Population ageing is not a new phenomenon in Europe. What is new is that we talk about it.

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Über Politik aus der Wissenschaft

This essay is the first of a series written by Achim Goerres for the project „Ageing Democracies? Political Participation and Cultural Values Among the Elderly in Europe“ financed by the Open Society Foundation. The complete project report with all essays and the reports written by the other project members can be found here.

By Achim Goerres.

In the 2013 Bundestag election, for the first time in the history of Germany, the majority of those voters (51.1 percent) who actually cast their votes were 50 years old and older. If older people are a uniform bloc of voters with like-minded interests, then Germany has since a grey majority. In other words, the majority of actual voters (as opposed to eligible voters) are less than 20 years away from their retirement. In a very provocative effort to put political pressure on the government to reform the country's public pension system, the International Monetary Fund began referring to this supposed tipping point as "the last train for pension reform" in 2004.
In democracies, majorities matter. They decide the allocation of public resources. So the fact that we are now at a stage of the population ageing process where it can be constructed that "older people" are approaching or have reached a majority seems relevant. However, two things are important here. First, despite the size of the elderly population, their political interests vary widely. Thus, the political importance attributed to this majority-approaching stage of population development seems exaggerated. Second, the discussion about population ageing often seems to suggest that it is a new phenomenon. But this is hardly the case. Europe has by and large been ageing for most of

the last century and beyond.

Figure 1 shows the greatest European success story of the 20th century. It displays the life expectancy at birth for all European countries for which data is available. The indicator we are using describes the average expected life span for a child born in that country in that year. This is one of the central indicators of population ageing. The figure begins in 1913, just before World War I. The differences between countries at that time are remarkable. A child born in Spain could expect to live an average of 42.6 years. Meanwhile, a child born in Sweden could expect to live 58.7 years. This is a cross-country difference of 16 years. Thus, it mattered greatly where in Europe a citizen was born. Over time, we see a general upward trend in life expectancy at birth. There are clear dips during World War I and the influenza pandemic, during World War II and around 1989. In 2015, the minimum life expectancy in Europe was 74.6 years in Lithuania and the maximum was 83.0 years in Spain and Switzerland. The worst context to live in in 2015 was still more than 31 years better in life expectancy than the worst context to live in in 1913. The gap between the country with the highest life expectancy and that with the lowest life expectancy has been reduced to 8.4 years. It still matters a great deal where one grows up, but much less so than a century ago. Overall, this is a dramatic increase in the level of life expectancy across Europe, certainly a good thing, and at the same time an all-encompassing trend towards greater homogeneity in longevity across Europe.

These patterns indicate several things. Increases in longevity happened relatively continuously throughout the 20th century. This alone is a fact worth remembering. Better medical provisions, increasingly widespread knowledge about hygiene, healthier lifestyles and other preventive measures led to an extraordinary increase in the number of years that people can expect to live in Europe. Moreover, while the country one was born in mattered a lot in the 1900s (with Sweden being much more attractive in this regard), it mattered far less at the beginning of the 21st century. The question of where individuals age best is now much less relevant across Europe than it was 100 years ago. Remarkably, the more population ageing has been debated, the less it has mattered where an individual was born in Europe.

However, the fact that the pattern is so clear in this sub-set of countries should not prevent us from seeing that the increase of life expectancy is not absolutely uniform across countries. Two countries are particularly worth looking at: Germany and Russia.

Germany is interesting insofar as life expectancy was pretty similar at the beginning of the divided era. In 1956 (when we have the first data), life expectancy at birth was almost equal at 68.8 years in the East and 68.5 years in the West. By 1989 (the year of the fall of the Berlin Wall), life expectancy had risen to 76.0 years in the West, but only 73.5 years in the East. Thus, the fundamentally different political and economic systems in each region affected the duration of life, with West Germany faring noticeably better than the East. After unification, the two regional life expectancies converged, with the East rising to 79.6 years and the West to 80.2 by the end of the 1990s. This suggests that institutions clearly matter in affecting the process of population ageing.

Russia is interestingly a notable exception to the long-term upward trend in life expectancies. In 1968, the country's life expectancy was 69.3 years. By 2008, it had declined to 67.9. Thus, while almost all other countries demonstrated an increase in life expectancy over the last quarter of the 21st century, Russia's not only stagnated, but actually decreased. It recovered to 71.1 years in 2014 afterwards.

In addition to deviations from the dominant upward country pattern, the increase in life expectancy is strongly moderated by the level of education in a country. For instance in Switzerland in the 1990s, the difference in life expectancy at age 30 between men with university education and those with only compulsory education was 7.1 years (Spoerri et al. 2006). We will look at these social inequalities of ageing more closely in another of these essays.

