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Active Ageing in Europe

How does Luxembourg fare?

During the 2nd World Assembly on Ageing, held in Madrid in 2002, the World Health Organization defined active ageing as the process of optimizing opportunities for health, participation and security in order to enhance quality of life as people age. In the present context of rising life expectancy, older individuals need to enjoy their extended lives actively and in good health as the best way to realize their full potential. „Put simply, active ageing is about continued participation in social, economic, cultural, spiritual and civic life as well as social, mental and physical wellbeing, autonomy and independence“ (Zaidi et al. 2016¹).

The importance of active ageing in the policy debate has been emphasized by labelling the year 2012 as the *European Year for Active Ageing and Solidarity between Generations* (EY2012). A concrete outcome arising from the activities held in that year was the development of the Active Ageing Index (AAI) by the United Nations Economic Commission for Europe (UNECE), the European Commission's Directorate General for Employment, Social Affairs and Inclusion and the European Centre for Social Welfare Policy and Research.

The AAI is a composite index measured for the 28 countries of the European Union (EU-28) that captures the contributions of the elderly, through activity, engagement and independent living, which in turn can be considered pre-requisites for well-being. The index is aimed at

measuring the active and healthy ageing experienced by the old individuals of a given country and period, and therefore it can compare the quality of ageing across countries and monitor its evolution over time. In this way, the AAI can be a useful tool to detect areas of active ageing where the elderly are lacking and promote an adequate policy response. This index can be regarded as part of a broader family of composite indexes aimed at measuring multidimensional well-being in society, such as the well-known *Human Development Index*.

The AAI summarizes several indicators constructed with information from well-established European statistical datasets- that are grouped in four dimensions:

- 1) Employment.
- 2) Participation in society.
- 3) Independent, healthy and secure living.
- 4) Capacity and enabling environment for active ageing.

More details on the conceptual description and methodology for building the AAI can be consulted at the *UNECE Statistics Wiki*². Table 1 on the next page shows the ranking in active ageing among the EU-28 countries for 2016.

One of the first revealing insights of the data is the high performance in active ageing of the Nordic countries (Sweden, Denmark and Finland), Netherlands and the UK as well. Luxembourg is placed in the upper half of the ranking in 10th po-

sition, no far from neighbours Belgium (9th), Germany (8th) and France (6th). Regarding the four dimensions involved in the production of AAI, it is observed that Luxembourg performs better in the dimension 'Capacity and enabling environment for active ageing' (placed 4th among all the EU countries). This dimension includes indicators measuring life expectancy; healthy life years (a measure of disability-free life expectancy); mental wellbeing (depression symptoms); use of information and communication technology (ICT); social connectedness (meet socially with friends, relatives or colleagues); and educational attainment. For this dimension, Luxembourg is only overcome by Sweden, Denmark and Netherlands. The worst performing dimension for Luxembourg is 'employment' where it is placed 22nd among the EU-28 countries. This dimension captures employment activities of older workers at a late stage of their careers and beyond normal retirement ages.

Another interesting piece of information from the AAI is that one can observe how the quality of ageing differs between men and women. The third and fourth col-

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umn of the above table report the AAI for men and women, while the last column reports the difference in the AAI of men and women. In all cases (with the exception of Finland), this difference is positive, suggesting the existence of a gender gap in detriment of women. At first glance, it seems that countries with better active ageing also present a smaller gender gap, but this relationship is weak in statistical terms. There is not a clear-cut relationship as one can observe countries simultaneously with high performance in the overall AAI and high gender gaps. This is the case of Luxembourg, that performs relatively well in the overall AAI (placed 10th) but displays the fifth largest gender gap (5.8 points in the AAI) among the EU-28 countries. Looking at the gender gap in AAI for Luxembourg, the main differences between men and women arise from the dimension 'Participation in society', which includes indicators measuring the contribution of older people to society as carers for others (spouses, grandchildren, etc.), performing voluntary activities and political participation. Indeed, Luxembourg presents the largest gender gap in this dimension among all the considered countries.

It is worth mentioning that some differences in the AAI can be found in distinctive age groups of the old population. A recent study (Olivera 2018)³ disentangles the AAI by age groups and reports that in general women are worse off than men in the older groups. In the case of Luxembourg, it is observed that, in terms of active ageing, the country is a better place (in comparison to other European countries) for groups of persons aged 65 or more than for the age groups 55-59 and 60-64. The study also indicates that, among the European countries, the level of wealth in the country, income equality and favourable pension characteristics are important predictors for better active ageing. There is also evidence of systematic disadvantage of women in active ageing among the older groups, which can be a consequence of less labour market participation and differential social protection. Note that the very old women are the ones at more risk of poverty because they have a higher life expectancy, less time expended in the labour market, fewer social security contributions and more probability of living alone. It is also showed that the Social-Democratic regime of the welfare state (Nordic countries), with its

strong redistributive policies, is the most favourable for active ageing.

