

Active Ageing Index 2014

Summary

June 2015



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Note

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Why does active ageing matter?

The twentieth Century saw the universal adoption of pension policies in Europe designed mainly to reduce the risk of older people living in poverty. The public welfare systems were gradually broadened including provision of health and social care for the elderly.

The narrow focus of policies for older people was only challenged as populations started to age, a result of falling fertility, lengthening life expectancy and large earlier birth cohorts reaching retirement. Policies for older people had to be widened in scope to ensure not only that public pensions and healthcare systems are sustainable, but also that such sustainability is achieved by an active contribution from older people themselves, by fostering lifestyles throughout the life-course that will support healthy and fulfilling old age.

Active ageing means growing older in good health and as a full member of society, feeling more fulfilled in our jobs and social engagements, more independent in our daily lives and more engaged as citizens. The active ageing strategies are about changing attitudes and developing a more positive approach to tackling the challenges of ageing.

The challenge for active ageing strategies is to provide an environment that is rich in opportunities where old age is not synonymous with becoming dependent on others. Such a paradigm of healthy and active ageing makes the most of the potential of older people and makes them less dependent on family and state.

Active ageing links to several specific policy areas. It is about fostering employment, promoting engagement, reducing poverty, improving health and well-being and much more. While at times these policies focus on specific goals, they must be cast in a global approach that addresses all aspects of the lives of older people, most of which are brought together in the Active Ageing Index (AAI) project.

The overall goal of the Active Ageing Index project is to identify areas in which different policies and programmes can promote the contribution and potential of older people. In this pursuit, it is imperative to provide the evidence base that can show how aspirations of active ageing at the individual level can be enhanced with effective public policies and programmes. The AAI evidence can help answer some critical policy questions:

- How do some countries fare better than others across the board and how can this motivate and orient countries lagging behind?
- In what specific areas of active ageing can certain countries do better?
- What policy lessons are on offer from the experience of other countries?

Thus, the AAI project allows policymakers to base their interventions on the comparative and substantive evidence of active ageing indicators and composite indices. It aims to help in identifying priority areas of policy development in the near future.

What does the Active Ageing Index offer?

The Active Ageing Index,¹ the first results of which were released during the 2012 European Year on Active Ageing and Solidarity between Generations, provides a flexible tool to assess untapped potentials of older people, to monitor overall progress with respect to active ageing and identify where challenges remain. The evidence also points to policies that may have contributed towards promoting an active and healthy life of older people – a more detailed description of policies will nonetheless be required, as well establishing causal links between the policies and the active ageing outcomes.

The AAI addresses policy issues related to older people not only in terms of pension income but in the wider areas of life, such as the promotion of health, longer working careers and continued participation in the society.

The AAI is a toolkit comprising twenty-two individual indicators grouped in four domains: Employment; Social Participation; Independent Living, and Capacity for Active Ageing.

The first three domains measure achievements, while the fourth is a measure of the starting conditions for achieving positive active ageing outcomes. All indicators and their aggregation into composite measures are available separately for men and women.

The added value of the AAI is that it encourages policymakers to look at active ageing in a comprehensive way. It offers the broader perspective of different dimensions of contribution and potentials of older people. In doing so, it helps policymakers and other stakeholders understand where they could do better compared to other countries and set themselves goals for a higher and more balanced form of active ageing.

How to interpret the Active Ageing Index?

The Active Ageing Index score for individual countries shows the extent to which their older people's potential is used, and the extent to which older people are enabled and encouraged to participate in the economy and society and to live independently.

The AAI is constructed in such a way that scores can range from 0 to 100. The intention was to ensure that any conceivable community, from the least to the highest developed, can fit into this range, but it also implies that actual AAI will not get close to the minimum or maximum values. For target setting, the theoretical maximum of 100 is of little practical value. Hence, other more realistic benchmarks are needed, showing what potentials could be realistically mobilised over a reasonable time horizon.

Every country can make further progress, even those that currently have the highest AAI scores. This can be demonstrated using the AAI value calculated for a fictitious country which features all the best observed values for each indicator, across countries and for men or for women, whichever gender does best, over the respective time period. Other possibilities for benchmarking are to either undertake pairwise comparison by looking at another comparable country or to look at the gender gap within a country and try to close it.

The AAI value for the fictitious country achieving the best observed score for each indicator can be seen as a realistic goalpost of the AAI for the longer term. The domain-specific indices and the overall AAI calculated using these maximum observed indicators' value are referred to as the 'AAI goalpost' in this report.

