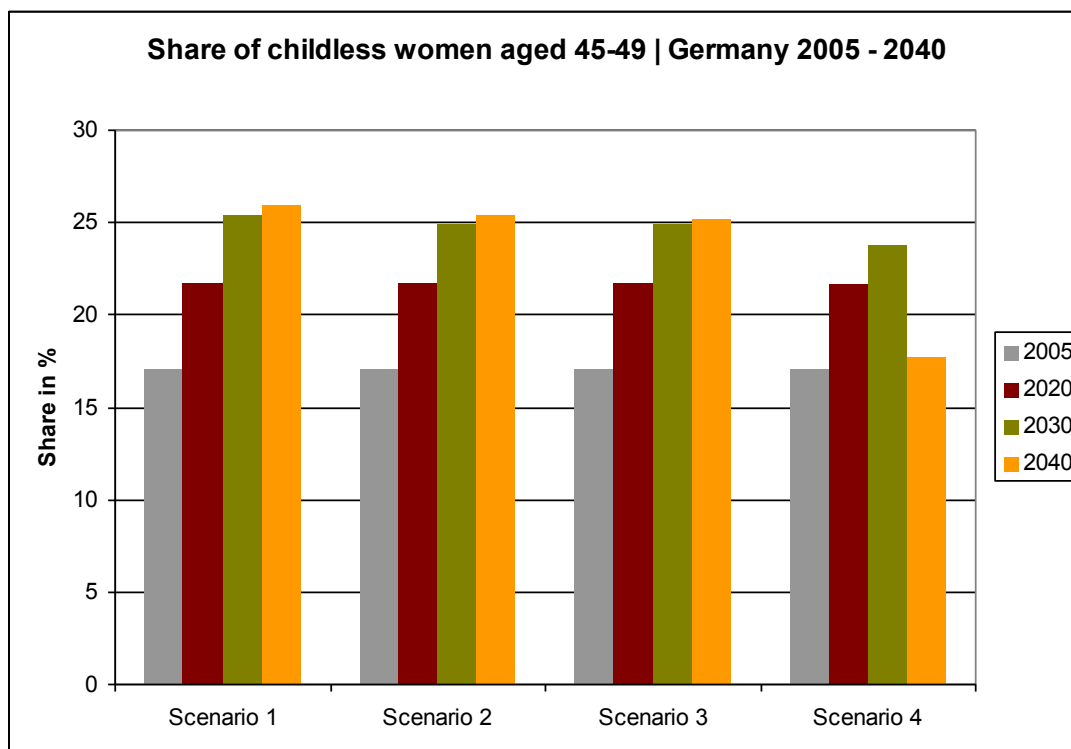
Graph 11: Share of childless women aged 45-49, years 2005 to 2040 (four simulation scenarios), Germany

Government responsibility: Support for the elderly

%

| very high | high | low | very low |
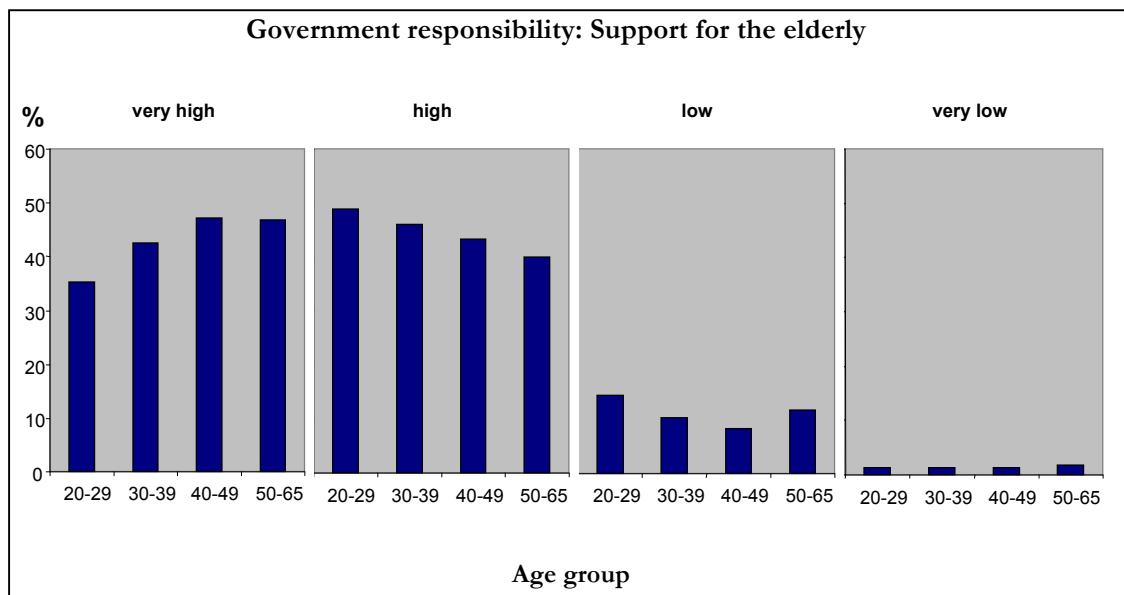
Graph 12 – Government responsibility: Support for the elderly, PPAS 2003

Government responsibility: compatibility of employment and family

%

| very high | high | low | very low |
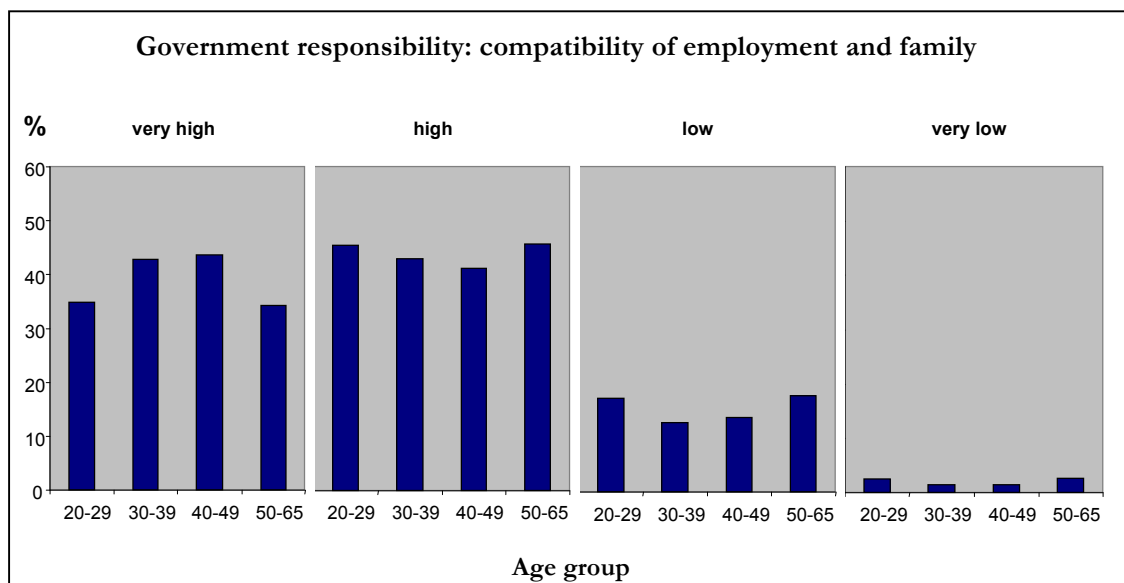
Graph 13 – Government responsibility: Employment and family, PPAS 2003
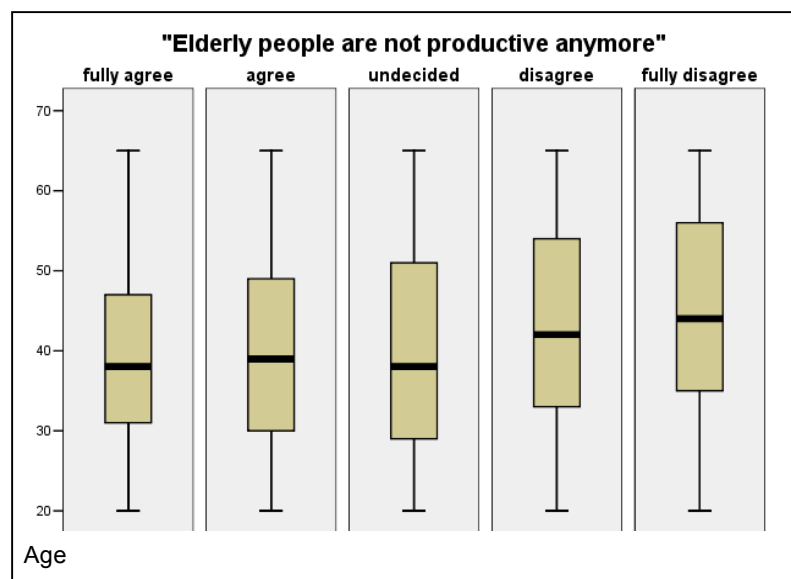
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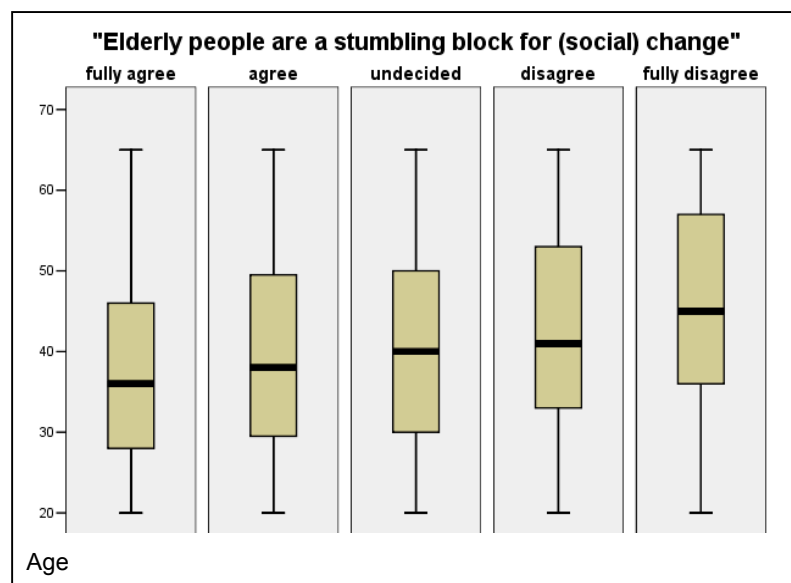
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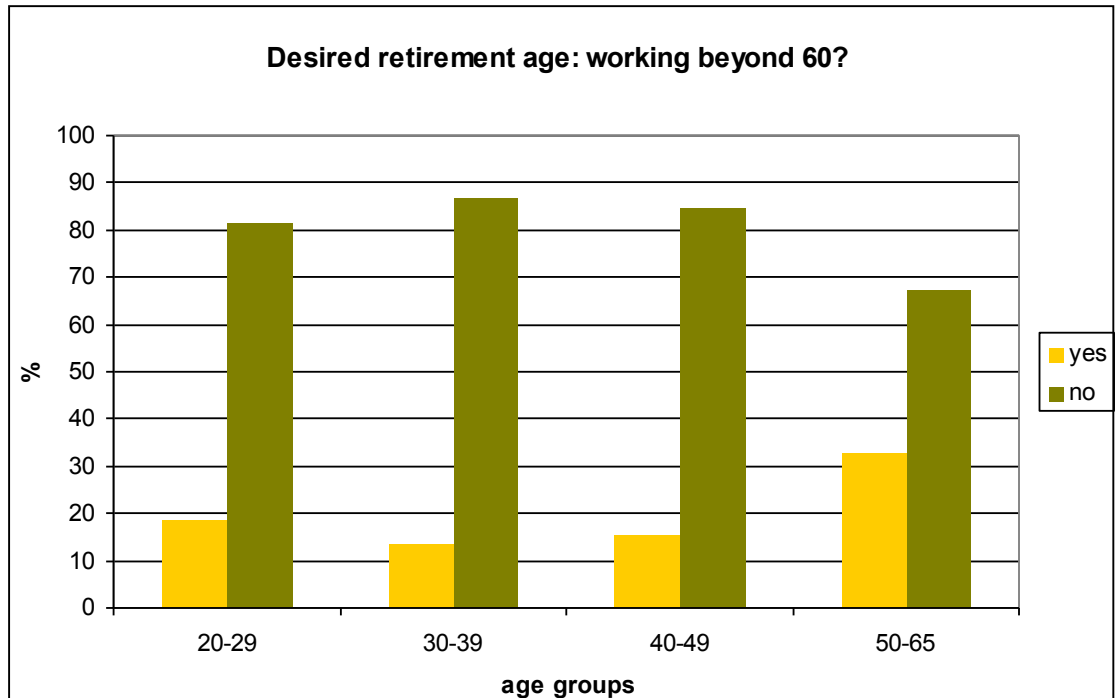
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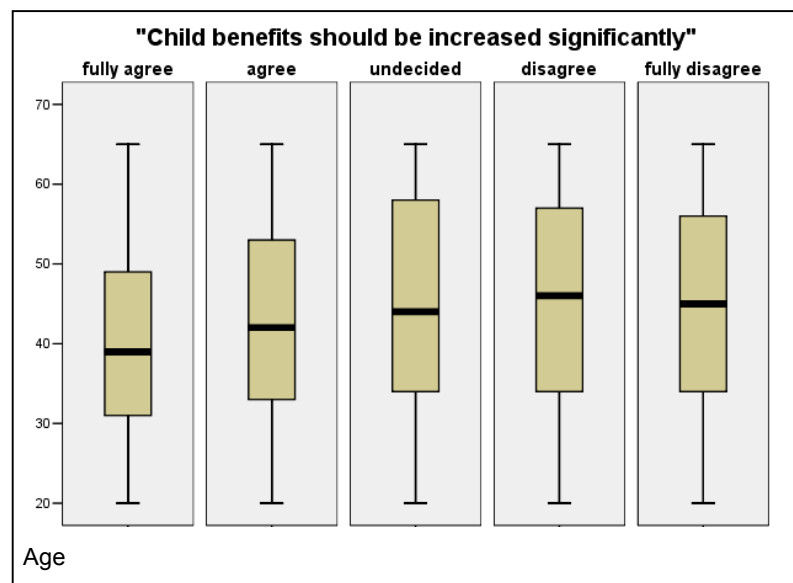
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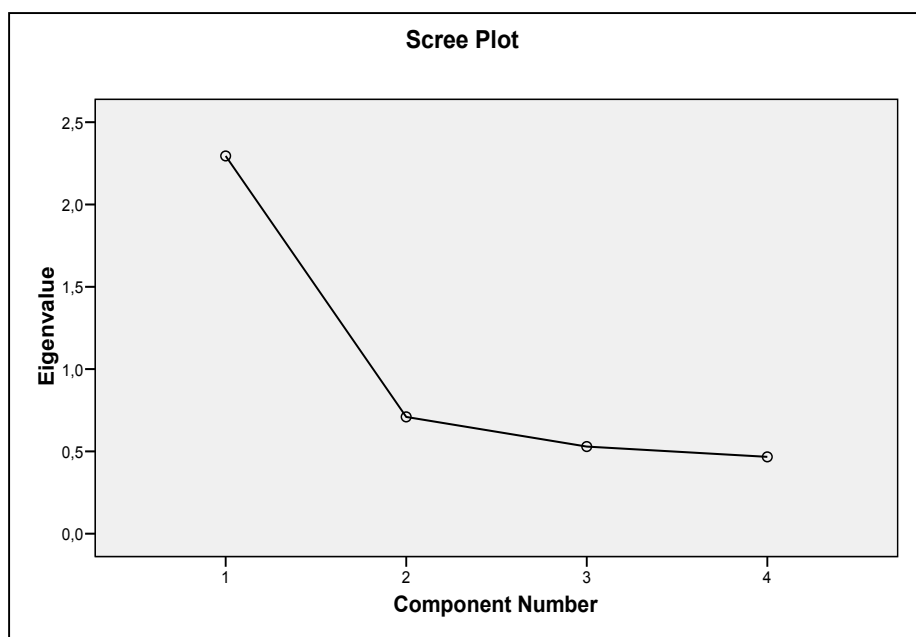
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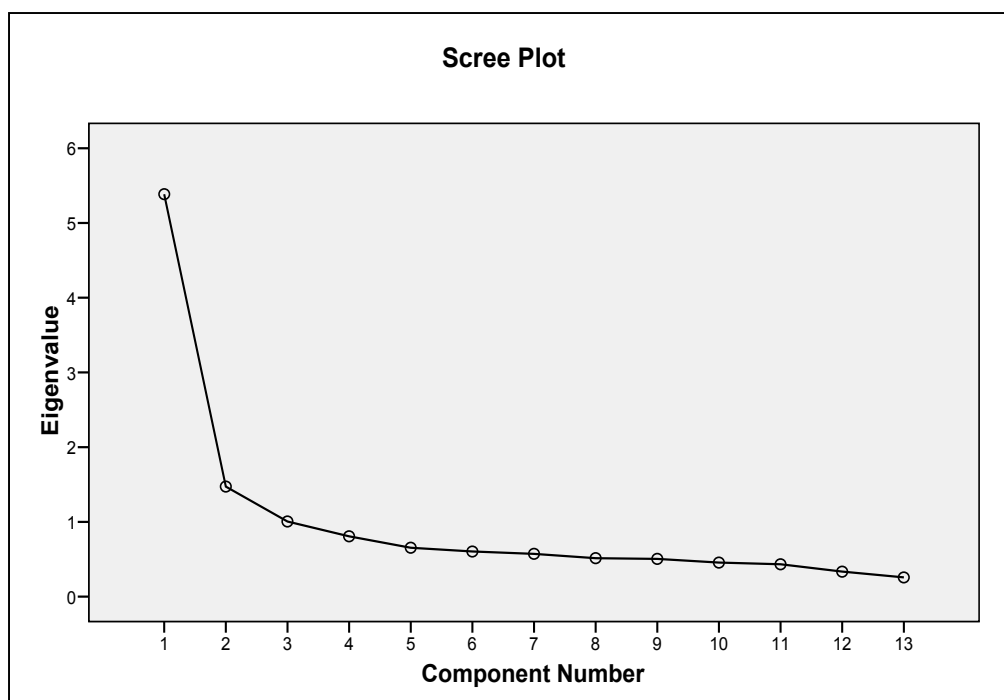
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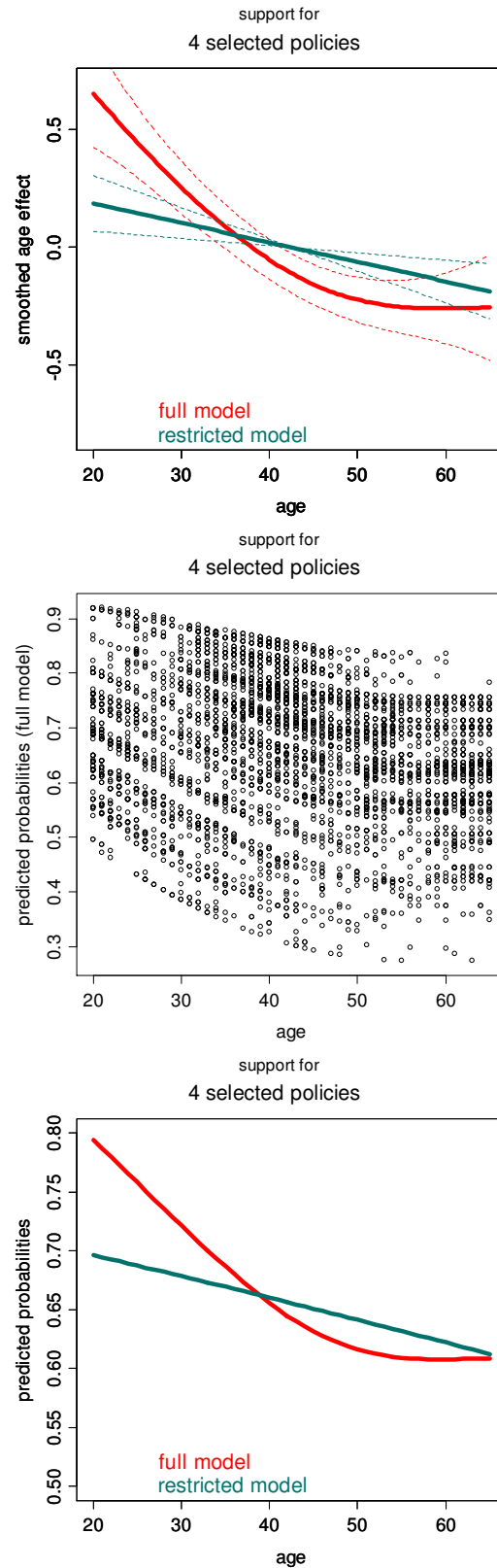
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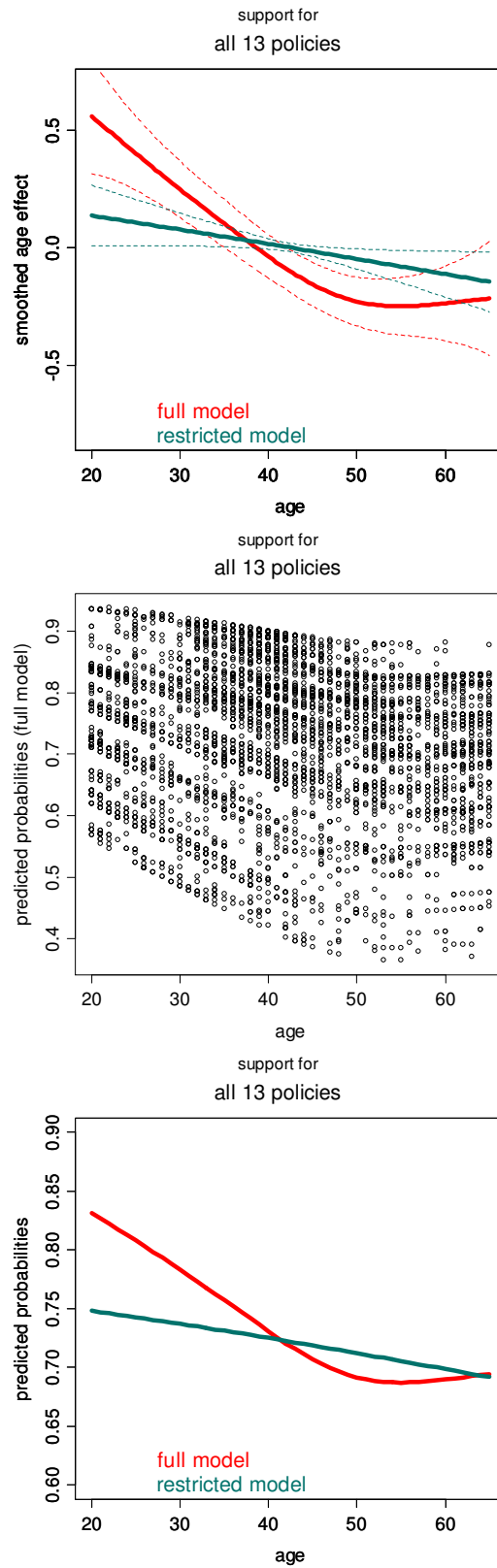
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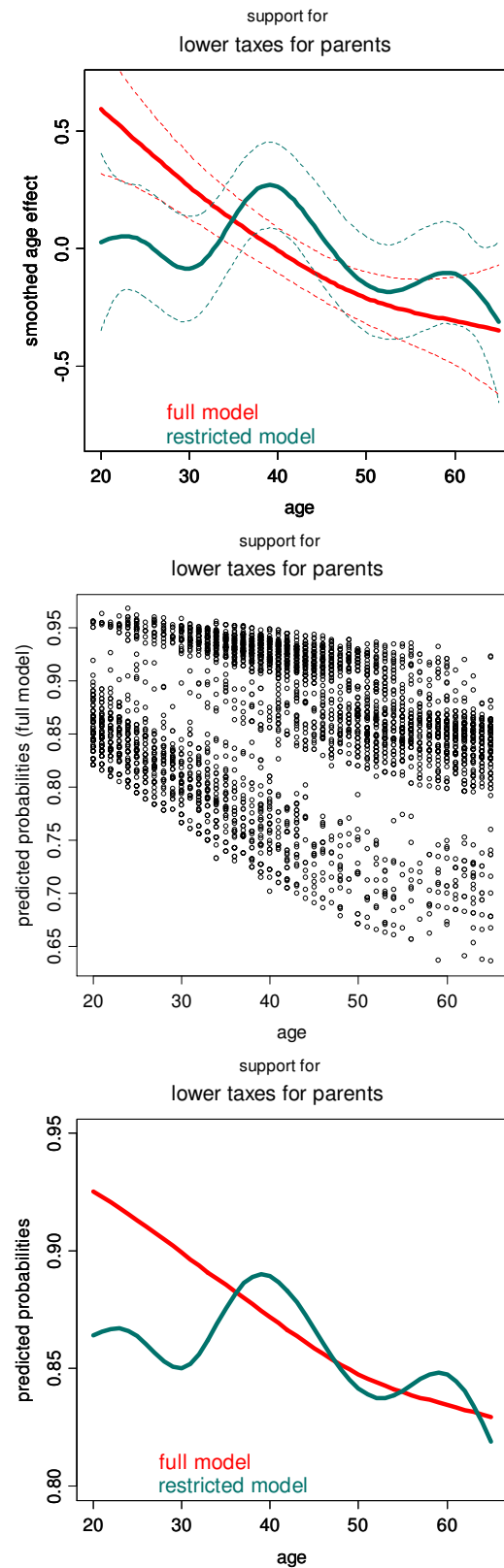
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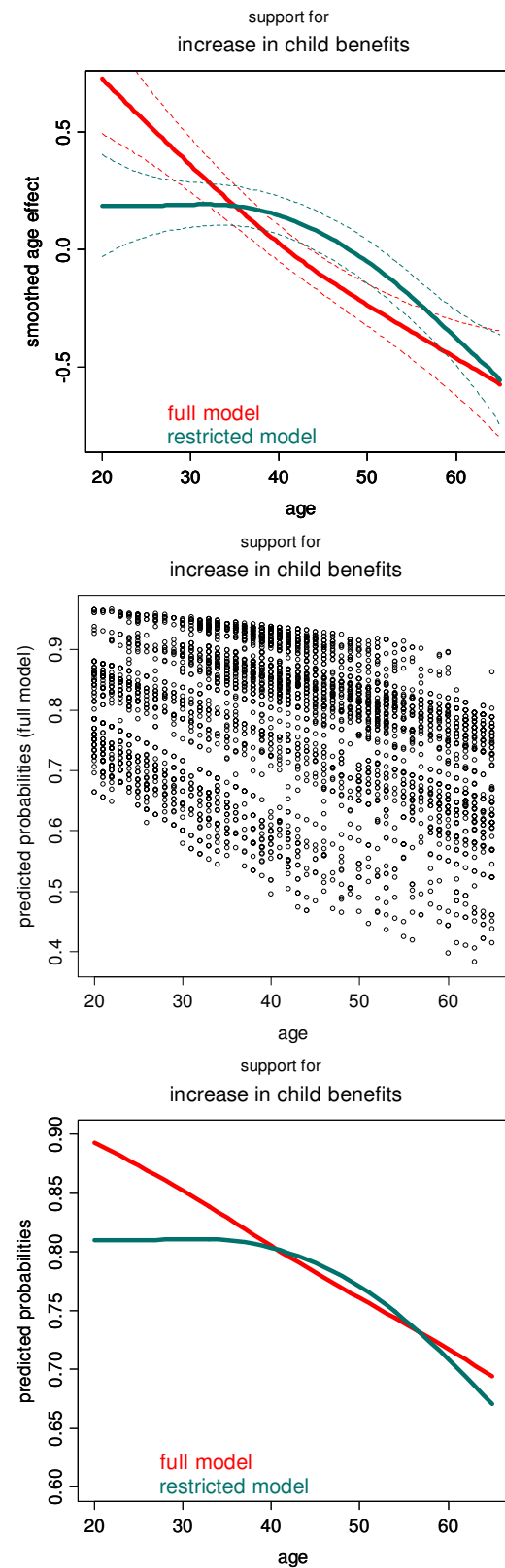
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support for
financial bonus, means-tested

