Active ageing across sectors and policy areas

Axel Börsch-Supan
Coordinator of SHARE,
Director at the Max Planck Institute on Social Law and Social Policy, Munich, Germany,
Professor for Macroeconomics and Public Policy
Opening conference for the European Year for Active Ageing and Solidarity between Generations 2012
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Active ageing: wishful thinking?

Perception of an ageing “Old Europe”

Real threats to pension and health care sustainability

Real threats to living standards

Reforms fail due to popular resistance

Much of that due to myths:

Demystify the implications of population ageing!
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Myth #1: unhealthy, thus cannot age actively
Myth #2: less productive, thus should not stay active
Myth #3: retirement is bliss, thus do not want to age actively
Myth #4: active ageing harms the young, thus must not stay active
Myth #5: ageing is a tsunami and active ageing just an EU public relation’s gimmick

Use scientific evidence to prove myths wrong!
Collect data to follow ageing:
2004-06-08-10→
plus life histories
Interdisciplinary breadth & depth:
- Economics
- Health
- Health care
- Social networks
International:
~ 80,000 respondents 50+
in 20 European countries plus
global associates

Survey of Health, Ageing and Retirement in Europe
Laboratory for social, health and economic research

Mexico, Brazil, Argentina

Korea
Japan
China
India

USA

Laboratory for social, health and economic research
Myth #1: older individuals are unhealthy, thus cannot age actively
Subjective: Health good, very good, or excellent

Functional Limitations: „Activities of daily living“ (ADL)

10 “Activities of Daily Living“:
1. Walking 100 Meters
2. Sitting two hours
3. Getting up from chair
4. Climbing up one flight of stairs without break
5. Kneeling
6. Bending down
7. Extending arms above shoulder
8. Carrying a chair
9. Carrying weight of 5 kilo
10. Picking up a coin with fingers from table
Challenges of measuring health cross-nationally comparably

⇒ objective measures of health (e.g. grip strength) help distinguishing actual differences in health from different response styles …
Health is good!
The foundation for active ageing

Objektive: Grip strength
Myth: Old workers retire earlier due to ill health
Lessons:

1. Health is *generally* good

2. Decline 60-69 much smaller than variation within each birth cohort

3. Older workers do not *primarily* retire because of old health
Myth #2: older workers are less productive, thus should not stay active
Myth 2: Older workers are less productive

Age-mixed work teams

Product and time standardized

Productivity: No errors

Some 100,000 observations
...if experience is held constant
…if age is held constant
Combined effect: age plus experience

...no increase in production errors

= no decrease in shop floor productivity
Lessons:

1. Older workers are *not* per se less productive in routine jobs

2. Productivity *in a given job* remains high: Do not fire older workers

3. Productivity *in a new job* is harder for the older: Need education efforts
Myth #3: retirement is bliss, thus older individuals do not want to age actively.
Myth: Retirement is bliss

Controlling for selection effects, thanks to measurement of earlier health!
## Myth: Retirement is bliss

### Impact on years of cognitive aging:

<table>
<thead>
<tr>
<th></th>
<th>Memory</th>
<th>Fluency</th>
<th>Global assessment</th>
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</thead>
<tbody>
<tr>
<td>Professional activity</td>
<td>−1.61</td>
<td>−1.92</td>
<td>−1.91</td>
</tr>
<tr>
<td><strong>Other activity:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One activity performed less than weekly</td>
<td>−0.78</td>
<td>−2.65</td>
<td>−1.40</td>
</tr>
<tr>
<td>One activity performed almost weekly</td>
<td>−0.96</td>
<td>−3.34</td>
<td>−1.68</td>
</tr>
<tr>
<td>One activity performed almost daily</td>
<td>−1.13</td>
<td>−4.01</td>
<td>−1.96</td>
</tr>
<tr>
<td>Two activities performed less than weekly</td>
<td>−1.38</td>
<td>−4.49</td>
<td>−2.48</td>
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<tr>
<td>Two activities performed almost weekly</td>
<td>−1.55</td>
<td>−5.15</td>
<td>−2.76</td>
</tr>
<tr>
<td>Two activities performed almost daily</td>
<td>−1.72</td>
<td>−5.80</td>
<td>−3.03</td>
</tr>
<tr>
<td>Moderate physical activity</td>
<td>−0.31</td>
<td>−1.86</td>
<td>−0.88</td>
</tr>
<tr>
<td>Vigorous physical activity</td>
<td>−0.34</td>
<td>−1.00</td>
<td>−0.65</td>
</tr>
<tr>
<td>Mobility limitation</td>
<td>0.40</td>
<td>−0.23</td>
<td>0.46</td>
</tr>
<tr>
<td>Depression</td>
<td>1.16</td>
<td>0.83</td>
<td>1.28</td>
</tr>
<tr>
<td>Single-person household</td>
<td>0.60</td>
<td>0.25</td>
<td>0.66</td>
</tr>
</tbody>
</table>

### Wealth:

- 1st quartile: 
- 2nd quartile: −0.14, −1.19, −0.45
- 3rd quartile: −0.54, −1.60, −0.75
- 4th quartile: −0.40, −1.73, −0.84

Adam, S., É. Bonsang, S. Germain and S. Perelman. (2007). Retraite, activités non professionnelles et vieillissement cognitif. Une exploration à partir des données de SHARE. Économie et Statistique
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**Lessons:**

1. Retirement provides less social contacts
2. Retirement provides less cognitive stimulus
3. Actively ageing helps staying longer alert!
4. Implications for retirement age?
Myth #4: active ageing harms the young, thus older individuals must not stay active.
Myth: Old workers take jobs away from the young

Biggest obstacle to increasing 55+ employment!

The old should make place...

...for the young!
Myth #5:
Population ageing is a tsunami-like destiny: one cannot do anything against it

(and this active ageing conference is just another EU public relation’s gimmick)
German and Danish labor force participation rates

Myth: Cannot increase labor force participation in central and southern Europe

1. Exit
2. Entry
3. Female LFP
Simulation exercise: Alternative paths of living standards in “Old Europe” (=DE+FR+IT)

Source: Börsch-Supan and Ludwig (2009)
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Summary and final lessons:

Population ageing is not our destiny, but the policy steps we will implement

and the most important step is to induce -- via health, education and labor market policies -- more individuals to stay active