

Together or Divided We Stand? Generational gaps in quality of life and societal fairness

Dr. Jean-Marie Jungblut, Eurofound
Prof. Dr. Louis Chauvel, Uni.lu

13th Conference “Social Monitoring and Reporting in Europe”
Inequalities, Fairness and Solidarity Across Generations –
Measurement and Analysis
Villa Vigoni 16/10/2018

Contents of the presentation

1. Eurofound Policy Brief
2. Contextual effects on age differences
3. EU Policy framework
4. Methodology used
5. Results from the latest Eurofound Policy Brief : Age differences in quality of life;
6. Conclusions I
7. Policy pointers
8. Preliminary APC analysis of quality of life
9. Conclusions II

1 Eurofound Policy Brief

- Eurofound is a tripartite agency located in Dublin providing knowledge to assist in the development of better social, employment and work-related policies;
- A Policy Brief highlights findings on a specific topic from Eurofound's survey EQLS that is of particular interest from a policy perspective. It brings results of the analysis together with other evidence to formulate policy pointers;

2 Contextual effects on age differences

- The contextual effects are not measured directly but rather through geographical differentiation using homogeneous welfare clusters that are based on the Tree Worlds of Welfare Capitalism from Esping-Andersen but go beyond his typology.
- We assume that the differences found between clusters show the impact of social structures that are typical within each of the clusters.
- We know from other research how social support systems work in each Welfare State Type – Liberal, Social-Democrat and Conservative.

2 Contextual effects on age differences

Cluster typology used in the policy brief

Country cluster	Sample (n) 2011	Sample (n) 2016	Countries included
Nordic	3,051	3,125	Denmark, Finland, Sweden
Continental	9,383	7,058	Austria, Belgium, Germany, France, Luxembourg, Netherlands
Western islands	3,303	2,315	Ireland, United Kingdom
Mediterranean (East and West)*	7,786	7,187	Italy, Malta, Portugal, Spain, Cyprus, Greece
Central and eastern Europe	7,307	6,098	Croatia, Czech Republic, Hungary, Poland, Slovakia, Slovenia
Baltic States	3,145	3,006	Estonia, Latvia, Lithuania
Balkan countries	2,542	2,020	Bulgaria, Romania

Source: Eurofound (2014) for the typology, data from combined sample 2011 and 2016.

2 Contextual effects on age differences

- The impact of the recession and its differentiated impact could still be seen in 2011 and 2016;
- The design of the welfare state and labour markets can explain some of the differences see;
- Some structural problems may also be at the origin of differences between country clusters;
- New social risks are dealt with in different ways across the clusters;

3 EU Policy framework

- Article 2, first paragraph of the TFEU specifies that the Union shall “promote economic and social progress and a high level of employment and to achieve balanced and sustainable development, [...] through the strengthening of economic and social cohesion”.
- The European Pillar of Social Rights promotes equal opportunities regardless of “gender, racial or ethnic origin, religion or belief, disability, age [...] everyone has the right to equal treatment and opportunities regarding employment, social protection, education, and access to goods and services”

4 Methodology used

- The presentation uses the third (2011) and fourth (2016) EQLS survey data, a representative, questionnaire-based survey of Europeans aged 18 and over;
- The QOL variables used are:
 - Difficulties making ends meet
 - Subjective social exclusion
 - Political participation in society
 - Mental Wellbeing
 - Overall life satisfaction
- Every variables is used as a dependent variable and regressed on a number of control variables
 - Control variables: age bands, sex, education, hh size, marital status, lone parent, hh income and urban/rural dummy.

