

Sweden and Italy in Active Ageing Index: Comparative Policy Analysis with in the context of Different Welfare Regimes

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Overview

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- The main features of the AAI and its four domains
- Sweden and Italy in AAI: Analyzing the causes of the main differences between two countries within the context of relevant welfare regime characteristics

The aim of the study

- ▶ The management of the aging process, mainly due to economic reasons, has become a necessity for many developed countries today. In fact, it is possible to consider the active aging approach and policies as a reflection of the wider perspective of active welfare states, which has come into prominence since 1980s in Europe.
- ▶ In this study, Sweden on the top of the AAI and Italy with 34 points are compared. There are a lot of factors that affect active ageing. However, the factors that are relevant to countries' positions in the active aging index can also be examined in relation to the welfare systems of the countries at the macro level. The aim of this study is to analyze the locations of Sweden and Italy in the Active Ageing Index in the context of the main characteristics of welfare regimes they are involved in and so to reveal the fundamental determinants of the differences between two countries.

Conceptual framework

▶ **Welfare State:**

- While the linkage of the state with social responsibilities has a long history, the use of the words “welfare” and “state” together has been realized in recent history (by William Temple in his book «Citizen and Churchman» in 1941)
- The dissemination of the concept in the literature coincides with Beveridge Report of 1942.
- After World War II, the concept appears to be used to describe the institutional framework of the state’s obligations with respect to social policy.
- It becomes difficult to make a clear definition of the concept «welfare state» because it is closely related to the economic and social approaches to determine the responsibility and the efficiency of the state.

Conceptual framework

▶ Welfare State:

- It is possible to say that the welfare state has developed as a field of activity related to the social responsibilities of the state, in line with the development of the modern state and in accordance with the growth process of the nation state (Metin, Özaydın, 2016, s.10).
- Welfare state is a state in which organized power is deliberately used through politics and administration in an effort to modify the play of market forces in at least three directions:
 - ✓ First; by guaranteeing individuals and families a minimum income irrespective of the market value of their work or their property;
 - ✓ Second; by narrowing the extent of insecurity by enabling individuals and families to meet certain “social contingencies” (for example, sickness, old age and unemployment) which lead otherwise to individual and family crises;
 - ✓ Third; by ensuring that all citizens without distinction of status or class are offered the best standards available in relation to certain agreed range of social services (Briggs, 1961).

Conceptual framework

▶ **Welfare Regime:**

- Relating the welfare concept only to the state will enable us to make an analysis of the welfare that is limited to the instrumental practices of the state, which means that economic, social and political aspects of welfare are neglected. For this reason, it is necessary to examine welfare practices in a wider framework within the context of welfare regimes (Metin; Özaydın, 2016: 13).
- Considering the importance of the post-World War II era in the development process of the welfare state, it is seen that the welfare state has been examined historically within various models since 1960s. However, the classification work of Esping-Andersen in his book of 1990 (The Three Worlds of Welfare Capitalism) has attracted great interest and has become one of the main reference sources on the subject.

Conceptual framework

▶ **Welfare Regime:**

- According to Esping-Andersen, «to talk of» a regime” is to denote the fact that in relation between state and economy a complex of legal and organizational features are systematically interwoven” (Esping-Andersen, 1990).
- In his work *Social Foundations of Postindustrial Economics* (1999), Esping-Andersen strengthened his arguments by clarifying the analysis in his earlier book (*The Three Worlds of Welfare Capitalism*). He used the expression “welfare regimes” as a clearer concept than “welfare-state regime” which he used in his first work. According to Esping-Andersen, “a welfare regime can be defined as the combined, interdependent way in which welfare is produced and allocated between state, market and family”.

Conceptual framework

▶ **Active Ageing:**

- “Active ageing refers to the situation where people continue to participate in the formal labor 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” (<https://statswiki.unece.org/display/AAI/I.+AAI+in+brief>).
- Active ageing approach focuses on a broader range of activities than those normally associated with production and the labor market. In fact, active ageing is a process of optimizing opportunities for health, participation and security in order to enhance quality of life as people age (WHO, 2002).

