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## Active Ageing Index 2012 for 27 EU Member States

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### What is the Active Ageing Index?

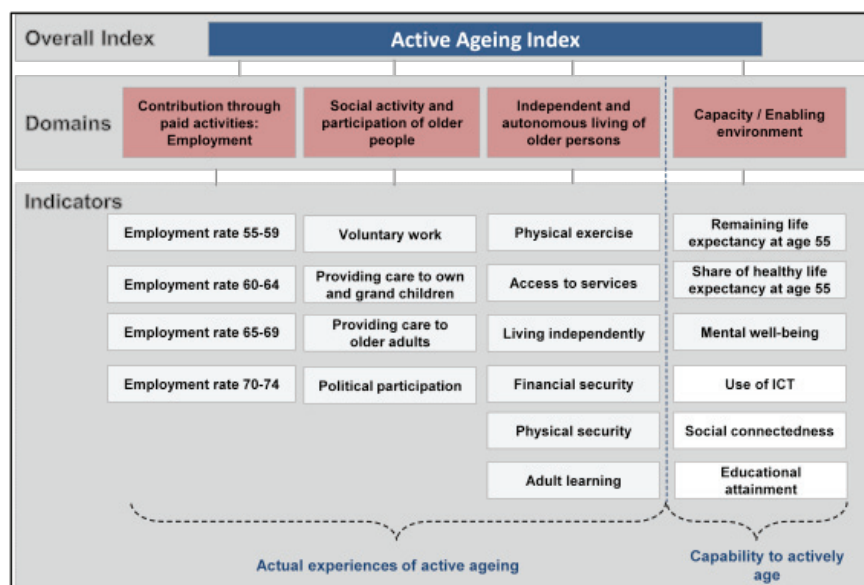
The Active Ageing Index (AAI) is a newly developed tool that offers national and European policy-makers a way to measure and promote the untapped potential of the older population. In its design, the index follows the conceptual framework of the 2012 European Year for Active Ageing and Solidarity between Generations.

The index measures the active ageing performance across four distinct domains that together capture the untapped potential of older people across EU Member States:

- (1) Employment of older workers;
- (2) Social activity and participation of older people;
- (3) Independent and autonomous living of older persons; and
- (4) Capacity and enabling environment for active ageing.

Thus, the AAI shows the differential extent to which older people living across EU Member States have and can realise their potential with respect to employment; healthy, independent and autonomous living, and to make other unpaid family, social and cultural contributions to the society in a given country. In this pursuit, the AAI also offers the all-important breakdown of results by gender.

**Figure 1:**  
Active Ageing Index:  
conceptual framework



## How is the index constructed?

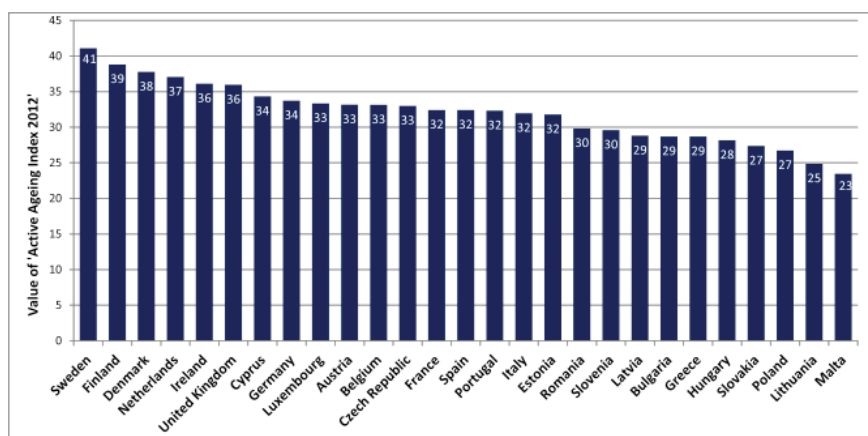
The methodology used in the aggregation of the indicators to the domain-specific and to the overall index is similar to that used in the Human Development Index (HDI) of the United Nations Development Programme. All indicators are expressed with a positive normative judgement, meaning that the higher the value, the better the active ageing outcome. Indicators are first aggregated within each domain. The overall value of the AAI that results from a weighted aggregation of the domain-specific indices can be interpreted as the gap between the achievement of the full active ageing potential and the current situation in a given country.