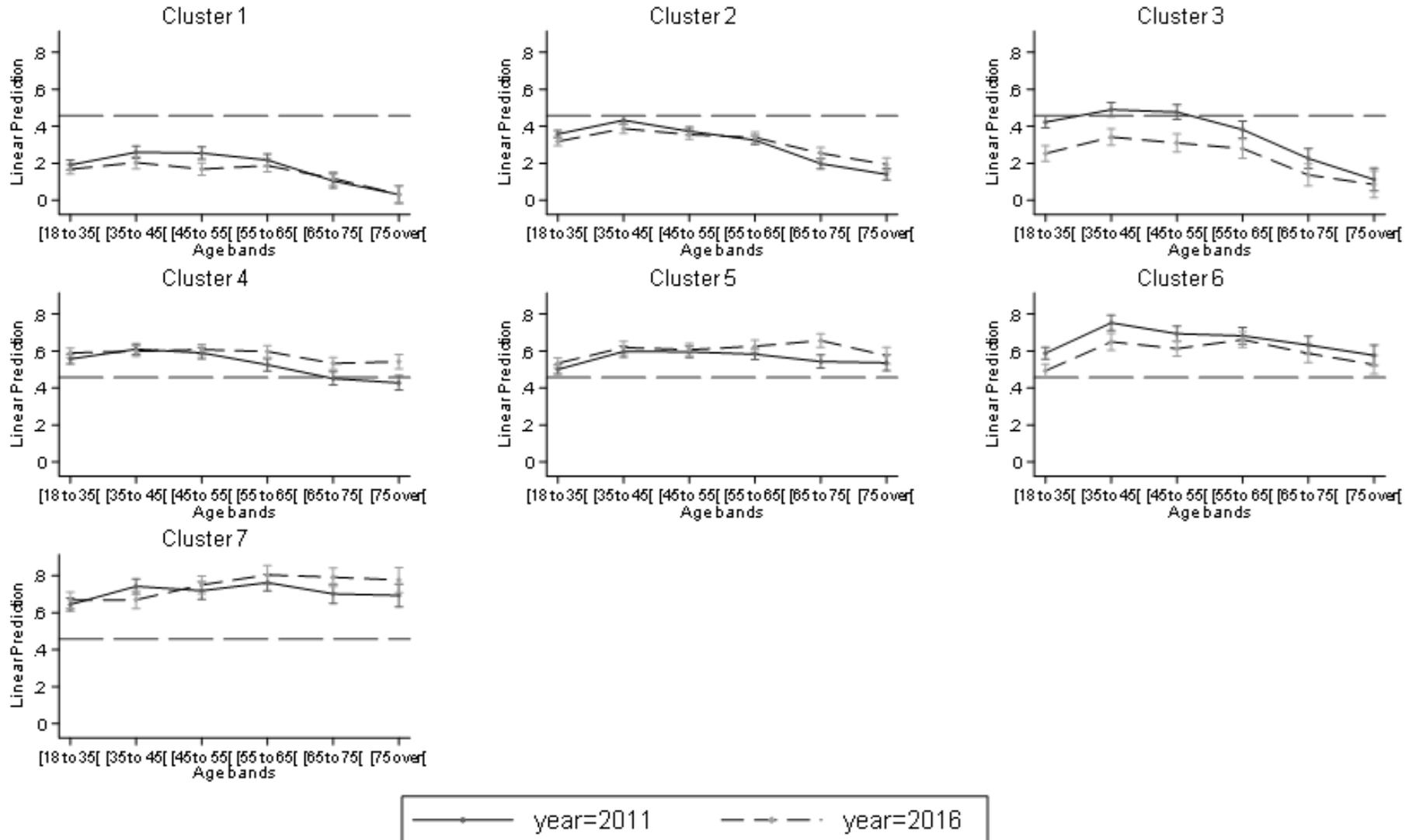
4 Methodology used

- Each model is then used to predict the outcome (QOL) variable, net of a set of demographic predictors;
- The linear prediction is plotted using age categories, the two survey years and the welfare clusters as predicting variables;
- The following questions are addressed:
 - How different is the quality of life for consecutive age groups?
 - How does the quality of life vary for age groups across country clusters?
 - Is there any significant change in quality of life for different age groups between 2011 and 2016?