support for
financial bonus, means-tested

support for
financial bonus, means-tested
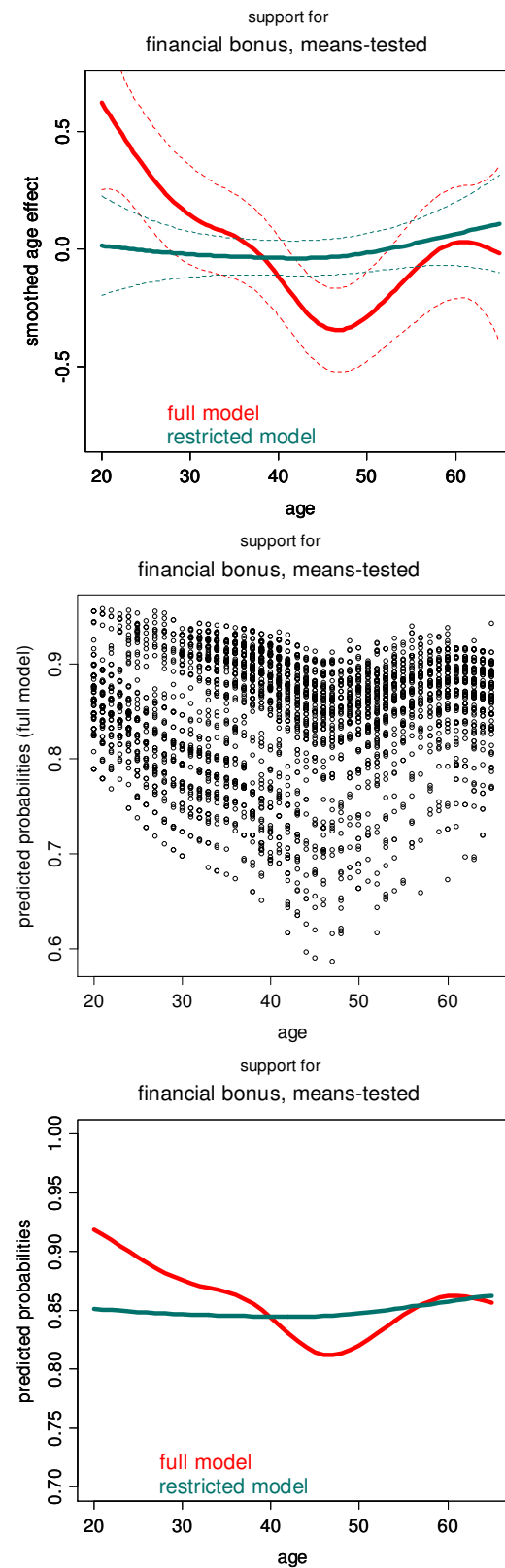
Graph 24a-c – GAM – financial bonus, means-tested; PPAS 2003
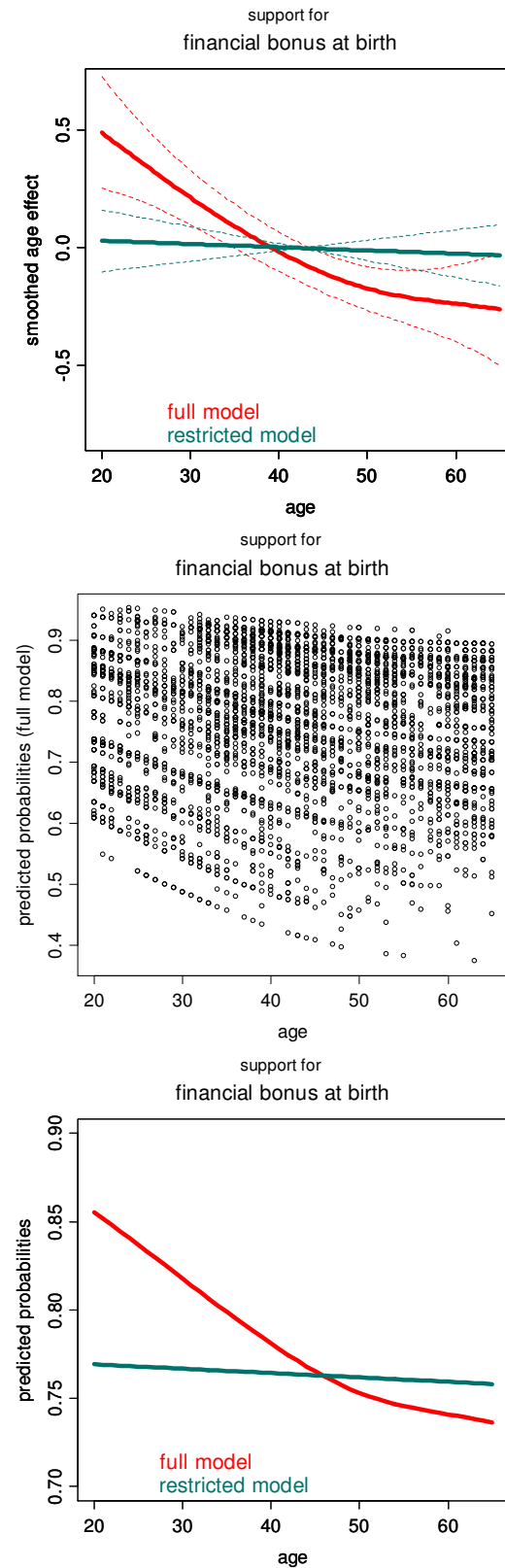
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support for
financial bonus for parents, who give up their jobs

support for
financial bonus for parents, who give up their jobs

support for
financial bonus for parents, who give up their jobs
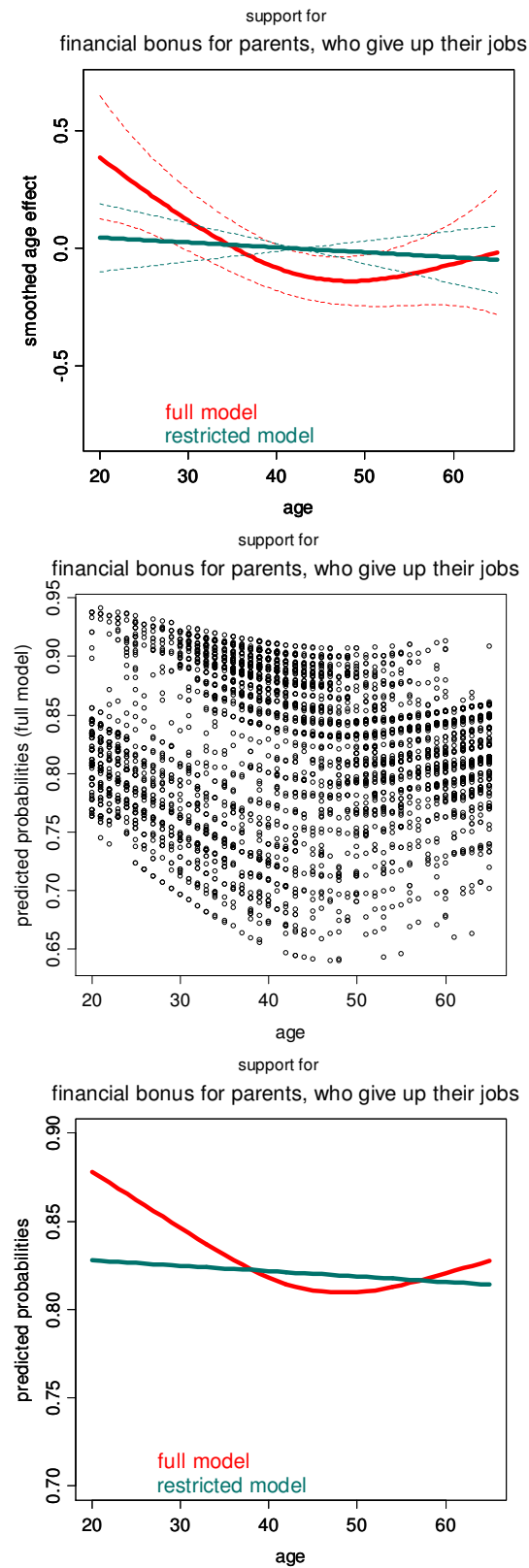
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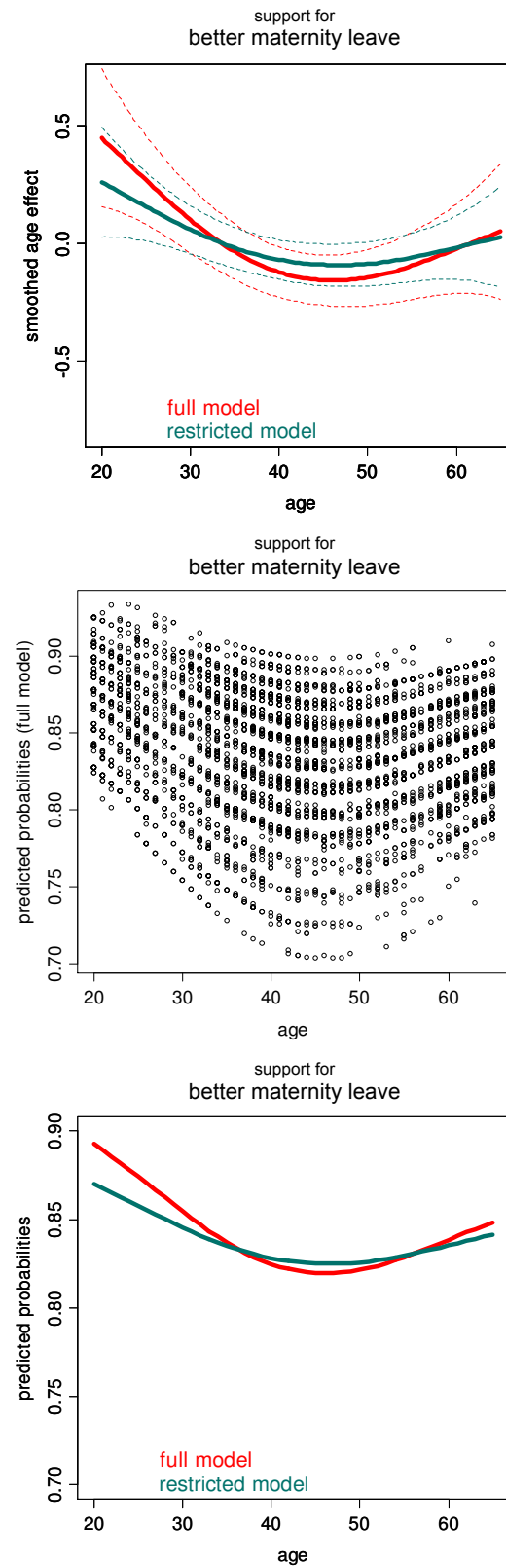
Graph 27a-c – GAM – better maternity leave; PPAS 2003
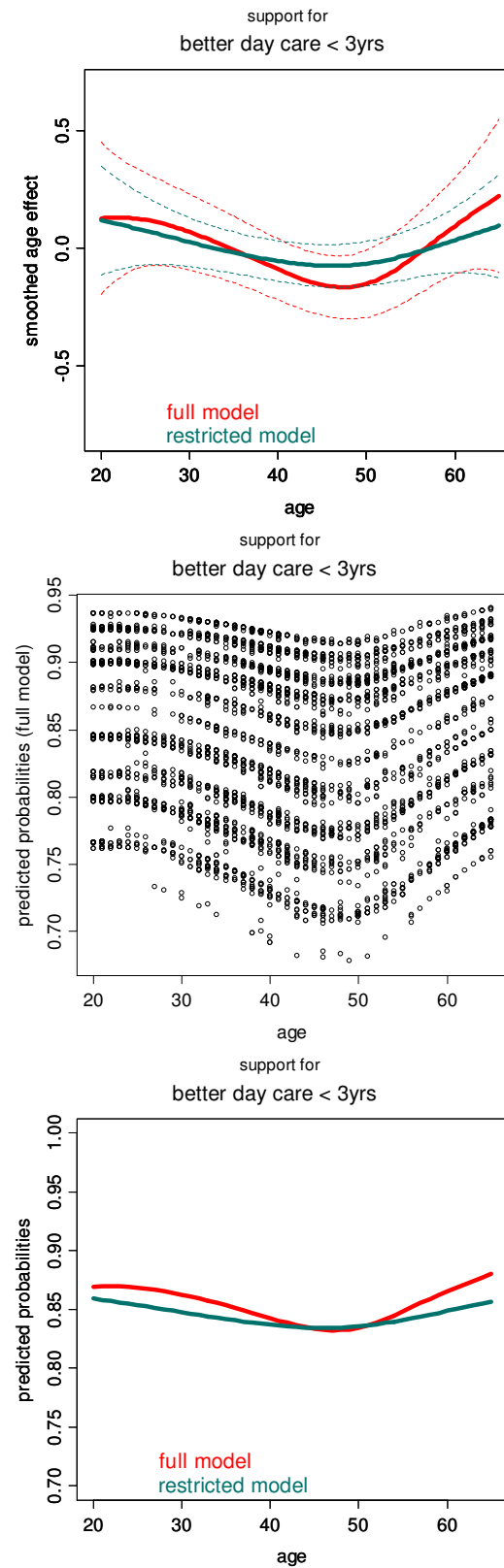
Graph 28a-c – GAM – better day care < 3 years; PPAS 2003
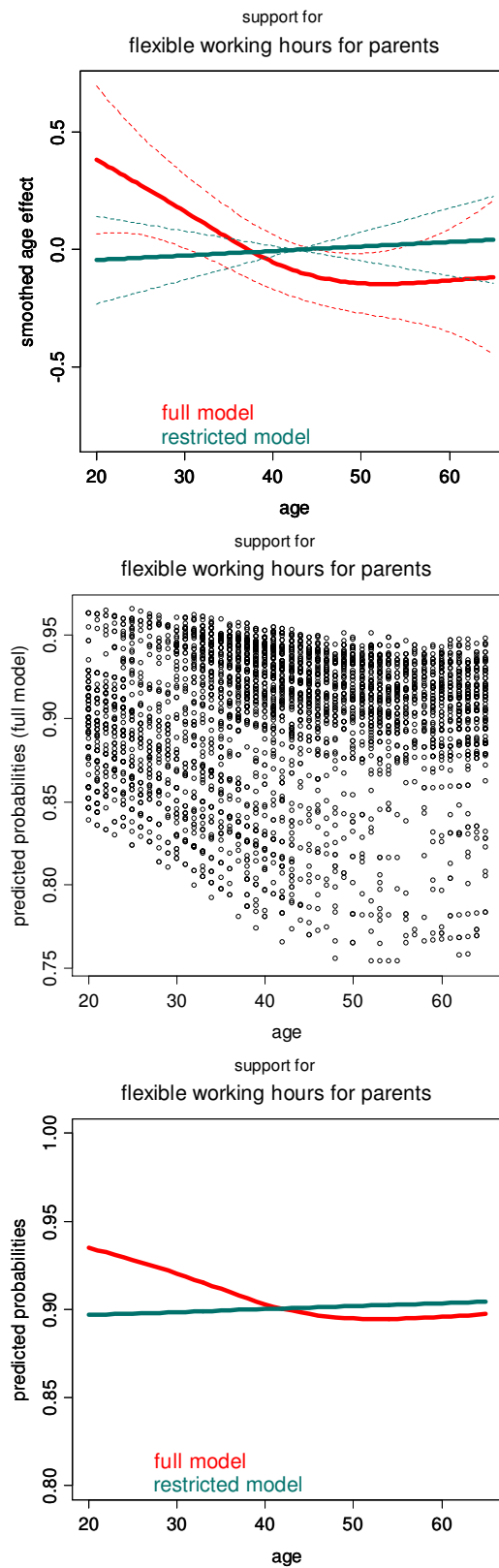
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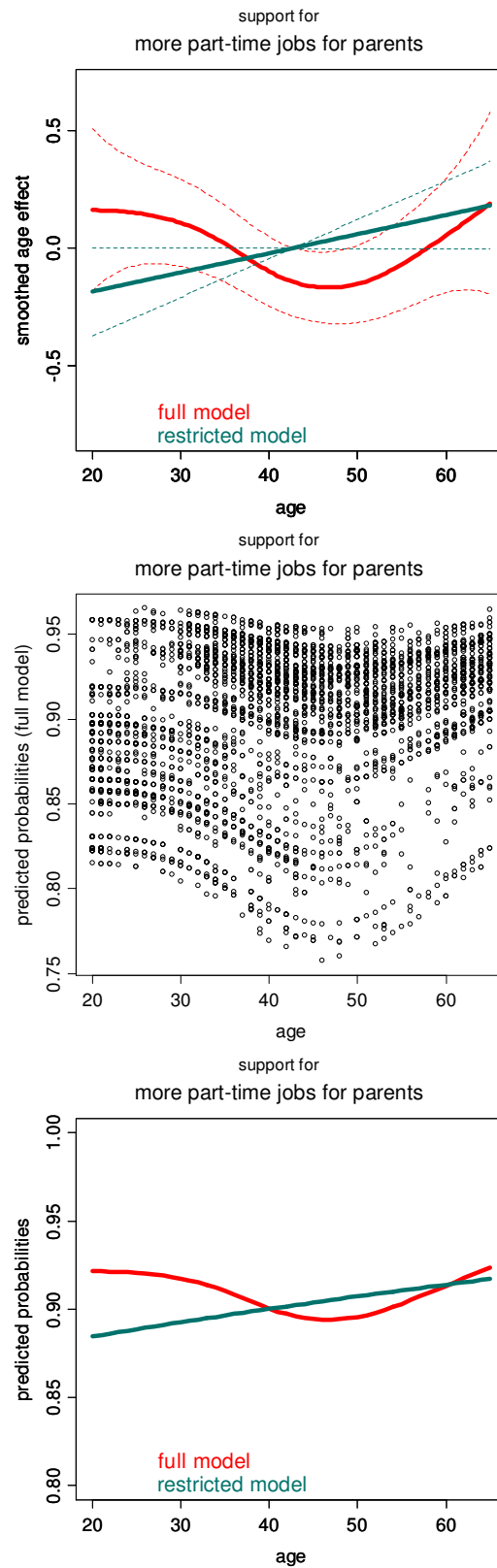
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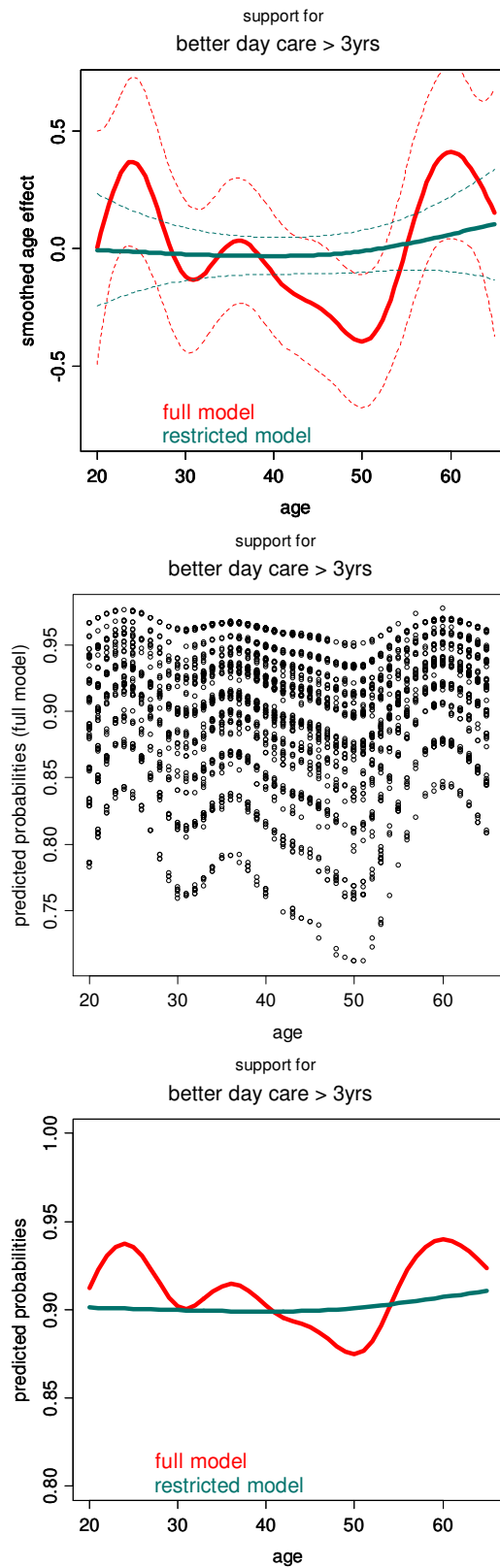
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support for
better child care before and after school hours

