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## Ageing in Europe – challenges and consequences

*The issues of age challenge the whole of society and put it to the test.*

*Simone de Beauvoir*

### Altern in Europa – Herausforderungen und Konsequenzen

**Summary** This article outlines the five key social and economic policy challenges presented by the ageing population of the European Union (EU). These challenges are the maintenance of economic security in old age, preserving intergenerational solidarity, combating the social exclusion created by age discrimination, providing long-term care in the context of changes in family and residence patterns, and enabling older people to participate in society as full citizens. The nature of each of these challenges is discussed and priorities pinpointed.

The discussion of policy challenges is preceded by an outline of the demo-

graphic context of the EU: the combination of declining fertility and increasing longevity. This also includes a discussion of the links between demography and policy. The conclusion of the article considers the current threat to the European model of social policy and suggests ways in which the gerontological community might contribute to its defence.

**Key words** Ageing – social policy – European Union – social gerontology

**Zusammenfassung** Dieser Artikel skizziert die fünf maßgeblichen Herausforderungen, die durch die alternde Bevölkerung in der EU an Sozialpolitik und Wirtschaftspolitik herangetragen werden. Es handelt sich hier um

- den Erhalt der wirtschaftlichen Sicherheit im Alter
- das Bewahren der Solidarität zwischen den Generationen
- das Bekämpfen und Verhindern einer sozialen Ausgliederung, die durch eine Altersdiskriminierung bedingt sein kann,
- das Sicherstellen der Langzeitpflege unter Berücksichtigung der Verände-

rungen im Bereich der Familie und der Wohnsituation und

- es den älteren Menschen zu ermöglichen, als gleichberechtigte Bürger an dem Leben der Gesellschaft teilzunehmen.

Die Natur jeder einzelnen These wird diskutiert und sich daraus ergebende Prioritäten exakt festgelegt.

In der Diskussion der Forderungen an die Politik geht eine Skizze der demographischen Situation in der Europäischen Union voraus: und hier insbesondere der Kombination von nachlassender Fertilität und zunehmender Langlebigkeit; gleichermaßen auch die Verbindungen zwischen der Demographie und den politischen Erfordernissen.

Das Ende des Artikels berücksichtigt den gegenwärtigen Zusammenhang zum europäischen Modell für Sozialpolitik und schlägt Wege vor, auf welchen die gerontologische Gemeinschaft zur Verteidigung dieser Ziele beitragen kann.

**Schlüsselwörter** Altern – Sozialpolitik – Europäische Union – soziale Gerontologie

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### Introduction

The main purpose of this lecture is to provide a general introduction to the conference theme ‘Ageing in Europe – European Ageing’. I will outline the main policy challenges posed

by the ageing populations of the European Union (EU) in particular. Five key social and economic challenges may be identified: ensuring economic security in old age; maintaining intergenerational solidarity; combating the social exclusion caused by age discrimination; providing long-term care in the

context of changes in the family and residence patterns; and enabling older people to participate as full citizens. The extent to which any society in Europe can recognise and respond effectively to these challenges will determine its degree of success in adapting to its own ageing process. This will determine whether or not that society is age integrated and genuine for all ages, remembering the theme of this UN Year of Older Persons. In conclusion I want to say something about the special nature of the context in which ageing is taking place in the EU – what is sometimes referred to as the ‘European model’. First of all I will provide some brief information about the European demographic context and emphasize the need for caution in drawing policy conclusions from the demographic data.

### The demographic context

As a result of the unique late 20th century combination of declining fertility and increasing longevity, the EU is ageing – though the rate differs between Member States and, especially, between regions. In a large number of European regions the population will have stopped growing by the end of the century. This will extend to the majority of EU regions which will see their population levelling off or declining before 2015. The younger generation, the 0–24 age group, represented 31.1% of the population in 1995, and this will decline to 27% in 2015 (some 11 million less). The older generation (65+) will increase, significantly and unevenly, throughout the EU. In some regions of France, Italy and Spain the 80 plus generation will represent between 7 and 9% of the population (compared with an average 3.9% in 1995). As a consequence the average age of the population will increase from 38.3 years in 1995 to 41.8 in 2015. The additional impact of migration means that, in some regions in eastern Germany, northern Italy, central France and northern Spain, the average age will be between 44 and 50 years.