Welfare regime typologies of Esping-Andersen

- ▶ Esping-Andersen classifies welfare states in three groups of "liberal", "conservative" and "social democratic" welfare state regimes, examining 18 western countries in the post-World War II period.
- ▶ «De-commodification» is the main notion determining the main characteristics of Esping-Andersen's welfare regime classification.
- ▶ De-commodification refers to the degree to which individuals or families can maintain a socially acceptable standard of living independently of market participation.
- ▶ Esping-Andersen established a de-commodification index for the countries he analyzed, based on three social welfare schemes comprising of pensions, sickness and unemployment cash benefits

Welfare regime typologies of Esping-Andersen

- ▶ Esping-Andersen scored the relevant countries on the basis of the conditions required to benefit from the mentioned programs; waiting days for cash transfers and maximum durations of entitlements; and the degree to which benefits approximate normal earnings levels.
- ▶ The scores show that Anglo-Saxon countries are at the bottom of the index, in other words, the level of de-commodification is the lowest in Anglo-Saxon countries. On the other hand, the scores indicate that Scandinavian countries are at the top of the index and the countries of continental Europe are between the two extremes (Esping-Andersen, 1990, pp.49-50).

The main characteristics of Esping-Andersen's welfare regime typologies

► Liberal Welfare Regime

- Liberal welfare regime reflects a political commitment to minimize the state, to individualize risks, and to promote market solutions.
- Liberal welfare regime is residual in the sense that it adheres to a narrow conception of what risks should be considered as “social”.
- In this model, the progress of social reform has been severely circumscribed by traditional, liberal work-ethic norms.
- Means-tested assistance meets the needs of low income people. Entitlement rules are strict and often associated with stigma. Benefits are typically modest.
- The state encourages the market, either passively by guaranteeing only a minimum or actively by subsidizing private welfare programs.
- Modest universal transfers or modest social insurance plans dominate in this model.
- The example countries of this model: USA, Canada, Australia

The main characteristics of Esping-Andersen's welfare regime typologies

► Conservative-Corporatist Welfare Regime

- In this model, social rights are attached to class and status and the aim is to preserve the status differentials.
- The state's emphasis on upholding status differences means that its redistributive impact is negligible.
- In this model, there is a strong social insurance system and private insurance plays a marginal role.
- In this welfare regime, familialism has a great role especially in Southern Europe to provide welfare for the members of the family.
- As this model aims to preserve the traditional family structure, family benefits encourage motherhood.
- The state has a subsidiary role in providing welfare services. The state only interferes when the family's capacity to serve its members is exhausted.
- The example countries of this model: Austria, France, Germany, Italy

The main characteristics of Esping-Andersen's welfare regime typologies

► **Social Democrat Welfare Regime**

- In this model, the principles of universalism and de-commodification of social rights are dominant
- In the countries that compose this model, social democracy is clearly the dominant force behind social reforms. That is why that regime type is named as social democrat welfare regime.
- An equality of the highest standards is promoted in this model.
- In this model, the principle is not to wait until the helping capacity of family is exhausted but to act in advance to socialize the costs of the family.
- In this model, the aim is not to maximize the dependency on the family but to maximize the capacities for individual independence.
- Perhaps the most salient characteristic of the social democratic regime is its fusion of welfare and work. In this model, the right to work has equal status to the right of income protection.
- In this model, unlike the two other welfare regimes, the full employment target is adopted as an integral part of the welfare state commitment.
- The example countries of this model: Sweden, Norway, Denmark and Finland.

AAI and its four domains

▶ **There are four domains in AAI:**

- employment;
 - participation in society;
 - independent, healthy and secure living;
 - capacity and enabling environment for active ageing.
- Each domain in AAI has some indicators determined according to various principles: comparability, sustainability, objectivity, measuring outcomes, focus on current generation of the older people, geographical coverage and flexibility

Analyzing the score of Sweden, the model country of social democratic welfare regime, in AAI