support for
better child care before and after school hours

support for
better child care before and after school hours
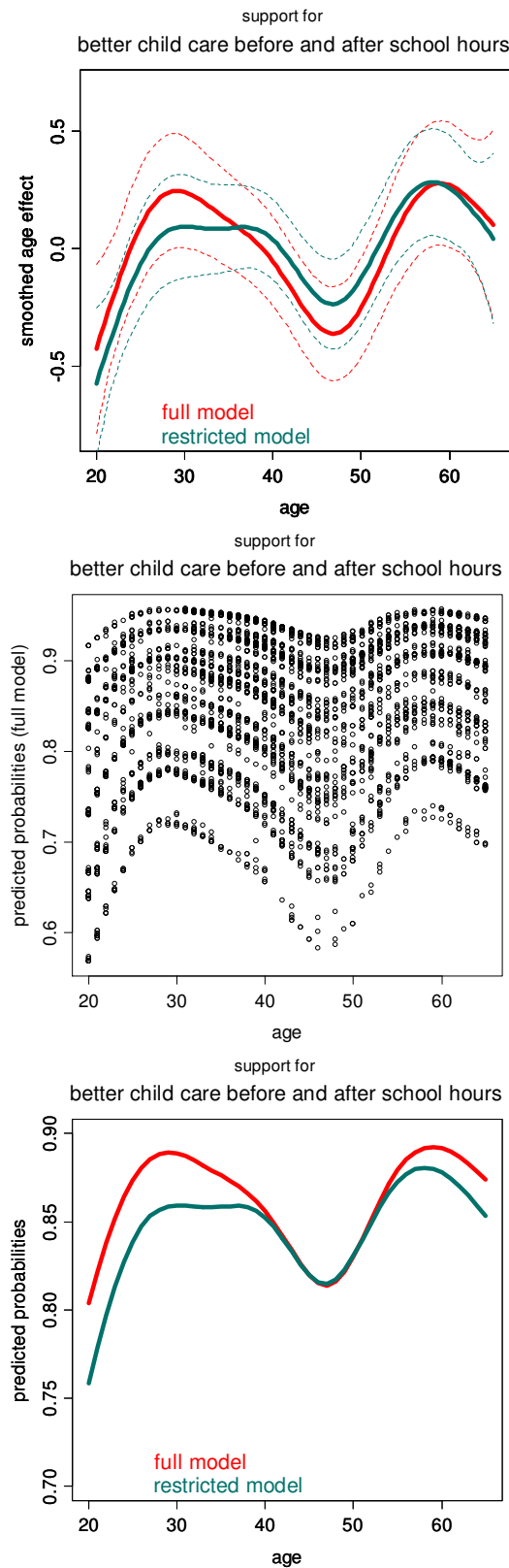
Graph 32a-c – GAM – better child care before/after school hours; PPAS 2003

support for
drastically lower costs for education

support for
drastically lower costs for education

support for
drastically lower costs for education
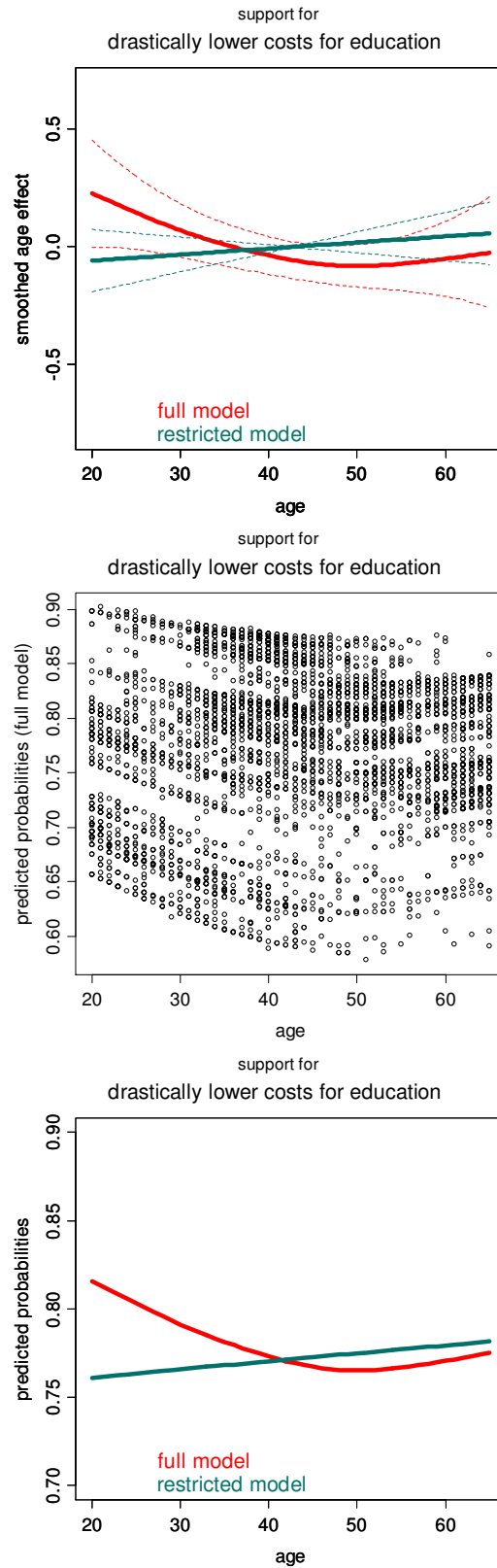
Graph 33a-c – GAM – lower costs for education; PPAS 2003

support for
better housing for families

support for
better housing for families

support for
better housing for families
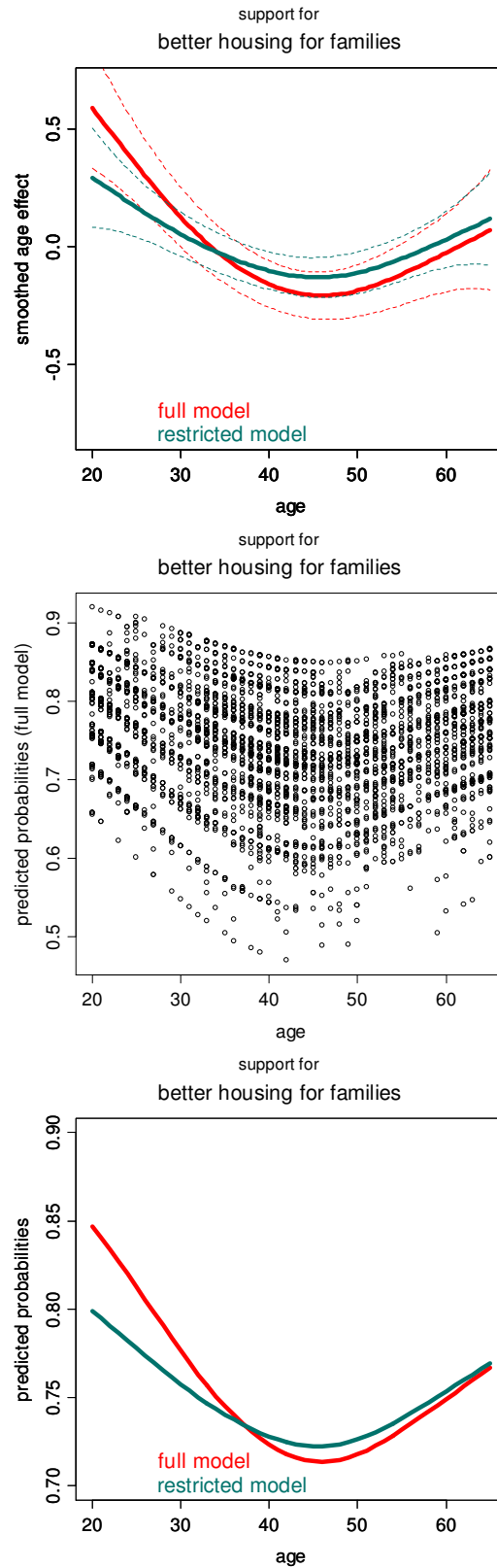
Graph 34a-c – GAM better housing for families; PPAS 2003

support for
pension reforms, which put burden on the young

support for
pension reforms, which put burden on the young

support for
pension reforms, which put burden on the young
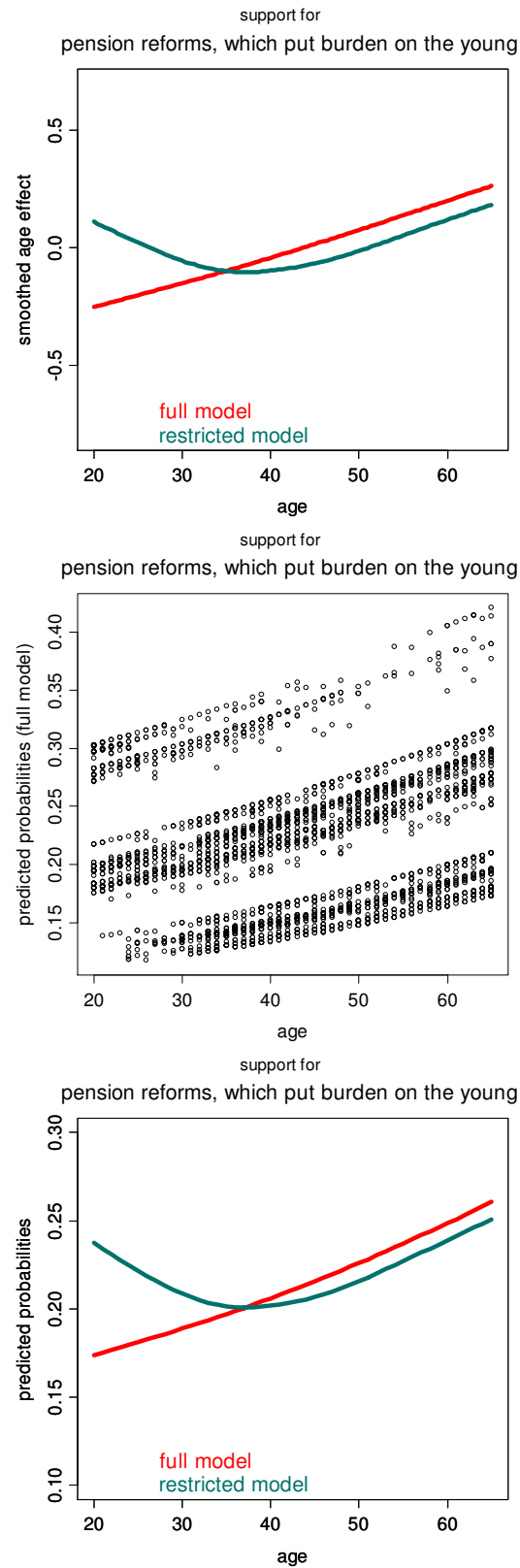
Graph 35a-c – GAM – pensions reforms; PPAS 2003
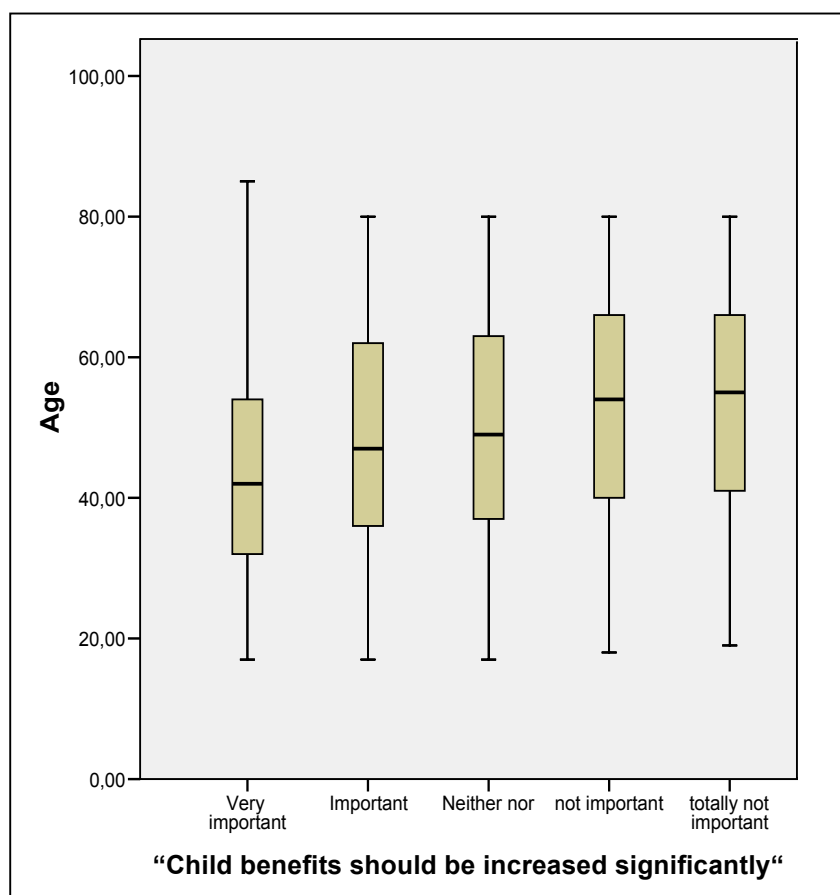
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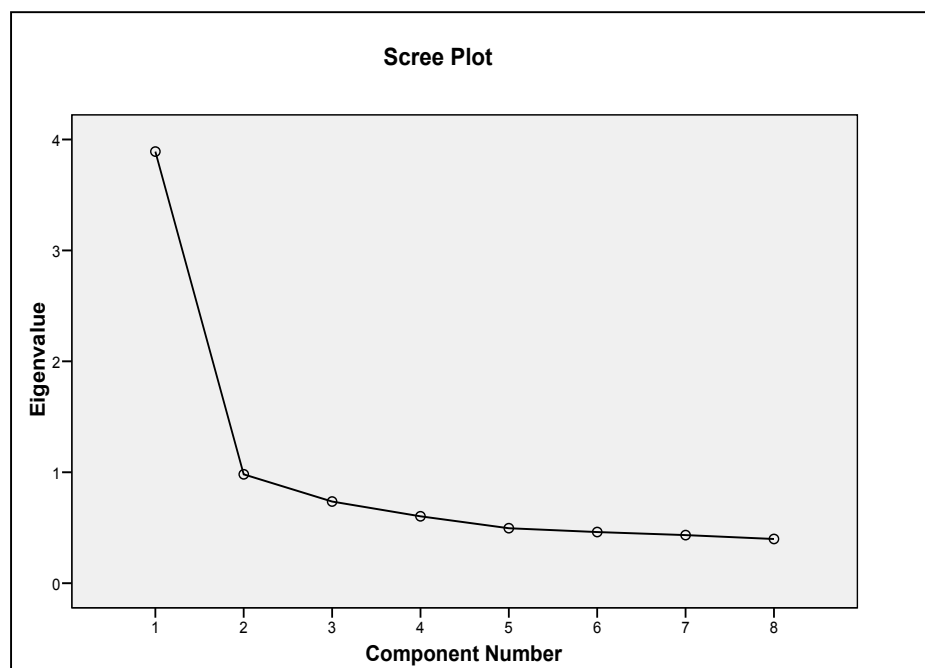
Graph 36 – Screenplot for factor analysis of eight items (family policies); GGS 2005

Scree Plot
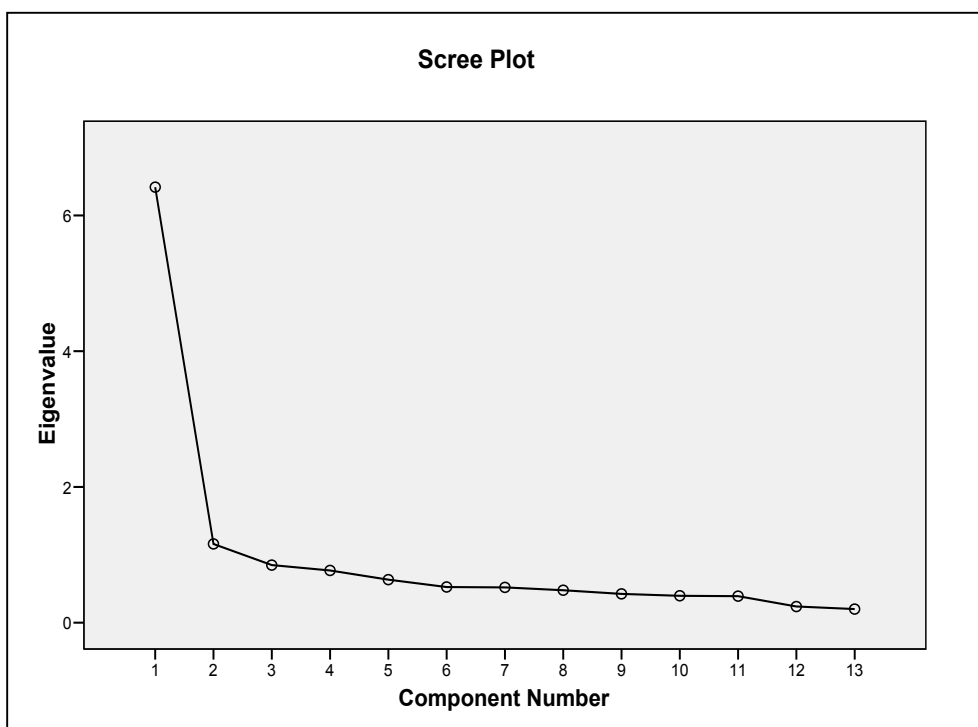
Graph 37 – Screenplot for factor analysis of 13 items (family policies); GGS 2005
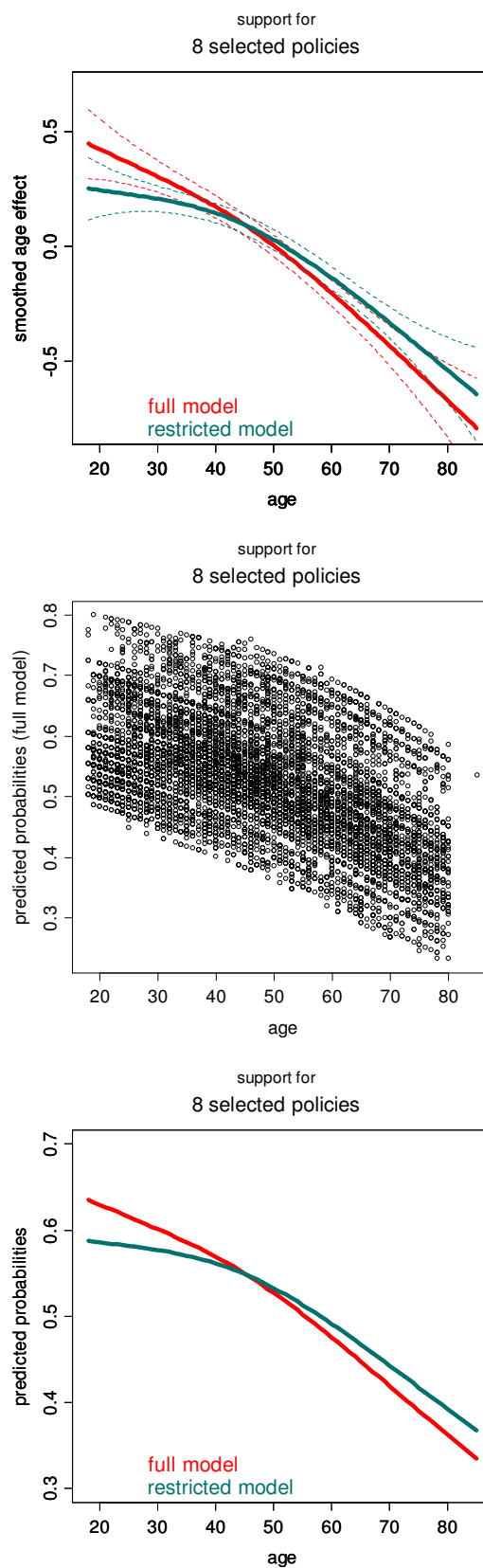
Graph 38a-c – GAM – 8 selected family policies; GGS 2005

