



Policy brief: Introducing Active Ageing Index

The **Active Ageing Index (AAI)** is a new analytical tool that aims to help policy makers in developing policies for active and healthy ageing. Its aim is to point to the untapped potential of older people for more active participation in employment, in social life and for independent living. Mobilising the potential of both older women and men is crucial to ensure prosperity for all generations in ageing societies. This policy brief introduces the Active Ageing Index to the policy makers.

Policy context

The challenges associated with population ageing are a subject of ever increasing importance, not just in Europe, but worldwide. People are living longer than ever before, while fertility rates are decreasing. This means that older people now constitute a growing segment of society, while the share of the working-age population is declining.

In the light of these demographic trends, and in order to meet the policy goal of maintaining prosperity and social cohesion, mobilising all available human resources is crucial. Policies need to ensure that, as people grow older, they can continue contributing to the economy and society and be able to look after themselves for as long as possible. This is the essence of the active ageing approach.

International organisations and bodies, including the European Commission and the United Nations Economic Commission for Europe (UNECE), work on developing policies for active and healthy ageing. Through the provision of data, exchange of good practices and policy co-ordination, they support their Member States in policy development. The present index should be seen in the same context: it was created to support national policy makers in designing successful responses to the challenges of population ageing.

The Active Ageing Index (AAI) was developed in the context of the European Year for Active Ageing and Solidarity between Generations 2012 (EY2012). The EY2012 aimed at raising awareness of population ageing and positive solutions to address the challenges it brings. The EY2012 mobilised a wide range of stakeholders across Europe to take action and gave rise to thousands of new initiatives and events at European, national, regional or local level. The EY2012 also created a political momentum, which was used by several Member States for launching important policy initiatives. One of the purposes of the AAI in the longer term will be to track the progress made as a result of such policies. In order to further

facilitate policy development, the Guiding Principles on Active Ageing and Intergenerational Solidarity, adopted in 2012, serve as a check list for national authorities and other stakeholders to promote active ageing.

Population ageing is a global phenomenon, and as such has been addressed by the United Nation's Madrid International Plan of Action on Ageing (MIPAA). UNECE is responsible for MIPAA's Regional Implementation Strategy (RIS) in Europe, and 2012 marked the closing of its second 5-year implementation review cycle. The review concluded with the adoption of the Vienna Ministerial Declaration in September 2012. The Declaration outlines four priority goals for the UNECE countries to be reached by the end of the third cycle (2017) of MIPAA/RIS implementation. These are (i) encouraging longer working lives and maintaining work ability; (ii) promoting participation, non-discrimination and social inclusion of older persons; (iii) promoting and safeguarding dignity, health and independence in older age, and (iv) maintaining and enhancing intergenerational solidarity. The AAI is an important tool to be used when evaluating and monitoring the implementation of MIPAA/RIS during the third cycle and beyond.

Active ageing, as a policy discourse, based on making use of the potential of older people, goes hand in hand with a social investment approach. Social investment is centred on the idea that activating social policies can yield high economic and social return. The European Commission's Social Investment Package (2013) explicitly refers to the AAI as a tool to support the implementation of this social investment orientation in social policies.¹

Developing the Active Ageing Index

The AAI was developed in 2012 by the European Centre for Social Welfare Policy and Research in Vienna in close collaboration with, and advice from, the European Commission's Directorate General for Employment Social Affairs and Inclusion and the UNECE. Consultations were also held with an experts group, convened specifically for the purpose to evaluate the conceptual and methodological approach of the AAI.