¹ For detailed presentation of the Active Ageing Index see <http://www1.unece.org/stat/platform/display/AAI/Active+Ageing+Index+Home>

Box 1: Indicators selected for the Active Ageing Index

The following active ageing indicators have been selected for populating the four domains:

1. Employment

- 1.1 Employment rate for the age group 55-59 (EU-LFS)
- 1.2 Employment rate for the age group 60-64 (EU-LFS)
- 1.3 Employment rate for the age group 65-69 (EU-LFS)
- 1.4 Employment rate for the age group 70-74 (EU-LFS)

2. Participation in society

- 2.1 Voluntary activities: percentage of population aged 55+ providing unpaid voluntary work through the organisations (at least once a week) (EQLS)
- 2.2 Care to children and grandchildren: percentage of population aged 55+ providing care to their children and/or grandchildren (at least once a week) (EQLS)
- 2.3 Care to older adults: percentage of population aged 55+ providing care to elderly or disabled relatives (at least once a week) (EQLS)
- 2.4 Political participation: percentage of population aged 55+ taking part in various forms of political activities (EQLS)

3. Independent, healthy and secure living

- 3.1 Physical exercise: percentage of people aged 55 years and older undertaking physical exercise or sport almost every day (EQLS)
- 3.2 Access to health and dental care: percentage of population aged 55+ who report no unmet need for medical and dental examination (SILC)
- 3.3 Independent living arrangements: percentage of persons aged 75 and older living in single or couple households (SILC)
- 3.4 Relative median income: ratio of the median equivalised disposable income of people aged 65+ to the median equivalised disposable income of those aged below 65 (SILC)
- 3.5 No poverty risk for older persons: percentage of people aged 65+ who are not at the risk of poverty using 50% of the national median equivalised disposable income as the poverty threshold (SILC)
- 3.6 No severe material deprivation for older persons: percentage of people aged 65+ not severely materially deprived (SILC)
- 3.7 Physical safety: percentage of people aged 55 years and older who are feeling safe to walk after dark in their local area (ESS)
- 3.8 Lifelong learning: percentage of older persons aged 55-74 who received education or training in the 4 weeks preceding the survey (EU-LFS).

4. Capacity and enabling environment for active and healthy ageing

- 4.1 Remaining life expectancy at age 55, as a share of the target of 50 years, using EHLEIS
- 4.2 Share of healthy life years in the remaining life expectancy at age 55, using EHLEIS
- 4.3 Mental well-being (for older population aged 55+, using EQLS and using WHO's ICD-10 measurement)
- 4.4 Use of ICT by older persons aged 55-74 at least once a week (including everyday), using Eurostat ICT Survey
- 4.5 Social connectedness: Percentage of older population aged 55+ who meet friends, relatives or colleagues at least once a week (ESS)
- 4.6 Educational attainment of older persons: Percentage of older persons aged 55-74 with upper secondary or tertiary educational attainment (EU-LFS)