support for
all 13 policies

support for
all 13 policies

support for
all 13 policies
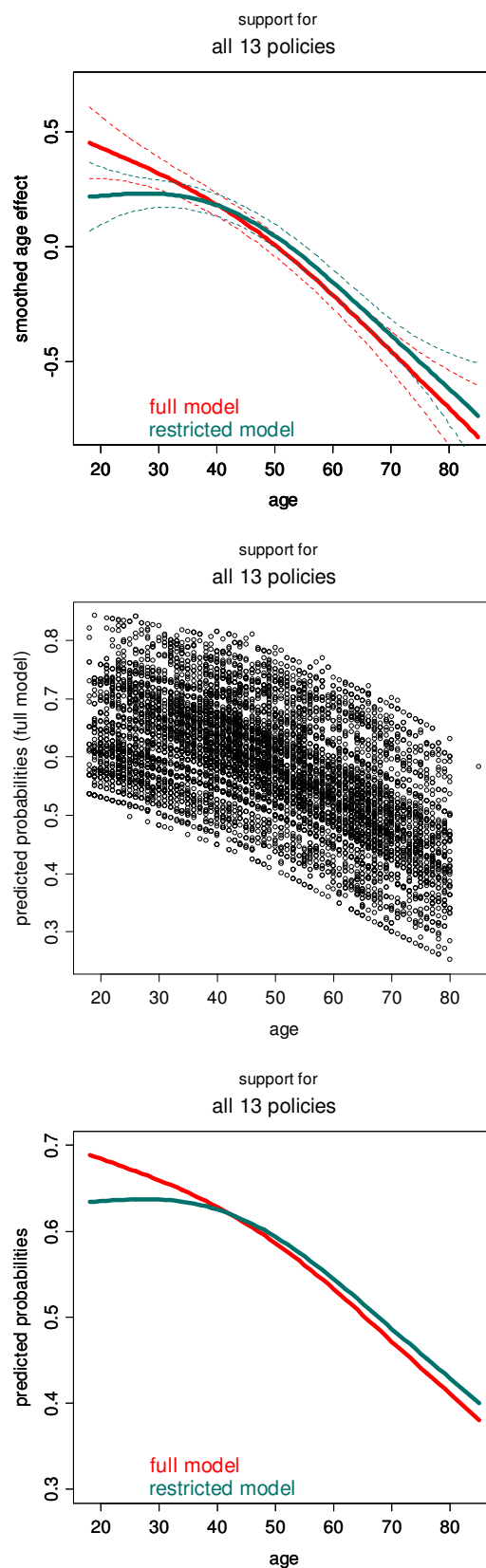
Graph 39a-c – GAM – all 13 family policies; GGS 2005

support for
lower taxes for parents

support for
lower taxes for parents

support for
lower taxes for parents
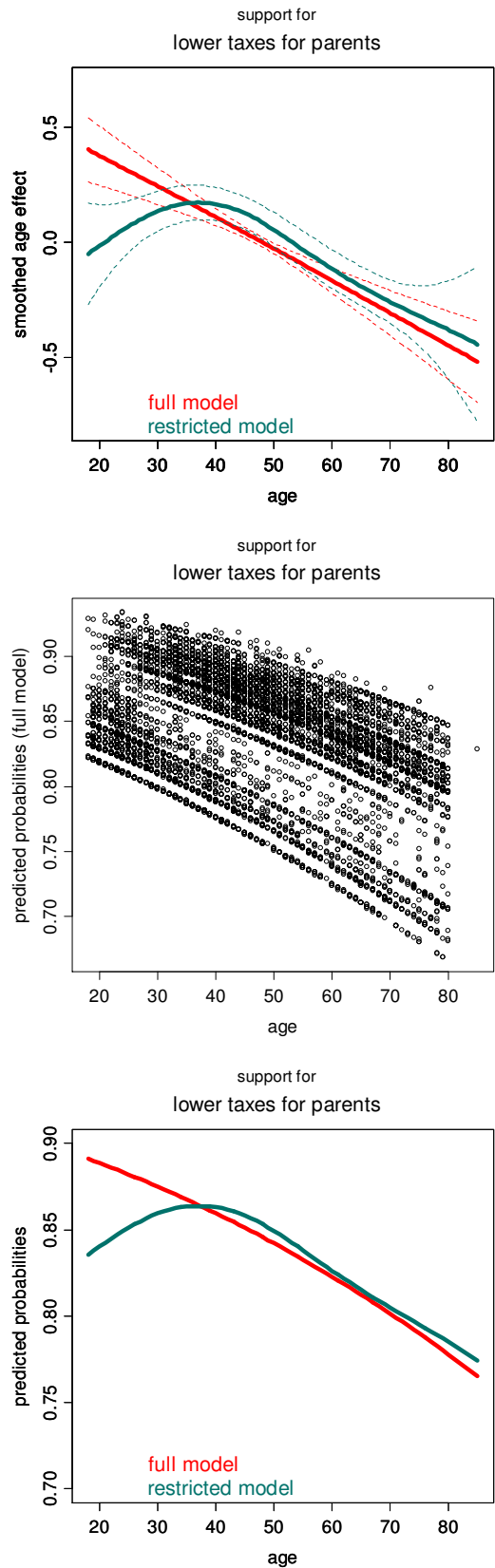
Graph 40a-c – GAM – lower taxes; GGS 2005
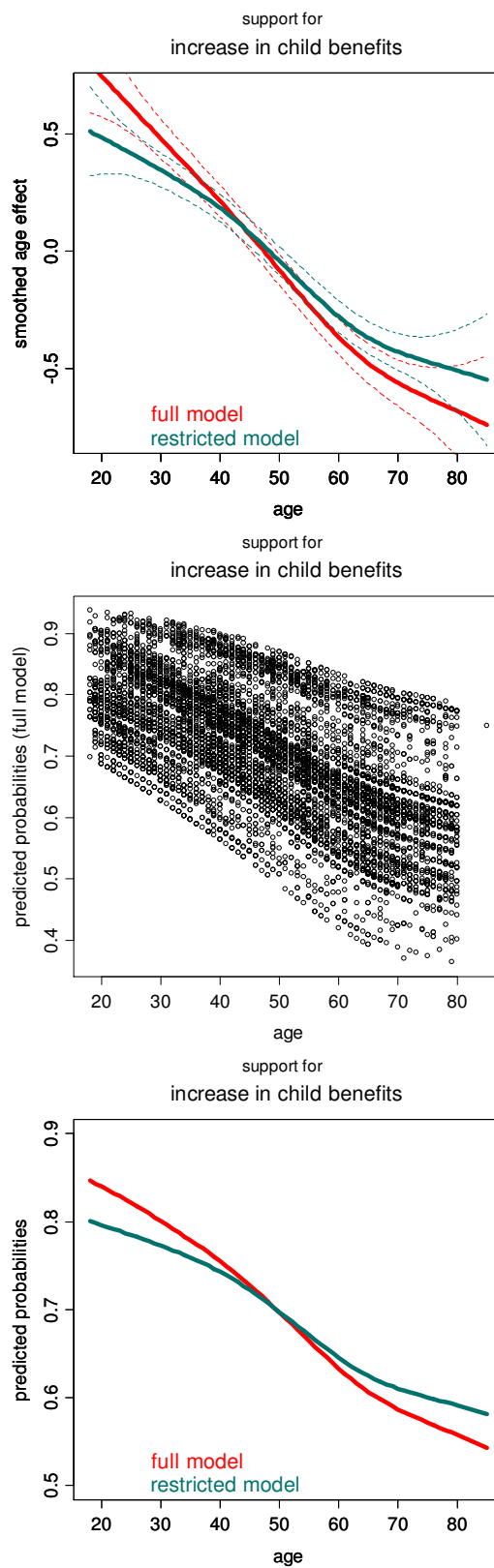
Graph 41a-c – GAM – increase in child benefits; GGS 2005

support for
financial bonus, means-tested

support for
financial bonus, means-tested

support for
financial bonus, means-tested
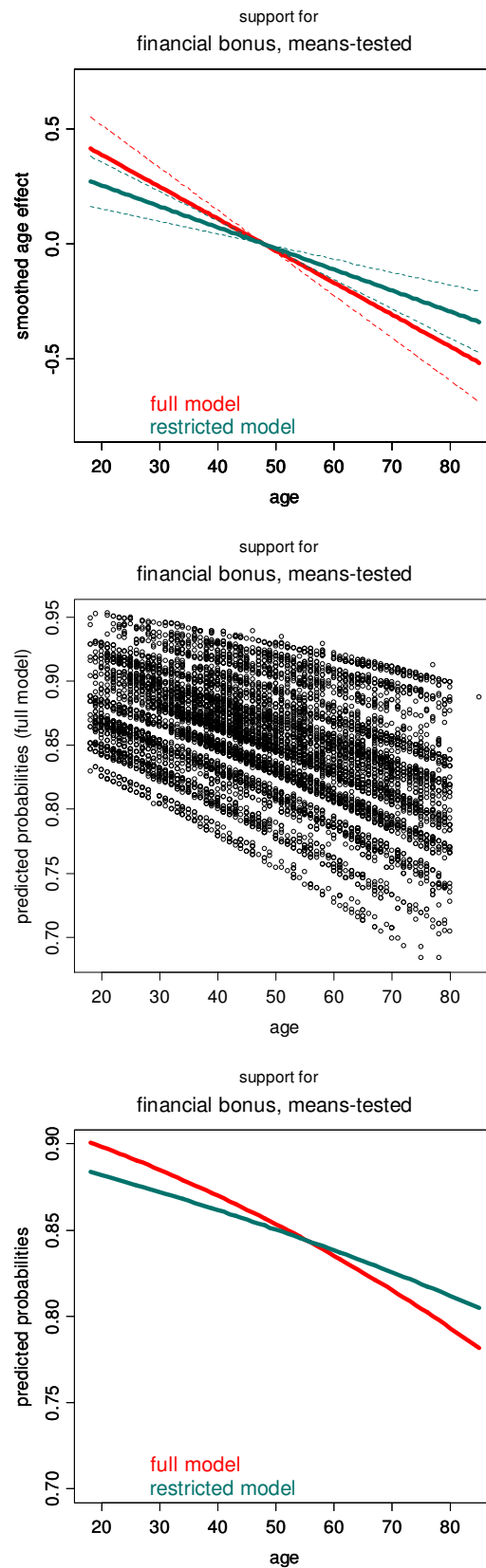
Graph 42a-c – GAM – financial bonus, means-tested; GGS 2005

support for
financial bonus at birth

support for
financial bonus at birth

support for
financial bonus at birth
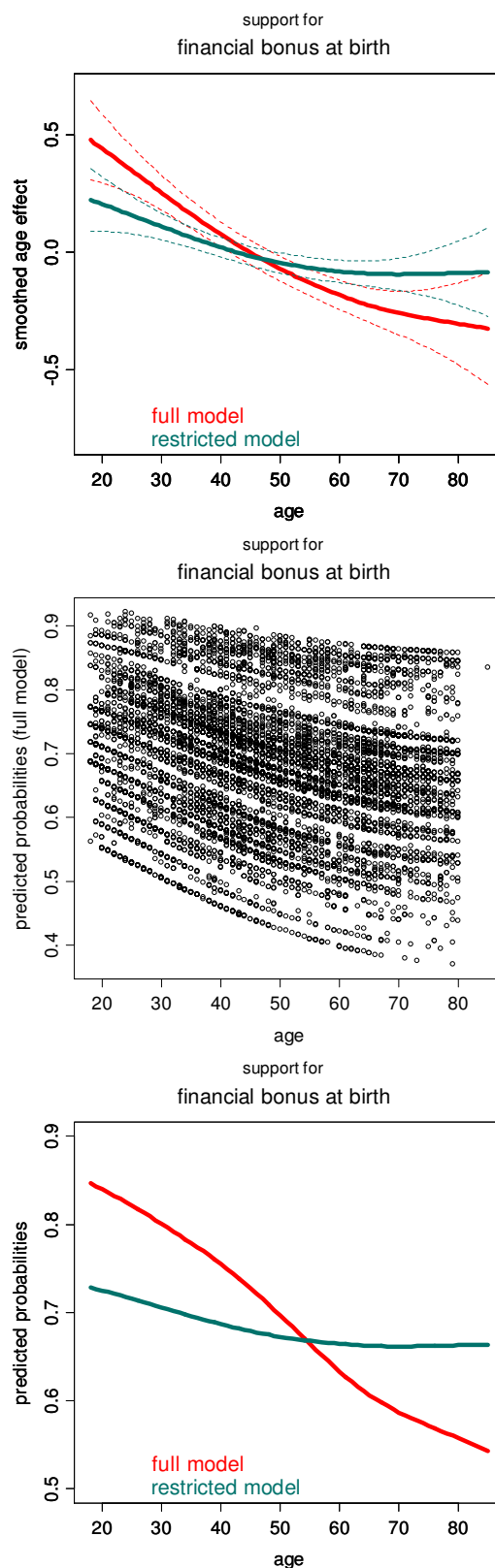
Graph 43a-c – GAM – financial bonus at birth; GGS 2005

support for
financial bonus for parents, who give up their jobs

support for
financial bonus for parents, who give up their jobs

support for
financial bonus for parents, who give up their jobs
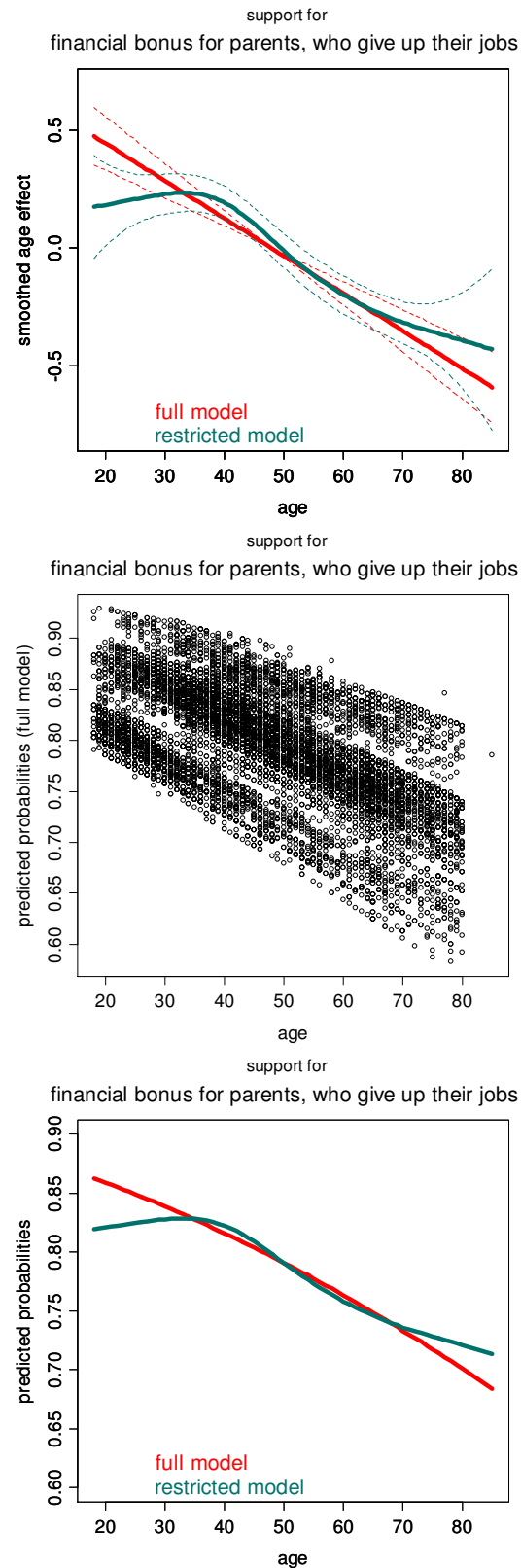
Graph 44a-c – GAM – financial bonus for giving up job; GGS 2005
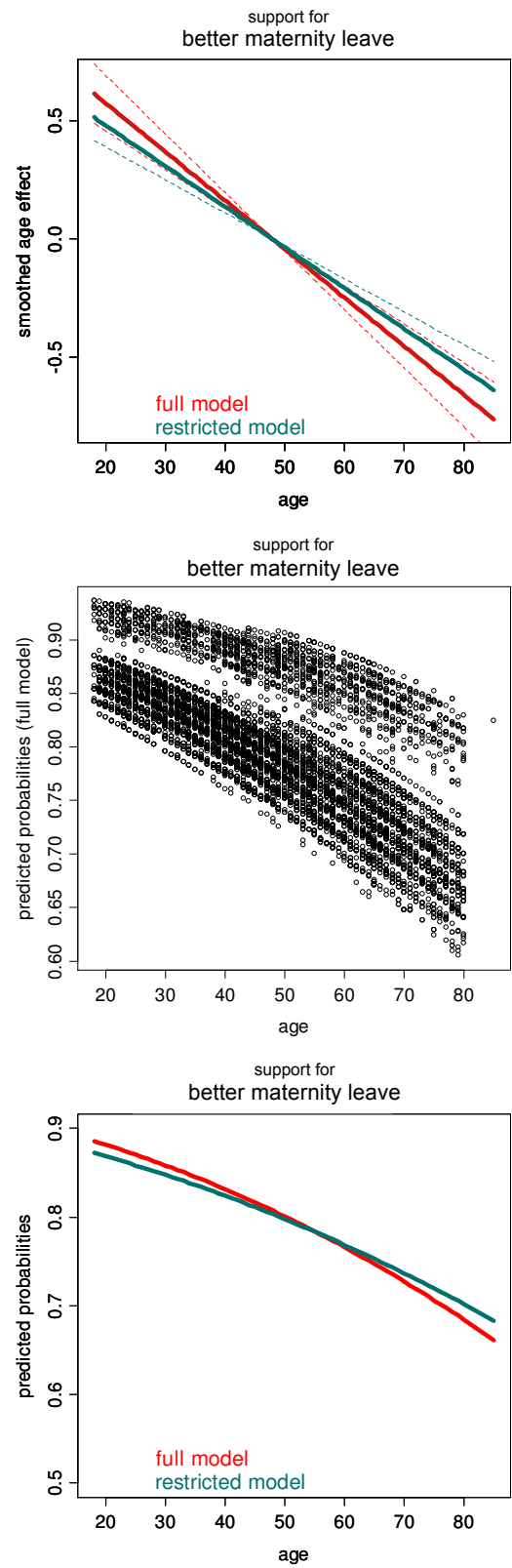
Graph 45a-c – GAM – better maternity leave; GGS 2005
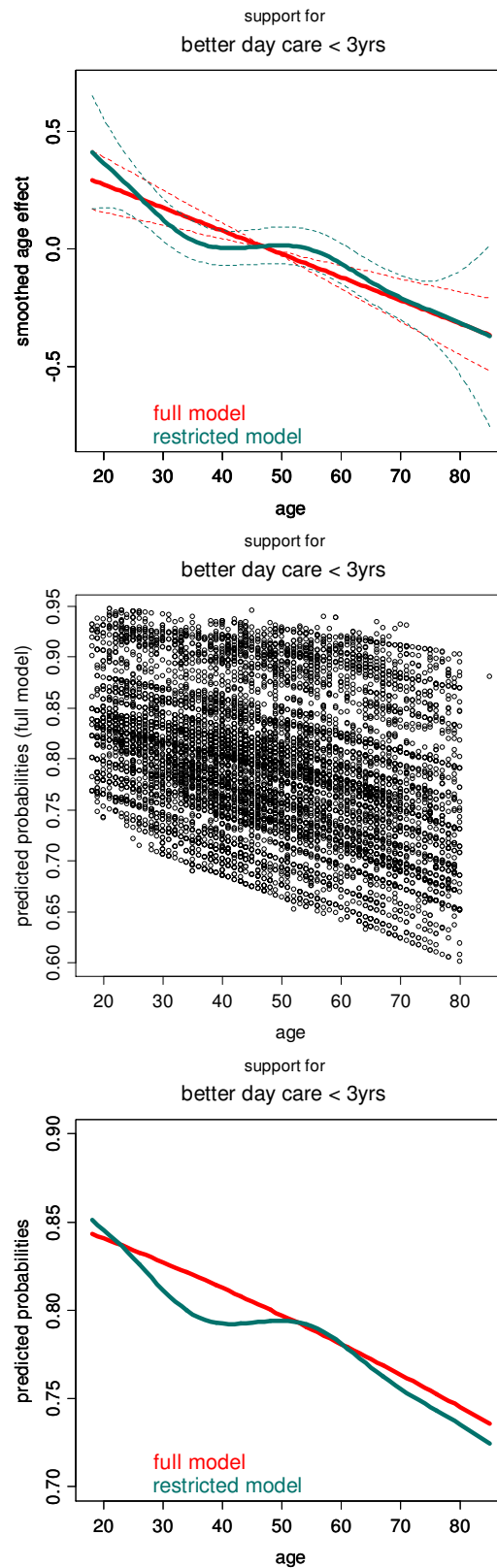
Graph 46a-c – GAM – better day care < 3 years; GGS 2005

support for
better day care > 3yrs

support for
better day care > 3yrs

support for
better day care > 3yrs
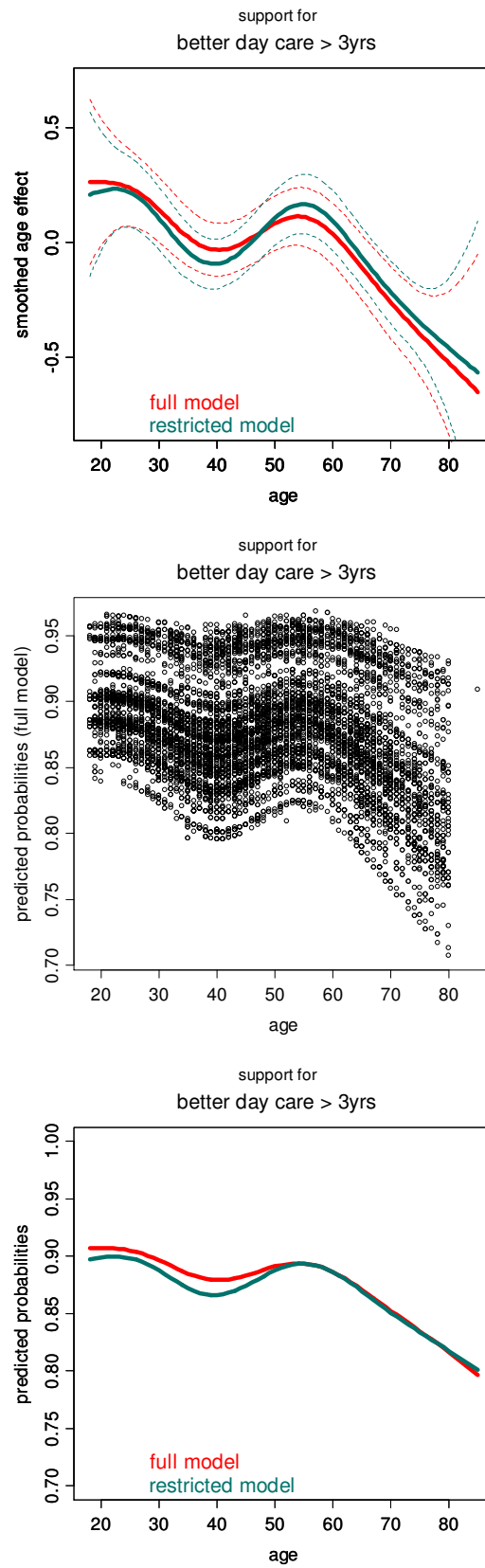
Graph 47a-c – GAM – better day care > 3 years; GGS 2005