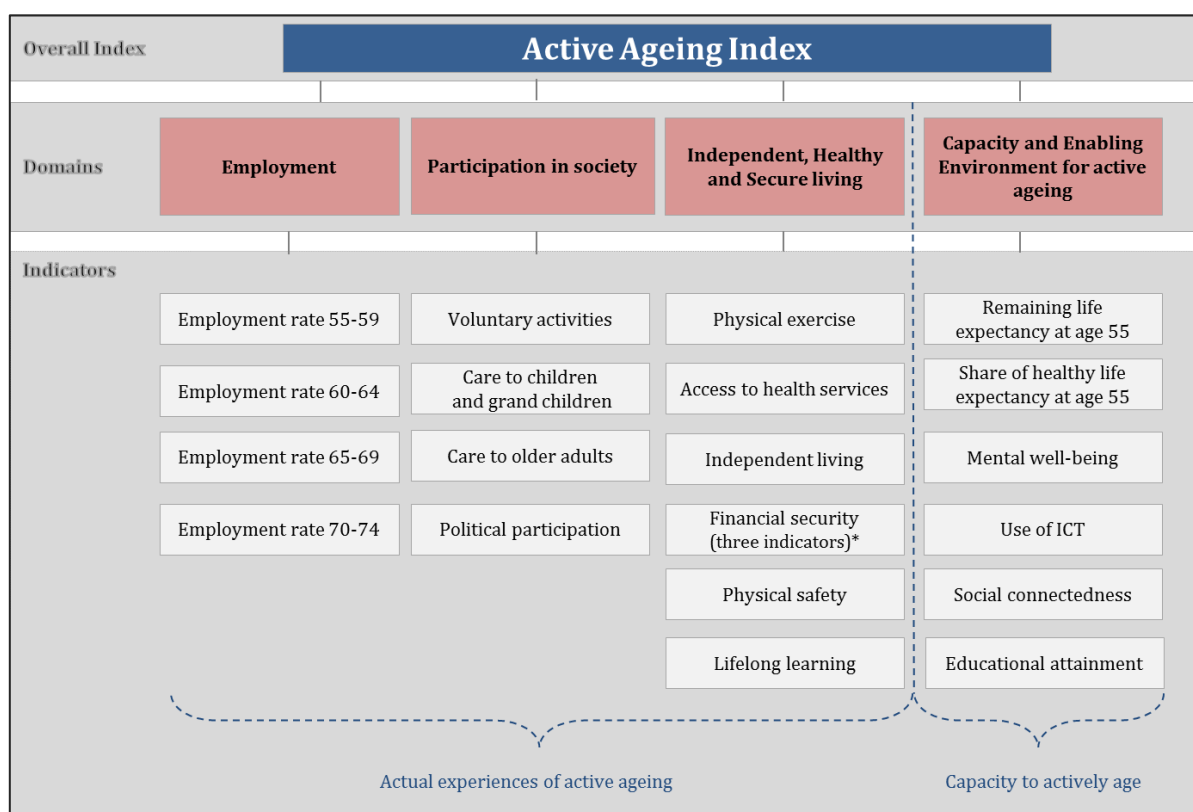
For the needs of the construction of this Index, the following definition of active ageing was applied:

"Active ageing refers to the situation where people continue to participate in the formal labour market, as well as engage in other unpaid productive activities (such as care provision to family members and volunteering), and live healthy, independent and secure lives as they age."

To reflect the multidimensional concept of ageing, the AAI is constructed from four different domains (see Figure 1). Each domain presents a different aspect of active and healthy ageing. The first three domains refer to the actual experiences of active ageing (employment, unpaid work/social participation, independent living), while the fourth domain captures the capacity for active ageing as determined by individual characteristics and environmental factors.

¹ For more information on the European Commission's Social Investment Package, see here: <http://ec.europa.eu/social/main.jsp?catId=1044&langId=en>

Figure 1: Active Ageing Index conceptual framework



The AAI is a composite index. It means that a number of individual indicators contribute to each of the domains - in total, there are 22 individual indicators across four domains. Each individual indicator can be positively interpreted, meaning that the higher the indicator value, the better the active ageing outcome. For example, the more care older people provide for others, the better are their active ageing outcomes. Indicators are weighted individually and then combined within the four domains, thus creating the domain-specific indices. The overall Active Ageing Index is then the weighted average of the four domain-specific indices.

For detailed overview of how the index was constructed, e.g. what were the specific selection criteria for choosing the AAI domains and indicators, the methodology applied for standardizing the indicators, the weighting method and detailed information on the indicators (definitions, data sources), please see the methodological paper “Active Ageing Index 2012: Concept, Methodology and Final Results” (Zaidi et al, 2013)².

Interpreting the AAI results

Overall index vs. four domain-specific indices

The results of the AAI are presented as a ranking of countries by the scores achieved in the overall AAI and in the domain-specific indices (see Table 1). The rank order of countries differs across domains. For

² The methodological paper is available online at: <http://www1.unece.org/stat/platform/display/AAI/Active+Ageing+Index+Home>

example, Sweden ranks first in the overall AAI, but only leads in two of the domain-specific indices, employment and capacity for active ageing. In the domains ‘social participation’ and ‘independent living’, Ireland and Denmark fare best.