The growth of the very old (80+) will be the strongest, in terms of intensity. A large share of the total increase in this cohort over the next 25 years (plus 62% between 1995 and 2025) will take place within the five-year period 2000–2005. Within those five years the increase will be above 25% in Belgium and France, and almost as much in Italy and Austria. The average increase in the EU will be 18.6%. Italy leads the way (yet again in demographic terms): in 2025, 7.1% or one in every 14 Italians, will be over 80. Germany comes next, due to the pre-war baby boom, and Denmark, Sweden and Ireland will follow after 2020.

The Eastern European countries are also experiencing demographic ageing. All of them, except Poland, will see a decline in the total population (and that of working age) before 2010. The EU shares demographic ageing with other world regions though, with Japan, it has the most pronounced trend

over the next 20 years. Usually at this point in a demographic narrative some data showing age dependency ratios is presented. I will refrain from that temptation because, at best, such data are misleadingly crude and simplistic and, at worst, they may be harmful to the cause of rational policy debate. The policy implications of demographic change are not just a matter of the absolute numbers in different age groups.

First of all it must be remembered that increasing longevity is an indicator of social and economic progress: the triumph of science and public policy over many of the causes of premature death which truncated lives in earlier times. Therefore we should not bemoan the emergence of more balanced age structures but recognise that this unique phenomenon is one of the great achievements of the 20th century. At the same time it presents challenges to policy and practice in all sectors of society.

Secondly there is not a simple linear relationship between demographic change and demand for spending on social protection, still less with the levels of such spending. For example, with regard to health and social care, the level of need for formal care depends on health status, marriage patterns, household composition and living arrangements. It is predicted that the number of disability-free years will increase in the next century (4) but the evidence so far is inconclusive (2, 4, 5, 23). Other population trends provide a more certain picture. Older people living alone tend to make greater use of formal services than those living with others (partly because of the correlation between advanced old age and living alone) and, in the EU, there is an increasing proportion living alone. Given the primacy of family care it is likely that the growth in family breakdown and divorce among both older people and their children will have an impact on the demand for formal care but, again, the evidence is inconclusive. Similarly the increased participation of women in the labour force is likely to have affected the ability of the family to provide care; certainly it has increased the strains experienced by the primary carers: women. Although more older people in the EU today have children than in previous generations family size has declined dramatically over the course of this century and, therefore, the pool of potential family carers has shrunk.

Declining fertility is a global phenomenon and is closely connected with economic development. The EU as a whole was already below the replacement rate 20 years ago and Europe as a whole was equal to the rate. One indicator of the implications for social care of these changes in fertility in combination with the universal increase in longevity is the parent support ratio (PSR) – the population aged over 80 divided by the population aged 50–64. Because Europe aged earlier than other regions its PSR is the highest in the world and is likely to remain so for the next 25 years (22).

Turning to pensions, crude age dependency ratios would suggest increasing tax burdens on the working population. However that pessimistic scenario rests on the classic eco-

nomic obfuscation *ceteris paribus* which freezes present trends regardless of how far into the future the projections are being made. In fact the main issue for pension funding is not population ageing *per se* but its combination with changes in birth rates, the structure of employment and the practice of retirement. In a very short space of time there has been a major restructuring of the life cycle in most EU countries resulting from the truncation of employment prior to pension ages (9). In some EU countries this was a trend openly encouraged by public policy. Thus, paradoxically, as longevity has increased, the age at which people exit from economic activity has fallen. Since the 1950s there has been an average increase in longevity in the EU of around 10 years and a parallel decline in the age of final labour force exit of the same magnitude. As Esping-Andersen (6) has put it, Europe has 'doubled pension benefit years and cut contribution years by around 25 %'.

Thus, arguably, it is not demography that is the main issue for social policy and social protection in particular but the growing insecurity of labour markets, the decline in the 'standard worker' on which most pension systems were based, and the changing nature of the family (especially the rise in divorce and the decline in fertility).