support for
better child care before and after school hours

support for
better child care before and after school hours

support for
better child care before and after school hours
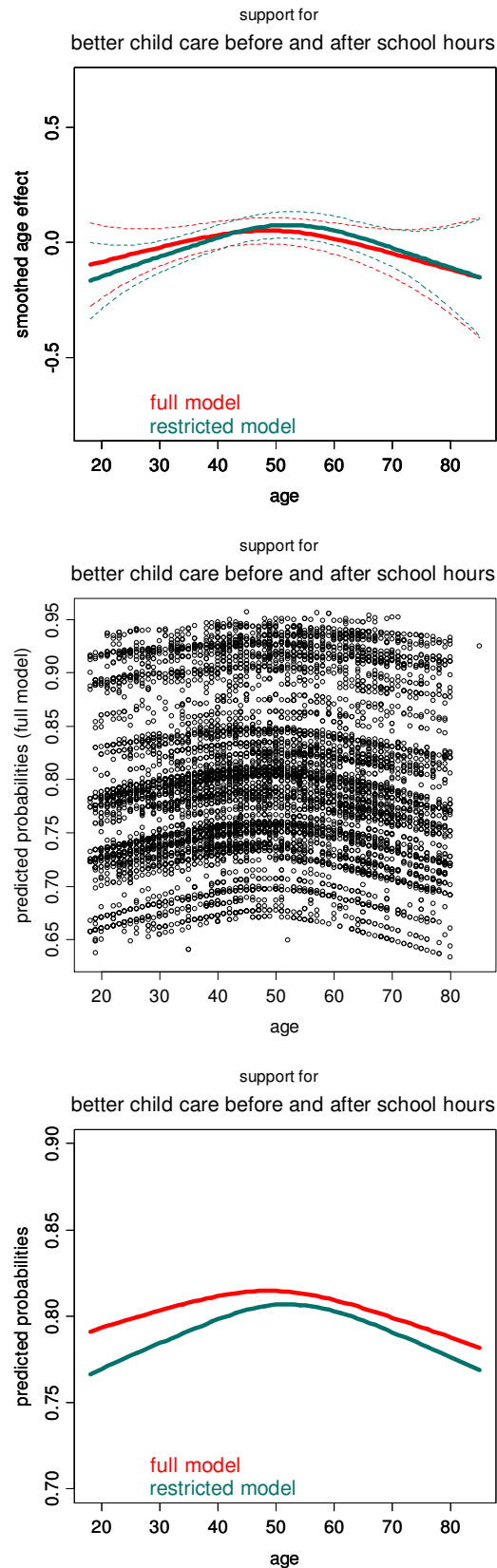
Graph 48a-c – GAM – better child care before/after school; GGS 2005

support for
flexible working hours for parents

support for
flexible working hours for parents

support for
flexible working hours for parents
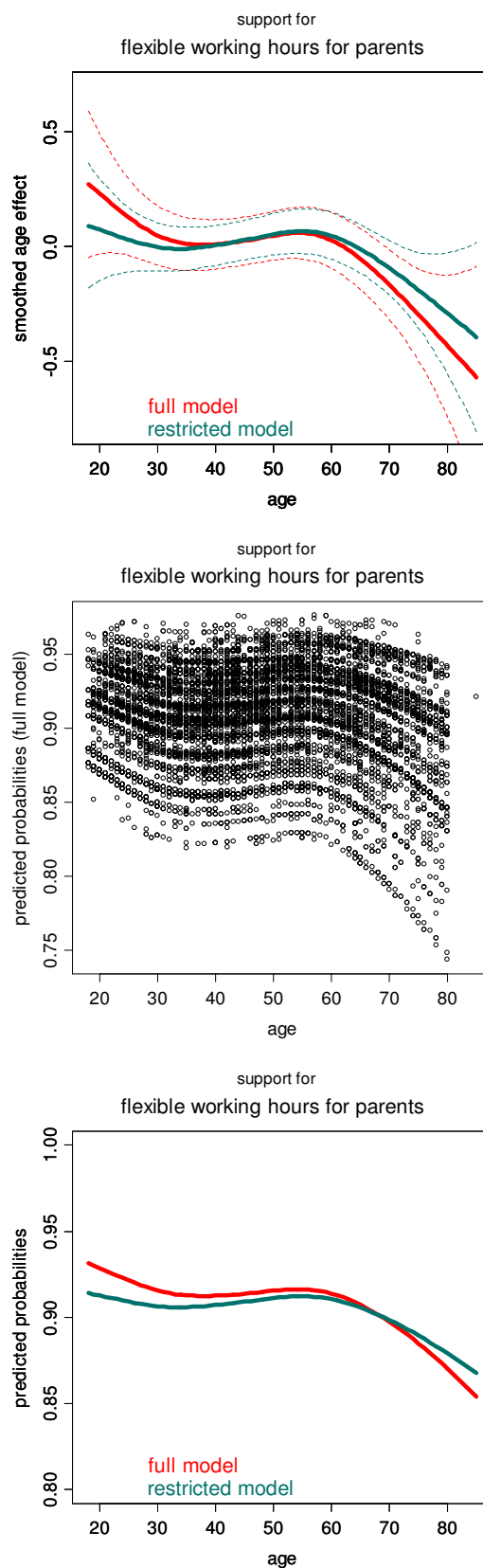
Graph 49a-c – GAM – flexible working hours; GGS 2005

support for
more part-time jobs for parents

support for
more part-time jobs for parents

support for
more part-time jobs for parents
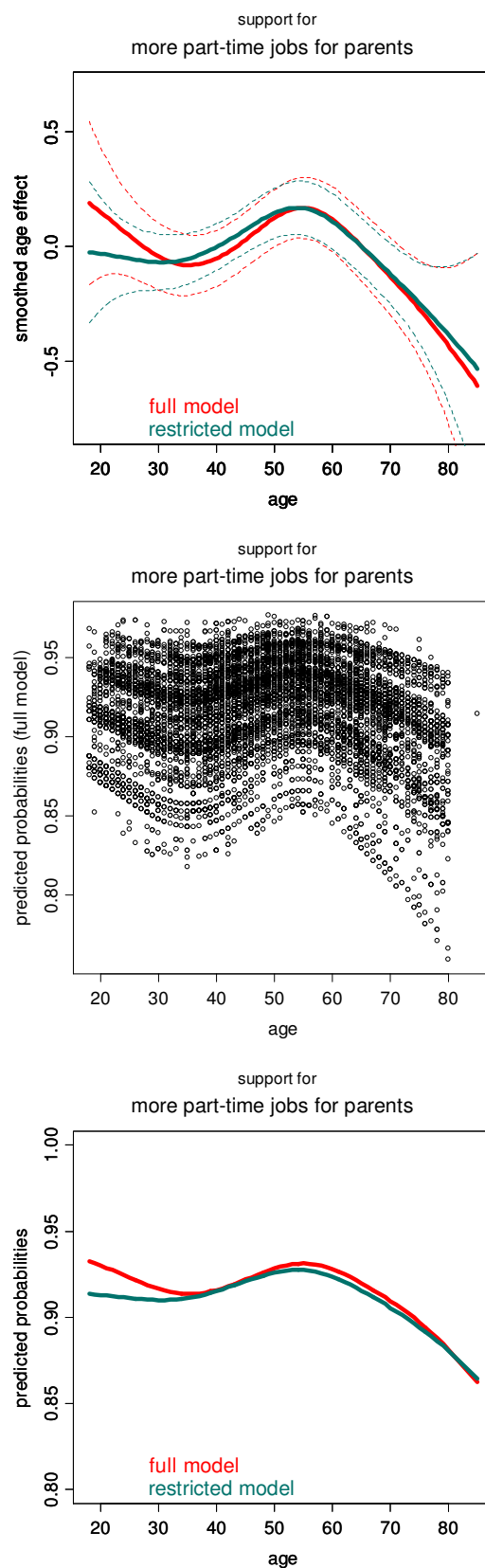
Graph 50a-c – GAM – more part-time jobs; GGS 2005

support for
more all-day schools

support for
more all-day schools

support for
more all-day schools
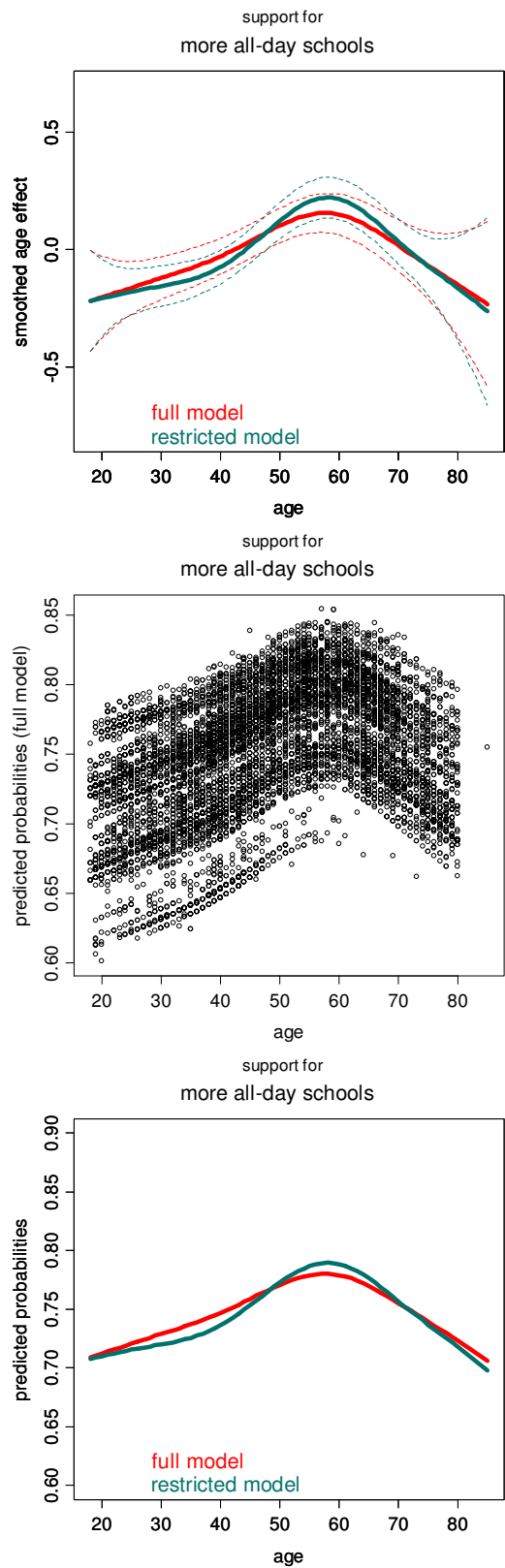
Graph 51a-c – GAM – more all-day schools; GGS 2005

support for
better housing for families

support for
better housing for families

support for
better housing for families
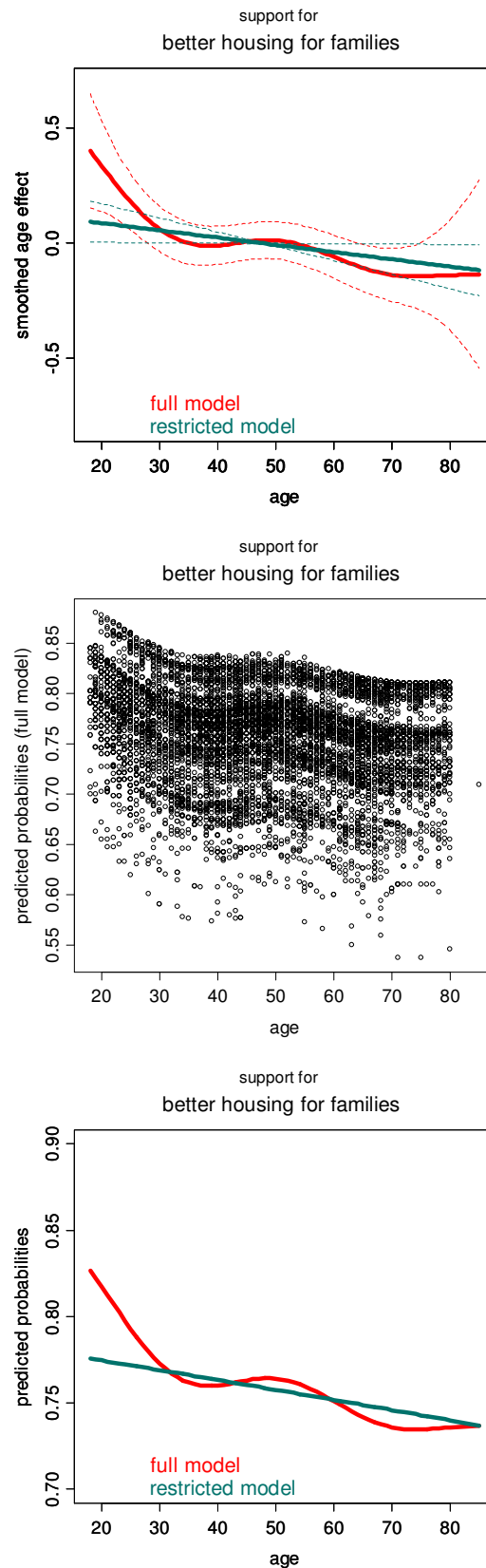
Graph 52a-c – GAM – better housing; GGS 2005

Annex: Tables
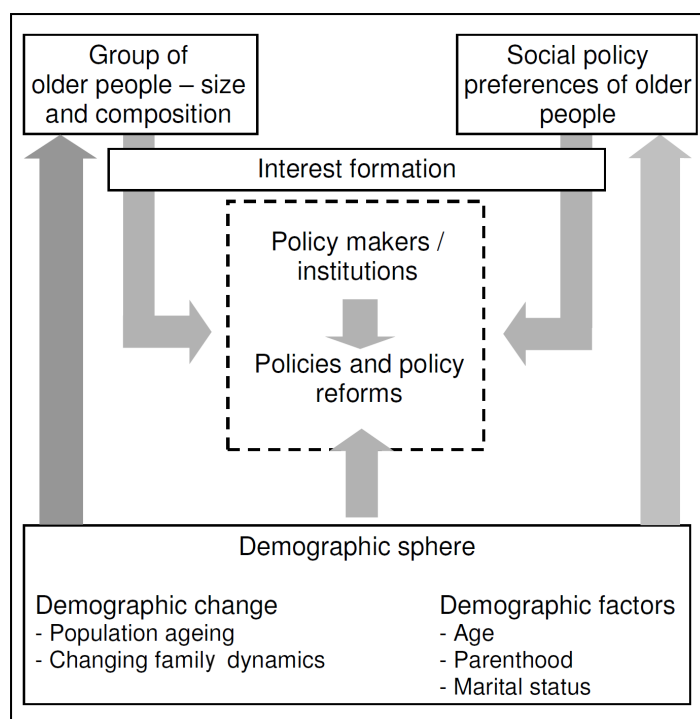
Table 1: Analytical framework
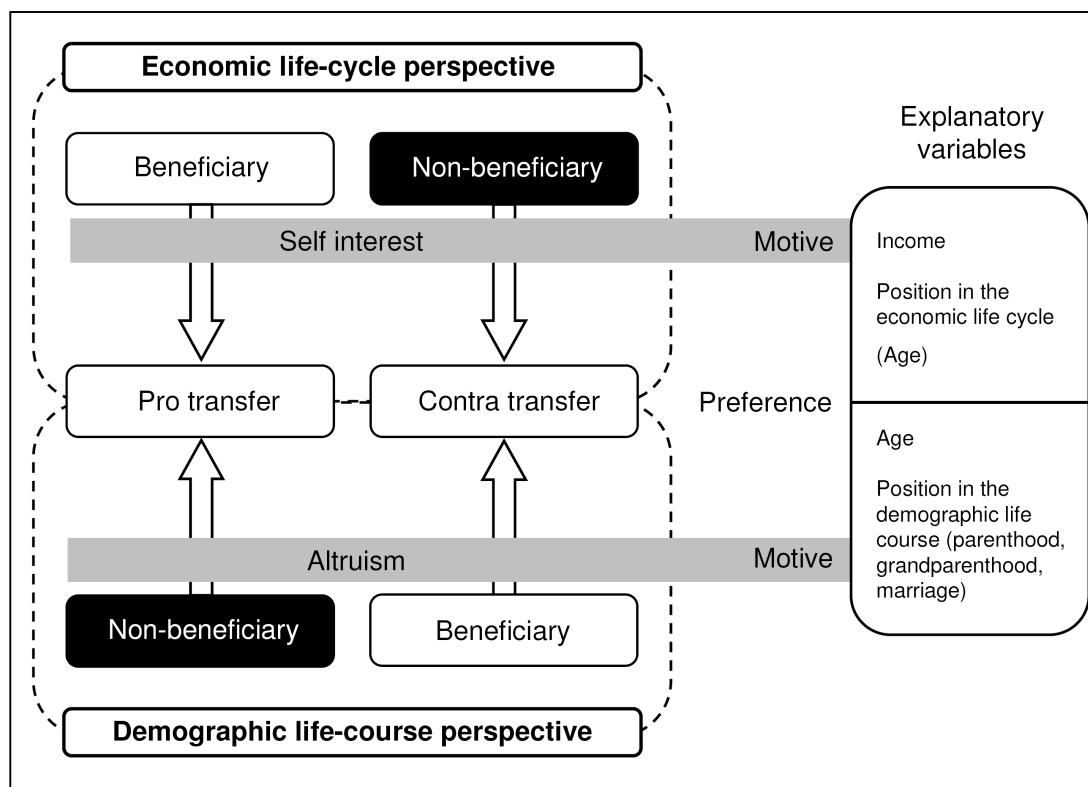
Table 2: Extended theoretical framework for the analysis of social policy preferences

Share of childless women at higher ages, simulated and real values, 2005 (in %)

Age group	Real values (Destatis 2010a)	Simulated values
40 – 44	20.8	20.2
45 – 49	17.2	17.1
50 – 54	15.7	12.9
55 – 59	14.1	13.0
60 – 64	12.4	10.5
65 – 69	11.2	12.5

Table 3: Share of childless women at higher ages, Germany 2005, simulated and real values

Female population by age and marital status Germany 2005, simulated and real values (per 1,000)								
Age group	Single		Married		Divorced		Widowed	
	Real	**Sim.**	**Real**	**Sim.**	**Real**	**Sim.**	**Real**	**Sim.**
15 – 19	995	996	5	4	0	1	0	0
20 – 24	903	890	93	106	4	3	0	1
25 – 29	666	649	303	328	29	22	1	1
30 – 34	426	402	502	533	69	64	4	1
35 – 39	286	278	600	588	107	129	7	5
40 – 44	185	175	656	648	144	161	15	15
45 – 49	118	118	697	681	156	168	29	33
50 – 54	81	80	721	712	146	160	51	49
55 – 59	58	77	726	698	131	138	85	88
60 – 64	47	59	704	686	115	115	133	140
65 – 69	47	44	650	640	91	88	212	228
70 – 74	54	24	542	568	69	68	336	340
75 – 79	68	36	393	457	56	52	483	455
80 – 84	87	99	235	280	53	56	626	565
85plus	92	283	103	94	46	38	758	584
Total	373	310	434	461	77	84	116	145

Table 4: Female population by age and marital status, Germany 2005, simulated and real values

Age group	Single		Married		Divorced		Widowed	
	Real	**Sim.**	**Real**	**Sim.**	**Real**	**Sim.**	**Real**	**Sim.**
15 – 19	999	1000	1	0	0	0	0	0
20 – 24	966	966	32	33	1	1	0	0
25 – 29	816	823	170	168	14	9	0	1
30 – 34	585	602	368	366	47	32	1	1
35 – 39	417	422	496	497	85	80	2	1
40 – 44	287	290	586	576	122	132	4	2
45 – 49	193	188	652	662	147	143	8	6
50 – 54	133	134	710	712	142	145	14	9
55 – 59	95	112	756	738	126	132	23	18
60 – 64	76	92	781	780	105	99	38	29
65 – 69	65	72	799	783	77	83	59	62
70 – 74	51	50	798	779	55	60	95	112
75 – 79	41	24	758	761	39	39	162	177
80 – 84	37	38	678	652	33	43	253	266
85plus	57	73	464	460	36	34	443	433
Total	455	383	450	503	67	72	28	42

Table caption: **Male population by age and marital status / Germany 2005, simulated and real values (per 1,000)**

Table 5: Male population by age and marital status, Germany 2005, simulated and real values

Scenario 1: Rapid ageing

In this scenario, mortality is assumed to decline at the same rate that it has in recent decades, which corresponds to an increase in life expectancy at birth of three months per year – the same rate at which international record life expectancy has increased (Oeppen and Vaupel 2002). The values for life expectancy at birth are therefore projected to reach 80 years for men and 85 years for women in 2020, 82.5 years for men and 87.5 years for women in 2030, and 85 years for men and 90 years for women in 2040. As for fertility, we assume that the TFR will further decline to a value of 1.25 children per women for the period from 2010 to 2040, which would further accelerate the ageing process of the German population ("rapid ageing"). Marriage and divorce rates are assumed to stay constant at about the level of 2005. This is because first marriage rates have already fallen in recent decades in Germany to a relatively low level, while divorce and re-marriage rates have already increased significantly to a relatively high level, and there is some indication that they are levelling off (see Chapter III.2.3).

Scenario 2: Medium ageing

In the second scenario, the assumptions concerning future trends in mortality are the same as in Scenario 1 (increase in life expectancy at birth by three months per year). However, fertility rates are being kept constant at a TFR of about 1.36 over the next three decades (value for 2010). Again, marriage and divorce rates are assumed to stay constant over the whole projection period.

Scenario 3: Constant ageing

In the third scenario, all of the rates are kept constant at current levels for the whole simulation period from 2005 to 2040 (TFR at about 1.36, life expectancy at birth at 77 years for men and 82 years for women).

Scenario 4: Slow ageing

In the fourth scenario, population ageing is assumed to be slowing down significantly due to an immediate rise in TFR to 1.7 children per woman over the simulation period from 2005 to 2040. This increase of about 0.35 children per woman on average would correspond to a new "baby boom": the peak of the baby boom during the second half of the last century was in 1964, when the TFR reached 2.54; up from a value of below 2.20 before the onset of the baby boom in the mid-1950s (Bundesinstitut für Bevölkerungsforschung 2008). The ageing process of the population is further decelerated due to the assumption of constant values for life expectancy at birth at current levels. Marriages and divorce rats are kept constant at current levels, as in the other three scenarios.