## Results: What does the AAI tell us?

Three Nordic countries, namely Sweden, Finland and Denmark, as well as the Netherlands, Ireland and the UK come at the top of the ranking across EU Member States in the Active Ageing Index (see Figure 2). In contrast, the majority of the Central and Eastern European countries, as well as Malta and Greece, are at the bottom of the ranking and have a clear scope for further improvements. Cyprus is the only Mediterranean country among the top-ranked countries, positioning itself alongside Germany and the UK. The Czech Republic performs well in comparison to other EU Member States from Central and Eastern Europe.

**Figure 2:**

Differential untapped potential  
for active ageing across  
EU27 countries



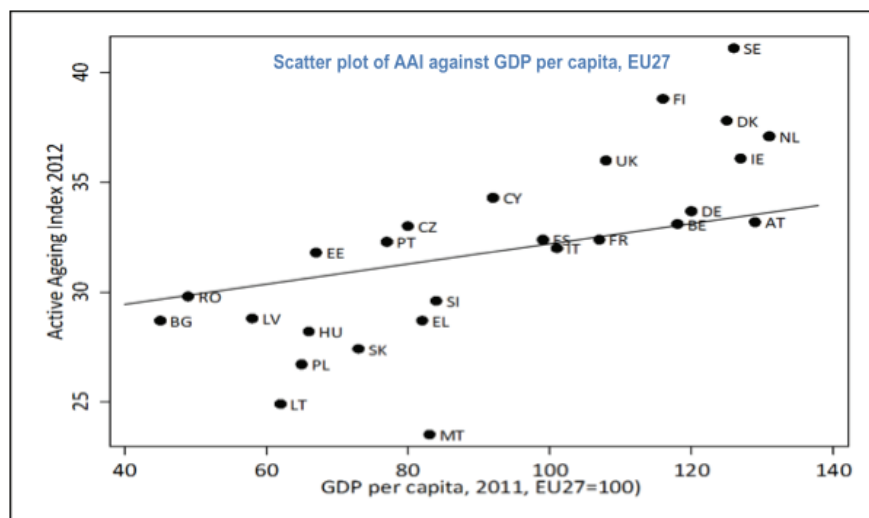
The numerical value of the Active Ageing Index shows that even the top performing countries must aim for further improvements. For example, even Sweden which is a front runner, still falls short by almost 60% to the most desired status possible (i.e. the upper goalpost). The countries on the other end of the spectrum (such as Malta, Lithuania, Poland, Slovakia and Hungary), have a larger gap (in excess of 70%) and thus require greater policy efforts to promote active and healthy ageing.

The differences across 27 EU Member States can be attributed to diverse outcomes in all the four domains of active ageing covered by the Index. For instance, the lower active ageing outcomes in many of the Central and Eastern European countries are partly due to their lower scores in the domain of “capacity and enabling environment for active ageing”.

## Correlation between the AAI results and GDP

A high correlation of the AAI with the per capita GDP shows that the EU Member States with relatively higher wealth and standards of living perform better in experiences of active ageing and in generating better capacity and enabling environment for active ageing (see Figure 3). This evidence, however, does not fully reflect differences across countries in terms of social policies and public institutions, whose analysis will offer greater insights about what lessons countries can learn from each other.