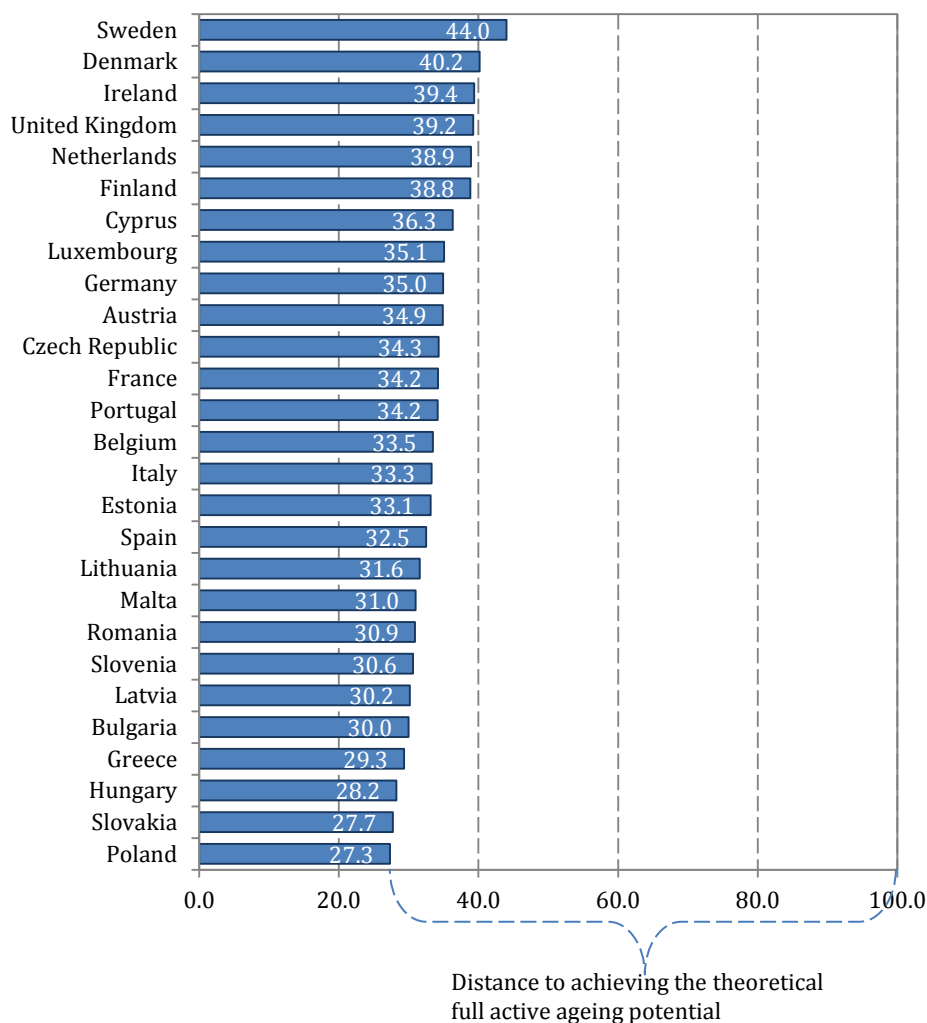
Table 1: Ranking of EU 27 countries, on the basis of the overall AAI and the domain specific indices

OVERALL	Employment	Social participation	Independent living	Capacity for active ageing
1 Sweden	1 Sweden	1 Ireland	1 Denmark	1 Sweden
2 Denmark	2 Cyprus	2 Italy	2 Sweden	2 Denmark
3 Ireland	3 UK	3 Luxembourg	3 Netherlands	3 Netherlands
4 UK	4 Portugal	4 Sweden	4 Finland	4 Luxembourg
5 Netherlands	5 Estonia	5 France	5 Germany	5 UK
6 Finland	6 Denmark	6 Netherlands	6 UK	6 Ireland
7 Cyprus	7 Finland	7 Finland	7 Ireland	7 Finland
8 Luxembourg	8 Netherlands	8 Austria	8 Luxembourg	8 Belgium
9 Germany	9 Romania	9 Belgium	9 France	9 France
10 Austria	10 Germany	10 Denmark	10 Slovenia	10 Austria
11 Czech Rep	11 Ireland	11 UK	11 Czech Rep	11 Germany
12 France	12 Latvia	12 Czech Rep	12 Belgium	12 Spain
13 Portugal	13 Lithuania	13 Cyprus	13 Austria	13 Malta
14 Belgium	14 Czech Rep	14 Spain	14 Hungary	14 Czech Rep
15 Italy	15 Austria	15 Malta	15 Lithuania	15 Italy
16 Estonia	16 Bulgaria	16 Slovenia	16 Romania	16 Bulgaria
17 Spain	17 Greece	17 Hungary	17 Malta	17 Cyprus
18 Lithuania	18 Spain	18 Lithuania	18 Estonia	18 Portugal
19 Malta	19 Slovenia	19 Germany	19 Italy	19 Slovenia
20 Romania	20 Luxembourg	20 Portugal	20 Cyprus	20 Lithuania
21 Slovenia	21 France	21 Greece	21 Poland	21 Estonia
22 Latvia	22 Italy	22 Latvia	22 Spain	22 Poland
23 Bulgaria	23 Slovakia	23 Slovakia	23 Slovakia	23 Greece
24 Greece	24 Poland	24 Estonia	24 Portugal	24 Slovakia
25 Hungary	25 Belgium	25 Romania	25 Greece	25 Hungary
26 Slovakia	26 Malta	26 Bulgaria	26 Bulgaria	26 Latvia
27 Poland	27 Hungary	27 Poland	27 Latvia	27 Romania