Table 6: Scenarios for micro simulation, Germany 1956-2040

Projection scenarios	Assumptions		
	Mortality	*Fertility*	*Migration*
High	Normal	High	Normal
Medium	Normal	Medium	Normal
Low	Normal	Low	Normal
Constant fertility	Normal	Constant as of 2010	Normal
Instant replacement fertility	Normal	Instant replacement as of 2010	Normal
Constant mortality	Constant as of 2010	Medium	Normal
No change	Constant as of 2010	Constant as of 2010	Normal
Zero migration	Normal	Medium	Zero as of 2015

Table 7: UN World Population Prospects 2008 Revision: scenarios and assumptions

Overview of Population Forecasts – Share of People aged 55+ in the Year 2040			
Scenario	UN World Population Prospects	UN WPP – adjusted for zero migration	Micro simulation
High	41.6 %	43.8 %	
Medium	39.7 %	41.9 %	
Low	40.7 %	43.1 %	
Constant Fertility	45.9 %	48.5 %	
Fast Ageing			56.6 %
Medium Ageing			56.4 %
Constant Ageing			51.1 %
Slow Ageing			47.2 %

Table 8: Overview of Population Forecasts – Share of people aged 55+ in the year 2040 – UN World Population Prospects 2008 and micro simulation

Share of married people in various age groups, Germany, 2002 and 2030, in %								
	65 – 69 years		70 – 74 years		75 – 79 years		80plus	
	2002	2030	2002	2030	2002	2030	2002	2030
Males	83.1	64.4	81.9	66.0	77.0	65.1	65.1	54.9
Females	64.1	52.1	49.7	41.8	35.0	30.3	14.6	9.6

Table 9: Share of married people, Germany, years 2002, 2030 (Mai and Roloff 2006)

Share of married people among those aged 75+ in %, Germany			
Year	Females	Males	Total
2001	20.6	68.3	35.1
2031	38.6	66.2	49.8

Table 10 Share of married people in the age group 75+, Germany, years 2001, 2031 (Kalogirou and Murphy 2006)

	Family policy	Transfer type
1	Better maternity leave schemes for working mothers	Time
2	Lower income taxes for parents of minor children	Money
3	Better childcare facilities for children under the age of 3	Time
4	Better childcare facilities for children from the age of 3 to the age of primary school entry	Time
5	Financial bonus for families with children (means-tested)	Money
6	Financial bonus at birth of a child	Money
7	Financial assistance for mothers or fathers, who give up their jobs, because the want to look after their minor children	Money
8	A substantial increase of child benefits to € 250 per child and month	Money
9	Care facilities for children of school age for the time before and after school hours as well as during school holidays	Time
10	Flexible working hours for working parents with small children	Time
11	More and better part-time work options for parents with children	Time
12	Significantly lower costs for education	Education / Money
13	Better housing for families with children	Housing / Money

Table 11: Family policies and respective type of transfer; PPAS 2003

	Family policy	(fully) agree (1)	other (0)
1	Better maternity leave schemes for working mothers	82.9 %	17.1 %
2	Lower income taxes for parents of minor children	85.9 %	14.1 %
3	Better childcare facilities for children under the age of 3	81.3 %	18.7 %
4	Better childcare facilities for children from the age of 3 to the age of primary school entry	88.5 %	11.5 %
5	Financial bonus for families with children (means-tested)	83.8 %	16.2 %
6	Financial bonus at birth of a child	70.8 %	29.2 %
7	Financial assistance for mothers/fathers, who give up their jobs, because the want to look after their minor children	81.7 %	18.3 %
8	A substantial increase of child benefits to € 250 per child and month	73.9 %	26.1 %
9	Care facilities for children of school age for the time before and after school hours as well as during school holidays	81.2 %	18.8 %
10	Flexible working hours for working parents with small children	89.3 %	10.7 %
11	More and better part-time work options for parents with children	89.4 %	10.6 %
12	Significantly lower costs for education	74.4 %	25.6 %
13	Better housing for families with children	77.1 %	22.9 %

Table 12: Support levels for 13 family policies; PPAS 2003 (own calculations)

Factor Analysis – Total Variance Explained			
	Initial Eigenvalues		
Component	Total	% of Variance	Cumulative %
1	2.295	57.364	57.364
2	.709	17.737	75.101
3	.529	13.230	88.330
4	.467	11.670	100.00

Table 13: Total variance explained by four components; PPAS 2003
Extraction method: principal component analysis

Factor Analysis – Component Matrix	
	Component
Policy items	1
6 – Financial bonus at birth of child	.778
8 – Significant increase of child benefits	.764
12 – Significantly lower education costs	.746
13 – Better housing for families	.741

Table 14: Component matrix of four family policies; PPAS 2003

Factor Analysis – Communalities		
Policy item	Initial	Extraction
6 – Financial bonus at birth of child	1.000	.606
8 – Significant increase of child benefits	1.000	.584
12 – Significantly lower education costs	1.000	.549
13 – Better housing for families	1.000	.556

Table 15: Communalities; four family policies; PPAS 2003

Factor Analysis – Total Variance Explained			
	Initial Eigenvalues		
Component	Total	% of Variance	Cumulative %
1	5.385	41.422	41.422
2	1.472	11.327	52.749
3	1.005	7.732	60.481
4	.807	6.210	66.691
5	.654	5.032	71.723
6	.604	4.646	76.368
7	.572	4.403	80.771
8	.514	3.955	84.726
9	.505	3.885	88.610
10	.456	3.505	92.115
11	.433	3.332	95.447
12	.335	2.575	98.022
13	.257	1.978	100.000

Table 16: Total variance explained by 13 components; PPAS 2003; Extraction method: principal component analysis

Support levels for 13 family policies by age group				
Preference	Age group			
	20-29	30-39	40-49	50-65
(fully) agree	69.8 %	72.2 %	68.6 %	62.8 %
other	30.2 %	27.8 %	31.4 %	37.2 %

Table 17: Support levels for 13 family policies by age group; PPAS 2003

Support levels for 13 family policies by parenthood		
Preference	Own children	
	Yes	No
(fully) agree	73.0 %	59.2 %
other	27.0 %	40.8 %

Table 18: Support levels for 13 family policies by parenthood; PPAS 2003

Support levels for 13 family policies by marital status		
Preference	Currently married	
	Yes	No
(fully) agree	70.3 %	65.8 %
other	29.7 %	34.2 %

Table 19: Support levels for 13 family policies by marital status; PPAS 2003

	Pension policy	Transfer direction
1	Rising the official retirement age	Downward
2	Increase in income taxes	Upward
3	Reduction of monthly pension payments	Downward
4	Force children to support their parents	Upward
5	Abolish early retirement programmes	Downward
6	Make amount of monthly pension payments dependent on number of own children	Downward
7	Put extra burden on certain groups within society	Upward
8	Fight unemployment	n.a.
9	More private pension plans	n.a.
10	Pay pensions only to those, who paid contributions into the system	Upward

Table 20: Pension policies and respective direction of transfer; PPAS 2003

Preferences for transfer direction (pension policies) by age group				
Preference	Age group			
	20-29	30-39	40-49	50-65
downward	78.2 %	84.3 %	80.8 %	79.1 %
upward	21.8 %	15.7 %	19.2 %	20.9 %

Table 21: Preferences for transfer direction by age group; PPAS 2003

Preferences for transfer direction (pension policies) by parenthood		
Preference	Own children	
	Yes	No
downward	82.5 %	77.2 %
upward	17.5 %	22.8 %

Table 22: Preferences for transfer direction by parenthood; PPAS 2003

Preferences for transfer direction (pension policies) by martial status		
Preference	Currently married	
	Yes	No
downward	82.3 %	79.2 %
upward	17.7 %	20.8 %

Table 23: Preferences for transfer direction by marital status; PPAS 2003

Binary Logit Models Predicting Support for Downward Transfers: PPAS 2003
4 Selected Family Policies

	Odds Ratios (Standard Errors in Parentheses)				
Variable	Model 1	Model 2	Model 3	Model 4	Model 5
Age	0.977 *** (0.004)	0.976 *** (0.004)	0.979 *** (0.004)	0.977 *** (0.004)	0.972 *** (0.003)
Childlessness	0.553 *** (0.119)	0.554 *** (0.115)	0.545 *** (0.115)	0.546 *** (0.112)	0.380 *** (0.090)
Area of Residence	0.568 *** (0.094)	0.555 *** (0.092)	0.569 *** (0.093)	0.555 *** (0.091)	
Current benefits	1.563 *** (0.106)	1.532 *** (0.101)	1.571 *** (0.104)	1.537 *** (0.099)	
Education	0.680 *** (0.077)	0.664 *** (0.074)	0.684 *** (0.076)	0.670 *** (0.073)	
Sex	0.765 *** (0.072)	0.769 *** (0.069)	0.762 *** (0.071)	0.767 *** (0.068)	0.751 *** (0.067)
Marital Status	1.063 (0.095)	1.050 (0.091)			0.972 (0.080)
Conservativism	1.062 (0.076)	1.053 (0.073)			
HH income	1.383 *** (0.079)		1.353 *** (0.075)		
HH income (imputed)		1.360 *** (0.079)		1.337 *** (0.074)	
Imputation dummy		0.730 * (0.137)		0.753 * (0.135)	
Constant	7.468 *** (0.235)	8.282 *** (0.226)	7.450 *** (0.232)	8.227 *** (0.223)	8.913 *** (0.154)
Nagelkerke R^2	0.103	0.104	0.101	0.102	0.085
Hosmer/Lemeshow	0.783	0.517	0.066	0.246	0.052
-2 Log likelihood	4604.902	4974.842	4649.222	5021.638	4425.017
N	3,706	3,945	3,743	3,985	4,061

$^c p < .10$; $^* p < .05$; $^{**} p < .01$; $^{***} p < .001$

Table 24: Support for 4 selected family policies, regression results; PPAS 2003

Binary Logit Models Predicting Support for Downward Transfers: PPAS
All 13 Family Policies

	Odds Ratios (Standard Errors in Parentheses)				
Variable	Model 1	Model 2	Model 3	Model 4	Model 5
Age	0.977 ***	0.977 ***	0.979 ***	0.978 ***	0.972 ***
	(0.004)	(0.004)	(0.004)	(0.004)	(0.003)
Childlessness	0.501 ***	0.527 ***	0.493 ***	0.520 ***	0.380 ***
	(0.123)	(0.118)	(0.118)	(0.113)	(0.093)
Area of Residence	0.498 ***	0.487 ***	0.508 ***	0.497 ***	
	(0.102)	(0.100)	(0.101)	(0.099)	
Current benefits	1.513 ***	1.533 ***	1.519 ***	1.536 ***	
	(0.112)	(0.107)	(0.109)	(0.104)	
Education	0.918	0.923			
	(0.081)	(0.078)			
Sex	0.655 ***	0.649 ***	0.645 ***	0.640 ***	0.642 ***
	(0.075)	(0.072)	(0.074)	(0.071)	(0.070)
Marital Status	1.047	1.036			0.987
	(0.100)	(0.096)			(0.085)
Conservativism	1.024	1.023			
	(0.079)	(0.076)			
HH income	1.263 **		1.266 **		
	(0.082)		(0.077)		
HH income (imputed)		1.246 **		1.251 **	
		(0.082)		(0.077)	
Imputation dummy		0.814		0.829 *	
		(0.143)		(0.140)	
Constant	12.484 ***	12.736 ***	11.881 ***	12.200 ***	13.228 ***
	(0.246)	(0.226)	(0.241)	(0.232)	(0.154)
Nagelkerke R^2	0.104	0.104	0.102	0.102	0.074
Hosmer/Lemeshow	0.085	0.288	0.126	0.552	0.473
-2 Log likelihood	4288.000	4641.035	4338.568	4695.389	4816.092
N	3,680	3,918	3,734	3,977	4,013

$^c p < .10$; $^* p < .05$; $^{**} p < .01$; $^{***} p < .001$

Table 25: Support for all 13 family policies, regression results; PPAS 2003

Binary Logit Models Predicting Support for Downward Transfers: PPAS
Family Policy: Lower Taxes for Parents

Variable	Odds Ratios (Standard Errors in Parentheses)			
	Model 1	Model 2	Model 3	Model 4
Age	0.976 ***	0.976 ***	0.974 ***	0.968 ***
	(0.005)	(0.005)	(0.005)	(0.004)
Childlessness	0.378 ***	0.419 ***	0.427 ***	0.312 ***
	(0.152)	(0.144)	(0.137)	(0.113)
Area of Residence	1.012	0.992		
	(0.123)	(0.120)		
Current benefits	1.632 **	1.774 ***	1.746 ***	
	(0.155)	(0.147)	(0.143)	
Education	1.063	1.079		
	(0.107)	(0.103)		
Sex	0.915	0.928		0.929
	(0.099)	(0.094)		(0.093)
Marital Status	0.866	0.908		1.038
	(0.132)	(0.125)		(0.112)
Conservativism	1.251 *	1.190 °	1.167	
	(0.105)	(0.100)	(0.110)	
HH income	0.933			
	(0.108)			
HH income (imputed)		0.940		
		(0.107)		
Imputation dummy		0.778		
		(0.177)		
Constant	23.162 ***	22.255 ***	21.454 ***	41.557 ***
	(0.308)	(0.292)	(0.262)	(0.212)
Nagelkerke R²	0.069	0.071	0.068	0.061
Hosmer/Lemeshow	0.118	0.125	0.535	0.536
-2 Log likelihood	2841.444	3097.444	3120.751	3180.487
N	3,718	3,959	3,994	4,059

$^c p < .10$; $^* p < .05$; $^{**} p < .01$; $^{***} p < .001$

Table 26: Support for lower taxes for parents, regression results; PPAS 2003

Binary Logit Models Predicting Support for Downward Transfers: PPAS
Family Policy: Financial Bonus for Families, Means-tested

	Odds Ratios (Standard Errors in Parentheses)			
Variable	Model 1	Model 2	Model 3	Model 4
Age	0.983 ***	0.982 ***	0.982 ***	0.982 ***
	(0.005)	(0.004)	(0.004)	(0.003)
Childlessness	0.419 ***	0.449 ***	0.403 ***	0.429 ***
	(0.145)	(0.140)	(0.101)	(0.112)
Area of Residence	0.784 *	0.784 *	0.787 *	
	(0.122)	(0.119)	(0.117)	
Current benefits	1.079	1.110		
	(0.138)	(0.133)		
Education	1.116	1.087		
	(0.099)	(0.096)		
Sex	0.883	0.877		0.856 °
	(0.091)	(0.089)		(0.087)
Marital Status	1.126	1.140		1.052
	(0.122)	(0.117)		(0.106)
Conservativism	1.077	1.071		
	(0.096)	(0.093)		
HH income	1.374 **			
	(0.100)			
HH income (imputed)		1.363 **	1.269 **	
		(0.099)	(0.091)	
Imputation dummy		1.254	1.325	
		(0.196)	(0.190)	
Constant	12.484 ***	14.316 ***	17.277 ***	16.584 ***
	(0.246)	(0.278)	(0.217)	(0.195)
Nagelkerke R²	0.047	0.045	0.040	0.035
Hosmer/Lemeshow	0.042	0.233	0.041	0.008
-2 Log likelihood	3221.225	3483.831	3524.797	3520.403
N	3,683	3,960	4,071	4,061

$^c p < .10$; $^* p < .05$; $^{**} p < .01$; $^{***} p < .001$

Table 27: Support for financial bonus for families, means-tested, regression results; PPAS 2003

Binary Logit Models Predicting Support for Downward Transfers: PPAS
Family Policy: Financial Bonus at Birth

Variable	Model 1	Model 2	Model 3	Model 4
	Odds Ratios (Standard Errors in Parentheses)			
Age	0.978 ***	0.979 ***	0.979 ***	0.980 ***
	(0.004)	(0.004)	(0.004)	(0.003)
Childlessness	0.584 ***	0.623 ***	0.623 ***	0.547 ***
	(0.125)	(0.120)	(0.117)	(0.093)
Area of Residence	0.364 ***	0.359 ***	0.359 ***	
	(0.113)	(0.111)	(0.110)	
Current benefits	1.333 *	1.304 *	1.306 *	
	(0.114)	(0.109)	(0.107)	
Education	0.694 ***	0.675 ***	0.676 ***	
	(0.081)	(0.078)	(0.078)	
Sex	0.721 ***	0.745 ***	0.742 ***	0.758 ***
	(0.077)	(0.074)	(0.073)	(0.071)
Marital Status	1.013	1.014		1.007
	(0.102)	(0.097)		(0.085)
Conservativism	1.438 ***	1.404 ***	1.412 ***	
	(0.082)	(0.078)	(0.076)	
HH income	1.257 **			
	(0.084)			
HH income (imputed)		1.232 *	1.224 *	
		(0.084)	(0.080)	
Imputation dummy		0.766 °	0.771 °	
		(0.143)	(0.142)	
Constant	16.912 ***	16.013 ***	15.973 ***	9.007 ***
	(0.256)	(0.245)	(0.243)	(0.160)
Nagelkerke R^2	0.104	0.098	0.098	0.042
Hosmer/Lemeshow	0.440	0.532	0.672	0.013
-2 Log likelihood	4145.799	4517.201	4526.059	4789.360
N	3,720	3,961	3,971	4,062

°$p < .10$; *$p < .05$; **$p < .01$; ***$p < .001$

Table 28: Support for financial bonus at birth, regression results; PPAS 2003

Binary Logit Models Predicting Support for Downward Transfers: PPAS
Family Policy: Benefits for Parents, who give up their Job to take care of Child

Variable	Odds Ratios (Standard Errors in Parentheses)			
	Model 1	Model 2	Model 3	Model 4
Age	0.985 ***	0.986 **	0.987 **	0.978 ***
	(0.004)	(0.004)	(0.004)	(0.004)
Childlessness	0.587 ***	0.627 ***	0.609 ***	0.456 ***
	(0.138)	(0.133)	(0.126)	(0.107)
Area of Residence	0.905	0.900		
	(0.112)	(0.109)		
Current benefits	1.739 ***	1.717 ***	1.720 ***	
	(0.134)	(0.128)	(0.124)	
Education	1.002	0.970		
	(0.095)	(0.091)		
Sex	0.725 ***	0.714 ***	0.705 ***	0.704 ***
	(0.088)	(0.085)	(0.084)	(0.084)
Marital Status	1.073	1.080		1.166
	(0.117)	(0.112)		(0.101)
Conservativism	1.124	1.081		
	(0.093)	(0.089)		
HH income	1.117			
	(0.096)			
HH income (imputed)		1.098		
		(0.095)		
Imputation dummy		1.049		
		(0.174)		
Constant	9.983 ***	9.612 ***	9.545 ***	17.740 ***
	(0.276)	(0.265)	(0.239)	(0.188)
Nagelkerke R²	0.058	0.054	0.053	0.045
Hosmer/Lemeshow	0.157	0.216	0.108	0.037
-2 Log likelihood	3412.812	3680.074	3720.023	3763.297
N	3,720	3,963	4,027	4,063

$^c p < .10$; $^* p < .05$; $^{**} p < .01$; $^{***} p < .001$

Table 29: Support for benefits for parents, who give up their jobs for family, regression results; PPAS 2003

Binary Logit Models Predicting Support for Downward Transfers: PPAS
Family Policy: Significant Increase in Child Benefits up to € 250.--

Variable	Odds Ratios (Standard Errors in Parentheses)			
	Model 1	Model 2	Model 3	Model 4
Age	0.969 ***	0.969 ***	0.968 ***	0.959 ***
	(0.004)	(0.004)	(0.004)	(0.003)
Childlessness	0.510 ***	0.542 ***	0.544 ***	0.325 ***
	(0.127)	(0.122)	(0.117)	(0.099)
Area of Residence	0.503 ***	0.479 ***	0.464 ***	
	(0.111)	(0.109)	(0.107)	
Current benefits	1.946 ***	2.036 ***	1.974 ***	
	(0.120)	(0.115)	(0.112)	
Education	0.786 **	0.802 **	0.799 **	
	(0.086)	(0.082)	(0.081)	
Sex	0.874 °	0.860 *	0.851 *	0.838 *
	(0.080)	(0.077)	(0.076)	(0.075)
Marital Status	1.041	0.993		1.001
	(0.106)	(0.101)		(0.90)
Conservativism	0.926	0.938		
	(0.084)	(0.080)		
HH income	1.116			
	(0.087)			
HH income (imputed)		1.092		
		(0.087)		
Imputation dummy		0.870		
		(0.150)		
Constant	23.002 ***	23.817 ***	26.090 ***	29.292 ***
	(0.262)	(0.251)	(0.239)	(0.175)
Nagelkerke R^2	0.115	0.118	0.117	0.085
Hosmer/Lemeshow	0.033	0.887	0.093	0.052
-2 Log likelihood	3916.147	4236.216	4268.442	4425.017
N	3,719	3,960	4,001	4,061

$^c p < .10$; $*p < .05$; $**p < .01$; $***p < .001$

Table 30: Support for significant increase in child benefits; PPAS 2003

Binary Logit Models Predicting Support for Downward Transfers: PPAS

	Odds Ratios (Standard Errors in Parentheses)			
Variable	Model 1	Model 2	Model 3	Model 4
Age	0.991 °	0.990 *	0.994 *	0.988 **
	(0.005)	(0.004)	(0.003)	(0.004)
Childlessness	0.921	0.952		0.820 °
	(0.146)	(0.140)		(0.110)
Area of Residence	0.806 °	0.801 *	0.784 *	
	(0.116)	(0.113)	(0.109)	
Current benefits	1.212	1.197		
	(0.131)	(0.126)		
Education	0.860	0.879		
	(0.096)	(0.092)		
Sex	0.638 ***	0.653 ***	0.637 ***	0.647 ***
	(0.091)	(0.087)	(0.084)	(0.086)
Marital Status	1.095	1.111		1.115
	(0.118)	(0.112)		(0.101)
Conservativism	1.111	1.096		
	(0.094)	(0.091)		
HH income	1.072			
	(0.098)			
HH income (imputed)		1.096		
		(0.097)		
Imputation dummy		0.950		
		(0.172)		
Constant	9.527 ***	9.788 ***	9.857 ***	10.330 ***
	(0.289)	(0.277)	(0.179)	(0.189)
Nagelkerke R^2	0.023	0.022	0.102	0.102
Hosmer/Lemeshow	0.560	0.398	0.126	0.552
-2 Log likelihood	3335.155	3606.316	4338.568	4695.389
N	3,721	3,963	3,734	3,977

°$p < .10$; *$p < .05$; **$p < .01$; ***$p < .001$

Table 31: Support for better maternity leave schemes, regression results; PPAS 2003

Binary Logit Models Predicting Support for Downward Transfers: PPAS
Family Policy: Better Day Care for Children below the Age of 3

Variable	Odds Ratios (Standard Errors in Parentheses)			
	Model 1	Model 2	Model 3	Model 4
Age	0.996 (0.005)	0.997 (0.004)		0.996 (0.004)
Childlessness	0.808 (0.145)	0.857 (0.139)		0.796 * (0.113)
Area of Residence	0.453 *** (0.130)	0.449 *** (0.127)	0.437 *** (0.123)	
Current benefits	0.954 (0.128)	0.981 (0.122)		
Education	0.980 (0.095)	0.960 (0.090)		
Sex	0.733 *** (0.088)	0.758 ** (0.084)	0.758 ** (0.081)	0.779 ** (0.082)
Marital Status	0.859 (0.115)	0.823 ° (0.110)		0.732 ** (0.099)
Conservativism	0.828 * (0.091)	0.818 * (0.087)	0.785 ** (0.081)	
HH income	1.031 (0.098)		1.266 ** (0.077)	
HH income (imputed)		1.008 (0.095)		
Imputation dummy		0.898 (0.160)		
Constant	14.981 *** (0.291)	14.682 *** (0.279)	11.286 *** (0.128)	7.450 *** (0.182)
Nagelkerke R²	0.033	0.033	0.030	0.010
Hosmer/Lemeshow	0.176	0.055	0.769	0.735
-2 Log likelihood	3455.221	3759.500	3845.230	3891.051
N	3,717	3,959	4,062	4,059