Difficulties making ends meet

Country Clusters:

1 Nordic, 2 Continental, 3 Western Islands, 4 Mediterranean, 5 Eastern Europe, 6 Baltic, 7 Balkan



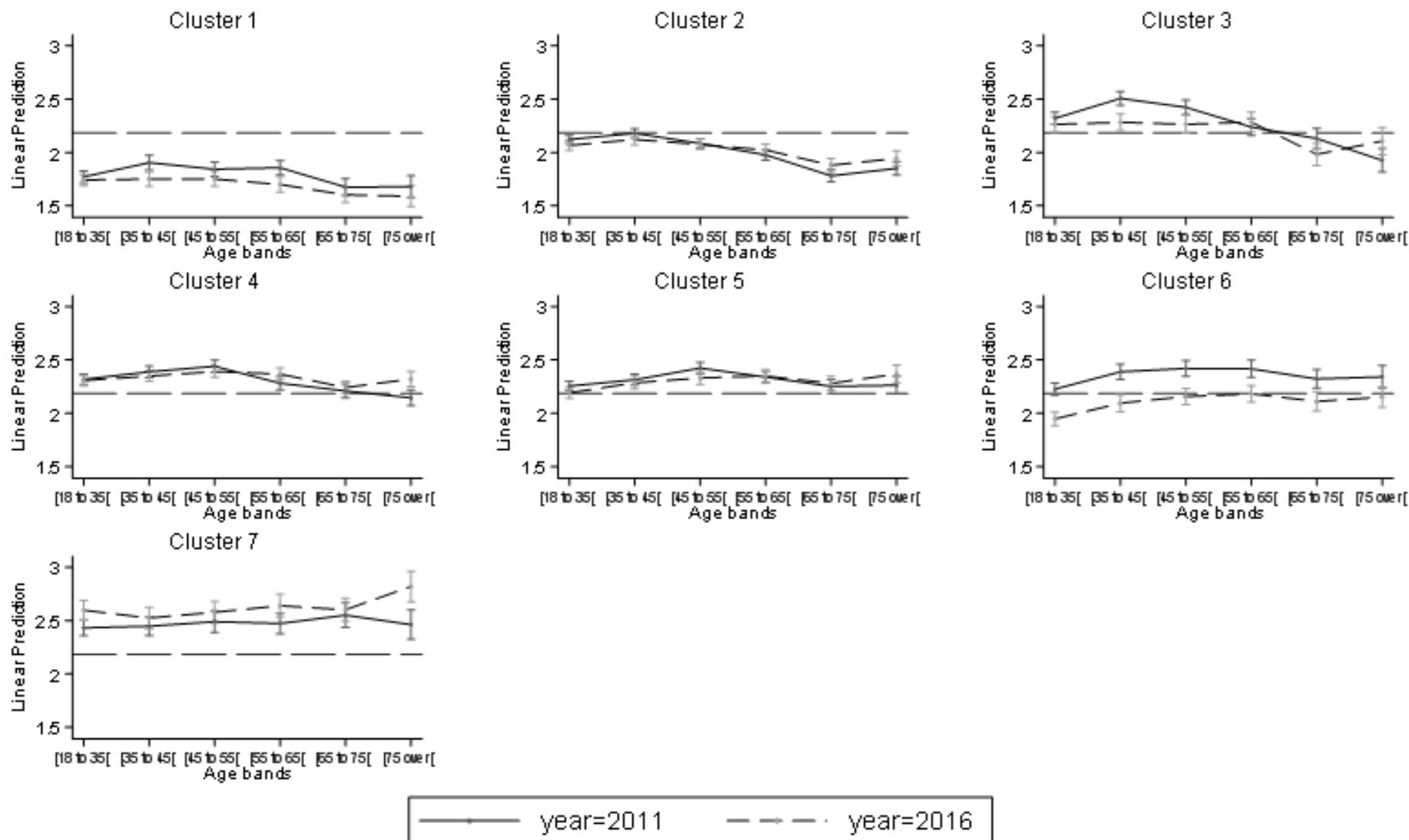
5 Results – Making Ends Meet

- Difficulties making ends meet is usually decreasing with age after 30 to 40 years of age;
 - This is not the case in Central Eastern Europe and the Balkan countries;
 - This is no longer true in Southern Europe where in particular the oldest old are experiencing more difficulties in 2016 than in 2011. This does not have to be a pure income effect but might be related to the cost of living and a reduction in services;
- The situation has improved substantially for youth in the UK and Ireland since 2011;
 - The recovery from the crisis in a liberal regime has helped them to quickly bounce back. Similarly in the more liberal Baltic States;
 - The situation of youth in the Mediterranean Member States has not changed at all, pointing to a more structural problem.

