

# ACTIVE AGING POLICY IN EUROPE: BETWEEN PATH DEPENDENCY AND PATH DEPARTURE

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Active aging, that is the idea that policy encourage and enable people to participate actively in social, political and economic life, is a political backwater in Europe. Since demographic aging affects many different policy domains in different ways, the institutional landscapes in which aging and active aging policy takes place are fragmented. This means that two distinct and countervailing institutional settings shape active aging policy agendas. The first institutional setting, national welfare states, concentrates social policy-making at the national level by emphasizing institutional path dependency. Conversely, the other institutional context, which consists of service-oriented policy communities at sub-national level, emphasizes differences between policy domains across national borders. While the former institutional dynamic precludes all but the most general role for European institutions in active aging policy, the second institutional setting would allow for considerable European policy coordination and cooperation. The paper shows how these opposing institutional landscapes shape active aging agendas in Europe as well as points to the opportunities and dangers that emerge from this interaction.

Although active aging has joined the illustrious group of 'good ideas' that clatter about in European politics, it has yet to attain a prominent position on European policy agendas. Throughout Europe, political commitment to policy that promotes the inclusion of older people in social, economic and political life is, in the main, of more rhetorical than practical value. As a rule, public and private sector resources devoted to active aging policies are modest. In short, active aging in Europe is a political backwater.

Much of this is due to the rugged institutional terrain in which active aging policy-making takes place. Demographic aging, an inherently transversal issue, affects a wide variety of policy domains in different ways. As a result, policy responses to aging in most European countries emerge from several disjointed policy networks scattered across the polity. Each of these isolated pockets of policy-making brings a range of approaches, worldviews and policy instruments to bear on the issue of demographic aging.

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Within these fragmented institutional landscapes, two general types of institutional settings shape active aging policy agendas. The first institutional context causes institutional path dependency<sup>1</sup> (c.f. Esping-Andersen, 1990; Pierson, 1994, 1996, 2001; Palier and Bonoli, 2001). By reproducing country-specific differences in the provision and governance of social welfare, path dependency subsumes active aging agendas into the logic of existing welfare provision. The second set of institutional processes triggers path departure. By shifting the focus of aging policy-making to the sub-politics of social policy, these institutional processes nudge active aging agendas off established evolutionary pathways. Here, active aging transcends differences between individual welfare states to become a means of fundamentally reconstructing social policy in Europe.

Whether and how active aging will go on to shape social policy in Europe depends on the relative influence of these contending institutional settings. Path dependency emphasizes the national coherence and transnational incompatibility of welfare states. Path departure<sup>2</sup>, in turn, stresses similarities and differences between policy domains that span national boundaries. The former institutional process suggests that social policy-making is the prerogative of national governments. The latter setting suggests a role for European coordination of aging policy-making.

Based on data from 10 different European countries<sup>3</sup>, the paper examines how the countervailing institutional processes affect active aging policy agendas. In the following section, the paper outlines how path dependency structures national policy responses to demographic aging. The paper then goes on to illustrate how processes of path departure challenge established welfare state structures and practices. The concluding section looks the implications of the institutional landscapes for the development of active aging policies in Europe. In particular, the conclusion points to the dangers and opportunities for active aging agendas in Europe.

### **Institutional Path Dependency: Active Aging Policy in the Heart of Welfare States**

Over the last century, European welfare states have evolved into rather elaborate machineries for dealing with specific social risks. Path dependency means that, once set in motion, these machineries are difficult to derail. Not only do institutional structures shape the way policy actors perceive social issues, they also determine who can and cannot take part in social policy-making. For this reason, institutionalized norms and practices delimit the scope of feasible policy change within specific institutional parameters (Pierson, 1994, 1996). In other words, welfare state institutions incorporate and 'digest' policy innovations such as active aging.

This process of institutional articulation has produced three distinctive flavors of active aging strategies corresponding (more or less) to the 'three worlds

of welfare capitalism' (Esping-Andersen, 1990). Against the general backdrop of active aging, each distinct flavor pursues specific policy goals using characteristic policy instruments.