$^c p < .10$; $^* p < .05$; $^{**} p < .01$; $^{***} p < .001$

Table 32: Support for better day care for children aged < 3 years; PPAS 2003

Binary Logit Models Predicting Support for Downward Transfers: PPAS
Family Policy: Better Day Care for Children above the Age of 3 and of School

Variable	Model 1	Model 2	Model 3	Model 4
Odds Ratios (Standard Errors in Parentheses)				
Age	0.994 (0.005)	0.996 (0.005)		0.994 (0.004)
Childlessness	0.620 ** (0.171)	0.676 ** (0.164)	0.732 ** (0.103)	0.609 *** (0.130)
Area of Residence	0.503 *** (0.158)	0.499 *** (0.155)	0.508 *** (0.151)	
Current benefits	1.001 (0.158)	1.069 (0.151)		
Education	0.914 (0.113)	0.949 (0.109)		
Sex	0.628 *** (0.107)	0.660 *** (0.103)	0.637 *** (0.101)	0.644 *** (0.101)
Marital Status	0.920 (0.142)	0.875 (0.136)		0.822 (0.123)
Conservativism	0.760 * (0.110)	0.745 ** (0.106)		
HH income	0.951 (0.115)			
HH income (imputed)		0.936 (0.114)		
Imputation dummy		1.128 (0.204)		
Constant	33.370 *** (0.347)	30.128 *** (0.334)	23.015 *** (0.163)	16.907 *** (0.223)
Nagelkerke R²	0.039	0.035	0.034	0.102
Hosmer/Lemeshow	0.225	0.046	0.919	0.552
-2 Log likelihood	2591.415	2803.105	2838.608	4695.389
N	3,723	3,964	4,046	3,977

$^{c}p < .10$; $^{*}p < .05$; $^{**}p < .01$; $^{***}p < .001$

Table 33: Support for better day care for children aged > 3 years and of school age; PPAS 2003

Binary Logit Models Predicting Support for Downward Transfers: PPAS
Family Policy: Better Childcare Facilities after School and during Holidays

	Odds Ratios (Standard Errors in Parentheses)			
Variable	Model 1	Model 2	Model 3	Model 4
Age	0.997 (0.004)	1.000 (0.004)		0.999 (0.004)
Childlessness	0.643 ** (0.143)	0.711 * (0.138)	0.720 *** (0.085)	0.646 *** (0.107)
Area of Residence	0.387 *** (0.135)	0.380 *** (0.133)	0.381 *** (0.130)	
Current benefits	1.020 (0.130)	1.031 (0.125)		
Education	0.975 (0.094)	0.995 (0.090)		
Sex	0.602 *** (0.088)	0.626 *** (0.084)	0.623 *** (0.083)	0.631 *** (0.083)
Marital Status	0.919 (0.117)	0.943 (0.112)		0.842 ° (0.100)
Conservativism	0.746 ** (0.091)	0.766 ** (0.087)		
HH income	0.952 (0.095)			
HH income (imputed)		0.957 (0.094)		
Imputation dummy		1.047 (0.781)		
Constant	20.438 *** (0.291)	16.341 *** (0.279)	16.135 *** (0.139)	7.355 *** (0.182)
Nagelkerke R²	0.061	0.054	0.054	0.023
Hosmer/Lemeshow	0.097	0.000	0.128	0.010
-2 Log likelihood	3445.706	3742.051	3792.991	3884.508
N	3,715	3,958	4,040	4,059

$^c p < .10$; $^* p < .05$; $^{**} p < .01$; $^{***} p < .001$

Table 34: Support for better childcare before and after school/during holidays, regression results; PPAS 2003

Binary Logit Models Predicting Support for Downward Transfers: PPAS
Family Policy: Better Part-time Work Possibilities for Parents

Variable	Odds Ratios (Standard Errors in Parentheses)				
	Model 1	Model 2	Model 3	Model 4	Model 5
Age	0.992 (0.005)	0.992 (0.005)		0.989 * (0.005)	0.989 * (0.004)
Childlessness	0.405 *** (0.172)	0.432 *** (0.167)	0.459 *** (0.106)	0.400 *** (0.134)	0.398 *** (0.120)
Area of Residence	0.731 * (0.148)	0.749 * (0.145)	0.773 ° (0.140)		0.776 ° (0.140)
Current benefits	1.194 (0.169)	1.248 (0.165)			
Education	1.263 ° (0.119)	1.232 ° (0.116)	1.298 * (0.114)		1.273 * (0.114)
Sex	0.675 *** (0.110)	0.674 ** (0.107)	0.636 *** (0.106)	0.655 *** (0.106)	0.652 *** (0.106)
Marital Status	0.939 (0.148)	0.907 (0.144)		0.980 (0.130)	
Conservativism	0.914 (0.114)	0.981 (0.111)			
HH income	0.991 (0.118)				
HH income (imputed)		0.981 (0.117)			
Imputation dummy		1.965 * (0.263)			
Constant	25.347 *** (0.341)	24.177 *** (0.332)	35.488 *** (0.254)	28.515 *** (0.233)	28.515 *** (0.233)
Nagelkerke R^2	0.053	0.052	0.044	0.043	0.047
Hosmer/Lemeshow	0.210	0.001	0.128	0.000	0.005
-2 Log likelihood	2462.534	2599.698	2653.636	2657.372	2647.681
N	3,717	3,960	4,048	4,062	4,048

°$p < .10$; *$p < .05$; **$p < .01$; ***$p < .001$

Table 35: Support for better part-time work possibilities for parents, regression results; PPAS 2003

Binary Logit Models Predicting Support for Downward Transfers: PPAS
Family Policy: Flexible Working Hours for Parents

Variable	Odds Ratios (Standard Errors in Parentheses)			
	Model 1	Model 2	Model 3	Model 4
Age	0.986 **	0.987 **	0.984 ***	0.983 ***
	(0.005)	(0.005)	(0.004)	(0.004)
Childlessness	0.458 ***	0.493 ***	0.448 ***	0.454 ***
	(0.169)	(0.163)	(0.118)	(0.132)
Area of Residence	0.751 *	0.750 *	0.783 °	
	(0.145)	(0.142)	(0.138)	
Current benefits	1.156	1.238		
	(0.165)	(0.160)		
Education	1.190	1.155		
	(0.119)	(0.115)		
Sex	0.677 ***	0.691 **	0.665 ***	0.670 ***
	(0.109)	(0.106)	(0.105)	(0.105)
Marital Status	1.028	1.009		1.095
	(0.145)	(0.141)		(0.127)
Conservativism	0.878	0.887		
	(0.113)	(0.110)		
HH income	0.899			
	(0.118)			
HH income (imputed)		0.893		
		(0.117)		
Imputation dummy		1.724 *		
		(0.025)		
Constant	32.308 ***	29.586 ***	35.488 ***	28.515 ***
	(0.341)	(0.330)	(0.254)	(0.233)
Nagelkerke R^2	0.045	0.045	0.038	0.036
Hosmer/Lemeshow	0.040	0.199	0.632	0.451
-2 Log likelihood	2494.150	2646.182	2708.778	2700.457
N	3,720	3,961	4,073	4,063

°$p < .10$; *$p < .05$; **$p < .01$; ***$p < .001$

Table 36: Support for flexible working hours for parents, regression results; PPAS 2003

Binary Logit Models Predicting Support for Downward Transfers: PPAS
Family Policy: Drastically Lower Costs for Education

	Odds Ratios (Standard Errors in Parentheses)			
Variable	Model 1	Model 2	Model 3	Model 4
Age	0.995 (0.004)	0.994 (0.004)		0.990 ** (0.003)
Childlessness	0.679 ** (0.129)	0.712 ** (0.123)	0.846 ° (0.090)	0.538 *** (0.096)
Area of Residence	0.605 *** (0.105)	0.596 *** (0.103)	0.603 *** (0.100)	
Current benefits	1.309 * (0.117)	1.364 ** (0.111)	1.475 *** (0.094)	
Education	0.755 ** (0.083)	0.780 ** (0.080)	0.789 ** (0.078)	
Sex	0.843 * (0.078)	0.886 (0.075)	0.868 ° (0.074)	0.870 ° (0.074)
Marital Status	0.884 (0.104)	0.877 (0.099)		0.918 (0.089)
Conservativism	1.047 (0.082)	1.033 (0.079)		
HH income	0.912 (0.086)			
HH income (imputed)		0.911 (0.085)		
Imputation dummy		0.925 (0.146)		
Constant	7.735 *** (0.255)	7.559 *** (0.243)	4.777 *** (0.112)	6.399 *** (0.163)
Nagelkerke R²	0.038	0.036	0.034	0.020
Hosmer/Lemeshow	0.585	0.731	0.889	0.673
-2 Log likelihood	4074.188	4424.440	4465.255	4561.952
N	3,713	3,954	3,995	4,056

°$p < .10$; *$p < .05$; **$p < .01$; ***$p < .001$

Table 37: Support for lower costs of education, regression results; PPAS 2003

Binary Logit Models Predicting Support for Downward Transfers: PPAS
Family Policy: Better Housing for Families

	Odds Ratios (Standard Errors in Parentheses)			
Variable	Model 1	Model 2	Model 3	Model 4
Age	0.988 **	0.989 **	0.990 **	0.991 **
	(0.004)	(0.004)	(0.003)	(0.003)
Childlessness	0.559 ***	0.573 ***	0.567 ***	0.612 ***
	(0.132)	(0.128)	(0.092)	(0.099)
Area of Residence	1.720 ***	1.751 ***	1.748 ***	
	(0.096)	(0.093)	(0.092)	
Current benefits	0.983	0.979		
	(0.119)	(0.114)		
Education	0.786 **	0.744 ***	0.739 **	
	(0.086)	(0.082)	(0.081)	
Sex	0.793 **	0.782 **	0.787 **	0.758 ***
	(0.081)	(0.078)	(0.077)	(0.076)
Marital Status	1.106	1.095		0.980
	(0.107)	(0.103)		(0.169)
Conservativism	0.986	0.975		
	(0.085)	(0.082)		
HH income	1.370 ***			
	(0.089)			
HH income (imputed)		1.353 **	1.332 **	
		(0.089)	(0.083)	
Imputation dummy		0.769 °	0.806	
		(0.155)	(0.152)	
Constant	4.729 ***	4.547 ***	4.619 ***	6.907 ***
	(0.255)	(0.244)	(0.190)	(0.169)
Nagelkerke R^2	0.039	0.041	0.040	0.019
Hosmer/Lemeshow	0.070	0.404	0.199	0.367
-2 Log likelihood	3868.838	4178.107	4245.557	4324.034
N	3,720	3,962	4,049	4,063

$^c p < .10$; $^* p < .05$; $^{**} p < .01$; $^{***} p < .001$

Table 38: Support for better housing for parents, regression results; PPAS 2003

Binary Logit Models Predicting Support for Upward Transfers: PPAS
Policy-Mix: Reforming the Pension System

Odds Ratios (Standard Errors in Parentheses)

Variable	Model 1	Model 2	Model 3	Model 4	Model 5
Age	1.009 *	1.011 *	1.010 **	1.011 **	1.012 **
	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)
Childlessness	1.760 ***	1.653 ***	1.675 ***	1.599 ***	1.709 ***
	(0.127)	(0.122)	(0.107)	(0.119)	(0.121)
Area of Residence	0.575 ***	0.571 ***	0.562 ***		0.564 ***
	(0.118)	(0.115)	(0.111)		(0.112)
Education	0.946	0.944			
	(0.105)	(0.101)			
Sex	0.919	0.880		0.863	0.855 °
	(0.097)	(0.094)		(0.093)	(0.093)
Marital Status	0.985	0.975		0.936	0.965
	(0.125)	(0.120)		(0.108)	(0.109)
Conservativism	0.969	0.923			
	(0.102)	(0.098)			
HH income	1.040				
	(0.106)				
HH income (imputed)		1.041			
		(0.106)			
Imputation dummy		1.057 °			
		(0.192)			
Constant	0.218 ***	0.222 ***		0.138 ***	0.210 ***
	(0.250)	(0.239)		(0.204)	(0.219)
Nagelkerke R^2	0.025	0.024	0.023	0.012	0.024
Hosmer/Lemeshow	0.656	0.537	0.742	0.265	0.751
-2 Log likelihood	2782.566	2988.268	3039.899	3051.163	3026.186
N	2,736	2,905	2,950	2,943	2,943

°$p < .10$; *$p < .05$; **$p < .01$; ***$p < .001$

Table 39: Support for pension reforms putting more burdens on younger people, regression results, PPAS 2003

	Family policy	Transfer type
1	Better maternity leave schemes for working mothers	Time
2	Lower income taxes for parents of minor children	Money
3	Better childcare facilities for children under the age of 3	Time
4	Better childcare facilities for children from the age of 3 to the age of primary school entry	Time
5	Financial bonus for families with children (means-tested)	Money
6	Financial bonus at birth of a child	Money
7	Financial assistance for mothers or fathers, who give up their jobs, because the want to look after their minor children	Money
8	A substantial increase of child benefits to € 250 per child and month	Money
9	Care facilities for children of school age for the time before and after school hours as well as during school holidays	Time
10	Flexible working hours for working parents with small children	Time
11	More and better part-time work options for parents with children	Time
12	More all-day schools	Education
13	Better housing for families with children	Housing / Money

Table 40: Family policies and respective type of transfer; GGS 2005

	Family policy	(very) important (1)	other (0)
1	Better maternity leave schemes for working mothers	79.0 %	21.0 %
2	Lower income taxes for parents of minor children	82.9 %	17.1 %
3	Better childcare facilities for children under the age of 3	78.0 %	22.0 %
4	Better childcare facilities for children from the age of 3 to the age of primary school entry	86.5 %	13.5 %
5	Financial bonus for families with children (means-tested)	84.2 %	15.8 %
6	Financial bonus at birth of a child	67.4 %	32.6 %
7	Financial assistance for mothers/fathers, who give up their jobs, because the want to look after their minor children	78.2 %	21.8 %
8	A substantial increase of child benefits to € 250 per child and month	69.5 %	30.5 %
9	Care facilities for children of school age for the time before and after school hours as well as during school holidays	78.5 %	21.5 %
10	Flexible working hours for working parents with small children	89.7 %	10.3 %
11	More and better part-time work options for parents with children	90.6 %	9.4 %
12	More all-day schoolss	73.9 %	26.1 %
13	Better housing for families with children	75.3 %	24.7 %

Table 41: Support levels for 13 family policies; GGS 2005 (own calculations)

Factor Analysis – Total Variance Explained			
	Initial Eigenvalues		
Component	Total	% of Variance	Cumulative %
1	3.981	48.636	48.636
2	.981	12.265	60.901
3	.736	9.201	70.102
4	.603	7.538	77.641
5	.496	6.198	83.838
6	.461	5.761	89.599
7	.434	5.420	95.019
8	.399	4.981	100.000

Table 43: Total variance explained by eight components; GGS 2005; Extraction method: principal component analysis

Factor Analysis – Component Matrix	
	Component
Policy items	1
1 – Better maternity leave schemes for working mothers	.685
3 – Better childcare facilities for children under the age of 3	.718
6 – Financial bonus at birth of a child	.724
7 – Financial assistance for mothers/fathers, who give up their jobs, because the want to look after their minor children	.734
8 – A substantial increase of child benefits to € 250 per child and month	.715
9 – Care facilities for children of school age for the time before and after school hours as well as during school holidays	.719
12 – More all-day schools	.640
13 – Better housing for families with children	.637

Table 44: Component matrix of eight family policies; PPAS 2003;
Extraction method: principal component analysis

Factor Analysis – Communalities		
Policy item	Initial	Extraction
1 – Better maternity leave schemes for working mothers	1.000	.469
3 – Better childcare facilities for children under the age of 3	1.000	.516
6 – Financial bonus at birth of a child	1.000	.524
7 – Financial assistance for mothers/fathers, who give up their jobs, because the want to look after their minor children	1.000	.538
8 – A substantial increase of child benefits to € 250 per child and month	1.000	.511
9 – Care facilities for children of school age for the time before and after school hours as well as during school holidays	1.000	.517
12 – More all-day schools	1.000	.410
13 – Better housing for families with children	.1000	.406

Table 45: Communalities; eight family policies; GGS 2005; Extraction method: principal component analysis

Factor Analysis – Total Variance Explained			
	Initial Eigenvalues		
Component	Total	% of Variance	Cumulative %
1	6.416	49.355	49.355
2	1.160	8.924	58.279
3	.848	6.525	64.804
4	.770	5.920	70.724
5	.633	4.871	75.595
6	.525	4.042	79.636
7	.520	4.001	83.638
8	.478	3.676	87.314
9	.424	3.261	90.575
10	.396	3.047	93.622
11	.391	3.007	96.629
12	.238	1.830	98.459
13	.200	1.541	100.000

Table 46: Total variance explained by 13 components; GGS 2005; Extraction method: principal component analysis

Support levels for 13 family policies by age group						
Preference	Age group					
	17-29	30-39	40-49	50-59	60-69	70+
(very) important	61.6	63.2	60.7	57.2	50.2	44.7
other	38.4	36.8	39.3	42.8	49.8	55.3

Table 47: Support levels for 13 family policies by age group; GGS 2005

Support levels for 13 family policies by parenthood		
Preference	Own children	
	Yes	No
(very) important	59.3 %	52.7 %
other	40.7 %	47.3 %

Table 48: Support levels for 13 family policies by parenthood; GGS 2005

Support levels for 13 family policies by marital status		
Preference	Currently married	
	Yes	No
(very) important	69.6 %	69.3 %
other	30.4 %	30.7 %

Table 49: Support levels for 13 family policies by marital status; GGS 2005

Binary Logit Models Predicting Support for Downward Transfers: GGS
8 Selected Family Policies

	Odds Ratios (Standard Errors in Parentheses)			
Variable	Model 1	Model 2	Model 3	Model 4
Age	0.982 *** (0.002)	0.983 *** (0.001)	0.982 *** (0.002)	0.982 *** (0.002)
Childlessness	0.670 *** (0.060)	0.671 *** (0.050)	0.639 *** (0.054)	0.648 *** (0.054)
Grandparenthood	1.130 (0.065)			1.186 ** (0.061)
Area of Residence	0.585 *** (0.057)	0.576 *** (0.056)	0.595 *** (0.060)	
Current benefits	1.052 (0.062)			
Education	0.938 (0.048)			
Sex	0.898 * (0.043)	0.874 ** (0.042)	0.884 ** (0.046)	0.868 ** (0.042)
Marital Status	0.926 (0.051)			0.844 *** (0.046)
Conservativism	0.890 ** (0.044)	0.883 ** (0.042)	0.876 ** (0.046)	
HH income			1.229 *** (0.047)	
HH income (imputed)	1.178 ** (0.051)	1.215 *** (0.046)		
Imputation dummy	0.860 * (0.062)	0.861 * (0.060)		
Constant	4.901 *** (0.114)	4.670 *** (0.094)	4.702 *** (0.101)	3.391 *** (0.082)
Nagelkerke R^2	0.049	0.049	0.048	0.029
Hosmer/Lemeshow	0.047	0.250	0.518	0.051
-2 Log likelihood	12726.21	13182.22	11012.31	13328.19
N	9,448	9,785	8,185	9,784

$^c p < .10; ^* p < .05; ^{**} p < .01; ^{***} p < .001$

Table 50: Support for 8 selected family policies; regression results; GGS 2005

Binary Logit Models Predicting Support for Downward Transfers: GGS
All 13 Family Policies

Variable	Odds Ratios (Standard Errors in Parentheses)		
	Model 1	Model 2	Model 3
Age	0.981 ***	0.981 ***	0.981 ***
	(0.002)	(0.002)	(0.002)
Childlessness	0.644 ***	0.642 ***	0.680 ***
	(0.061)	(0.066)	(0.055)
Grandparenthood	1.119 °	1.142 °	1.139 *
	(0.065)	(0.071)	(0.063)
Area of Residence	0.579 ***	0.597 ***	0.558 ***
	(0.059)	(0.064)	(0.058)
Current benefits	1.138 *	1.175 *	1.147 *
	(0.063)	(0.070)	(0.062)
Education	1.083	1.086	
	(0.049)	(0.054)	
Sex	0.818 ***	0.829 ***	0.803 ***
	(0.043)	(0.047)	(0.042)
Marital Status	0.927	0.953	
	(0.051)	(0.056)	
Conservatism	0.867 **	0.865 **	0.850 **
	(0.044)	(0.048)	(0.043)
HH income		1.105 °	
		(0.053)	
HH income (imputed)	1.084		
	(0.052)		
Imputation dummy	0.771 ***		
	(0.062)		
Constant	6.905 ***	5.527 ***	6.777 ***
	(0.115)	(0.125)	(0.103)
Nagelkerke R ^{2}	0.059	0.055	0.055
Hosmer/Lemeshow	0.127	0.518	0.047
-2 Log likelihood	12513.76	10441.70	13016.99
N	9,486	7,946	9,835

$^{\circ}p < .10;$ $^{*}p < .05;$ $^{**}p < .01;$ $^{***}p < .001$

Table 51: Support for all 13 family policies, regression results; GGS 2005

Binary Logit Models Predicting Support for Downward Transfers: GGS
Family Policy: Lower Taxes for Parents

Variable	Odds Ratios (Standard Errors in Parentheses)		
	Model 1	Model 2	Model 3
Age	0.986 ***	0.987 ***	0.985 ***
	(0.002)	(0.002)	(0.002)
Childlessness	0.586 ***	0.588 ***	0.538 ***
	(0.076)	(0.065)	(0.065)
Grandparenthood	1.100		1.066
	(0.085)		(0.081)
Area of Residence	0.775 **	0.780 **	
	(0.078)	(0.075)	
Current benefits	1.233 *	1.239 *	
	(0.090)	(0.086)	
Education	1.097		
	(0.064)		
Sex	0.851 **	0.873 *	0.859 **
	(0.056)	(0.055)	(0.055)
Marital Status	0.992		1.051
	(0.066)		(0.060)
Conservativism	1.065		
	(0.058)		
HH income			
HH income (imputed)	0.920		
	(0.068)		
Imputation dummy	0.765 **		
	(0.079)		
Constant	15.468 ***	14.177 ***	13.227 ***
	(0.147)	(0.130)	(0.105)
Nagelkerke R²	0.043	0.030	0.027
Hosmer/Lemeshow	0.504	0.319	0.066
-2 Log likelihood	8451.173	8837.265	8850.920
N	9,541	9,896	9,892

$^c p < .10$; $^* p < .05$; $^{**} p < .01$; $^{***} p < .001$

Table 52: Support for lower taxes for parents, regression results; GGS 2005

Binary Logit Models Predicting Support for Downward Transfers: GGS
Family Policy: Financial Bonus for Families, Means-tested

