

Early Retirement of Civil Servants in the Netherlands¹

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The Netherlands is aging, the labor force participation of older men and women is low, particularly seen in an international perspective. At the same time the massive departure of elderly from the labor force seems to be becoming more and more difficult to afford. In addition, the question arises whether sufficient financial support will be available in the future for maintaining the current level of old age facilities. Despite the popularity of early retirement schemes in the Netherlands, little attention has been paid to the factors underlying this phenomenon. This article takes an initial step towards a multivariate modelling of the older employees' decision to retire early. Compared with other countries, the situation in the Netherlands is special to the extent that there is relatively little variation in the situational context of rules and regulations on voluntary early retirement. This does not imply that the opportunity structure is the same for every older employee: There is variation in the household context, state of health, the organizational context, and the normative context. Furthermore, within a given opportunity structure, there is variation in the older employee's disposition towards early retirement. Using a method of decreasing abstraction, data have been analyzed from a survey conducted among civil servants eligible for early retirement. In the case of the Netherlands, we conclude that mainly the organizational context, the normative context, and the employee's disposition towards retirement play a major role in explaining the early retirement decision. In comparison to former studies in the U.S., we find surprisingly no effect of the financial-economic variables on the decision to retire.

As most western societies, the Netherlands is confronted with an aging population. As a result, the potential working population is also aging. Most western countries are characterized not only by a greying population, but also by a decreasing labor market participation rate of the elderly, particularly

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among men. Due to this, for the Netherlands, a reduction in effective labor supply is expected, and the current problems of labor organizations regarding the acquisition of personnel will be aggravated (Schipper & Siegers, 1991). Figures of the Organization of Economic Cooperation and Development (OECD) show the Netherlands as the country with the largest drop in labor force participation of older employees in the last decades (OECD, 1988). In 1971, 74% of men aged 60-64 participated in the labor force. This percentage dropped to less than 25 by 1989; internationally a very low percentage (Ministry of Social Affairs & Employment, 1989). The majority of labor force withdrawal in the age category 60-64 is brought about by older workers leaving the labor force due to early retirement (De Vroome & Blomsma, 1991; Henkens & Siegers, 1991a). The combination of the mentioned developments above is becoming an increasing source of policy concern. This is particularly caused by concern about maintaining the financial feasibility of the social security system and being able to support the old age facilities, in particular. One of the central policy questions in the Netherlands is: To what extent will future generations be able (and willing) to bear the costs of care for the older, inactive part of the population? Although for most occupations the official pensionable age is 65, early retirement is very popular and used on a large scale. The social aspect of the early retirement schemes is defended by referring to the positive effects early retirement has on youth employment and the increased freedom of choice for the older worker. Employers also welcomed early retirement, as they considered this a fruitful way of releasing older, less productive workers. However, at the moment, it seems that the costs of early retirement (including the loss of human capital) will exceed the benefits in the near future. Currently, various pleas are being made for increasing the participation of older persons in the labor market.

Voluntary early retirement is a relatively new feature in the Netherlands. However, notwithstanding its rapidly increased popularity, to date little is known about the determinants of retirement behavior in the specific Dutch context. The few studies which were conducted have in common that few explanatory variables were included (Henkens & Siegers, 1991b; Ouwersloot, 1989). Attention is strongly geared towards the question to what extent the financial-economic context influences the decision to retire early. Thus far, Dutch studies lack data on the state of health of the subjects, information on the normative and social situation in which the decision is taken, and information on the last job.

In the U.S., there is a vast amount of writing on retirement, especially from an economic point of view (Boskin, 1977; Campione, 1987; Fields & Mitchell, 1984; Quinn, 1977). Over the years, the state of health and financial aspects proved to be strong predictors of retirement. However, as health problems were

considered the main cause of retirement through the 60s, it is now being assumed that the drop in labor force participation is mainly caused by financial-economic factors and a growing desire for leisure time (Ruhm, 1989). Moreover, Hardy (1982) suggests for the U.S., that although economists frequently argued that much of the increase in retirement behavior in the past decades can be attributed to the increase in pension coverage (Ippolito, 1990), normative changes are also implied. Retirement from the labor force has come to be defined as socially appropriate for older Americans. Other factors that have been investigated are occupational characteristics (Hayward, 1986), retirement policies (Hardy), retirement attitudes (Palmore, George, & Fillenbaum, 1982), family situation, and personality characteristics (Beehr, 1986). As Talaga and Beehr (1989) point out, the challenge would be to discover variables that could predict retirement, after the effects of the more tradition predictors have been partialled out.