*Activation: Active Aging in Nordic Welfare States*

Generous universal benefits and extensive social services characteristic of Nordic welfare states have traditionally focused the attention of Nordic social policy-makers on the level of labor market participation (Ervik et al., 2004; Piekkola, 2004). Maintaining the high level and quality of Nordic social benefits means that only few people can receive them for a limited time. Thus, social policy in Nordic welfare states concentrates on maximizing the labor market participation by activating its citizens (Lodemel and Trickey, 2000).

Active aging policies in Nordic countries, then, aim to draw and retain older workers in the labor market by building new and maximize existing capabilities (Christensen and Ervik, 2003; Piekkola, 2003). Core elements of this policy strategy include creating institutional capacity on the one hand (i.e., establishing organizations for policy coordination in both Norway and Finland) and individual capacity on the other (i.e., training, further education and life-long learning). The underlying rationale is that re-equipping older workers and their work-places nips demand for costly welfare state benefits in the bud. In characteristic Nordic manner, policy-makers rely on immediate services in order to enable individual labor market participation. These policy measures usually are bundled in integrated policy packages that implicate policy actors from all levels of governance. In this sense, Nordic aging policy pulls older workers into the labor market using positive policy means.

Active aging policy is a particularly comprehensive and coherent example of this approach. Three national programs aimed at retraining older workers (National Program on Aging Workers 1998-2002), adapting workplaces (National Well-being at Work Program), as well as encouraging on-the-job training and life-long learning (Workplace Development Program), tackle the looming skill and experience drain from the labor market. Piekkola (2003) points to three success factors. First, Finnish responses to demographic aging emerge from a balanced tri-partite policy process. Not only are social partners involved in all phases of decision-making, this process also features intensive cooperation between different ministries (e.g., the Ministry of Labor and the Ministry of Health). Second, the programs enjoy strong research support and monitoring. At each stage of the project life-cycle, public health and labor market researchers evaluate the impacts of the programs. Last, the policy measures that emerge from the tri-partite and knowledge-driven policy process specifically target the firm-level. That is, Finnish national programs are directly relevant for the real working environments.

*Anti-Discrimination: Active Aging on the North-Western Fringe*

Unlike their Nordic counterparts, the universal but miserly welfare benefits in the UK were never intended to replace labor market income (Esping-Andersen, 1990; Bonoli and Palier, 2001). Rather, liberal welfare states prevent poverty by providing incentives for and access to employment. Since age is a proxy for assessing labor market capabilities (Mayhew, 2003), many older people are excluded from employment, health care or education services. For this reason, debate in pluralist and fluid organizational issue networks centers on age-related discrimination, that is on the physical, psychological and organizational barriers that prevent older people from participating in social life (DWP, 2005).

In this institutional context, active aging becomes a project to remove barriers to labor market participation. Unlike the Nordic or continental welfare state set-ups, UK policy-makers are not concerned with the actual construction and development of capabilities. Instead, aging policy in the UK is about defining legitimate social, political and economic entitlements for older people to then provide fair access to these resources (DWP, 2005). In this sense, active aging policies enable societal actors to recognize the capabilities of older people. Thus, aging policy in the UK pulls older workers into the labor market by negative policy measures (i.e., breaking down barriers).

In order to enable fair access to employment for older workers, policy-makers use a wide-range of direct and indirect policy instruments. Direct policy instruments target obstacles to the labor market, to health care, or to education services. Policy instruments range from self-regulation (always popular in post-Thatcherite Britain) in the form of voluntary codes of practice on age diversity to watchdog institutions such as the Disability Rights Commission. In between, we find a whole host of 'atmospheric' policy measures designed to reshape misperceptions about older workers. The field of indirect policy measures is even more difficult to delimit: these include changes to tax regimes for individuals and firms, building and environmental regulations that will empower people with disabilities, or new approaches to providing health care.

**Active Aging in Continental Europe**

On the European continent, social insurance institutions frame aging as a problem of securing financial sustainability. Demographic changes, so the much publicized argument goes, exert an intolerable financial strain on social insurance mechanisms which, in turn, will impose crippling inefficiencies in labor markets. If continental European societies are to compete in increasingly aggressive global markets, policy-makers need to adapt social insurance systems.