Key findings

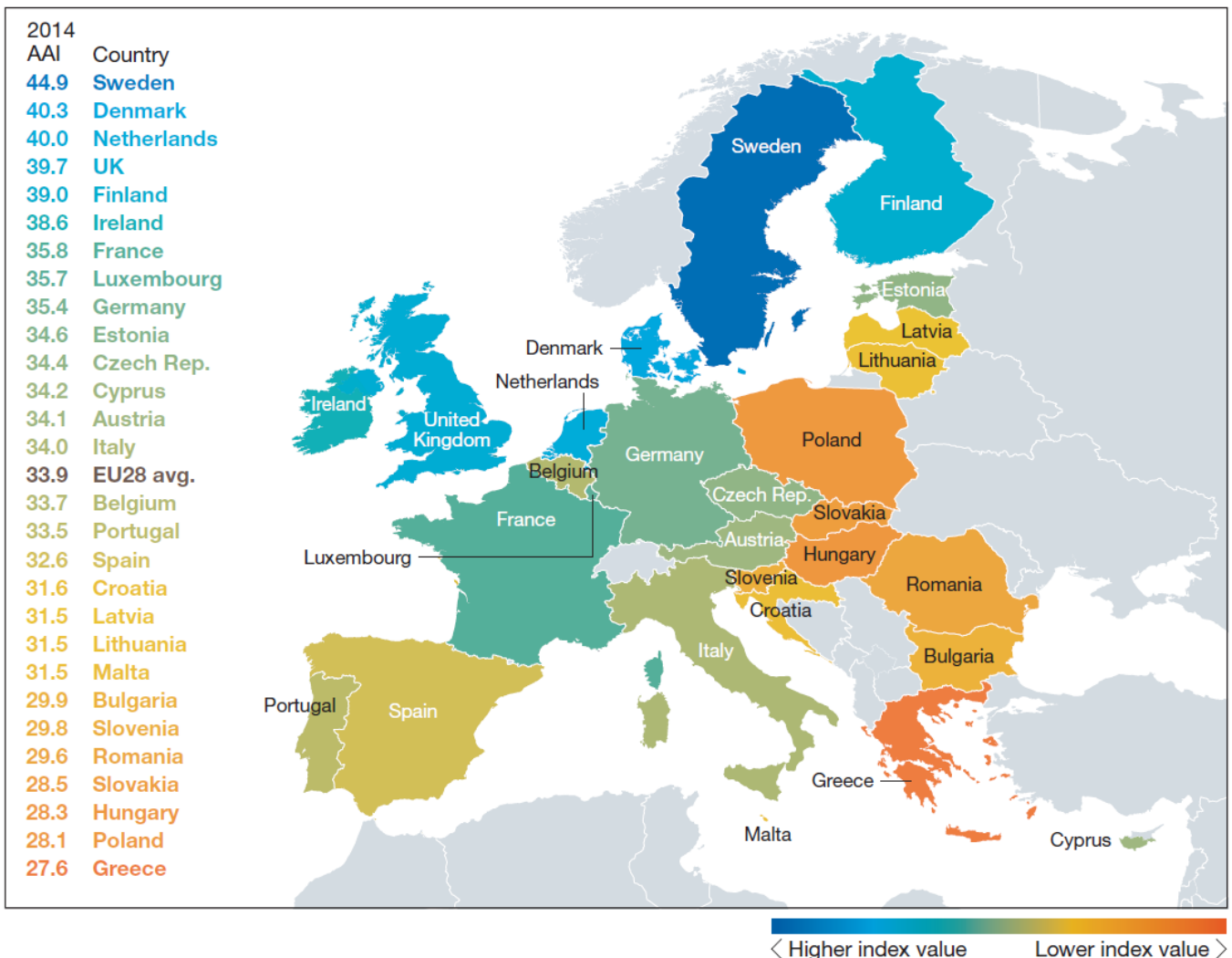
Results presented in this analytical report give a clear indication that a healthy and active life during old age is no longer considered just an ideal; rather it is a reality for many and a genuine possibility for many more. For example, the countries with the highest AAI results within EU score around 40 points, although this score in comparison to the AAI goalpost of 56.4 points implies that there is a considerable room for improvement even among the top performing countries.

The fact that the countries at the top of the AAI score have done consistently well across all domains is an indication that active ageing in different areas can be mutually reinforcing. At the same time, no country scores consistently at the very top of all the domains, indicating that there is progress to be made for everyone, albeit in different dimensions.

Looking at the trends between the 2010 AAI and the 2014 AAI, a small increase of 2 points is recorded on average in the 28 EU Member States. This improvement is observed despite the financial and economic crisis and fiscal austerity measures during this period. The highest increase is in the Social Participation domain, about 3 points, with two other domains increasing by about 2 points each, (Independent Living and Capacity for Active Ageing). For the Employment domain, the change is marginal (0.6 point). Significantly, all four domains registered increases.

In turn, the change within the Social Participation domain is influenced by a strong change in many countries across the EU in the proportion of older population (55+) caring for children and grandchildren, particularly in Italy, but also in Cyprus, Ireland and Slovakia. These large increases need to be viewed with caution as they may reflect data comparability problems.