➤ Sweden in AAI

- Sweden is at the top of the AAI with 44.9 points, while the average of EU 28 is 33.9
- Sweden has the highest points in «employment» and «capacity for active ageing» domains of AAI
- In the domain of «participation in society» of AAI, Sweden ranks third after Italy
- In the «independent living» domain of AAI, Sweden has 78.6 points, fairly close the highest score (79 for Denmark and Finland)

Analyzing the score of Sweden, the model country of social democratic welfare regime, in AAI

- Sweden's position in AAI is in accordance with the characteristics of the social democratic welfare regime
 - In Esping-Andersen's classification, the social democratic welfare regime is characterized by
 - ✓ universalism and de-commodification of social rights
 - ✓ equality of higher standards
 - ✓ minimizing the dependency on family
 - ✓ maximizing the independence capacity of the individual
 - ✓ direct responsibility of the state for children, the aged and the helpless (strong public policies towards to the reconciliation of work and life)
 - ✓ the adoption of the full employment target as an integral part of the welfare state commitment

Analyzing the score of Sweden, the model country of social democratic welfare regime, in AAI

- Sweden's position in AAI is in accordance with the characteristics of the social democratic welfare regime
 - In employment domain of the AAI, Sweden ranks first and it is closely related to the high employment rates of people aged 50 and over in line with the full employment target as an integral part of Sweden's welfare system
 - In Sweden, the state has an important role in the realization of the right to work by actively implementing employment policies, particularly active labor market policies
 - Sweden's high score in independent living domain is also closely related to the social democratic welfare regime's feature of maximization of the individual independence capacity

Analyzing the score of Italy, the model country of conservative-corporatist welfare regime, in AAI

➤ Italy in AAI

- Italy ranks 14th (among the middle score countries) with 34.0 points among 28 EU countries in AAI
- Italy has almost the same score as EU 28 average in AAI
- In the employment domain of AAI, Italy ranks 19th with 23.0 points and this score lags behind the EU average of 27.8 points
- In the domain of participation in society, Italy gets ahead of Sweden and ranks in the top position with Ireland
- In the domain of independent living, Italy ranks 17th with 69.0 points and is very close to EU average, which is 70.6 points
- In the domain of active ageing capacity, Italy ranks 15th with 53.4 points and this score is also very close to EU average

Analyzing the score of Italy, the model country of conservative-corporatist welfare regime, in AAI

- Italy's position in AAI is in accordance with the general characteristics of the conservative-corporatist welfare regime
 - In Esping-Andersen's classification, the conservative-corporatist welfare regime is characterized by
 - ✓ familialism, family plays a fundamental role in meeting the welfare needs
 - ✓ social rights, strictly attached to class and status differences and consequently the redistributive role of the state is negligible
 - ✓ the important role of the church to preserve the traditional family structure
 - ✓ the lower labor force participation rate of women (no strong institutional arrangements to promote women employment)
 - ✓ Public policies towards the reconciliation of work and life have not improved sufficiently due to traditional gender roles, relatively weak and un-institutionalized public care services

Analyzing the score of Italy, the model country of conservative-corporatist welfare regime, in AAI

- Italy's position in AAI is in accordance with the general characteristics of the conservative-corporatist welfare regime
 - The employment rates of people aged 50 and over in Italy are far behind Sweden (the elderly people tend to leave the labor market early)
 - Italy is at the top of the index in the domain of participation in society (care to children, grandchildren and older adults as well as voluntary activities)
 - Italy, where family and social belonging is prominent, is located in a completely different place in the domain of independent living compared to the domain of participation in society
 - Italy is in 17th place with 69 points in independent living domain with a very low score compared to Sweden, which ranks 4th with 78.6 points

CONCLUSION

- Sweden's position in AAI is in accordance with the characteristics of the social democratic welfare regime

«Taken as a whole, Sweden's high ranking in both the overall index score and the different domains of the index indicates that institutional arrangements and policies for elderly persons are organized in accordance with the characteristics of the social democratic welfare regime»

- Italy's position in AAI is in accordance with the characteristics of the conservative-corporatist welfare regime

«Taken as a whole, with both the overall index score in the active aging index and the scores in the different domains, Italy is located in a place that meets the general characteristics of Esping-Andersen's conservative-corporatist welfare regime »

THANK YOU...

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