*Flexible Pathways*

Rather than reforming labor markets, then, continental policy-makers have targeted social insurance systems themselves. In general, continental European policy-makers—operating in closed corporatist policy communities—have introduced some flexibility to the end of working life: as a rule, flexibility means providing older workers with options other than early retirement such as gradual retirement or retraining. Unlike their Nordic colleagues, decision-makers in continental Europe have relied mostly on remote command-and-control reforms to dissuade older workers from early retirement. However, they have done this without corresponding labor market measures for older workers. Here, the underlying logic has been to ‘roll back’ public provision hoping that the private sector can cover the shortfall. Thus, aging policy in continental European welfare states pushes older workers out of expected retirement by negative benefit cuts.

Reforms to social insurance systems, most prominently pension systems, have dominated policy agendas in continental Europe. Policy-makers have deployed a wide-ranging arsenal of formal-legal instruments to raise the statutory and actual retirement ages. Apart from reducing many so-called non-contributory benefits, policy-makers have manipulated pension benefit formulas in a multitude of ways. These include increasing qualification periods (e.g., France and Austria), reconfiguring annual pension adjustment arrangements (e.g., France, Germany and Austria), and building factors into the formula that adjust pension benefits to changes in life expectancy (Germany). In some countries, notably Poland, Italy and Germany (albeit to a far lesser extent), pension reforms have shifted the systems from defined benefit to defined contribution schemes (explicitly in the Italian and Polish case, implicitly in Germany). Policy-makers have also tried to stem the flow into early retirement by closing down popular avenues out of the labor market on the one hand and by providing possibilities for partial retirement on the other. However, the success of partial retirement schemes has been questionable: in Austria, for example, employers have used partial retirement regulations to shed older workers (Ney, 2004). Significantly, reforms in Bismarckian welfare states consist predominantly of remote top-down command-and-control measures.

*Path Dependent Active Aging?*

In sum, institutional path dependency casts the idea of active aging into the existing welfare provision. Although European policy-makers currently face similar general problems associated with demographic aging, the way these issues get articulated into specific policy problems as well as the types of policy instruments at disposal of policy actors differ from one welfare state regime to another. As we have seen, Nordic welfare states will translate demographic pressures into labor market issues for which policy-makers find posi-

tive, immediate policy solutions at firm-level. Policy-makers in residual welfare states, in turn, define demographic aging in terms of poverty and entitlements. Policy approaches aim to break down barriers and enable access to the labor market, politics and society. Here, policy actors prefer policy instruments that work with the market. In continental European welfare states, policy-makers focus on the financial sustainability of social insurance systems; here, solutions will take the form of remote top-down policy measures.

### **Institutional Path Departure: Active Aging Policy at the Margins of Welfare States**

However, evidence suggests that path dependency is not the only institutional process at work. First, active aging policies in different countries within the same welfare state families can diverge considerably. For example, while Norwegian and Finnish policy-makers aim for full-employment, the Finnish active aging agenda is far more involved at the firm-level (Piekkola, 2003). Norwegian policy actors have relied on systemic reforms to pension systems: Christensen and Ervik (2003) argue that the 'inclusive workplace' initiatives have not been particularly successful. Second, in addition to differences within welfare state regimes, there are striking similarities in specific policy domains across welfare state families. For example, the issues and problems of providing local social and health care services for older people show a remarkable degree of convergence across different national borders.

Alongside institutional path dependency that forces active aging policy agendas onto separate national trajectories, a countervailing set of institutional processes operates at sub-national level. Here, differences between families of welfare states are far less significant than differences between structures, norms and practices of policy subsystems. These centrifugal institutional dynamics consist of three elements. First, since active aging is a transversal issue, it involves alternative institutional landscapes in social policy-making. These policy networks differ considerably in their structure, norms and practices from policy communities of the welfare state heartland. Second, a critical pan-European policy discourse centered on the concept of senior citizenship has emerged from within these alternative institutional landscapes. In particular, this discourse challenges path dependent policy responses to demographic aging. Last, welfare state themselves are changing. Institutional lock-in has not prevented European policy-makers from implementing structural reforms to prevalent social protection systems: institutional path dependency itself is venturing off the beaten track.