One, final, point about demography before turning to the policy issues: population ageing is a social process. Of course we must start from the biological fact of ageing (which is itself a continuous process and is changing from age cohort to age cohort) but that tells us very little indeed about the societal consequences or the policy implications of population ageing. Here sociology is more helpful than biology: age is a social construction and social policy plays a crucial role in that process – for example by defining the age at which people enter pension systems and, therefore, become 'old' in social and economic terms. Because the meaning of age in different societies is determined by social processes – micro and macro – the impact of population ageing is subject to the influence of social policy. For example, if we look back over the last 30 years at the reasons for the growth of pensions expenditure, in all OECD countries, demography played a minor role compared to policy decisions (2). In other words, there is nothing inevitable about the impact of ageing on different societies, but rather it is the policy process that will determine whether or not countries age successfully.

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### The policy challenges

It is essential to emphasize the uniqueness of the institutional structure within which ageing is taking place in the EU. Most of the world's developed welfare states are to be found in the EU and all of the countries that devote the highest proportions of their national income to social expenditure. For example in 1997, the EU as a whole spent around 12 % of its GDP on pensions, compared with 4 % in the Americas and the Western Pa-

cific (7). Within that average, however, are significant variations between the Member States of the EU, particularly on a north-south axis. Thus while the EU contains fully developed welfare states (mainly in the north) there are also other countries (mainly in the south) whose welfare systems are still at an early stage of development. For example Austria and Finland spend twice as much of their national incomes on pensions as Greece and Ireland. Nonetheless even the most under-developed welfare systems of southern Europe are at least twice as effective in relieving poverty as that of the USA (8). In other words the EU is in a much better position than other world regions to deal with population ageing.

### Ensuring economic security

Despite the remarkable record of the EU countries in promoting economic security in old age there are two major problems with the EU's pension systems and a question about their future sustainability. The first problem is that there are big variations between countries in the levels of pensions and the extent of relative poverty (as measured by reference to average incomes and national social assistance schemes) (21). These variations are reflected in the subjective opinions of older people themselves (19). While a large majority of older people in Europe describe themselves as financially secure – the range sketches from 89 % in Scandinavia to 40 % in Greece.

Secondly regardless of a nation's success in reducing poverty in old age there are continuing differences in living standards among pensioners and in some cases these are widening. The primary inequalities are based on age and gender and, of course, the interaction between the two. On the one hand there are inequalities in income between the recently retired and older age groups, the third and fourth ages. On the other hand women are more likely to live longer and are less likely to have full pension contribution records in employment and, therefore, they are more likely than men to be poor in old age. This finding is consistent across all EU countries except the Scandinavian ones – older women represent some of the poorest and most socially excluded groups in the EU – both North and South. These generational and gender inequalities represent serious fault lines in the pensions and social protection systems of the majority of Member States. They seem to be indicative not simply of the lack of adequate protection given to certain groups of older people from bearing a disproportionate share of deprivation and the need for additional policy measures but, more fundamentally, they suggest that some of the pension systems themselves have contributed to the problem by excluding some groups, such as female part-time workers.

These differences within and between Member States represent a considerable challenge for the EU which has set itself the goal of achieving economic security in old age. It is

facing this challenge at precisely the time when international agencies such as the OECD and World Bank are warning against the economic costs of population ageing. Sometimes these warnings have been expressed in alarmist terms and the EU has seen a certain amount of such rhetoric (20). But, for the most part, the debate in Europe has been calmer than that in the US and some other parts of the world and the measures taken, or currently in train, to contain pension costs have been considered and modest – such as curtailing early retirement and raising pension ages (15). No other EU country followed the UK government's example in the 1980s and early 1990s in making substantial cuts in state pension levels and in encouraging the rapid growth of the private sector.

The UK experience provides warning signs against the dangers of an unbalanced approach to pension provision and the risks involved in trying to change the institutional structure of a pension regime. Two main lessons may be learnt from the recent pension reforms in the UK. On the one hand there is the need for open public debate about the proposed direction of change. This was completely absent in the UK and, instead, what occurred was the ideological assertion that PAYG is unsustainable and that private is best. There was no discussion of the advantages of PAYG – for example their superiority with regard to the alleviation of poverty and creating social inclusion. Nor were the disadvantages of funding ever discussed – including their low coverage (the much vaunted Chilean scheme covers only 52 % of the workforce), inefficiency, high costs, high risks and double taxation in the transition from PAYG to funding. On the other hand, there is the failure to adapt the British pension system to changing times and to enlist the support of younger generations. Ironically the UK pension system may have been more secure from political interference or more keenly defended if its rights had been more individualised.