Ranking of 28 EU Member States on the basis of the 2014 overall AAI



Changes in the overall AAI, between 2010 AAI, 2012 AAI and 2014 AAI

Active Ageing Index 2010, 2012 and 2014-AAI

Rank 2014 AAI	2010 AAI	2012 AAI	2014 AAI	Change 10-14 Overall	Change 10-14 MEN	Change 10-14 WOMEN	
1	Sweden	42.6	44.2	44.9	2.3	2.7	2.0
2	Denmark	38.8	40.0	40.3	1.5	1.5	1.5
3	Netherlands	38.6	38.9	40.0	1.4	1.5	1.3
4	UK	38.0	39.7	39.7	1.7	1.9	1.5
5	Finland	36.9	38.3	39.0	2.1	2.4	1.8
6	Ireland	35.8	38.5	38.6	2.8	3.7	2.7
7	France	33.0	34.3	35.8	2.9	3.1	2.6
8	Luxembourg	31.8	35.2	35.7	3.9	4.5	3.3
9	Germany	34.3	34.3	35.4	1.1	0.4	1.7
10	Estonia	33.4	32.9	34.6	1.2	-0.6	2.5
11	Czech Rep.	31.0	33.8	34.4	3.4	3.2	3.7
12	Cyprus	32.4	35.7	34.2	1.7	-0.1	3.4
13	Austria	31.3	33.6	34.1	2.7	2.9	2.5
14	Italy	30.1	33.8	34.0	4.0	4.8	3.2
	EU28 avg.	32.0	33.4	33.9	1.8	1.9	1.7
15	Belgium	32.4	33.2	33.7	1.3	1.2	1.4
16	Portugal	32.3	34.1	33.5	1.2	1.4	1.0
17	Spain	30.4	32.5	32.6	2.3	1.9	2.7
18	Croatia	28.3	30.8	31.6	3.3	4.0	2.6
19	Latvia	32.2	29.6	31.5	-0.7	-1.1	-0.3
20	Lithuania	30.1	30.7	31.5	1.4	-0.2	2.9
21	Malta	28.0	30.6	31.5	3.5	4.4	2.6
22	Bulgaria	26.9	29.4	29.9	2.9	2.5	3.4
23	Slovenia	30.0	30.5	29.8	-0.2	-0.2	0.0
24	Romania	29.4	29.4	29.6	0.3	-1.1	1.7
25	Slovakia	26.8	27.7	28.5	1.7	0.8	2.5
26	Hungary	26.3	27.5	28.3	2.0	1.9	2.1
27	Poland	27.0	27.1	28.1	1.1	0.0	2.1
28	Greece	28.7	29.0	27.6	-1.1	-2.0	-0.2

In addition, the change in the AAI is also influenced by an improvement in relative incomes of older people in many Member States which may not be a real improvement in their own absolute income, rather merely an improvement in their position relative to the working age population.

An increase in the overall AAI by nearly three points or more is observed in nine countries: Italy, Luxembourg, Malta, Austria, the Czech Republic, Ireland, Bulgaria, France and Croatia. In five of these countries, the increase is heavily dependent on increases in the Social Participation domain.

While the AAI has generally increased, there are two exceptions. The index for Greece was a point lower in the 2014 AAI than it was in the 2010 AAI. The AAI score for Greece increased slightly during the first two years, between the 2010 AAI and the 2012 AAI, but fell afterwards. Latvia's AAI fell by over two and a half points during the first two years, but the subsequent recovery still left the

index half a point lower in the 2014 AAI than it was in the 2010 AAI.

For most countries the changes in the overall index for men and for women also showed improvement, although with a significant gender gap in almost all countries. One strong exception is Latvia where a fall in the index for men of four points dominated the overall index for the whole population and is in contrast to the increase in the index for women of one and a half points over the same period. A similar gender differentiated change is observed in Greece.

Moreover, the overall AAI and the four constituent domains show a wide difference between the maximum and minimum scores observed across countries. The maximum scores prove that these are achievable scores that can be used to set feasible targets. The value of the AAI project is the wealth of information available that allows Member States to choose comparators to help frame policies towards ambitious but realistic targets.

- In general, affluent Member States in the Nordic countries and Western Europe have had greater success in sustaining employment levels among workers reaching retirement age, providing income security and achieving an active, engaged older population. But even in these countries there is scope for improvement in some individual dimensions. For example, the United Kingdom and Denmark are respectively 7th and 10th in the ranking for Social Participation. Understanding why Ireland and Italy have much higher scores in this domain may help to shape policies to foster more participation and offer a measure that helps to set achievable targets.
- Conversely, at the other end of the scale, lower-income EU Member States have faced greater challenges and need to address how they can make their policies more supportive and sustainable. For instance, within the low scores for the overall index some Member States nevertheless achieved employment scores

above the EU-28 average of 28 points – e.g. Portugal with 33 points and Latvia with 32 points. In contrast Greece (20), Spain (23) and Hungary (19) are all much lower. These contrasts will help Member States focus on reasons for the differences and use this analysis to formulate policies and set targets.