#### *Alternative Institutional Landscapes*

Although traditional social transfer systems will play a pivotal role in any active aging strategy, they will have to operate alongside (and preferably in

harmony with) service-oriented social policy networks. In most European countries, providing social, health care or training services is a more complex, messy and localized policy game than transferring cash benefits. Consequently, the structures and policy styles of service-oriented policy subsystems diverge considerably from organizational networks in the welfare state heartland.

### *The Mixed Economy of Welfare*

Policy networks geared towards social services are more populous and pluralist than core welfare state communities. These policy networks consist of a wide range of organizations pursuing a variety of missions. Apart from central state organizations, policy actors include non-governmental organizations (NGOs), research organizations and, significantly, regional governments.

The NGOs in service-oriented social policy communities include large humanitarian organizations (such as the Red Cross), church-based aid organizations (such as the Caritas or Diakonie in German-speaking countries), generalist social policy NGOs (such as Sozialverband VDK and Sozialverband Deutschland in Germany, Volkshilfe or Hilfsbund in Austria), special issue organizations (such as societies representing people with particular diseases or impairments, e.g., Alzheimer's or osteoporosis), and senior citizen organizations.

Within service-oriented policy networks, senior citizen organizations come in many different guises. Some are affiliated to mainstream political parties or social partner organizations. Most major political parties in continental Europe feature a unit designated to senior citizen policy-making (e.g., SPD 60 Plus in Germany, both the Christian-conservative ÖSB [Austrian Senior Citizen Federation] and social-democrat PVÖ [Pensioner Federation of Austria]). Similarly, many trade unions federations host pensioner's interest groups: examples include the ÖGB Pensionisten (the pensioners association in the Austrian Trade Union Federation) in Austria or the Association of Pensioners and Trade Unionists in the Czech Republic (Ney, 2003, Vidovićová et al., 2003). Other senior citizen organizations are non-partisan NGOs organized by or for older persons. The pan-European NGO EURAG is an example for the former while British Age Concern or the German *Kuratorium Deutsche Altershilfe* (German Board of Old Age Assistance) are examples of the latter. Additionally, service-oriented policy networks also comprise a plethora of small organizations ranging from charities that provide local social services (such as meals on wheels or transport) as well as organizations that provide leisure and cultural activities. Private social service providers, while still of marginal importance in most countries, are increasingly becoming a feature of social service provision.

Since service provision always takes place in a local context, regional and local government are pivotal players in service-oriented policy communities. Often, regional and local government operate alongside central ministries within

these networks. However, the portfolio of responsibilities for local and regional governments is usually far wider than for central government.

### *Structure and Integration*

Organizational diversity and variation in service-oriented policy networks have meant that these communities are far less cohesive than core welfare state communities. Unlike the static policy communities of the welfare state heartland, the verdant organizational ecologies of service-oriented policy systems evolve continuously.

In place of ritualized bargaining characteristic of the corporatist social dialogue, organizations in service-oriented policy communities interact in a number of formal and informal ways. A common form of cooperation is the policy project. The types of projects range from research and evaluation over policy-design and demonstration to awareness-raising initiatives. Often, central state organizations are the clients or principals for the NGO contractors. Larger organizations such as the Red Cross also initiate and coordinate policy projects with like-minded NGOs. Moreover, regional and local government often contracts out service provision to commercial and non-profit service providers. Over and above contractually-based and project-oriented cooperation, organizations also engage in multi-lateral informal interaction. For example, the five largest social service NGOs in Austria have formed a platform for formulating common positions on aging, disability and long-term care policy (Ney, 2003).

While core welfare state policy networks distribute tasks and responsibilities hierarchically, the division of labor between organizations in marginal and service-oriented policy subsystem is fluid. As a rule, local authorities and regional governments fulfill several different, often conflicting roles. For example, most local authorities are responsible for formulating, regulating and implementing social and health care services; this is the case in Italy, France, Austria and Germany (Calza Bini et al., 2003; Mouchard, 2003; Alexandrowicz and Hinrichs, 2003). In Norway and Switzerland, the tradition of self-determination at regional or cantonal level means that local government provides key welfare state services and benefits.