Thus the UK experience provides some negative lessons for countries undertaking major pension reform. Of course privately funded schemes have a role to play, but dangers arise when they are given a central role where they can act as an engine of social exclusion. These problems are likely to increase rather than decrease as the 'post-modern' working life is characterised by economic insecurity for a majority and gross insecurity for up to 40 % of the working population. Many UK women in particular will be unable to accrue adequate pension rights through privately funded schemes. In contrast the principle of risk-pooling under social insurance – modernised to minimise exclusions and to maximise individual ownership – seems even better suited to today's labour market than it was when such schemes were first introduced in Europe. This seems to be the conclusion of the majority of EU countries which, despite widespread reforms, have retained the basic social insurance and PAYG features of their systems. For example the new Swedish pension scheme represents a compromise between PAYG and funding with 2.5 % of the total

18.5 % being saved in a premium reserve. However, in Central and Eastern Europe privatisation and pre-funding are the dominant approaches.

### Maintaining intergenerational solidarity

Harmonious relations between the generations are an essential building block for a cohesive society. Biblical history and literature are scattered with references to this fundamental human issue – Job and his sons, Oedipus, King Lear and his untrustworthy daughters. It is an age old question. It is an issue that is as central to all societies and world religions. As you know very well, the main source of health and social care is the family and this depends on the operation of inter- as well as intragenerational solidarity. Given their great importance it is surprising that policy makers pay so little attention to relations between the generations.

In contemporary western Europe research indicates strong intergenerational bonds at both the family and community level and at a macro-societal level. In no EU country is there any indication of strong antagonism of older people towards younger ones. Also there are some striking similarities in opinions between younger and older people and in the major political issues they espouse – which contradicts the popular perception of a generation gap. The overall impression in the EU is one of healthy intergenerational relations. This was confirmed when the general public was asked whether older and younger people should mix together more often socially – the response was almost unanimous, with nine out of ten respondents saying, yes they should (19).

Turning from micro-sociological interpersonal relationships to the big macro-policy issue concerning intergenerational relations – the funding of pensions – we can also report the absence of conflict and certainly no sign of intergenerational war. Underlying all EU pension systems is a contract between the generations: the working population contributes towards the pensions of those in retirement. Therefore it is vital to know whether or not the general public is willing to go on paying for pensions. To test this we asked the general public in each country whether or not those in employment have a duty to ensure, through the taxes or contributions they pay, that older people have a decent standard of living. The results show a remarkably high level of positive consensus, right across the EU, with some four out of five people on average and never less than seven out of ten agreeing with the proposition (19). This indicates that the social contract – the most critical test of macro-intergenerational relations – is not just alive and well in the EU but apparently in a very healthy state.

Thus the common perception of both a growing generational gap in outlook and, perhaps more importantly, of increasing tensions and possibly open conflict between workers and pensioners is simply not borne out by the facts and the

opinions of those involved. But the EU cannot be complacent because societal ageing creates a new set of relationships between the generations both within the family and in society as a whole (18).

Looking to the future what is required is a new intergenerational settlement in which it is recognised that ageing societies need fundamental adjustments in resource distribution and thinking. Rather than seeing generations as competing for welfare it is more helpful to adopt a life-course perspective, such as that proposed by Daniels (3) in his concept of the 'prudential life-span account'. This approach allows for the development of guidelines for distribution and redistribution between the life-stages under the assumption that everyone can expect the same treatment over their life-course. In the long run, not only would immediate inequalities be compensated, but also the 'prudent' allocation of resources over the life-span would maximise general well-being. This sort of approach would facilitate a more open and active management of resource distribution between the generations than is presently the case. It would also allow the long-term generational impact of policies to be better integrated in decision making. Secondly the importance of the social contract must be reaffirmed and the younger generations continuously educated about its advantages. It is obvious that there will be greater readiness to pay for pensions and health care for older generations if there is a certainty of future reciprocation. This also means that there should be investment in young people too, for example in educational training, so as to prevent unemployment and create a sound economic base on which to build for retirement. Thirdly the increasing exclusion of older people from the labour market must give way to new roles, such as mentoring, which emphasize their importance in passing on skills to the younger generation. Fourthly the care of frail older people must be shared more effectively between the state and the family, a point I will return to.