Measuring untapped potential of older people

The rank of each country in the AAI is determined by the score it has obtained in the four domains and in the overall index (see Figure 2 for the scores of the overall index). Individual country scores show the extent to which its older people's potential is used and the extent to which they are enabled to participate in the economy and society. The theoretical maximum for the index is assumed to be 100, and as can be seen in Figure 2, none of the countries is coming anywhere near this maximum. If it was the case, it would indeed imply a much higher life expectancy and an unrealistically high participation of older people in the economy and society. Thus, the index is constructed in such a way that not even the best-performing countries will hit the ceiling of 100. As a result of this methodological choice, current top performers like Sweden or Denmark only pass the 40-mark. Improvements are possible even for the top performers, but obviously, 100 would not be a realistic goal post today.

Figure 2: AAI results across EU27 countries



Cross country comparisons and country-specific data

Interesting insights can be drawn from analysing the scores of the AAI. Countries may want to compare their own score to that of another country with a similar level of social and economic development. By comparing results for each domain and individual indicators within each domain, countries can identify areas for improvement, helping them to set their policy priorities and possibly also targets. The data used for the construction of the AAI are contained in an Excel spread sheet and available online³ to encourage potential users to analyse the results in-depths and discover more about strengths and weaknesses of individual countries.

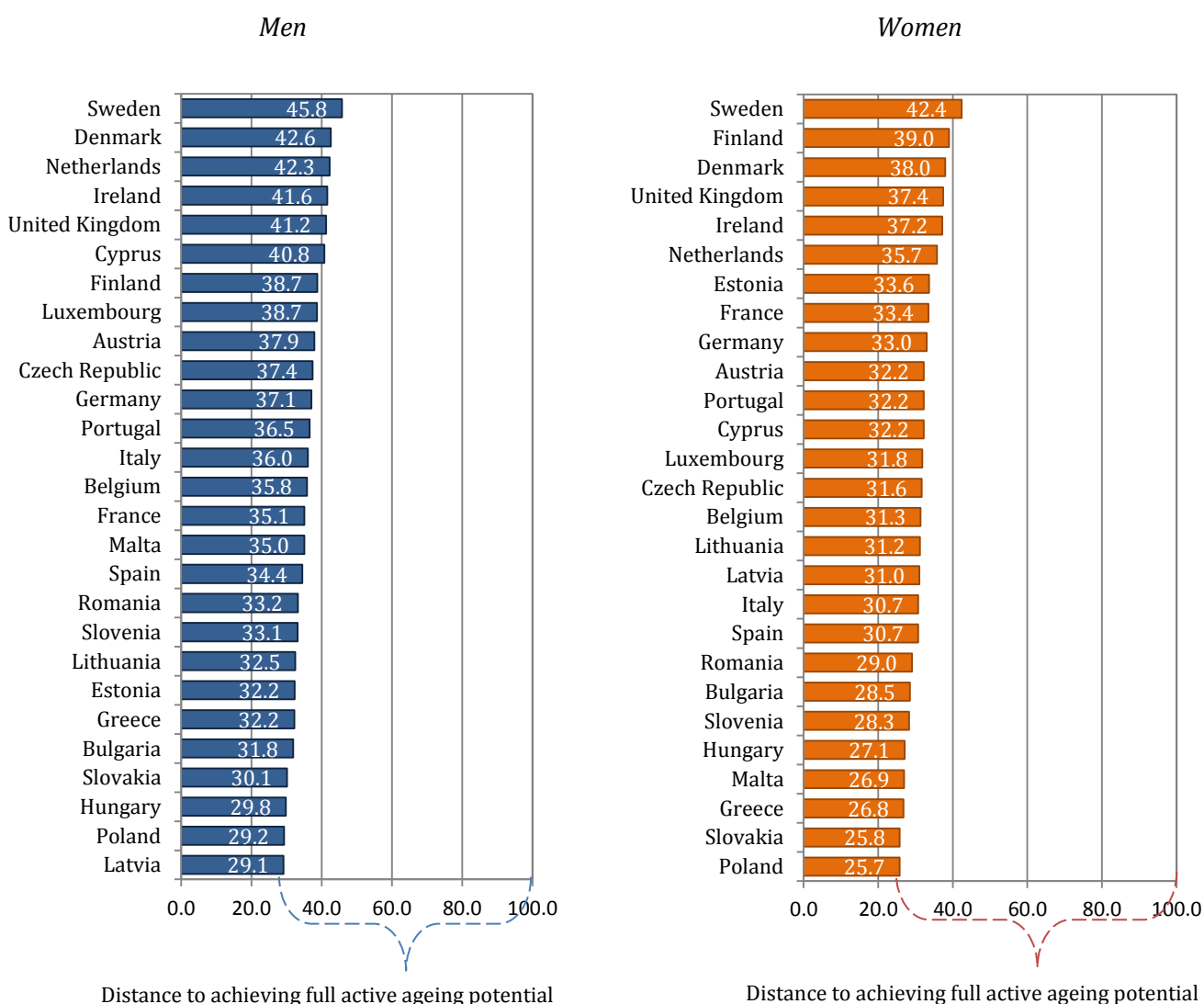
³ <http://www1.unece.org/stat/platform/pages/viewpage.action?pageId=76287845>