The Dutch early retirement scheme is particularly relevant with respect to the recommendation to look at other factors in addition to financial-economic factors. This is so because Dutch early retirement schemes are characterized by relatively favorable financial conditions and relatively little variation between companies and organizations, both in the public and in the private sector. Most Dutch firms and organizations employ a fixed age, usually around 60 years, at which an employee is free to choose whether to retire early or not. The financial aspects are fairly generous, with replacement rates of 80% of the gross wage being common. This is much higher than in the U.S., for example (Grad, 1990). In short, the scheme is (a) fairly rigid (there is basically no flexibility with respect to the moment of retirement), (b) relatively generous, and (c) relatively homogeneous across companies and organizations. Many persons around the age of 60 use the given opportunity to retire early, and use of early retirement increased considerably over the last decade. However, within Dutch companies and organizations that offer early retirement, there is a distinct variation in retirement behavior. The public sector has an early retirement scheme for all their organizations. One of the largest employers in the Netherlands is the national government, with about 130,000 staff members. There is a standard early retirement scheme which is used by around 70% of those eligible. How can it be explained that some make use of the scheme and others do not? Is it the variability in household contexts? Is it related to the state of health of the retirees? Does it have something to do with the person's job or the organizational context? Is it the social (normative) context? Or, is it the variability in the way older persons perceive and evaluate their situation, within (all) these contexts? This article will attempt to deal with these questions.

The study was conducted among civil servants working for the national government. Employees were asked about their decision to retire. All subjects

were in the position that they could retire if they wanted to within a maximum period of one year (they could retire on their next birthday).³ We pay special attention to other aspects of the opportunity structure, aside from the financial economic context and the state of health. This article assumes that a better explanation is possible by pointing out the differences in the organizational and normative context as well. Finally, differences are examined with respect to dispositional characteristics, not only individual differences in preferences but also individual differences in how a given opportunity structure is perceived.

Theoretical Background

In this study, we will use a method of decreasing abstraction (Lindenberg, 1985, 1992). Theories will be considered as sequences of models, where the first model is highly simplified and each subsequent model is more realistic. Theories should allow high analytical power and a high degree of realistic descriptiveness. While highly simplified models often have the advantage of great analytical power, complex models often have the advantage of realistic descriptiveness. By using the method of decreasing abstraction, we will search for an explanation that is as simple as possible and as complex as necessary.

We will start with an analysis of the opportunity structure, to begin with the more traditional factors of the financial-economic context and the subject's state of health. Next, we will extend the analysis of the opportunity structure, whereby the organizational context will also be referred to. We then are able to test Harris' assumption for the Netherlands that an explanation of differences in retirement behavior, with a referral to state of health, can partly be seen as spurious, and can be traced back to the organizational context (Harris, 1977). It should, however, be noted that, Hayward (1986) does not find any empirical support for this for the U.S. Subsequently, as suggested by Hardy (1982), the opportunity structure is extended with a referral to the normative context. Up to this point, all the models are based on the implicit assumption that individual preferences and perceptions are the same for everyone, or that they do vary, but that these variations do not determine human behavior. After analyzing the various contexts, we use further insights from sociology and social psychology to relax this first crucial assumption in order to make the description more realistic, and thus make the model more complex. In this step, it is assumed that the choice whether to retire is not only influenced by various contextual characteristics, but also by individual mental characteristics: preferences, perceptions, and expectations.

³The final decision to retire (a decision that cannot be reversed) takes place very shortly before one actually stops working.

As a consequence of the above procedure, we will analyze the retirement decision in subsequent steps. In the first step, the decision, in its simplest form, is seen as depending solely on budget constraints, mainly as a choice between money and leisure. It is expected that as the financial loss increases, due to the choice to use alternative income sources that allow subjects to purchase more time for leisure and home production, the probability of deciding to retire will decrease. On the one hand, the financial loss concerns the relative drop in income the moment one stops working for pay. On the other hand, financial loss may concern the lack of a future rise in salary and future pension benefits. Furthermore, family situations may increase or decrease the employee's financial obligations. We assume that financial loss will weigh less heavily as more income is provided by a partner in the household and as there are fewer dependents (excluding the partner). We also assume that divorced persons, with financial obligations toward the former partner, are in a financially more sensitive position.