### *Policy Styles and Policy Output*

Since the inter-organizational ties in service-oriented policy networks are negotiable and inherently in flux, they impose comparatively few constraints on policy actors. As a result, policy styles tend to be problem-oriented (e.g., the design, regulation and delivery of services) and knowledge-driven. Project work implies that policy actors focus their attention on specific issues. For example, at the same time Austrian corporatist policy actors in core welfare state policy communities were reforming the pension system, policy actors in marginal and service-oriented policy communities were (among other things)

looking into health and safety of older people at home as well as evaluating the feasibility of instituting a senior citizen ombudsman (Ney, 2003). By the same token, social policy actors in the UK are pointing out that the way the design of physical environments will impede or empower older people will a central policy issue in the future (Mayhew, 2003). Since policy debate in marginal and service-oriented policy subsystems takes place well out of the glare of the public sphere, policy actors can afford to disagree over policy issues.

A consequence of relatively loose ties and unconstrained interaction is that service-oriented policy networks produce innovative solutions. Policy actors in these subsystems do not have the battery of policy instruments of the welfare state machinery at their disposal. What is more, policy problems they face tend to be ill-defined, ambiguous and poorly suited to standardized policy solutions. Examples of innovations in this area are new models of multi-generational housing in Austria, Germany and Switzerland, new forms of mobile and out-patient care across the continent, or concepts of promoting intergenerational solidarity such as the *nonno civile* (citizen grandparent)—an initiative in Naples where older people provide support for young people in danger of drifting into criminality.

Even though the implementation of these policies is inextricably intertwined with local conditions, many of these ideas have traveled across national boundaries. For example, *Seniorenbüros* (Senior Citizen Offices), designed to promote and coordinate the voluntary engagement of young and older citizens in Germany, have diffused to Austria to become *Bürgerbüros für Jung und Alt* (Citizen Offices for Old and Young). However, the most prominent example here is the spread of senior citizen advisory councils throughout the 1990s. Although, as Walker and Naegele (1999) show, the structures and functions differ widely across Europe, the idea of providing older people with a political voice seems to have germinated in various institutional contexts.

The downside is that these policy processes take place in relative obscurity. As a result, resources for funding innovative (or indeed any type of) policy activities are scarce. As a rule, policy initiatives are small-scale, experimental and highly vulnerable to budget-cuts (e.g., multi-generational housing in Austria and Germany). The general public, even the target populations, are poorly informed and the media are generally uninterested (Ney, 2003).

In sum, alternative institutional landscapes across Europe introduce policy actors with different ideas and approaches to the (active) aging policy processes. In this way, these service-oriented policy subsystems expand the aging issue from its narrow path dependent focus on the labor market and social protection systems.

### **Senior Citizenship as a Critical Policy Discourse**

The second element of path departure is the emergence of a critical policy discourse centered on senior citizenship. Although this policy story has emerged

from the service-oriented and problem-centered social policy communities it is not limited to any specific welfare state regime or country. Rather, a loose advocacy coalition (Sabatier and Jenkins-Smith, 1993) led by experts and consisting of EU social policy-makers, policy practitioners and NGO activists across Europe is urging (national) policy-makers to adopt a holistic approach to the challenges of demographic aging.

### *Assumptions*

Demographic aging, as argued by advocates such as Walker (2002) or Naegele (1999), is possibly the most important policy challenge we will face in the 21st century. European societies stand at the brink of momentous social change: demographic aging will transform all aspects of economic, political and social life. Such a comprehensive challenge calls for an equally thorough policy response. This, in turn, requires the application of a holistic life-cycle approach to the issue of aging. Rather than concentrating on the costs of demographic aging, the life-cycle approach relates individual and collective well-being over time to the complex interaction of a wide variety of factors (Amann, 1999). These include family life, employment, education, socio-cultural participation, material security and health.

Adopting a holistic life-cycle approach implies that successful aging policy-making embrace all generations: aging policy is fundamentally about providing and safeguarding social, economic and political rights for citizens of all ages. In short, effective citizenship for older people presupposes real citizenship for everyone.

### *Problems*

Policy debate about aging in all European countries, the advocates of senior citizenship tell us, is misguided. European policy-makers, stuck in institutional straightjackets of welfare state legacies, concentrate on symptoms while causes go untreated. Obsessed with dependency ratios, rising social insurance contribution rates or increasing health care costs, Walker (2002:129) argues, policy-makers are losing sight of the 'real issue': the 'economic activity rate and, specifically, unemployment among older people'. Rectifying this problem, though, will require addressing the real underlying policy problem: ageism, inequity and social exclusion.