**Figure 3:**  
AAI ranking is in line with  
the aggregate measure of  
GDP per capita



## Decomposition of the AAI to its four domains

The decomposition of the AAI shows how important is the contribution of each domain to the overall AAI in the diverse group of EU countries (see Figure 4). For example, Luxembourg, Belgium and France (among the Western European countries) and Bulgaria and Poland (among the Central and Eastern European countries) perform relatively better in the domain of capacity and enabling environment for active ageing. Cyprus and Portugal, and also Estonia and Bulgaria, stand out among the countries with the highest relative contribution from the employment domain, while France, Italy and Spain lag behind in their contribution from the same domain. The same three Mediterranean countries, France, Spain and Italy, on the other hand, do relatively better in the social participation domain, while Estonia, Portugal and the UK have some catching up to do in the same domain.

**Figure 4:**  
Decomposition of AAI across  
four domains of active ageing

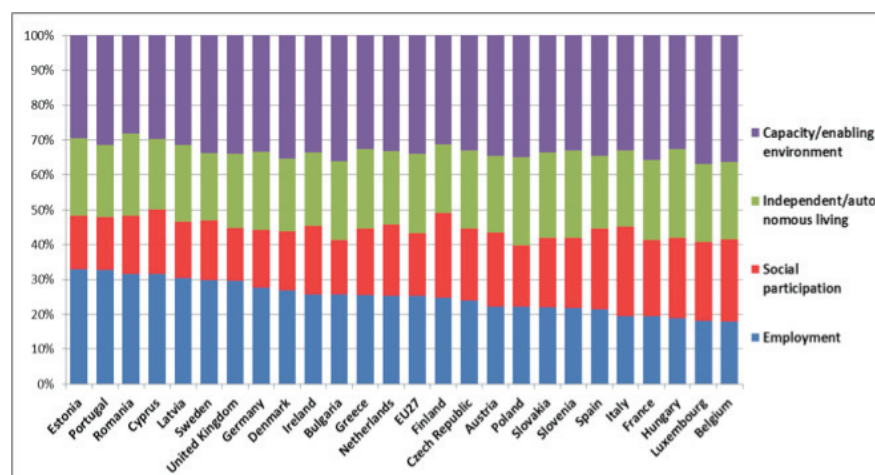


Figure 4 above reports only on the relative contribution of four domains to the overall AAI. This does not necessarily imply that the countries with the lowest relative contribution from a domain are also the ones performing the worst within that domain. The ranking of countries across the four domains is shown in Table I below.

For example, Portugal, Estonia and the UK are mentioned as laggards in the social participation domain and they are indeed the ones with the lowest contribution of this domain to their overall AAI value. However, they are not the countries performing the worst in the social participation domain: Bulgaria, Latvia and Poland are the worst performers in this respect (see Table I).

Cyprus and Germany can be presented as an interesting comparison of countries for policy lessons. The two countries score the same value of the overall AAI index (equal to 34), despite the fact that Germany is ranked much higher than Cyprus in terms of GDP per capita and also in its capacity and enabling environment for active and healthy ageing. Cyprus does relatively better only in the employment domain and shows a clear requirement for policy actions to improve its position in other domains. The gender disparity for the employment domain index points

**Table I:**  
Ranking of  
EU Member States,  
on the basis of the overall  
AAI and the domain

Note:

\* Results for Malta and Lithuania for the social participation domain are missing because of the missing data on two out of four indicators used in this domain.

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

to specific policy actions required in Cyprus towards promoting employment of older female workers, while maintaining high employment of older male workers.

## Decomposition of the employment domain index

Further disaggregation of the employment domain index into its constituting indicators gives additional information about what specific employment policy may be required in a country and where countries can learn from each other. The following observations can be made for the top performing countries by looking at individual employment rate indicators and their contributions to the index for employment domain.