In the second step, the decision is also seen as depending on the choice to maintain and/or restore good health. In the U.S., it has been consistently found that the poorer the state of health, the higher the probability of early retirement (Anderson & Burkhauser, 1985; Bazzoli, 1985). Compared with the U.S., the Netherlands has a relatively generous disablement scheme. This means that many persons have been forced to leave the labor force due to disability for work even before they have had to choose whether to retire early or not. However, we expect a negative relationship between health and the retirement decision for the Netherlands as well.

In the third step, the decision is also seen as depending on the choice to avoid organizational stress(ors). On the basis of data collected in Germany, Kohli (1992) concludes that the vast majority of older employees consider it a blessing to quit work that is becoming more physically demanding, and where they are feeling less and less comfortable due to rapid technical and organizational changes. We assume that a work context with many inconveniences (e.g., monotonous, routine tasks, little challenge) is more stressful. We also assume that organizations that must cut back, where reorganizations are common practice, exert more pressure on their older employees to retire.

In the fourth step, the decision to retire is (also) seen as depending on a choice for social-normative support from relevant others and/or on the choice to avoid social-normative pressure. On the macro level, the normative context is expected to be related to the duration of working life: It is more acceptable to stop working for those who have been active in the labor force for a relatively long period, than for those who have been in the work force for a shorter period of time. On the micro level, it is expected that the normative context is more permissive (less restrictive) for those who live in a social

network in which many relevant others have already retired, than for those who live in a network where everybody is still active in the labor force.

In the last step, individual preferences and expectations concerning the consequences of retirement are incorporated in the model. Accepting that it is true that everyone strives for physical well-being and social approval, we assume that the way individuals try to reach these goals differs. Within a given opportunity structure, the disposition towards early retirement may vary, as individuals value money, time, social contacts, and status/prestige differently (Tazelaar & Wippler, 1985). Furthermore, we assume that it also varies with the preference for good health, high self-esteem, and a regular lifestyle. Finally, it is assumed that this disposition varies with the perceived social-normative support from relevant others (Tazelaar, 1980, 1982), that is, the more one believes that the decision to retire is supported by these other persons, the stronger the disposition to retire, and the more likely one will decide to do so. Furthermore, we expect that this hypothesis holds more, as one is more inclined to act according to the preferences and values of these other persons. We assume that one is more inclined to act according to the preferences of strong social ties (i.e., frequent, intimate, and reciprocal relations with next of kin, and/or with very good friends) than of weak ties (i.e., acquaintances, fellow members of clubs, colleagues).

Method

Sample

The data are from a study on early retirement of civil servants who work for the Dutch national government. The study was jointly conducted in 1991 by the Netherlands Interdisciplinary Demographic Institute (NIDI) and the Department of Employment Research of the Ministry of Home Affairs. All civil servants who were eligible for early retirement (i.e., had reached the age of 59 years in 1991 or celebrated their 40th job anniversary) received a survey in the beginning of 1991. In this survey, the subjects were asked whether or not they had made a decision regarding early retirement and information was gathered on demographic characteristics, their state of health, the organizational context, the social normative context, and their preferences and expectations regarding retirement. The response rate was high; of all 1287 employees who received a questionnaire, more than 1000 civil servants (904 men and 111 women) returned the written survey, resulting in a response rate of 79% (Henkens & Siegers, 1992). Data on the financial-economic context were made available by the Central Salary Administration.

Measures

Retirement decision. Employees were asked about their decision to retire. Strictly speaking, this decision could still be reversed after the moment of data gathering, and thus could be considered as an intention. Intentions to retire can be different from actual retirement. In an American study (Burkhauser & Quinn, 1985), the relationship proved to be moderated, among other things, by retirement policies and the distance from retirement age. Prothero and Beach (1984) examined the retirement decision-making process and concluded that, after a period of 2 years, 76% of their sample had acted in accordance with their intentions. In this article, it is assumed that subjects who indicate they will retire early actually do so. For the Netherlands, this assumption is fairly realistic, as appears from data that was available for a part ($n = 149$) of the subjects (those who may retire because they have reached their 40th job anniversary). Of both those who state their intention to retire early and those who intend to remain at work, 90% had realized their intentions one year after being interviewed.