Ageism and age-related discrimination in a wide range of social arenas, then, is the root cause of problems associated with demographic aging (Walker, 2002; Amann, 1999). In European labor markets, firm-level employment and training practices ensure that older workers are more likely to suffer redundancy and, once unemployed, less likely to re-enter the labor market (Walker, 2002; Piekkola, 2004). Despite structural differences, all European welfare states exacerbate age barriers. By enforcing retirement ages, encouraging early

retirement, and sanctioning employment of any sort during retirement, pension systems across Europe drive older people first into inactivity and then into dependency. This, in turn, strengthens socio-cultural biases and misperceptions. In the health sector, citizenship advocates argue that conventional remedial (rather than preventative) medicine inherently defines older people as a cost (Walker, 2002). A cost, no less, that is set to increase substantially as European societies age. In politics, proponents contend, organizational facilities for older people, such as senior citizen advisory boards, are sorely lacking any real political impact. Consequently, just as demographic aging should amplify the electoral clout of older people, their real political significance seems to be in decline (Walker and Naegele, 1999; Leichsenring and Strümpel, 1999). Since age discrimination prevents older people from participating in social, political and economic life, Walker (2002: 128) argues that 'age discrimination is the antithesis of active aging'.

### *Solutions*

An active aging policy strategy worthy of the name, then, should aim at no less than abolishing ageism in Europe. This, advocates point out, will require expanding the aging issue both thematically and institutionally. In terms of issues, proponents demand that policy-makers stop reducing aging to welfare state reform. If it is to deal with the issue effectively, policy must begin to take into account the multi-dimensional nature of demographic change. In terms of institutions, proponents of the senior citizenship discourse contend that the focal point for social policy-making needs to shift both upward and downward from the national level. Since demographic aging is one of the few truly pan-European social phenomena, so the argument goes, the European coordination and transnational cooperation are the keys to effective active aging strategies.

Walker (2002) identifies the four central issues of any European active aging agenda. First, in order to overcome ageism in the labor market, Europeans need active employment strategies (see also Amann, 1999). Policy-makers, he argues, should take into account that older people in the future will rely on several different sources of income, including gainful employment (see also Giarini and Liedtke, 1998). Retrenching pension systems without combating age discrimination consigns older people in marginal employment to poverty and destitution. Effective anti-discrimination policy, in turn, requires hands-on age management at the organizational level.

Second, unlike the general thrust of pension reform in Europe, advocates insist that pensions should allow older people to take full part in social life (Amann, 1999). For many marginal groups in the labor market, such as women or people with disabilities, this means that pension systems provide some form of basic or guaranteed minimal income regardless of prior contribution. What is more, pension systems should not erect barriers to labor market participa-

tion of older people. This implies abandoning mandatory retirement ages, reducing the punitive nature of taxation on earned income during retirement, as well promoting pension arrangements that permit part-time employment (Walker, 2002).

Third, since activity in old age is predicated on good health, active aging policies must weave health care and social services into the overall policy fabric. Avoiding skyrocketing health care costs in the future involves breaking the link between poor health and employment (Walker, 2002). European health care systems need to prevent ill-health rather than curing disease at great costs. Moreover, activity and societal participation for the very old and frail, a group set to increase considerably in the coming decades, call for effective long-term care.

Last, but by no means least, any active aging agenda must be about democracy, rights and citizenship. In a very real sense, combating discrimination in the labor market, providing adequate old-age income and ensuring good health in old age empowers older people. However, while societal reforms represent one side of what Held (1995) calls 'double democratization', real change in political systems is the indispensable other side. Active aging policy, argue the advocates, has to provide older people (and, by extension, everyone) with a real say in decision-making. In this way, European citizens can take active control and responsibility for their aging.

### **Path Departure in Welfare State Regimes**

The last element of this countervailing institutional process is the internal transformation of welfare state regimes themselves. Contemporary social scientists argue that path-dependency has ensured welfare state reforms remain within prevailing evolutionary trajectories (Bonoli, 2000; Bonoli and Palier, 2001; Pierson, 2001). However, even New Institutionalists thinkers concede that reforms have actually changed welfare states in important ways (c.f. Pierson, 2001). Looking at pension systems in particular reveals how recent reforms efforts in Europe have diversified systems of old-age income provision in two distinct dimensions.