Gender breakdown

Ageing experiences of women and men differ considerably. The AAI takes this into account and allows assessing active ageing outcomes separately for women and men for individual domains and for the overall index in each country. This can be done as long as gender-disaggregated data for the majority of underlying indicators are available.

The AAI calculated separately for women and men show that the gender-specific country ranking is somewhat different. When comparing active ageing results among the EU-27 countries, Finnish women for example are the second best performers, while Finnish men rank the seventh (see Figure 3). In contrast, the Dutch men are the third while women rank the sixth.

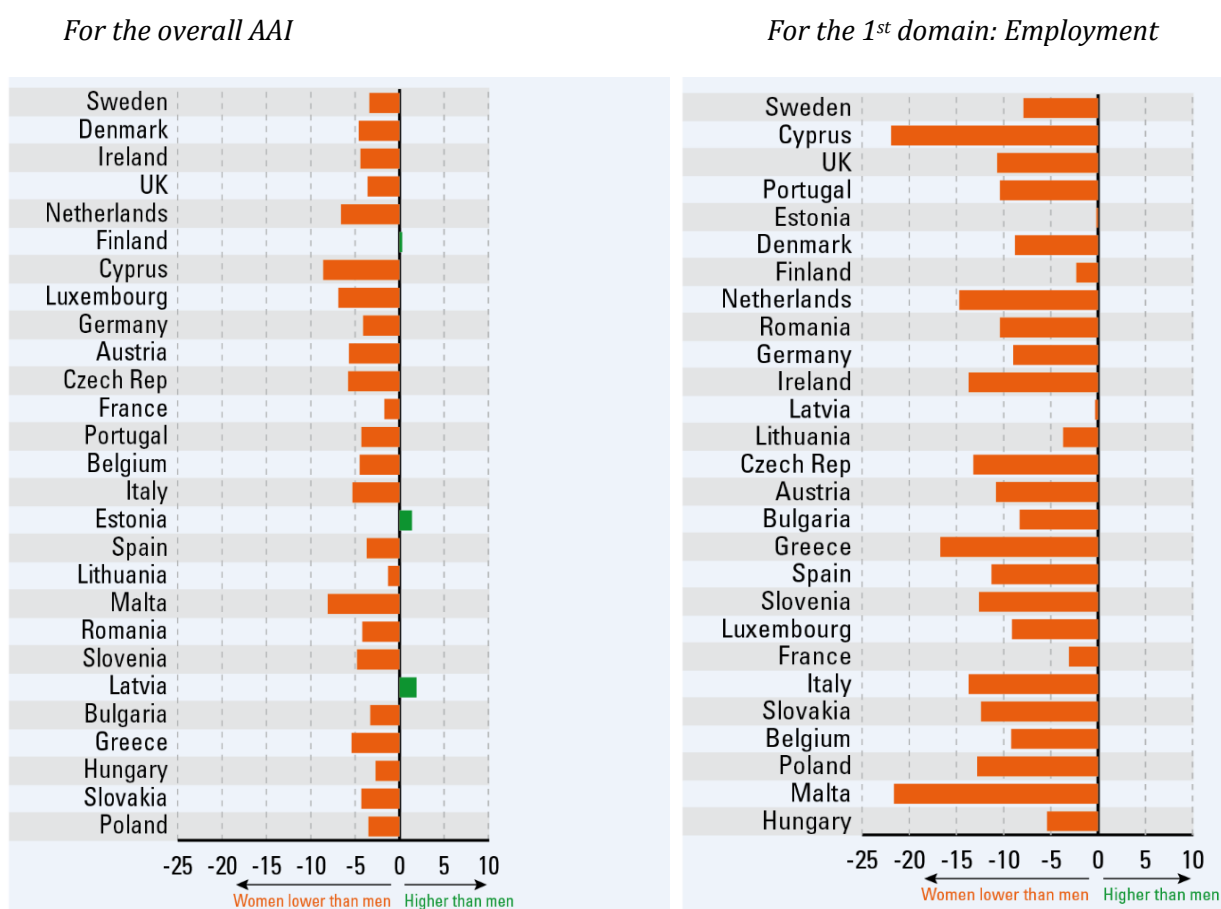
Figure 3: AAI results across EU27 countries for men and women separately