Underlying these changes would be a realignment of economics and ethics in which the obligation of the current generations of workers towards pensioners would be seen as a key goal of economic policy – an essential feature of a good society – not an encumbrance. But for this sort of transformation to take place politicians have to first recognise the importance of intergenerational solidarity and how it may be undermined by individualisation. The European Year of Older People and Solidarity Between the Generations in 1993 was a start, and the current UN year is an ideal opportunity for intelligent public debate about the importance of intergenerational solidarity in ageing societies. We are facing a unique historical challenge of multi-generationality. All we have to do now is to ensure that the generations continue to live together in harmony. Thus, even if it proves necessary to further modify public pension contracts on grounds of generational prudence, it is essential that this be done in a climate of open debate and

persuasion, not one of alarmism about the burden of older people.

### Combating age discrimination

Information on the extent of age discrimination in different EU countries has emerged only recently. Ageism stems from a negative view of ageing and old age. There is no doubt that age discrimination is widespread and, in the context of ageing societies, it represents a huge challenge that must be overcome for both social and economic reasons. Social, because it creates stigma, social exclusion and the denial of full citizenship. Economic, because if older people are discriminated against purely on the grounds of age they are denied the chance of making an economic contribution. Herein lies one of the great paradoxes of modern societies: as longevity has increased the age of final exit from the labour market has fallen. Now, in all EU countries, there is a lengthening 'limbo period' between the age of labour market exit and pension age, a phenomenon which policy makers in several countries have and are only just beginning to address.

Early labour force exit has been the dominant characteristic of the labour market experience of older workers in the EU over the last 20 years. In some countries, as I have noted, policies have openly encouraged older workers to leave the labour market, particularly at times of high youth unemployment. Indeed there was a tendency for policy makers to regard early retirement as a cure for youth unemployment. This did not prove to be the case as there is hardly any evidence of age substitution in employment. Also, in the EU, there is little public support for the idea of people in their 50s giving up work to make way for young people (19).

Policy makers in most EU countries have been reluctant to recognise – in law or policy – the existence of age discrimination (though that has begun to change). But an extraordinarily high proportion of citizens in all EU countries believe that older workers are discriminated against with regard to job recruitment (79 %), promotion (62 %) and training (67 %). Moreover there were hardly any differences between age-groups: both young and old believe that discrimination against older workers is commonplace (19).

Age discrimination permeates all sections of society and may take a patronising and apparently compassionate form as well as the more obviously negative one (13). There is now good evidence in the UK that some health services are rationed by age – access to dialysis and by-pass operations for example. We know too that social services have traditionally operated with a hierarchy that puts children at the top and older people at the bottom. Age discrimination has been called the last unrecognised discrimination (10) and its existence challenges us all.

The prevention of age discrimination is, of course, a matter of social justice. But, in an ageing society, this imperative is reinforced by the need to respond to the ageing of the workforce. Recently the focus has shifted from documenting examples of discrimination to searching out good practice in the employment of older workers (17). Models of good practice may then be used as guidelines for employers on how to manage ageing workforces and, hopefully, to prevent age discrimination (16).

### The provision of long-term care

Increased longevity is a sign of social and economic progress, including the successful intervention in death and disease by mainly public health measures. However this means that there are more and more people who are likely to need some level of personal care or support. This realisation sometimes leads to the conclusion that all older people require care. Of course nothing could be further from the truth. The reality in Europe is that most older people are relatively fit, healthy and able to look after themselves or to do so with only minimal assistance. Moreover if help is required it usually comes first from the family (female kin in particular). In the majority of EU countries the state plays a minor role in the care of older people, either as a direct provider or as a funder of care. But the need for care is rising and various changes in family composition and behaviour are restricting the supply of informal carers. This raises a number of crucial policy challenges.

Chief among them is the extent to which the family will remain the primary source of care for older people. As I have noted, all of the evidence shows the crucial role of the family in the care of older people but, nonetheless a perception has arisen that the family is less willing to care for its relatives than it used to be. In our EU-wide research in the early 1990s we found that this view was prevalent among older people themselves: one third agreed strongly and one third slightly that families are less willing to care for older relatives than they used to be (19). This finding is of the utmost importance because it points to a worrying perception among senior citizens, even if there is no objective evidence to support it. Or, at least, there is no evidence of a reduction in willingness to care but, as a result of the changes taking place in family structure and composition, it is less able to care in some circumstances.