Financial-economic context. First, the net *replacement rate* is calculated, that is, the ratio of the net benefits income to the net last-earned income. The gross replacement rate is 80% for all respondents. Depending on the salary level and income tax bracket, this results in a net replacement rate that lies between 89% and 96%. Two financial-economic variables concern: (a) the income level, and (b) the opportunity for substantial salary growth, if he or she decides to continue working for pay. With respect to other income in the household, a number of dummy variables have been included that indicate the net monthly income of the partner. A number of subjects did not answer the question on their partner's income, so that a dummy variable entitled income partner missing has also been included. The family situation has been operationalized by the number of children in the household, marital status, and gender.

State of health. The state of health of the respondent was operationalized as the mean standardized score across the answers to five questions, regarding (a) the last visit to the family doctor, (b) the number of contacts with the family doctor in the last 2 months, (c) treatment by a medical specialist, (d) the number of contacts with a medical specialist, and (e) the use of prescribed medicine in the last 2 weeks ($\alpha = .77$).

Organizational context. The organizational context was operationalized using two variables. First, an indication was found for the extent to which the organization had been making cutbacks by examining whether the department where the respondent works has been reorganized within the past year. Second, a measure was constructed for indicating the extent to which the respondent

had to perform work with many inconveniences within their organization.⁴ The respondents were given a list of two questions assessing the presence of (monotonous) routine tasks and the extent to which the work lacks challenge ($\alpha = .70$).

Normative context. On the macro level, the normative context is expected to be related to the duration of working life. The potential labor market experience is indicated by the age of the individual minus the number of years in education. On the micro level, the normative context is operationalized by the labor force status of relevant others. This is indicated by two variables; one concerning the question whether the partner has taken (early) retirement and another concerning the relative number of friends that have taken early retirement.

Disposition towards early retirement. Subjects were asked to indicate the extent to which they expect to miss a number of work-related aspects after retirement. The following aspects were distinguished: money, social contacts, status/prestige, self-esteem, and a regular life style. In addition, information is available on the expected consequences for health and leisure. The perceived social-normative support was operationalized by questions on the perceived attitude of the partner regarding early retirement of the subject, and on the perceived attitude of colleagues.

Results

Of all subjects, 77% had decided to retire before the age of 65. The financial-economic context was mainly shaped by the net income before and after retirement. The relatively uniform rules and regulations for civil servants in the Netherlands contributes to the fact that the actual drop in income was fairly homogeneous: 50% of all the subjects experienced a 5-10% drop in income at retirement, 25% a bit more than 10%, and the other 25% somewhat less than 5%. The majority of the subjects (more than 80%) are at the top of their salary scale. For 75% of the subjects with a partner, this partner did not contribute an income to the household, and if so, for only 12% this is more than half of the net household income. Of all subjects, 29% had one or more dependent children in the household. In general, the state of health of the subjects was fairly good, with one third in excellent health; one in six is in considerably poor health. If we look at the organizational context, it appears that 50% of Dutch civil servants had experienced a departmental reorganization within the past year, while 21% of the subjects was in a work situation,

⁴The data were not requested of the organization. The respondent was considered as the "expert judge" of this.

characterized by monotonous, routine tasks and lack of challenge.⁵

With respect to the normative context, we found that 10% of the subjects had no friends who had retired early and 18% had only one friend who took retirement. In a few cases (4%), the partner had already retired voluntarily from the labor force.

With respect to the disposition to retire, the following can be concluded. Aspects that civil servants most expect to miss when they quit working are financial resources (25%) and social contacts (22%).⁶ Loss of status (5%), self-esteem (6%), and a regular life style (10%) play a role for a considerably smaller proportion of subjects. Seven percent expect problems in filling in their newly-acquired leisure time after they stop working. Although the number of persons with health problems at the moment of the retirement decision was not high, half of the subjects still felt that quitting work would be beneficial to their health. Relatively few persons who are eligible for early retirement felt that their partner would want them to work for a few more years (16% stated that the partner would want this and 36% that it didn't make any difference to their partner). A considerable number of older employees (30%) felt that their colleagues would want them to continue working.