In general, AAI scores are lower for women than for men. The differences are easier to observe by examining gender gaps for the overall index and the domain-specific indices across and within individual countries. Large gender gaps indicate significant potential for improvement; indeed, if active ageing is possible for men in a given country, it should also be possible for women and vice versa.

Looking at the gender gap scores (see Figure 4), one finds the largest differences between men and women in Cyprus and Malta, where men outperform women in the overall active ageing outcomes by about eight points. By contrast, women in Latvia and Estonia achieve better overall active ageing results than men. Among the four AAI domains, women are falling furthest behind men in the employment domain, where men outperform women in EU 27 countries on average by ten points. The differences are rather small or in some countries reverse for the second and fourth domains.

Figure 4: Gender gap across EU27 countries



Capacity for active ageing vs. domain-specific indices

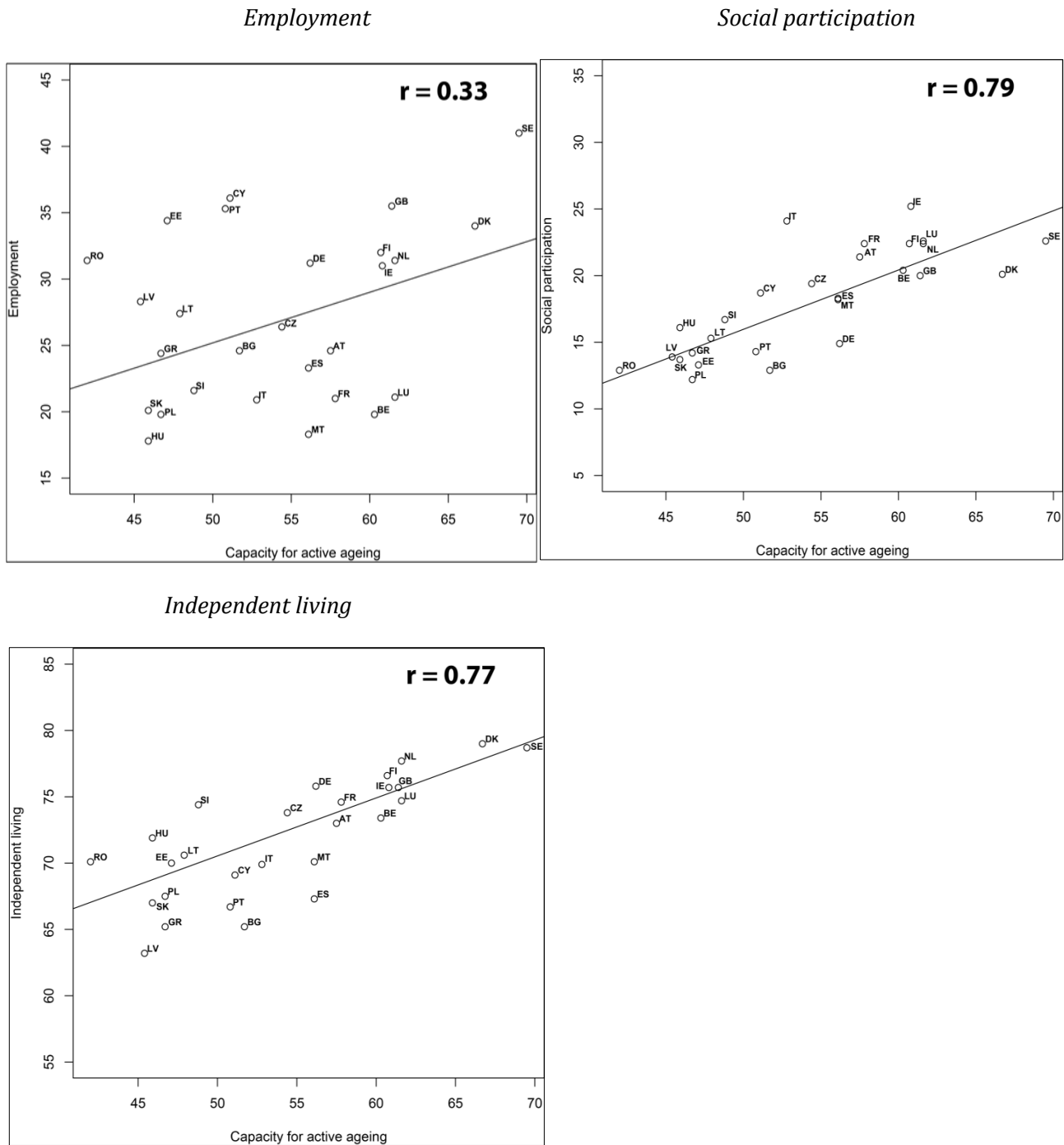
Linking the scores of capacity and enabling environment for active ageing across the EU-27 countries and the index results for actual experiences of active ageing in employment, social participation and independent living (see Figure 5) helps to understand the strength of association between the chosen capacity factors and active ageing outcomes.