The objective evidence about social contacts between older people and their families shows that there are frequent face-to-face interactions. In the EU, on average, nearly four out of five older people see a member of their family at least once a week. Nearly three out of four see a friend at least once a week. So the idea that older people have been abandoned by their families is a myth. However an increasing proportion of older people are living alone – varying from a low of 17.5 %

in Ireland to a high of 49.3 % in Denmark. Also some older people have no surviving relatives and there is a significant minority who suffer from loneliness. In fact, in Europe, there is a preference on the part of older people for separate dwellings, coupled with continued family interaction – intimacy at a distance.

The main policy challenge in Europe with regard to long-term care is how to fill the care gap left by the unique late 20th century combination of increased longevity and declining fertility. It is not realistic to expect the family to shoulder the sole responsibility for care, even in the still family-based care systems of Southern Europe. The fear that providing support to families will weaken their commitment to care and result in a massive burden on the public finances has led some policy-makers to ignore the obvious fact that the family is changing rapidly and requires new forms of support if it is to continue to provide the bulk of care to older people. At the moment in the EU there are major variations between countries in their provision for long-term care, for example in the field of home care.

What is required then is an expansion of long-term care support, in the community, to enable care to be shared between the family and the formal sector. The most effective form of support is likely to be multi-skilled community workers who are capable of both basic nursing and social care tasks, thereby overcoming the common barrier between health and social care. Methods of paying for this expansion of long-term care are likely to be country specific. Thus, there are different models based on taxation (Scandinavia) and social insurance (Germany). The German long-term care insurance system and the proposals from the Royal Commission in the UK are designed to share the costs between the individual and society.

### Participation and empowerment

Lastly I turn to the policy challenges presented by the new politics of old age – the main question here is what roles should older people occupy in modern society? The challenge is to develop new roles and statuses and new attitudes commensurate with our new more age-balanced societies.

The most significant political challenge in the EU is heralded by the growth of pensioner power – pensioners' parties have been formed recently in Belgium, Denmark, Germany and Portugal and there are pensioner action groups in most countries. Also there has been an increased recognition of the rights of service users and carers which presents a considerable challenge to providers in the health and social services fields. For example one of the most contentious current issues surrounding the long-term care of older people is whose voice should prevail in determining the provision of care? Of course for most younger adults this sort of question does not arise,

they are used to deciding for themselves what it is in their own best interests. But in the care of older people a practice has developed whereby they become, in effect, the clients of professionals or quasi professionals and these groups may decide which sort of care is appropriate for them, sometimes in discussion with informal carers. Despite the best efforts of professionals, this may have the effect of disenfranchising older people from making crucial decisions about their own lives. When in 1992 the general public was asked who is the person in the best position to decide on the most appropriate services for older people needing long-term care older people gained the highest vote overall, but only just, with 'professionals' (which should be read as meaning doctors) and relatives/friends close behind (19). In all countries except Italy the combined percentages for the older person and their relatives or friends came to more than half of the total.

This raises one of the most important and difficult challenges facing policy makers and service providers: how to create a more equal and effective partnership with the citizens they serve? Of course the answer to this question has profound implications for the meaning of citizenship to older people and their carers and, in particular, how much power and autonomy they are able to exercise in making decisions about their own needs and the sorts of services they require. This means that health and social care providers will encounter increasing demands from more vociferous and more active older people – all of the gray panther-style activities in EU countries have been in response to cuts in social services. The language of user involvement is becoming an increasingly familiar part of health and social services but there is still a big challenge to move beyond involvement to empowerment and, in particular, to empower the most isolated and vulnerable older people (1).

Looking beyond the health and social services, ageing societies demand that policy makers explore new ways of involving older people in decision-making (there are plenty of examples in EU countries [11]) and new roles to ensure that continuing opportunities are available for participation and self-fulfilment. This also requires a recognition by policy makers of the contribution already being made by older people to families, to communities and to wider society. They are essential elements in social cohesion, social capital and social solidarity. If policy makers fail to respond to this new agenda it is likely that older people themselves will become more active politically, and demand changes.

## Conclusion

The paramount policy challenge facing the EU Member States is to recognise, in policy and practice, that their societies are ageing. This requires not panic reactions but fundamental adjustments to the ways in which older people are re-

garded within both families and formal institutions. Specifically, it requires policy responses to the five challenges I have highlighted.