On the basis of our descriptive analyses, the main conclusion is that there is no strong relationship between the given opportunities on the one hand, and the subject's preferences and perceptions with respect to early retirement, on the other hand. In other words, within given opportunities and constraints, there is a relatively high variation in retirement disposition. For example, the partner's income, the number of dependents, and marital status prove to be only weakly related to the perceived financial drawback. However, there are some interesting specific relations between the opportunity structure and dispositional characteristics. For example, it holds that if there are more dependents the person perceives the partner's attitude as less supportive towards early retirement. Furthermore, it can be seen that the perceived negative consequences of early retirement, with respect to income and leisure time, are negatively related to the normative context, indicated by the number of network contacts who have already retired early.

From other studies in the Netherlands (Henkens & Siegers, 1994) on experiences of those who have already been retired early, it appears that the experienced negative consequences with respect to income and leisure time are

⁵The organizational context is only very weakly negatively correlated with the state of health of the subjects. This applies for both of the indicators for the degree of organizational stress ($r < .10$).

⁶The way one values income retention is related to the income level. Those with a high income usually perceive the drop in income as less severe than those with a low income ($r = .25$).

Table 1

Five Logit Models Explaining the Retirement Decision of Civil Servants in the Netherlands (n = 1010)

Explanatory variables	Logit coefficients (t-values)				
	Model A	Model B	Model C	Model D	Model E
Financial economic context					
Constant	7.21 (0.91)	6.72 (0.83)	6.47 (0.78)	3.19 (0.36)	0.11 (0.01)
Replacement rate	-6.44 (-0.73)	-5.86 (-0.65)	-5.04 (-0.55)	-3.84 (-0.40)	-4.93 (-0.46)
Future income rise to be expected	0.11 (0.52)	0.06 (0.29)	0.11 (0.51)	0.12 (0.57)	0.05 (0.22)
Income level low (1-3)					
Income level 4-6	0.23 (0.91)	0.21 (0.84)	0.34 (1.31)	0.37 (1.27)	0.26 (0.87)
Income level 7-9	-0.04 (-0.11)	-0.04 (-0.13)	0.14 (0.38)	-0.14 (-0.35)	0.03 (0.08)
Income level 10-11	0.17 (0.31)	0.12 (0.21)	0.40 (0.67)	0.40 (0.64)	0.03 (0.05)
Income level high ≥ 12	-0.17 (-0.31)	-0.19 (-0.35)	0.14 (0.25)	0.24 (0.40)	0.24 (0.35)
Number of dependents	-0.32** (-3.79)	-0.33** (-3.84)	-0.32** (-3.63)	-0.30** (-3.49)	-0.22* (-2.25)
Male (0-1)	-0.10 (-0.33)	-0.11 (-0.37)	-0.03 (-0.10)	-0.20 (-0.63)	0.11 (0.31)
Married					
Unmarried	0.13 (0.41)	0.15 (0.48)	0.14 (0.46)	0.21 (0.63)	-0.02 (-0.07)
Divorced	-1.04** (-3.02)	-0.94** (-2.71)	-1.03** (-2.92)	-1.03** (-2.88)	-0.99** (-2.46)
Widowed	-0.78+ (-1.70)	-0.69 (-1.48)	-0.78+ (-1.66)	-0.68 (-1.43)	-0.91† (-1.68)
No partner/partner no income					
Income partner 1-500	-0.10 (-0.31)	-0.12 (-0.37)	-0.16 (-0.47)	-0.23 (-0.67)	-0.38 (-0.79)
Income partner 500-1000	0.73 (1.60)	0.72 (1.56)	0.75 (1.60)	0.68 (1.44)	0.40 (0.78)
Income partner > 1000	0.26 (1.08)	0.29 (1.17)	0.24 (0.95)	0.15 (0.61)	0.09 (0.31)
Income partner missing	0.26 (0.98)	0.31 (1.18)	0.32 (1.17)	0.32 (1.18)	0.24 (0.82)
Health					
Health condition	-0.46** (-3.87)	-0.43** (-3.57)	-0.43** (-3.57)	-0.43** (-3.60)	-0.51** (-3.83)