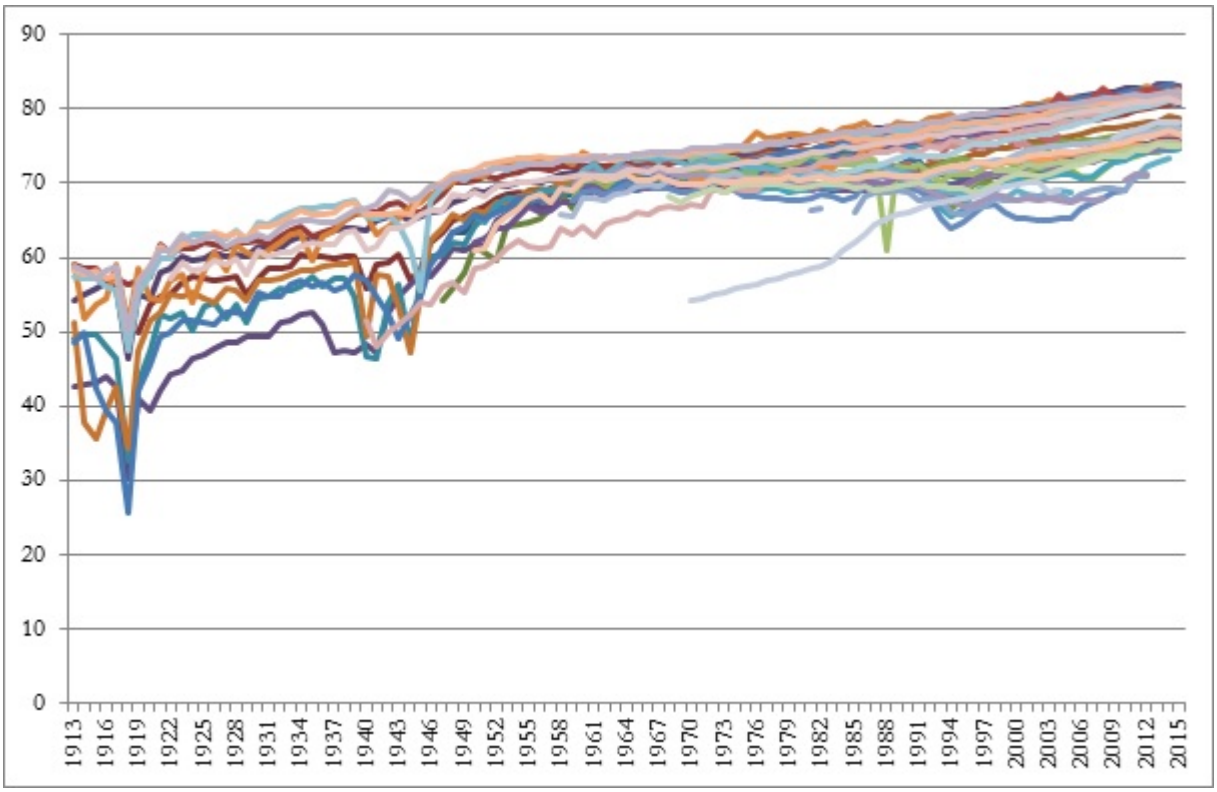


Figure1: Life expectancy at birth between 1913 and 2015, all European countries.
Source: Generations and Gender Programme (2017) for data up to 2005, Eurostat (2017) for 2006 to 2015.

So why are we concerned with the politics of ageing societies in this day and age? I have indicated one reason above. Many European democracies are approaching a structure of the actual voting population that can be referred to as “grey majorities”. It seems reasonable to discuss whether these grey majorities matter. Additionally, the discussion about potential political gerontocracies is tied closely to the fate of the modern welfare state.

The modern welfare state has its roots in the late 19th century in countries such as Germany. But its breadth in coverage and the intensity of its services and payments really rose to prominence after 1945. One important effect of the modern welfare state is that the material wellbeing of individuals and insurance against health and life cycle risks are no longer tied to the family. Instead, the modern welfare state allows people to be insured against risks through its various programmes. For instance, when people become unemployed, they can draw on payments from it. When they are frail in old age, they can draw on public pension systems and the public health system. Children are thus no longer “needed” as an insurance mechanism.

This institutional development implies that the financing of the welfare state is contingent on the number of people benefiting from its programmes. With an increasing number of pensioners and most public pension systems being built on a variation of the pay-as-you-go logic, it is the expectation of payments from the welfare state that makes the number of older people relevant. Thus, the problem is not simply that older people are more costly for the welfare state per person per year. The challenge is rather that there are more of them and that they live much longer into retirement. Generous welfare state structures cannot be financed in the face of an increasing number of beneficiaries. The problem arises because there are some institutions in place that were not meant for such a demographic set-up. As political institutions change slowly, their change is somewhat overtaken by the change in the population make-up of European societies.

As a thought experiment, imagine an ageing society in a country with no welfare state. In such a system (present-day China or India, for instance), increasing life expectancy is not a problem of the welfare state. It may be a social problem, but it is certainly not directly a problem of the state and its modern functions, as it would be in modern welfare states.

Unfortunately, the media often intensifies discussion of contemporary Europe's supposedly "gerontocratic" tendencies. Population ageing impels journalists and others to make use of a broad variety of handy terms to talk about the implications of a growing elderly population. These include the imagery of the "grey wave" or the parasitic notion of "greedy geezers". But as we will see, these are merely caricatures of a far more complex reality.

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Achim Goerres (2017): Population ageing is not a new phenomenon in Europe. What is new is that we talk about it.. Empirische Politik UDE.
https://www.politik-wissenschaft.org/2017/07/13/population-ageing-is-not-a-new-phenomenon-in-europe-what-is-new-is-that-we-talk-about-it/
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