On the one hand, recent European pension reforms have pluralized pension policy-making. Throughout the 1990s, the corporatist social dialogue has given way to a more complex and more conflictual policy process. In all European countries, pension policy communities have become less integrated and more populous. As a result, the tightly-knit and exclusive social dialogue have become porous and less integrated. New policy actors, such as the banking and insurance sector but also personnel changes at the level of political elites, have introduced new ideas and concepts. However, increasing ideational diversity has been synonymous with increasing scientific uncertainty and increasing policy conflict. Whereas pension policy-making before the 1990s was based on consensus across corporatist and political cleavages, pension

reform in the 1990s is characterized by increasingly hostile political conflict. In continental European countries in particular, the post-war social policy consensus has dissolved into a raucous policy controversy about the costs of demographic aging.

On the other hand, this (partial) breakdown of the post-war social policy consensus has created space for alternative pension reform ideas. Although New Institutionalists are right to point out that much of recent reforms have consisted of 'trimming and pruning' (Pierson, 1994) or 'adjusting gauges' (Hinrichs, 1999), European policy-makers have also looked beyond immediate institutional boundaries for reform blueprints. By the end of the 1990s, nearly all continental European countries, many central and eastern European countries, and most Nordic countries had taken first steps off the beaten path of welfare state provision.

Across Europe, the extent of path departure varies. Arguably, Poland, Hungary, Italy and (possibly) Sweden have pioneered systemic transitions. All three countries have abandoned defined benefit public pension provision in favor of defined contribution and notional pension accounts (Perek-Bialas et al., 2001; Müller, 1999; Orenstein, 2000). While the Polish pension reform introduced a World Bank-style multi-pillar pension system replete with mandatory second pillar, policy-makers in Sweden and Italy have created legal frameworks for encouraging private pension provision. In countries such as the Czech Republic, France, Germany, Finland, or Switzerland pension reforms have changed policy-making more than the old-age income provision itself. However, despite considerable political resistance, policy-makers in this group of countries have not only implemented incisive retrenchments but have also created alternative forms of pension provision outside existing welfare state structures.

In other words, core welfare state institutions such as pension systems no longer seem as locked into their institutional trajectories as they did a decade ago.

## Discussion

How will active aging policy agendas in Europe develop in fragmented institutional landscapes? What do these institutional settings and their conflicting influences mean for active aging policy-making?

Path dependency implies that European social policy agendas will continue to diverge. For European policy-makers, institutional path dependency means that social policy, as a 'subsidiarity issue', will remain beyond their direct policy-making influence. As a result, institutions such as the European Commission can only resort to relatively 'weak' and atmospheric policy tools such as the Open Method of Coordination or awareness-raising measures (i.e., research, conferences). For national social policy-makers, path dependency means more of the same. More importantly, however, path dependent social

policy-making narrows the scope of the aging debate to specific issues and dissects the aging issue into separate sectoral approaches.

Path departure, in turn, provides an altogether more optimistic outlook for European active aging agendas. As the center of gravity for active aging policy shifts away from central welfare state policy communities, policy actors in service-oriented networks may successfully reframe the active aging issue. Rather than emphasizing institutional systemic differences in order to uphold privileged access to policy-making, policy actors may seek transnational cooperation to solve practical problems of service-provision. Within this institutional trajectory, there clearly is a role for the EU in the formulation, coordination and implementation of active aging policy. European policy-making would potentially include a wide range of regulatory issues (e.g., setting standards for care and social services, regulating the political participation of older people, minimal environmental and work-place standards, etc.) and coordinating functions (e.g., networking and connecting different policy networks across Europe via policy programs).