Particularly strong relationship is between the capacity for active ageing and the domains of social participation and independent living. Several countries, however, stand out with regards to their actual

active ageing outcomes. For example, Italy has better results in social participation domain as compared to the Czech Republic, although their capacity for active ageing is similar.

Weaker correlation can be observed between the capacity for active ageing and the outcomes of the employment domain. This indicates that factors other than those chosen for capacity domain are at play.

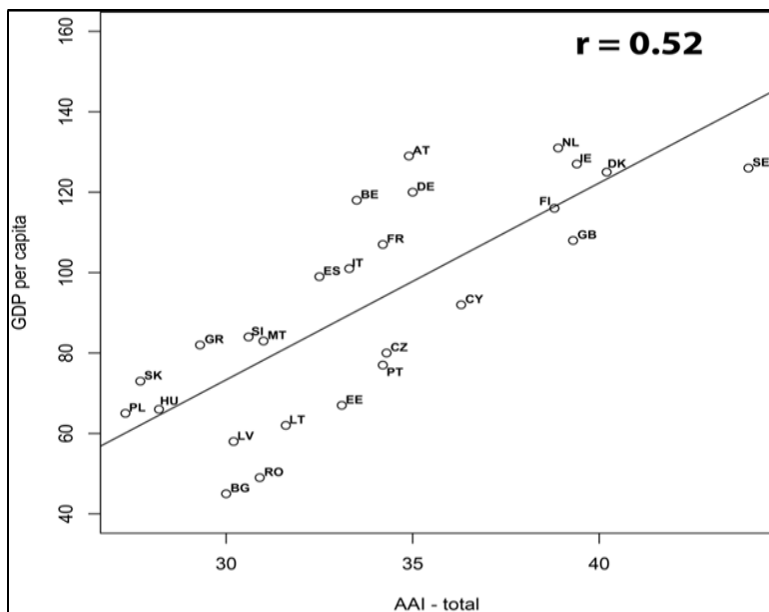
Figure 5: Correlations between the capacity for active ageing and domain-specific indices



AAI vs. other measures of economic and social performance

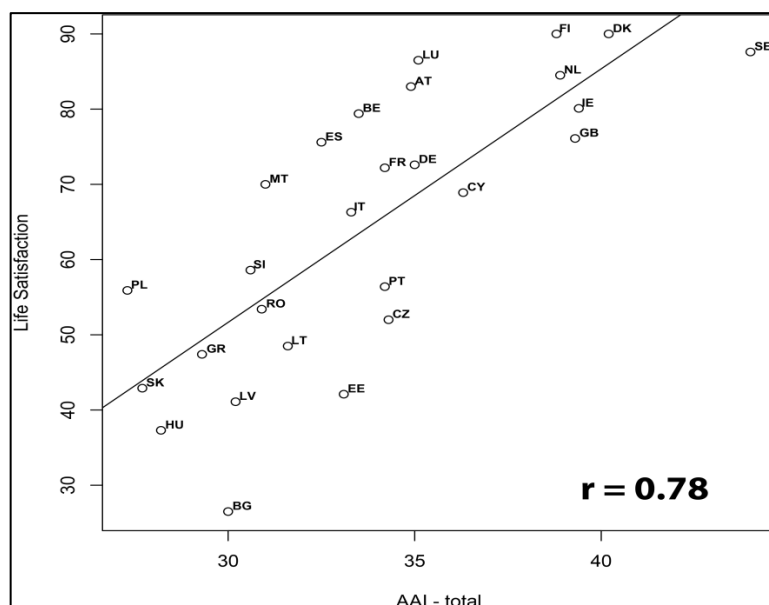
There is a positive correlation between the Active Ageing Index and other measurements of economic and social performance. For example, when plotting AAI against the GDP per capita, it shows that countries with higher GDP per capita also tend to have better active ageing results (see Figure 6). A correlation says nothing about causality, which could indeed go either way: higher GDP creating more opportunities for active ageing or active ageing resulting in higher economic performance, notably thanks to higher employment rates of older workers.