- Although the global economic crisis has been detrimental to employment, especially for younger people in EU Member States, it is reassuring that policies to phase out early retirement and to raise the age of retirement were not reversed.
- An analysis of the relationship between the AAI and life satisfaction implies that a higher AAI is correlated with a higher quality of life of older people. This suggests a positive impact of active ageing strategies on individuals' well-being.
- Likewise, an analysis of the relationship between the AAI and GDP per capita suggests that active ageing can also be good for the economy.

In short, active ageing does not imply a worsening of older people's quality of life, and it brings real benefits to the economy.

A look at the AAI results for individual countries shows how diverse the EU Member States can be with regard to active ageing. For example, Estonia achieves a very high employment score despite having a relatively low GDP per capita, and its employment score for women (40 points) is of special note. Malta scores well across most domains and does so especially for men but its overall score is pulled down because it has the lowest AAI score for women's employment (8.5 points only). Understanding why this is so and why other countries achieve far higher levels of employment among older women will help Malta achieve a higher overall score.

When the comparison between these two countries focuses on the Social Participation domain the lessons learned are different. Malta has a Social Participation score of 17 points compared with

Estonia's 13 and the difference can be seen in all the underlying indicators used to assess social participation.

The separate analysis for men and women confirms that scores for men are higher especially where the employment and income dimensions are involved. Employment differences reflect many factors and will take time to narrow as the more equal labour market experiences of younger women begin to show up in cohorts approaching retirement.

The gender differences in the non-employment domains are quite small and to some extent a reflection of women's greater life expectancy. New cohorts entering retirement tend to have higher incomes than older cohorts, but the pension income gap between men and women remains high due in part to women's shorter or non-existent work biographies. Also, more women than men depend on survivors' benefits and on minimum pensions in countries that provide them.

Social participation and health are both age-related. As a result of their higher life expectancy, women are overrepresented, compared to men, in the highest age classes where the possibilities for active ageing are much reduced. This may contribute to men having a higher AAI score. This paper does not attempt to correct AAI scores for differences in average ages between older women and older men. Such adjustments will be considered in the future.

Concluding remarks

The active-ageing framework moves policy thinking away from a one-sided concern about social protection affordability and older people as a burden. The concept of active ageing emphasises the scope for social investment to bring about more participation in employment and society, and a greater capacity to live independently in old age. Policies for active ageing can yield returns by preventing the loss of valuable expertise and wisdom of older people, as well as strengthen society's human and structural resilience to deal with the longer-term economic and social challenges of demographic ageing.

Using the AAI framework will enable EU Member States to see where they currently stand. Each Member State's individual profile can help assess in which areas its policies were more effective. Comparisons with other countries will help to highlight where the biggest potential lies and where a country can look to emulate other countries' achievements. This will help design policies to ensure that older people are supported in their wish to be active healthy participating members of society and that, as a result, adequate pensions and access to high-quality health and

social care remain affordable. These comparisons and assessments will inform policymakers and allow them to set targets and monitor progress towards them.

All in all, the AAI evidence presented in this report will contribute to raising awareness of the challenges and opportunities for older people as well as encouraging the search for better ways to develop their full potential, not just to enhance their own well-being but also contribute towards improving the future sustainability of public welfare systems.

Box: 2 Strengths and weaknesses highlighted in the 2014 Active Ageing Index

This Box presents strengths and potential areas for gain for each country, based on a comparative review of the individual indicators that make up the AAI. Countries are not uniformly good or bad across all areas. As a result, it may be possible to learn from each country, particularly through a comparison of countries that one would expect to be similar, but which may have quite different active-ageing profiles.

Cluster	Country		Strengths	Areas for potential improvement
High-score countries	Sweden	44.9	Excellent across the board, particularly in employment, voluntary and political participation and the ICT use.	Relative median income and unmet healthcare needs.
	Denmark	40.3	Excellent employment rates across the age range, especially beyond the age threshold of 65; political participation among the highest in the EU; low risk of old age poverty; high physical safety and lifelong learning.	Relative median income, care to children and grandchildren and care to older adults.
	Netherlands	40.0	Excellent across the domains, in particular men employment. Also, among the top level countries with respect to voluntary activities; political participation above average. Low risk of old age poverty, high physical safety, and lifelong learning.	Women employment, care to children and grandchildren. Relative to the high performing Nordic countries, physical exercise and political participation.
	United Kingdom	39.7	Excellent employment rates across the age range; social participation also good across all its aspects (especially for women); also good in independent living arrangements, in meeting health care needs and in the use of ICT.	Risk of old age poverty and material deprivation.
	Finland	39.0	Excellent across the board, especially in independent living, physical exercise, mental well-being, use of ICT.	Men employment and relative median income.
	Ireland	38.6	Highest ranked in the Social Participation domain, also low unmet health care needs and material deprivation.	Employment