Although path dependent aging policies dominate European social policy-making, the idea of active aging, particularly in the guise of senior citizenship, is a strong contender for the top of the policy agenda. Three features of the senior citizenship discourse will make it difficult to ignore in future. First, the senior citizenship discourse makes a coherent, knowledge-based and, ultimately, attractive case for policy renewal. Who in their right mind, after all, could possibly oppose more wealth, better health, and more political influence? Second, and more importantly, the senior citizenship policy story makes a strong public interest argument. In contrast, established welfare state policy communities have acquired a (not quite unjustified) air of privilege. Moreover, the senior citizenship discourse feeds on the increasing impatience of the European citizens with what they perceive to be tired and ineffective corporatist decision-making. Third, outside national social policy arenas, active aging has a number of influential and powerful advocates. On the one hand, the senior citizen discourse is the ideological focal point of transnational advocacy coalition consisting of policy actors with considerably more political credibility than present national social policy-makers. On the other hand, large international organizations such as the World Health Organization (WHO), the International Labor Organization (ILO), the Organization for Economic Co-operation and Development (OECD) and, not least, the European Commission champion active aging and senior citizenship (OECD, 1998; European Commission, 1999). Taken together, these factors could help push the active aging issue out of political obscurity.

However, institutional fragmentation also gives rise to pitfalls for the active aging policy agenda. First, because active aging and senior citizenship are so attractive, policy-makers and policy actors will be tempted to appropriate them for their own, not necessarily public interested ends. There is a real danger that policy-makers will dress up crude budget cuts or welfare state

retrenchment in the clothes of active aging and senior citizenship. In fact, there is some evidence to suggest this is taking place. For example, advocates of the senior citizenship discourse in Austria and Germany point out that measures labeled as active aging rarely resemble a holistic policy approach (Aleksandrowicz and Hinrichs, 2003; Ney, 2003). Depending on how strong the 'normative force of hypocrisy' (Elster, 1998) pulls active aging agendas in the other direction, dominant policy actors could conceivably co-opt and incorporate the active aging agenda. Second, although active aging is at present a political backwater, it may deteriorate into an 'intractable policy controversy' (Rein and Schön, 1994) as it shifts closer to the centre stage of policy-making. It is doubtful that policy actors will undergo a swift conversion to the notion of senior citizenship from their current policy beliefs about demographic aging. The implicit dangers are twofold. On the one hand, active aging and senior citizenship may just become one among many good ideas competing for attention in the public sphere. On the other hand, active aging may indeed transcend the existing debate only to be paralyzed by heated controversy about the real meaning of active aging (see, for example, the debate about sustainability). Last, the active aging agenda may become a political battlefield in the struggle between political contenders at European level. Active aging could become a new platform for the long-standing political conflict about the distribution of competences between European, national and regional levels: the danger here is that the substantive goals of active aging may fall by the wayside.

### Conclusion

The future of active aging policies, it would seem, is uncertain. It is impossible, at least for this particular observer, to predict which way the active aging policy agenda will develop. Much depends on the relative balance between these two institutional processes at different levels of governance. Here, the favorites, simply on past performance, are path dependent welfare state institutions.

Whether European policy-makers will overcome the barriers and seize the opportunities for active aging reform programs will depend in largely, albeit not wholly, on whether institutional structures and practices enable them to do so. This, in turn, depends on whether and how policy actors strike a workable balance between the two countervailing institutional tendencies outlined in this paper. The tension between these processes is an unambiguously good thing for social policy-making in Europe. However, there is a real danger that the active aging policy agenda will be burnt by the friction between these institutional processes. The challenge for policy-makers at all levels, but particularly at European level, will be to design policy processes that constructively use the tension between the two institutional logics to create institutional innovations that benefit Europeans of all ages.

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## Notes

1. Path dependency is predicated upon outcomes resulting from past practices, not just contemporary conditions. A classic example is the rule of the road: all continental European countries drive on the right, whilst in the UK vehicles drive on the left. The initial choice to drive on a particular side was accidental, but remains a legacy in these countries. Once this convention emerged, it became permanent because of the costs involved in modifying it.
2. Path departure represents the 'de-institutionalization' of historical practice that accompanies a paradigm shift in ideological, political and social thinking. An example is the reunification of Germany when both the Eastern communist and the Western capitalist economic, social and welfare systems underwent radical modification in order to respond to the changed geo-political landscape.
3. The countries are Austria, The Czech Republic, Finland, France, Germany, Italy, Norway, Poland, Switzerland and the UK.

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