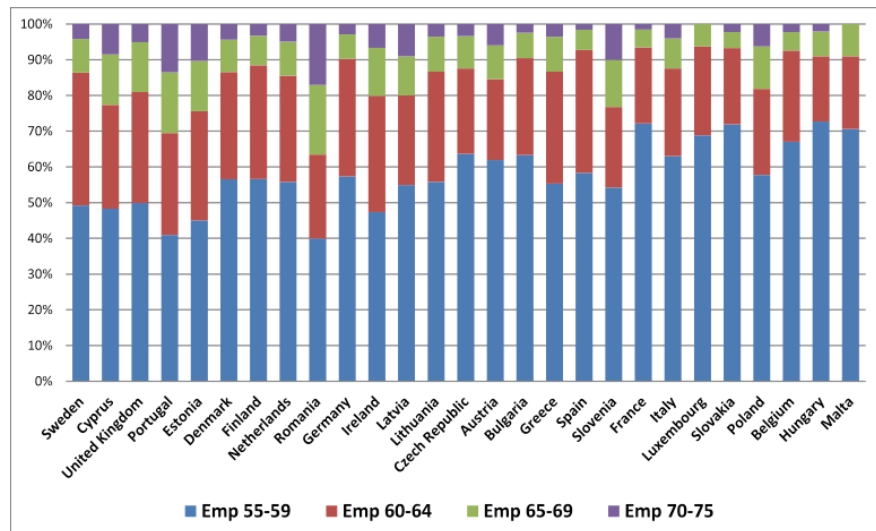
- The top position of Sweden is largely an outcome of high performance of this country with respect to employment of workers in the two age groups 55-59 and 60-64 (as can be seen below in Figure 5). The further countries that perform notably well for employment rate contribution of these two age groups are the other two Nordic countries: Finland and Denmark.
- In contrast, Portugal does remarkably well in terms of the employment rate of 'silver workers' (aged 65-59 and 70-74). The other country that performs well for employment of silver workers is Romania.

Sweden, and also Germany, offer good examples of higher outcome in terms of employment rate for the 60-64 age group, and this reflects the better work incentives in pension systems in these two countries towards extending working life. On the other hand, Romania and Portugal and also Cyprus, show higher contribution from employment activity beyond the age of 65 (in the age groups 65-69 and 70-74). The higher employment activity beyond retirement age in these countries may partly reflect better work environment for an ageing workforce and partly be due to constraints of low pension income outcomes.

Among the lowest ranked countries that also have the greatest potential for improvements within the employment domain, the following results stand out:

- Poland fares comparatively worse in all four employment rate indicators, but it is the employment rate of workers aged 55-59 and those aged 60-64 that affects particularly adversely the ranking of this country.
- Results observed for the employment indicators for France are very similar to that of Poland.

**Figure 5:**  
Decomposition of  
employment domain to its  
constituting indicators

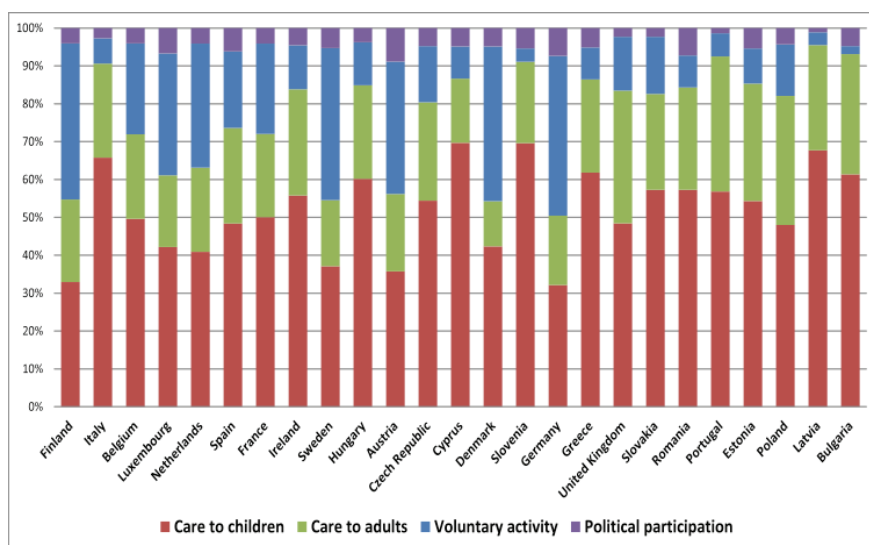


## Decomposition of the social participation domain index

Likewise, a disaggregation of the index for the social participation domain into its four constituting indicators provides the information about where European older people have done particularly well and where they may be lagging behind (see Figure 6).