Figure 6: AAI and GDP per capita



There is also a clear positive correlation between the AAI and life satisfaction among people aged 55 years and older (see Figure 7). This means that being active does not seem to be an unpleasant obligation, but rather a source of fulfilment.

Figure 7: AAI and life satisfaction



Promoting active ageing policies

Enabling and increasing older people's participation in the society as well as in the economy is certainly the single most important policy measure that can be taken to prepare for rapid population ageing. Active ageing policies need to encourage the older population to utilize their full potential and to empower them to do so, including by creating more age-friendly environments.

The AAI is designed for the benefit of policy makers so that they can base their ageing-related policies on evidence and work towards better AAI outcomes which, in turn, can be expected to raise prosperity and social cohesion, in particular by making social protection systems more sustainable. Indeed, most social protection expenditure goes to older people. Without active ageing, the rising number of older people might well undermine social protection systems and the intergenerational compact on which they are built.

Additional guidance on age-related policy responses can be taken from the Vienna Ministerial Declaration (2012)⁴ and the Guiding Principles on Active Ageing and Solidarity between Generations (2012)⁵. The Guiding Principles, elaborated by the Social Protection and Employment Committees of the EU, were endorsed by the Ministers of Social and Employment affairs in December 2012. They should serve as a checklist for national authorities and other stakeholders on what needs to be done to promote active ageing in the three areas covered by the Index.

Next steps and contact

The first edition of the AAI has been calculated for the EU 27 Member States and for a single year. As the AAI can be used to monitor trends, it would be useful to calculate the index for earlier years to check what progress has been made until today (subject to data availability). It will be even more interesting to calculate the AAI as soon as new data become available in the future.

The AAI essentially captures outcomes and offers little information on the factors that determine them. Research on such explanatory factors, and in particular the impact of the life course on AAI outcomes, could be most valuable for the design of better active ageing policies.

The aim of the AAI is to offer a wide range of users (e.g. policy makers, researchers, students, private businesses) a flexible tool that helps them understand the challenges of ageing and how they can be tackled. The index is made available in an easy-to-use way, allowing the addition of new datasets, including for additional countries or regions to the ones already covered. It also offers the possibility of changing the weighting schemes of the indicators and domain indices. These possibilities will be made available through a dedicated website.

Comments and suggestions for improving the AAI are most welcome. Please email to ageing@unece.org, mentioning 'Active Ageing Index' in the subject of the email.

⁴ The 2012 Vienna Ministerial Declaration is available from:

http://www.unece.org/fileadmin/DAM/pau/age/Ministerial_Conference_Vienna/Documents/ECE.AC.30-2012-3.E.pdf

⁵ The Guiding Principles are annexed to the European Council Declaration, available from:

www.europa.eu/ey2012/BlobServlet?docId=9611&langId=en

Further reading:

Council of the European Union (2012), “Council Declaration on the European Year for Active Ageing and Solidarity between Generations (2012): The Way Forward”, 7 December 2012, available at:

www.europa.eu/ey2012/BlobServlet?docId=9611&langId=en

European Year 2012 for Active Ageing and Solidarity between Generations website:

www.europa.eu/ey2012/

European Commission (2013) Towards Social Investment for Growth and Cohesion – including implementing the European Social Fund 2014-2020, COM(2013) 83 final and associated Staff Working Documents,, available at:

<http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=1807&furtherNews=yes>

UNECE (2012), Fact sheet on active ageing, available at:

http://www.unece.org/fileadmin/DAM/pau/age/Ministerial_Conference_Vienna/Documents/Active_Ageing_Fact_Sheet_final_1.pdf

UNECE (2012), Policy Brief on Active Ageing, available at:

http://www.unece.org/fileadmin/DAM/pau/age/Policy_briefs/ECE-WG.1.17.pdf

Vienna Ministerial Declaration 2012, available at:

http://www.unece.org/fileadmin/DAM/pau/age/Ministerial_Conference_Vienna/Documents/ECE.AC.30-2012-3.E.pdf

Zaidi et al (2013) “Active Ageing Index 2012: Concept, Methodology and Final Results”, available at:

<http://www1.unece.org/stat/platform/display/AAI/Active+Ageing+Index+Home>