(table continues)

Table 1 (*continued*)

Explanatory variables	Logit coefficients (<i>t</i> -values)				
	Model A	Model B	Model C	Model D	Model E
Organizational context					
Department has been reorganized			0.38* (2.34)	0.39* (2.37)	0.41* (2.24)
Work with inconveniences			0.26** (3.18)	0.25** (3.22)	0.29** (2.83)
Normative					
Potential labor market experience				0.05 (1.34)	0.06† (1.68)
Partner has retired				1.56* (1.99)	1.48 (1.58)
Friends have retired				0.47** (2.61)	0.36† (1.80)
Disposition					
Money					-0.60** (-6.11)
Social contacts					-0.22* (-1.97)
Status/prestige					0.28 (1.54)
Self-esteem					-0.30** (-2.35)
Regular life style					-0.12 (-1.18)
Leisure					-0.22** (-2.28)
Health					-0.79** (-4.40)
Perceived social normative support from the partner					0.42** (3.80)
Perceived social normative support from colleagues					0.05 (0.41)
Log likelihood	-528.4	520.2	-511.9	505.1	-420.4
Chi ² (df)	48.5 (df = 15)	65.0 (df = 16)	81.5 (df = 19)	95.1 (df = 21)	264.5 (df = 30)
Pseudo R ²	4.4%	5.9%	7.4%	8.6%	23.9%

*Perceived consequences of early retirement

* $p < .005$. ** $p < .01$. † $p < .10$.

quite limited in practice. On the basis of our descriptive analysis, we come to the conclusion, that this not only holds for older people's own experiences, but also for subjects that face similar experiences in their social networks: Older employees who have friends that have already retired early, anticipate less negative consequences than those who do not have this kind of friends.

Multivariate Analysis

The multivariate analyses of the retirement decision of civil servants in the Netherlands were carried out in subsequent steps. A total of five models (A through E) have been estimated. In the first model (A), the decision whether or not to retire early is solely explained by the financial-economic context. The results are presented in Table 1. As appears from the table, neither the net replacement rate, income level, nor the partner's income level have a significant effect on the early retirement decision. No relation was found with respect to gender. Of all the explanatory variables in this first analysis step, only three appear to be significantly correlated with the early retirement decision. In the first place, the probability of early retirement is lower as the number of dependents is higher, and the probability that the decision was made to retire early is lower if a person is divorced or widowed. The explanatory power of this first model is low: The explained variance (pseudo R^2) is 4.4 %.

In the second model (B), in addition to the aforementioned characteristics, the state of health of the employee is included in the analysis. It appears that the state of health has a significant effect on the early retirement decision: As the subject's health is worse, the greater the probability that this individual will choose to retire early. The organizational context is included in the third step (Model C). In accordance with the hypothesis formulated in Section 2, it appears that the probability of retiring is higher as the job entails more inconveniences. It also appears that the situation of the department influences retirement behavior: The probability of retiring is higher as the department has recently been reorganized.

The effect of health diminishes slightly when the organizational characteristics are taken into account, but remains significant (cf. Hayward, 1986). Due to the incorporation of the organizational context in the model, the explained variance increases to 7.4%.

In the fourth step (D), the analysis is extended by incorporating the normative context in the model. We conclude from the fourth column of Table 1 that the normative context on the micro level plays a significant role in the decision to retire. The probability that one decides to take early retirement is higher if the spouse has already retired and if friends have already retired. This confirms the conclusion of Henretta & O'Rand (1983) that the retirement decisions of partners are dependent.⁷ We did not find an effect of the normative context on

the macro level; the potential labor market experience is not significant. We conclude that the normative context has an additional effect on the retirement decision, in that the estimated parameters of the first three models do not change.