- By looking at the indicator value, it can be noticed that a high share of the elderly population tends to provide care for children and grandchildren, reflecting the degree of intergenerational support in the different countries. The indicator ranges from 18% (in Germany) to 54% (in Italy).
- This result can also be seen in terms of a relatively higher contribution to the social participation index from the indicator capturing care provision by older people to their children and grandchildren. This is particularly high in Cyprus, Slovenia, Latvia and Italy, but it is comparatively low in Germany, Finland and Austria.
- With respect to the indicator on the care provision to older adults, the range of the indicator is from 6% (Denmark) to 17% (Finland). In the majority of the EU countries, more than 10% of the older population provide care services to other older adults, living either inside or outside their own households.
- Finland, Sweden and Denmark, as well as Austria and Germany, show a much larger relative contribution to the social participation index from voluntary activities.
- There are small differences between the countries concerning political participation of seniors: below 1% (in Latvia and Portugal) to slightly above 5% (in Austria, Germany, Spain and Luxembourg).

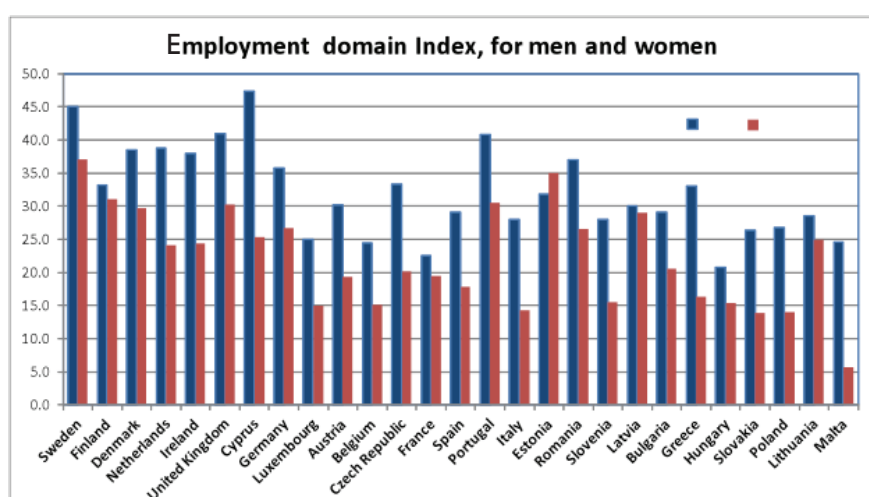
**Figure 6:**  
Decomposition of index of  
social participation domain  
to its indicators



## Gender differences

The AAI calculated separately for men and women provides further insights on policy actions required to reduce gender disparity. Cyprus and Malta do not do very well for the employment activity of older female workers in comparison to older male workers (see Figure 7). Finland, Latvia and Lithuania, on the other hand, offer good practice examples in maintaining a good gender balance in employment activity among older workers.