Cluster	Country		Strengths	Areas for potential improvement
Middle-score countries	France	35.8	Independent and secure living very high, high life expectancy.	Employment among the over-60 and lifelong learning.
	Luxembourg	35.7	Independent living very high, good also in the use of ICT.	Employment and care to older adults.
	Germany	35.4	High employment, independent living arrangements and material well-being, along with educational attainment.	Social participation, in particular care to older adults and to children and grandchildren.
	Estonia	34.6	High employment, especially among women.	Social participation, especially as regards care to older adults and children/grandchildren and political participation. Also, relative median income and capacity for active ageing, particularly share of healthy life years, mental well-being, and social connectedness.
	Czech Republic	34.4	Excellent educational attainment and low poverty risk.	Female employment and life expectancy as well as physical exercise.
	Cyprus	34.2	High men employment and care to children, grandchildren.	Relative median income and Capacity for Active Ageing, in particular social connectedness, use of ICT and mental well-being.
	Austria	34.1	Good in the Social Participation domain, especially in voluntary activities; independent living, and also meeting medical need and combating poverty; capacity.	Employment and care to children and grandchildren.
	Italy	34.0	High in the Social Participation domain, especially in care of children and grandchildren.	Employment, especially among women, and physical exercise.
	Belgium	33.7	Good in the Independent Living and Capacity for Active Ageing domains, especially with respect to health care needs and material deprivation, in spite of low relative median income.	Employment, especially in the age group 60-64, and lifelong learning.
Low-score countries	Portugal	33.5	Above average employment rates for those 65 or over and also care to older adults; also excellent social connectedness.	Political participation, voluntary activities (especially for men), healthy life years (especially for women), physical exercise and use of ICT (especially for men).
	Spain	32.6	High life expectancy, other active ageing outcomes close to the EU average, except in employment.	Employment and independent living arrangements.
	Croatia	31.6	Just above average social participation, good at keeping material deprivation low.	Employment, poverty risk, lifelong learning, and use of ICT.
	Latvia	31.5	Rather high employment, especially among women and excellent educational attainment.	Social participation (especially among men),); meeting health and dental care needs, independent living arrangements, material deprivation, physical safety; Capacity for Active Ageing, in particular life expectancy, mental well-being.
	Lithuania	31.5	Just above average Employment (higher for women); above average care to children/grandchildren and older adults; good at physical exercise, meeting health and dental care needs, independent living arrangements; high educational attainment.	Voluntary activities and political participation; material deprivation, physical safety, lifelong learning; Capacity for Active Ageing, particularly, life expectancy, mental well-being and social connectedness.

Cluster	Country		Strengths	Areas for potential improvement
Low-score countries	Malta	31.5	Average Social Participation, Independent Living and Capacity for Active Ageing scores, excellent healthy life years and meeting medical needs.	Employment, especially among women, and political participation.
	Bulgaria	29.9	Low life expectancy, but many healthy years in the remaining life expectancy; good educational attainment.	Employment, voluntary and political participation; physical exercise, poverty; life expectancy and ICT use.
	Slovenia	29.8	Excellent educational attainment, met medical care needs and also good in physical safety.	Employment (especially for the two younger age groups 55-59 and 60-64, especially women). Also, political participation, physical exercise, mental well-being and use of ICT.
	Romania	29.6	Above average employment, especially at higher ages, possibly out of necessity. Good relative median income.	Life expectancy, mental well-being, use of ICT and social connectedness; lifelong learning, unmet health care, physical exercise; voluntary activities and political participation among women.
	Slovakia	28.5	Good care to children and grandchildren; low risk of old age poverty; good education attainment.	Employment; voluntary activities and political participation; lifelong learning; (healthy) life expectancy.
	Hungary	28.3	High relative income which reduces risk of old age poverty; also good care to children and grandchildren.	Employment (in particular in the age group 60-64), as well as voluntary activities and political participation, lifelong learning, life expectancy and social connectedness.
	Poland	28.1	Good educational attainment and relative median income.	Potential across the board, especially employment, lifelong learning and independent living arrangements.
	Greece	27.6	Relative median income highest, although attributed to low levels of working age incomes; good care to children and grandchildren.	Across all four domains, particularly employment, voluntary and political participation, lifelong learning, use of ICT, mental well-being and social connectedness.