It can be concluded that on the basis of the financial context, the state of health, the organizational context, and the normative context, only a relatively small part of the variance in the early retirement decision of civil servants in the Netherlands can be explained. A final model (E) has been estimated in which, in addition to these aspects of the opportunity structure, the individual disposition to retire is taken into account. The individual preferences and expectations concerning the consequences of retirement prove to be of major interest in explaining the retirement decision of civil servants in the Netherlands. With the inclusion of this variable the explained variance increases to 23.9.⁸ The probability that the subjects decide to retire early is lower as they perceived the financial drawback, the loss of social contacts/colleagues, and self-esteem to be more severe. The perceived consequences for health and problems on spending leisure time also influence the decision whether to leave the labor force. With respect to the perceived social-normative support from significant others, the formulated hypotheses are confirmed. Subjects tend to act more according to the preferences and values of strong ties (partner) than of weak ties (colleagues). It appears that the perceived social-normative support of the partner is significant, the perceived social-normative support of colleagues is not significant.

Discussion

The Netherlands is characterized by early retirement regulations that are fairly rigid (there is basically no flexibility with respect to the moment of retirement), relatively generous, and relatively homogeneous across companies and organizations. One of the largest employers in the Netherlands is the national government, with about 130,000 staff members. There is a standard early retirement scheme, which is used by 77% of those eligible. The main aim of this article was to determine what factors influence the decision to use the opportunity to voluntarily retire early. For an explanation that has both analytical power and a high degree of realistic descriptiveness, we used insights from economics, sociology, and social psychology. Following a

⁷A positive relationship between the labor market status of partners is also found for married couples receiving disability benefits (Henkens, Kraaykamp, & Siegers, 1993) and unemployment (Ultee, Dessens, & Jansen, 1988).

⁸This result is in line with results from studies in the U.S. in which the retirement attitude has been incorporated (e.g., Palmore et al., 1982).

method of decreasing abstraction, we searched for an explanation that was as simple as possible and as complex as necessary. We started with insights from economics, gradually extending the model using insights from sociology and social psychology. The retirement decision was analyzed in five steps, whereby, in the first four steps, various aspects of the opportunity structure were taken into account. In the last step, the disposition to retire was incorporated in the model.

In the first step, opportunities and constraints were examined with respect to rules and regulations and their financial consequences within the household context. The second step examined the opportunities and constraints imposed on the person as a result of health status. The third step included the opportunities and particularly the constraints within the organizational context. Finally, the opportunity structure was extended by looking at the normative context, whereby mainly sociological insights were used.

From the analyses of the opportunity structure, we come to the remarkable conclusion that none of the financial-economic variables incorporated in the model played a significant role. Early retirement decisions in the Netherlands were influenced by family situation (number of dependents and marital status), the state of health, and the organizational context. With respect to the latter, it can be concluded that work with inconveniences, as well as work within organizations that must cut back and where reorganizations are common practice, increased the probability of retirement. The normative context also had its impact on retirement decisions. The social-network context, particularly the number of social ties (partner and friends) who have already retired early, has a positive effect on the early retirement decision.

When this relatively parsimonious model was extended by adding individual preferences and perceptions, the model becomes more complex, and therefore loses analytical power, but the descriptive value increases considerably. In this respect, it turns out that the explanation of early retirement improves once we know how one values the financial drawback given financial rules and regulations, and the evaluation of whether the forthcoming leisure time can be filled usefully, without losing self-esteem. Finally, the person's evaluation of how relevant others, mainly in the inner circle (partner), evaluated the retirement decision plays a distinct role.

With respect to the remarkable conclusion in this study, that strict financial-economic factors do not play a role in the early retirement decision in the Netherlands, various speculations can be made. First, it should be noted that, from an international perspective, both rules and regulations concerning early retirement and their financial consequences are extremely favorable (Schipper & Siegers, 1991). This not only holds for our sample, but for the entire public and the major part of the private sector. The Netherlands is simply

characterized by excellent early retirement benefits, with relatively little variation in levels. The financial consequences of early retirement are, however, not totally homogeneous. In principal, small variations could have large effects, however, we did not find them. Second, one should keep in mind that, the situation in the Netherlands, and the civil service in particular, is characterized by a payment structure by seniority. Instead of a strong relation between income and productivity, the Netherlands is characterized by a system of postponed payment: Older workers have relatively high salaries compared to their productivity (De Koning & Gelderblom, 1992). Demotion based upon reduced productivity is a rare occurrence in the Netherlands. As a result, many Dutch elderly employees eligible for early retirement have good financial assets. Future research in the Netherlands must answer the question to what extent savings, real estate and other financial resources influence the decision to retire.

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