First, the economic challenge is to devote increasing resources to pensions, health and social services, while maintaining a fair age distribution of resources. A huge effort is required here to prevent dependency, ill health and social exclusion. Secondly, the intergenerational challenge is the need to promote and nurture healthy relations between the generations (partly by meeting the economic challenge) and this should become an open policy objective – at both local and national levels. Thirdly, there is the need to reduce and eliminate age discrimination whenever it occurs. Fourthly, the challenge of longterm care is one of establishing an effective partnership between service providers and older people and their families. But this requires additional resources for long-term care and for measures to encourage user involvement. Fifthly, the political challenge to the whole of society is to regard older people less as passive objects – voters, patients, recipients of care, research subjects and so on – and more as potentially active participants.

Although the precise policy responses of different EU and other European countries will vary, in order to successfully adjust to the new age structures and to accommodate the changing aspirations of older people, it would be helpful to think in terms of basic principles. The UN set out, in 1991, five broad clusters of principles (independence, participation, care, self-fulfilment and dignity) and they provide the basis for a new approach to the later life course. Policy measures may then be evaluated according to the extent to which they conform to these principles. The even bolder vision proposed by the UN is to focus not only on the later life course but on the creation of the society for all ages. This encourages us to regard ageing as a *lifelong* process, which includes various transitions, and which requires policies designed to ensure independence, participation, care, self-fulfilment and dignity throughout the life course.

Earlier I emphasised the uniqueness of the European welfare states, which means that the EU is also uniquely well placed to respond to the policy challenges I have highlighted. However, in some influential quarters, these great creations of modernity and European civilisation are seen as the causes of the problem or, at least, as inhibitors of global competitiveness. The equation European welfare state plus population ageing equals excessive taxation is etched in the brains of many national and international policy makers. Without being unduly melodramatic I think that the European model is under threat and, moreover, the gerontological community has a role to play in defending it.

Where are the main threats coming from? Certainly there are very strong pressures for pension reform coming from the international economic agencies – the World Bank and IMF – and from vested interests in the private pensions world. The

World Bank's twin fallacy that there is an old age crisis and that a simple set of solutions to 'avert' it can be applied throughout the world has done great damage to the cause of rational policy debate. Most countries of central and eastern Europe have taken the World Bank's prescriptions and, therefore, the enlargement of the EU could help to undermine the solidaristic basis of the EU's social protection systems. But the threat is not only external. The convergence criteria for monetary union are a key factor in the future of the EU welfare systems and there are loud political voices among the leaders of the Member States which are, at best, ambivalent about the European model. Some look longingly at the US as a preferable alternative. Despite the stabilisation of pension expenditure in the EU, the appetite for further change is nowhere near being assuaged. There is a new conventional wisdom in Europe that further change is required.

What can gerontologists do against these powerful forces? Without getting out of proportion our potential for influence or our taste for policy involvement there are points to put to you. First we share the fundamental duty of all scientists: to tell the truth to power. Our truth concerns demography, healthy living conditions, family and social support and so on and much of the political debate is characterised by the absence of evidence on these issues. Secondly, in the clamour for reform the voices of current pensioners are rarely audible. It is not our task to represent them but we have information that they can use to defend their rights and those of future gen-

erations. Unfortunately much of this is locked away in scientific journals and we could do much better as a profession to communicate our work more broadly. Thirdly, in one respect we have been very successful. The reformers are using several key concepts developed by the gerontological community. For example active ageing is occupying a key policy role in several Member States and in the European Commission. Unfortunately it is poorly understood and frequently mis-used and, therefore, we have a big job to do in ensuring that it is well understood as an inclusive concept that requires public investment over the life course.

I would not want this endeavour to be misunderstood as defending Europe against enlargement to the east. On the contrary, the European model of social protection and the broader concept of European social quality could be seen as advanced standards for other parts of Europe and other world regions to aspire to. If the model is weakened everyone will be the poorer.

If we fail to respond to the policy challenges I have outlined the consequences, at best, will be increased social exclusion, poverty, deprivation and the waste of human resources on a grand scale. As Simone de Beauvoir wrote, in the quotation used at the start of this paper, the issues of age challenge the whole of society and put it to the test. If we want to genuinely celebrate the achievement of European ageing we must face up to the far-reaching challenges it produces – only then can we start to create a society for all ages.

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