Features of pension systems, such as coverage, generosity and predictability, are certainly important in providing an adequate and secure stream of income during old age and allowing the elderly to be in better position to develop their full potential. In this respect, it is not only interesting looking at the opinions of older adults about their expectations for income security in old age, but also exploring at what younger individuals in the country think of. The last round of the *European Quality of Life Survey* (2016) – sponsored by Eurofound – includes the question „On a scale of 1 to 10, how worried are you, if at all, that your income in old age will not be sufficient? 1 means not worried at all, 10 means extremely worried.“

Of the EU-28 countries, Luxembourg is the country that in average is the least worried for old age income among the group of persons aged 50-65. In the 1-10 scale, Luxembourg reports an average of 4.0 points, while the average in the EU-28 is 6.0 points, being Greece the country where most worry is felt in this age group (8.3 points). However, when the focus is on the young (aged 25-35), the average in this worry for old age income is 5.3 points in Luxembourg. This large generational gap about expectations on old age income security might be worth investigating, particularly in the present context of rising life expectancy, rigid retirement age, generous pension rules and ageing of cross-border workers pressing on the long-term sustainability of public pension systems. This is a much needed debate that should be addressed in the country. ♦

| Country | AAI total | Ranking | AAI men | AAI women | gender gap (men - women) |
|-------------------|-------------|-----------|-------------|-------------|--------------------------|
| Sweden | 47.0 | 1 | 48.1 | 45.9 | 2.2 |
| Netherlands | 42.2 | 2 | 45.9 | 38.5 | 7.3 |
| Denmark | 41.9 | 3 | 42.6 | 41.2 | 1.4 |
| Finland | 40.5 | 4 | 40.1 | 40.8 | -0.7 |
| United Kingdom | 40.4 | 5 | 41.5 | 39.0 | 2.5 |
| France | 37.9 | 6 | 37.8 | 37.9 | 0.0 |
| Ireland | 37.8 | 7 | 40.5 | 34.9 | 5.6 |
| Germany | 37.6 | 8 | 39.6 | 35.5 | 4.1 |
| Belgium | 37.1 | 9 | 38.0 | 36.1 | 1.9 |
| Luxembourg | 36.6 | 10 | 39.6 | 33.8 | 5.8 |
| Estonia | 36.2 | 11 | 36.7 | 35.9 | 0.9 |
| Austria | 34.9 | 12 | 38.4 | 31.6 | 6.8 |
| Czech Republic | 34.8 | 13 | 36.3 | 33.3 | 3.1 |
| Malta | 34.2 | 14 | 38.5 | 30.4 | 8.1 |
| Cyprus | 34.2 | 15 | 38.3 | 30.3 | 8.0 |
| Latvia | 33.6 | 16 | 34.9 | 32.8 | 2.1 |
| Italy | 32.7 | 17 | 35.1 | 30.7 | 4.4 |
| Spain | 32.5 | 18 | 34.3 | 30.9 | 3.4 |
| Portugal | 32.4 | 19 | 35.4 | 30.0 | 5.5 |
| Lithuania | 31.6 | 20 | 32.4 | 31.3 | 1.1 |
| Slovenia | 31.3 | 21 | 32.7 | 29.9 | 2.8 |
| Bulgaria | 30.8 | 22 | 32.0 | 29.6 | 2.3 |
| Slovakia | 30.7 | 23 | 32.3 | 29.4 | 3.0 |
| Romania | 30.4 | 24 | 32.7 | 29.5 | 3.2 |
| Poland | 29.9 | 25 | 31.1 | 28.5 | 2.6 |
| Croatia | 29.3 | 26 | 31.9 | 28.6 | 3.3 |
| Hungary | 28.8 | 27 | 30.8 | 26.7 | 4.1 |
| Greece | 27.0 | 28 | 29.0 | 24.6 | 4.4 |
| EU28 | 34.8 | | 36.7 | 33.1 | 3.5 |

1 Zaidi, A., Gasior, K., Zolyomi, E., Schmidt, A., Rodrigues, R., Marin, B. (2017) „Measuring active and healthy ageing in Europe.“ In: *Journal of European Social Policy* 27(2): 138-157.

2 <https://statswiki.unece.org/display/AAI>

3 Olivera, J. (2018) „A cross-country and cohort analysis of active ageing differences among the elderly in Europe.“ In: *Building Evidence for Active Ageing Policies*, Zaidi A., Harper S., Howse K., Lamura G., Perek-Białas J. (Eds.) Palgrave Macmillan, 2018. Pp.: 261-294.

4 Active Ageing Index extracted from <https://statswiki.unece.org/display/AAI>.

Table 1. Active Ageing Index 2016.⁴