**Figure 7:**  
Employment domain AAI,  
calculated separately for  
men and women





## What are the strengths of the Active Ageing Index 2012?

- The AAI would help to raise awareness of the contribution that older people make to society and also encourage dialogue on issues of policy and research on active ageing and solidarity between generations.
- Moreover, since it is a comparative tool, it provides unique insights to national policy-makers, and such comparative evidence is not available from national data alone.
- The index has the potential to track progress over time and evaluate the outcomes of policy reforms.
- The AAI research undertaken during 2012 will also help shape future research and policy agendas and influence how existing large-scale data-sets are developed to address the impact of population ageing by following the policy discourse of active ageing and solidarity between generations.
- The AAI will be available online and accessible to individuals for use and further extension. The use of this tool would, therefore, allow policy-makers to set their own targets, adapted to the specific circumstances of their country. In particular, separate indices for men and women in the four domains highlight where most progress could be made in each country to reduce gender disparity in active ageing.

## Next steps for the AAI !

- The AAI coverage should be extended to United Nations Economic Commission for Europe (UNECE) Member States that are not part of the EU27.
- An in-depth contextual analysis should be carried out to identify sources of cross-national differences in policies and strategies on active ageing across EU countries.
- Research should also be undertaken to show linkage of active ageing to positive outcomes (e.g. How active ageing raises quality of life of individuals concerned? What impact of active ageing discourse on the financial sustainability of public welfare systems?).
- The future developments of this index should include indicators that also take into account the life course perspective on active and healthy ageing and incorporate conceptual considerations arising from the ideas of lifetime indexing and age-inflation and prospective age.

## Project background

This research project was funded by the European Commission and jointly managed by the European Centre for Social Welfare Policy and Research, Vienna (ECV), affiliated to the United Nations, the European Commission's Directorate General for Employment, Social Affairs and Inclusion and the UNECE. The research was undertaken and the index constructed by a large multidisciplinary research team based at the European Centre Vienna, coordinated by Asghar Zaidi (till September 2012 Director Research at the ECV and since then Professor of International Social Policy at University of Southampton (UK) and Senior Advisor at the European Centre Vienna), composed of the following authors: Katrin Gasior, Maria M. Hofmarcher, Orsolya Lelkes, Bernd Marin, Ricardo Rodrigues, Andrea Schmidt, Pieter Vanhuysse, Asghar Zaidi and Eszter Zólyomi.

The project had been undertaken within the framework of the 10th anniversary of the 2nd World Assembly on Ageing (WAA-II), the 2nd cycle of review and appraisal of the Madrid International Plan of Action on Ageing (MIPAA) and its Regional Implementation Strategy (RIS) and the European Year for Active Ageing and Solidarity between Generations 2012. The work undertaken had benefited from a wide range of consultations with experts and stakeholders, as well as presentations in major forums on ageing-related issues, such as the World Demographic and Ageing Forum in St. Gallen (August 2012), the UNECE Ministerial Conference on Ageing in Vienna (September 2012) and the fifth Meeting of UNECE's Working Group on Ageing in Geneva (November 2012).

In particular, the work reported here benefited greatly from comments made by members of the UNECE Active Ageing Expert Group, during the 1st meeting in May 2012 and the 2nd meeting in October 2012. These experts are: Pearl Dykstra (Erasmus University), Kenneth Howse (Oxford University), Jean-Marie Robine (French National Institute of Health and Medical Research), Koen Vleminckx (Belgium Federal Ministry of Social Security), Giampaolo Lanzieri (Eurostat), Anne Sonnet (OECD), Andres Vikat (UNECE), Luciana Quattrocioni and Lidia Gargiulo (both Italian National Institute of Statistics / ISTAT), Angela Storey and Jen Beaumont (both Office of National Statistics, UK). The many most helpful comments regarding both the conceptual framework and the methodology, including detailed technicalities received from Ralf Jacob and Kasia Jurczak (both European Commission) and Vitalija Gaucaite Wittich and Evita Sisene (both UNECE) at various stages of the project had been extremely valuable and are gratefully acknowledged here. In addition, the internal discussions at the European Centre Vienna benefited a lot from the painstaking comments of Michael Fuchs (ECV). Otherwise, all remaining errors and interpretations remain the sole responsibility of the ECV authors mentioned above.



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