Odds Ratios (Standard Errors in Parentheses)		
Variable	Model 1	Model 2	Model 3
Age	0.985 ***	0.985 ***	0.985 ***
	(0.002)	(0.002)	(0.002)
Childlessness	0.697 ***	0.663 ***	0.649 ***
	(0.078)	(0.066)	(0.070)
Grandparenthood	1.162 °	1.125	1.204 *
	(0.087)	(0.083)	(0.083)
Area of Residence	0.582 ***	0.587 ***	
	(0.088)	(0.086)	
Current benefits	1.153		
	(0.089)		
Education	0.902		
	(0.064)		
Sex	0.839 **	0.814 ***	0.811 ***
	(0.058)	(0.056)	(0.056)
Marital Status	0.979		0.917
	(0.068)		(0.062)
Conservativism	1.039		
	(0.059)		
HH income			
HH income (imputed)	1.138 °	1.147 *	
	(0.070)	(0.064)	
Imputation dummy	0.867 °	0.833 °	
	(0.080)	(0.077)	
Constant	20.210 ***	21.362 ***	14.479 ***
	(0.156)	(0.133)	(0.109)
Nagelkerke R^2	0.030	0.030	0.019
Hosmer/Lemeshow	0.443	0.196	0.482
-2 Log likelihood	8134.900	8462.484	8518.085
N	9,549	9,906	9,902

$^c p < .10$; $^* p < .05$; $^{**} p < .01$; $^{***} p < .001$

Table 53: Support for financial bonus for families, means-tested, regression results; GGS 2005

Binary Logit Models Predicting Support for Downward Transfers: GGS
Family Policy: Financial Bonus at Birth

	Odds Ratios (Standard Errors in Parentheses)		
Variable	Model 1	Model 2	Model 3
Age	0.986 ***	0.987 ***	0.987 ***
	(0.002)	(0.002)	(0.002)
Childlessness	0.708 ***	0.674 ***	0.681 ***
	(0.063)	(0.056)	(0.056)
Grandparenthood	1.097		1.301 ***
	(0.069)		(0.065)
Area of Residence	0.430 ***	0.430 ***	
	(0.069)	(0.068)	
Current benefits	1.087		
	(0.067)		
Education	0.599 ***	0.598 ***	
	(0.050)	(0.050)	
Sex	0.991		0.949
	(0.046)		(0.044)
Marital Status	1.097 °	1.097 °	0.958
	(0.054)	(0.054)	(0.049)
Conservatism	1.164 **	1.168 **	
	(0.047)	(0.046)	
HH income			
HH income (imputed)	1.375 ***	1.381 ***	
	(0.055)	(0.055)	
Imputation dummy	1.057	1.057	
	(0.064)	(0.064)	
Constant	7.936 ***	21.362 ***	4.354 ***
	(0.124)	(0.133)	(0.085)
Nagelkerke R^2	0.069	0.069	0.016
Hosmer/Lemeshow	0.047	0.047	0.004
-2 Log likelihood	11576.42	11579.35	12379.03
N	9,550	9,950	9,903

°$p < .10$; *$p < .05$; **$p < .01$; ***$p < .001$

Table 54: Support for financial bonus at birth, regression results; GGS 2005

Binary Logit Models Predicting Support for Downward Transfers: GGS
Family Policy: Benefits for Parents, who give up their Job to take care of Child

Odds Ratios (Standard Errors in Parentheses)			
Variable	Model 1	Model 2	Model 3
Age	0.984 ***	0.985 ***	0.983 ***
	(0.002)	(0.002)	(0.002)
Childlessness	0.652 ***	0.669 ***	0.607 ***
	(0.070)	(0.061)	(0.063)
Grandparenthood	1.022		1.050
	(0.076)		(0.072)
Area of Residence	0.647 ***	0.634 ***	
	(0.073)	(0.071)	
Current benefits	1.213 *	1.206 *	
	(0.079)	(0.076)	
Education	0.950		
	(0.057)		
Sex	0.868 *	0.856 **	0.850 **
	(0.051)	(0.050)	(0.050)
Marital Status	0.936		0.924
	(0.060)		(0.055)
Conservativism	1.027		
	(0.052)		
HH income			
HH income (imputed)	1.047		
	(0.062)		
Imputation dummy	0.896		
	(0.072)		
Constant	13.780 ***	12.959 ***	10.679 ***
	(0.136)	(0.121)	(0.097)
Nagelkerke R ^{2}	0.034	0.032	0.025
Hosmer/Lemeshow	0.304	0.307	0.193
-2 Log likelihood	9797.984	10188.35	10231.31
N	9,553	9,909	9,905

$^c p < .10$; $^* p < .05$; $^{**} p < .01$; $^{***} p < .001$

Table 55: Support for benefits for parents, who give up their job for family, regression results; GGS 2005

Binary Logit Models Predicting Support for Downward Transfers: GGS
Family Policy: Significant Increase in Child Benefits up to € 250.--

Odds Ratios (Standard Errors in Parentheses)

Variable	Model 1	Model 2	Model 3
Age	0.974 ***	0.974 ***	0.975 ***
	(0.002)	(0.002)	(0.002)
Childlessness	0.655 ***	0.628 ***	0.641 ***
	(0.064)	(0.054)	(0.058)
Grandparenthood	1.014		1.166 *
	(0.069)		(0.065)
Area of Residence	0.476 ***	0.476 ***	
	(0.069)	(0.068)	
Current benefits	1.052		
	(0.070)		
Education	0.741 ***	0.739 ***	
	(0.051)	(0.051)	
Sex	0.915 °	0.916 °	0.896 *
	(0.047)	(0.046)	(0.045)
Marital Status	1.062		0.985
	(0.055)		(0.049)
Conservatism	1.157 **	1.166 **	
	(0.048)	(0.047)	
HH income			
HH income (imputed)	1.183 **	1.157 **	
	(0.056)	(0.052)	
Imputation dummy	.940	0.934	
	(0.066)	(0.065)	
Constant	16.493 ***	17.805 ***	9.008 ***
	(0.127)	(0.112)	(0.089)
Nagelkerke R^2	0.072	0.072	0.042
Hosmer/Lemeshow	0.000	0.000	0.001
-2 Log likelihood	11255.74	11260.19	11880.94
N	9,546	9,550	9,898

$^{c}p < .10$; $^{*}p < .05$; $^{**}p < .01$; $^{***}p < .001$

Table 56: Support for significant increase in child benefits, regression results; GGS 2005

Binary Logit Models Predicting Support for Downward Transfers: GGS

	Odds Ratios (Standard Errors in Parentheses)		
Variable	Model 1	Model 2	Model 3
Age	0.980 ***	0.980 ***	0.979 ***
	(0.002)	(0.002)	(0.002)
Childlessness	0.932		0.895 °
	(0.071)		(0.065)
Grandparenthood	1.194 *	1.216 **	1.259 **
	(0.076)	(0.070)	(0.072)
Area of Residence	0.528 ***	0.519 ***	
	(0.079)	(0.076)	
Current benefits	1.014		
	(0.078)		
Education	0.956		
	(0.059)		
Sex	0.811 ***	0.783 ***	0.785 ***
	(0.052)	(0.050)	(0.051)
Marital Status	1.053		1.014
	(0.061)		(0.055)
Conservativism	0.921		
	(0.053)		
HH income			
HH income (imputed)	0.996		
	(0.063)		
Imputation dummy	0.727		
	(0.072)		
Constant	20.900 ***	18.999 ***	11.671 ***
	(0.142)	(0.113)	(0.100)
Nagelkerke R^2	0.043	0.039	0.027
Hosmer/Lemeshow	0.086	0.102	0.920
-2 Log likelihood	9530.886	9944.999	9988.877
N	9,543	9,916	9,894

°$p < .10$; *$p < .05$; **$p < .01$; ***$p < .001$

Table 57: Support for better maternity leave schemes, regression results; GGS 2005

Binary Logit Models Predicting Support for Downward Transfers: GGS
Family Policy: Better Day Care for Children below the Age of 3

Variable	Odds Ratios (Standard Errors in Parentheses)			
	Model 1	Model 2	Model 3	Model 4
Age	0.990 ***	0.989 ***	0.990 ***	0.987 ***
	(0.002)	(0.002)	(0.002)	(0.002)
Childlessness	0.922	0.971		0.882 *
	(0.071)	(0.078)		(0.064)
Grandparenthood	1.220 *	1.226 **	1.267 **	1.271 **
	(0.077)	(0.085)	(0.073)	(0.72)
Area of Residence	0.410 **	0.390 ***	0.403 ***	
	(0.083)	(0.091)	(0.082)	
Current benefits	0.985	1.004		
	(0.074)	(0.082)		
Education	1.352 ***	1.366 ***	1.343 ***	
	(0.060)	(0.067)	(0.059)	
Sex	0.866 **	0.874 *	0.857 **	0.838 ***
	(0.051)	(0.057)	(0.051)	(0.050)
Marital Status	0.840 **	0.888 °	0.844 **	0.770 ***
	(0.061)	(0.067)	(0.052)	(0.055)
Conservativism	0.718 ***	0.698 ***	0.719 ***	
	(0.052)	(0.057)	(0.051)	
HH income		1.063		
		(0.063)		
HH income (imputed)	1.046			
	(0.062)			
Imputation dummy	0.899			
	(0.072)			
Constant	16.070 ***	15.970 ***	15.317 ***	8.157 ***
	(0.142)	(0.157)	(0.119)	(0.097)
Nagelkerke R^2	0.049	0.052	0.048	0.015
Hosmer/Lemeshow	0.011	0.268	0.032	0.927
-2 Log likelihood	9705.382	7995.668	9742.069	10310.88
N	9,546	7,980	9,564	9,898

$^c p < .10; * p < .05; ** p < .01; *** p < .001$

Table 58: Support for better day care for children aged > 3 years; GGS 2005

Binary Logit Models Predicting Support for Downward Transfers: GGS
Family Policy: Better Day Care for Children above the Age of 3 and of Schoo[

Odds Ratios (Standard Errors in Parentheses)

Variable	Model 1	Model 2	Model 3	Model 4
Age	0.989 ***	0.988 ***	0.989 ***	0.988 ***
	(0.002)	(0.003)	(0.002)	(0.002)
Childlessness	0.851 °	0.933		0.844 **
	(0.085)	(0.094)		(0.076)
Grandparenthood	1.260 *	1.384 **	1.350 **	1.303 **
	(0.094)	(0.105)	(0.088)	(0.088)
Area of Residence	0.417 ***	0.392 ***	0.417 ***	
	(0.105)	(0.117)	(0.104)	
Current benefits	0.873	0.922		
	(0.090)	(0.101)		
Education	1.275 **	1.274 **	1.277 **	
	(0.073)	(0.082)	(0.072)	
Sex	0.778 ***	0.791 **	0.762 ***	0.774 ***
	(0.062)	(0.070)	(0.061)	(0.060)
Marital Status	0.880 °	0.950		0.877 °
	(0.074)	(0.082)		(0.067)
Conservativism	0.795 ***	0.767 ***	0.792 ***	
	(0.062)	(0.070)	(0.062)	
HH income		0.864 *		
		(0.078)		
HH income (imputed)	0.842 *		0.874 °	
	(0.075)		(0.069)	
Imputation dummy	0.672 ***		0.681 ***	
	(0.085)		(0.084)	
Constant	36.265 ***	36.201 ***	29.444 ***	13.952 ***
	(0.175)	(0.195)	(0.153)	(0.177)
Nagelkerke R²	0.038	0.037	0.037	0.012
Hosmer/Lemeshow	0.084	0.686	0.622	0.197
-2 Log likelihood	7290.051	5886.704	7335.916	7764.924
N	9,549	7,983	9,571	9,901

°$p < .10$; *$p < .05$; **$p < .01$; ***$p < .001$

Table 59: Support for better day care for children aged > 3 years and of schoolage, regression results; GGS 2005

Binary Logit Models Predicting Support for Downward Transfers: GGS
Family Policy: Better Childcare Facilities after School and during Holidays

Variable	Odds Ratios (Standard Errors in Parentheses)		
	Model 1	Model 2	Model 3
Age	0.998 (0.002)		0.997 ° (0.002)
Childlessness	0.819 ** (0.071)	0.876 * (0.059)	0.791 *** (0.063)
Grandparenthood	1.146 ° (0.080)	1.143 * (0.068)	1.202 * (0.075)
Area of Residence	0.330 *** (0.090)	0.323 *** (0.089)	
Current benefits	0.907 (0.075)		
Education	1.379 *** (0.060)	1.386 *** (0.059)	
Sex	0.751 *** (0.052)	0.755 *** (0.051)	0.741 *** (0.050)
Marital Status	0.947 (0.062)		0.879 * (0.058)
Conservativism	0.726 *** (0.052)	0.716 *** (0.051)	
HH income			
HH income (imputed)	0.982 (0.062)		
Imputation dummy	0.824 (0.072)		
Constant	14.596 *** (0.146)	12.138 *** (0.095)	5.460 *** (0.096)
Nagelkerke R²	0.056	0.054	0.011
Hosmer/Lemeshow	0.110	0.014	0.009
-2 Log likelihood	9549.937	9596.891	10242.42
N	9,550	9,909	9,902

$°p < .10; *p < .05; **p < .01; ***p < .001$

Table 60: Support for better childcare before and after school/during holidays, regression results; GGS 2005

Binary Logit Models Predicting Support for Downward Transfers: GGS
Family Policy: Better Part-time Work Possibilities for Parents

	Odds Ratios (Standard Errors in Parentheses)		
Variable	Model 1	Model 2	Model 3
Age	0.994 *	0.994 *	0.992 **
	(0.003)	(0.002)	(0.003)
Childlessness	0.664 ***	0.607 ***	0.614 ***
	(0.097)	(0.086)	(0.088)
Grandparenthood	1.174		1.139
	(0.112)		(0.106)
Area of Residence	0.614 ***	0.607 ***	
	(0.109)	(0.109)	
Current benefits	1.155		
	(0.114)		
Education	1.501 ***	1.499 ***	
	(0.088)	(0.088)	
Sex	0.661 ***	0.656 ***	0.659 ***
	(0.073)	(0.073)	(0.071)
Marital Status	0.856 °	0.847 °	0.902
	(0.087)	(0.086)	(0.079)
Conservativism	0.905		
	(0.073)		
HH income			
HH income (imputed)	0.775 **	0.774 **	
	(0.089)	(0.088)	
Imputation dummy	0.606 ***	0.603 ***	
	(0.100)	(0.099)	
Constant	33.206 ***	35.413 ***	22.052 ***
	(0.194)	(0.181)	(0.135)
Nagelkerke R^2	0.036	0.035	0.020
Hosmer/Lemeshow	0.171	0.543	0.365
-2 Log likelihood	5711.269	5721.414	6039.508
N	9,559	9,563	9,912

$^c p < .10; *p < .05; **p < .01; ***p < .001$

Table 61: Support for better part-time work opportunities for parents, regression results; GGS 2005

Binary Logit Models Predicting Support for Downward Transfers: GGS
Family Policy: Flexible Working Hours for Parents

	Odds Ratios (Standard Errors in Parentheses)		
Variable	Model 1	Model 2	Model 3
Age	0.992 **	0.990 ***	0.990 ***
	(0.003)	(0.003)	(0.002)
Childlessness	0.729 **	0.694 ***	0.676 ***
	(0.093)	(0.086)	(0.084)
Grandparenthood	1.448 **	1.404 **	1.347 **
	(0.108)	(0.106)	(0.102)
Area of Residence	0.604 ***	0.601 ***	
	(0.106)	(0.106)	
Current benefits	1.124		
	(0.107)		
Education	1.584 ***	1.588 ***	
	(0.085)	(0.085)	
Sex	0.671 ***	0.665 ***	0.673 ***
	(0.070)	(0.070)	(0.068)
Marital Status	0.857 °	0.851 °	0.904
	(0.083)	(0.083)	(0.076)
Conservativism	0.891		
	(0.071)		
HH income			
HH income (imputed)	0.820 *	0.812 *	
	(0.085)	(0.085)	
Imputation dummy	0.646 ***	0.640 ***	
	(0.096)	(0.096)	
Constant	30.473 ***	32.692 ***	19.987 ***
	(0.186)	(0.175)	(0.130)
Nagelkerke R²	0.037	0.036	0.019
Hosmer/Lemeshow	0.112	0.141	0.502
-2 Log likelihood	6070.169	6079.370	6456.140
N	9,554	9,558	9,907

°$p < .10$; *$p < .05$; **$p < .01$; ***$p < .001$

Table 62: Support for flexible working hours for parents, regression results; GGS 2005

Binary Logit Models Predicting Support for Downward Transfers: GGS
Family Policy: More All-day Schools

Variable	Odds Ratios (Standard Errors in Parentheses)	
	Model 1	Model 2
Age	1.003 (0.002)	
Childlessness	0.881 ° (0.067)	0.825 *** (0.054)
Grandparenthood	1.054 (0.074)	
Area of Residence	0.911 (0.064)	
Current benefits	0.773 *** (0.068)	0.730 *** (0.060)
Education	1.240 *** (0.055)	1.231 *** (0.054)
Sex	0.957 (0.048)	
Marital Status	0.958 (0.057)	
Conservativism	0.739 *** (0.048)	0.736 *** (0.047)
HH income		
HH income (imputed)	0.920 (0.058)	
Imputation dummy	0.741 *** (0.067)	
Constant	3.643 *** (0.125)	3.520 *** (0.042)
Nagelkerke R^2	0.017	0.013
Hosmer/Lemeshow	0.348	0.081
-2 Log likelihood	10785.40	10868.20
N	9,549	9,598

$^{c}p < .10$; *$p < .05$; **$p < .01$; ***$p < .001$

Table 63: Support for more all-day schools, regression results; GGS 2005

Binary Logit Models Predicting Support for Downward Transfers: GGS Family Policy: Better Housing for Families

Variable	Odds Ratios (Standard Errors in Parentheses)		
	Model 1	Model 2	Model 3
Age	0.992 *** (0.002)	0.993 *** (0.002)	0.992 ** (0.002)
Childlessness	0.775 *** (0.067)	0.738 *** (0.056)	0.762 *** (0.060)
Grandparenthood	1.100 (0.074)		1.084 (0.070)
Area of Residence	1.580 *** (0.061)	1.574 *** (0.060)	
Current benefits	1.049 (0.072)		
Education	0.874 * (0.054)	0.870 * (0.054)	
Sex	0.941 (0.049)		0.937 (0.047)
Marital Status	0.941 (0.058)		0.917 ° (0.053)
Conservatism	1.095 ° (0.050)	1.088 ° (0.049)	
HH income			
HH income (imputed)	1.131 * (0.059)	1.167 ** (0.055)	
Imputation dummy	0.654 *** (0.067)	0.661 *** (0.066)	
Constant	3.521 *** (0.123)	3.333 *** (0.105)	5.151 *** (0.092)
Nagelkerke R²	0.025	0.024	0.006
Hosmer/Lemeshow	0.498	0.767	0.084
-2 Log likelihood	10543.87	10554.56	11022.39
N	9,548	9,552	9,901

$^{c}p < .10; *p < .05; **p < .01; ***p < .001$

Table 64: Support for better housing for families, regression results; GGS 2005

Germany 2005 - 2040										
Married population by age and gender										
in %			Simulation Scenarios								
	2005		2040_1		2040_2		2040_3		2040_4	
Age	Females	Males	Females	Males	Females	Males	Females	Males	Females	Males
20-24	10,6	3,3	9,2	2,5	10,2	2,3	11,0	2,9	10,8	4,3
25-29	32,8	16,8	32,9	16,0	29,5	17,0	31,1	19,4	32,9	17,9
30-34	53,3	36,6	48,4	34,2	47,1	33,7	48,1	32,8	50,4	36,4
35-39	58,8	49,7	49,8	43,7	53,2	43,6	53,4	42,6	52,1	44,2
40-44	64,8	57,6	51,5	47,6	51,5	46,5	53,0	46,0	51,4	48,6
45-49	68,1	66,2	52,4	47,2	51,7	47,5	49,2	48,3	50,4	51,1
50-54	71,2	71,2	50,0	46,8	50,5	48,4	47,9	48,8	48,7	48,0
55-59	69,8	73,8	48,2	48,8	48,4	49,7	45,8	47,9	46,9	50,0
60-64	68,6	78,0	48,2	47,1	48,5	46,8	47,0	47,4	46,6	48,5
65-69	64,0	78,3	45,9	49,3	47,8	48,6	41,9	51,5	43,4	51,0
70-74	56,8	77,9	47,9	50,0	49,1	52,3	40,3	51,0	40,3	52,0
75-79	45,7	76,1	42,5	54,7	44,3	57,1	33,8	53,7	36,6	55,3
80-84	28,0	65,2	36,5	53,1	37,7	54,1	28,3	52,8	28,2	53,1

Table 65: Share of married people by age group and gender, years 2005 and 2040 (four simulation scenarios), Germany

Germany 2005 and 2040					
Childess women by age group (in %)					
		Simulation Scenarios			
Age	2005	2040_1	2040_2	2040_3	2040_4
20-24	51,0	55,1	53,0	55,9	38,4
25-29	30,5	32,6	32,7	34,1	20,5
30-34	23,2	27,6	24,7	25,8	14,4
35-39	22,0	27,9	27,0	28,2	15,4
40-44	20,2	28,0	27,1	25,7	16,4
45-49	17,1	26,0	25,4	25,2	17,7

Table 66: Share of childless women by age group, years 2005 and 2040 (four simulation scenarios), Germany

Abbreviations

AG 60 plus	Association of older people within the Social-democratic party SPD
ASFR	Age-specific fertility rates
BAGSO	Federal Working Group of Associations of Older Citizens (Bundesarbeitsgemeinschaft der Seniorenorganisationen)
BiB	German Federal Institute for Population Research (Bundesinstitut für Bevölkerungsforschung)
BMAS	Federal Ministry for Labour and Social Affairs
BMBF	Federal Ministry for Research and Education
BMFSFJ	Federal Ministry for Family Affairs, Older People, Women and the Young
BT	Deutscher Bundestag (German National Parliament)
CDU	Conservative Party
Destatis	German National Statistical Office
FAZ	Frankfurter Allgemeine Zeitung (German daily)
FDP	Liberal Party, Germany
GAM	Generalised Additive Models
GGS	Generations and Gender Survey
GLM	Generalised Linear Models
HFD	Human Fertility Database
HMD	Human Mortality Database
ISSP	International Social Survey Programme
LC	Lee Carter Model
LSE	London School of Economics and Political Science
MGFFI	Former Ministry for Generations, Family Affairs, Women, and Integration in the German region North Rhine-Westphalia
MP	Member of Parliament
MPIDR	Max Planck Institute for Demographic Research
OECD	Organisation for Economic Co-operation and Development
PDS	Former Communist Party (now: Die Linke)

PPAS   Population and Policy Acceptance Survey

SOCSIM   Demographic micro simulation model

SPD   Social Democratic Party, Germany

SZ   Sueddeutsche Zeitung (German daily)

TFR   Total fertility rate

UN   United Nations

VdK   Civic association of older citizens and handicapped people (Verein der

                Kriegsversehrten)

VIF   Variance inflation factor

ZDF   Second National TV Channel in Germany (Zweites Deutsches

                Fernsehen)