Perceived Social Exclusion

Country Clusters:

1 Nordic, 2 Continental, 3 Western Islands, 4 Mediterranean, 5 Eastern Europe, 6 Baltic, 7 Balkan



Source: EQLS, ed. 3 & 4. OLS Regression of feeling excluded on age bands, controlled for sex, education, size of household 3+, married, lone parent, disp. household income and urban/rural context. The horizontal dashed line represents the overall EU28 average.

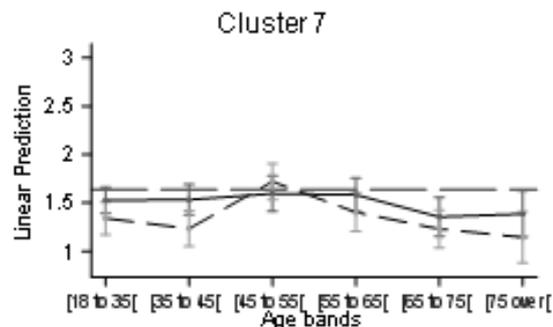
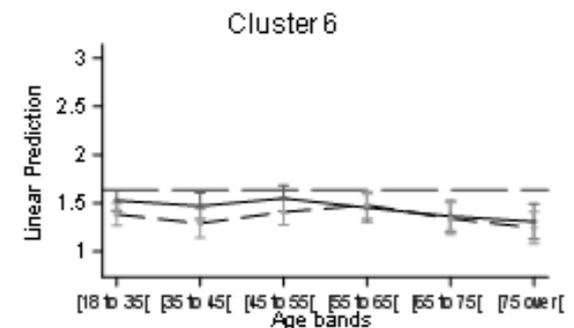
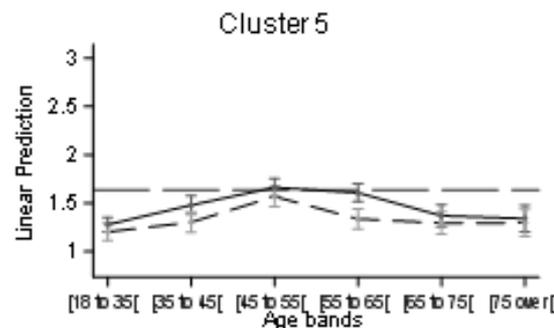
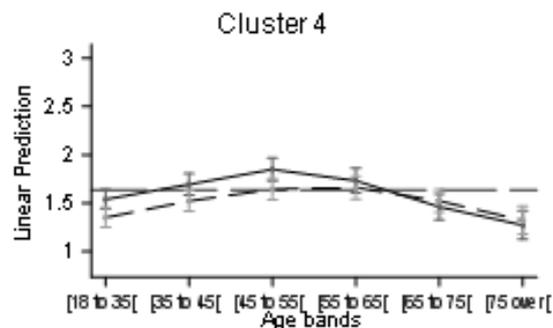
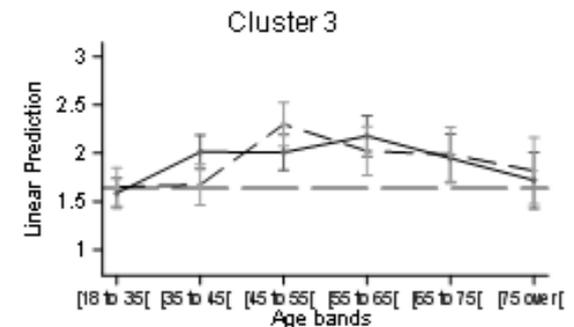
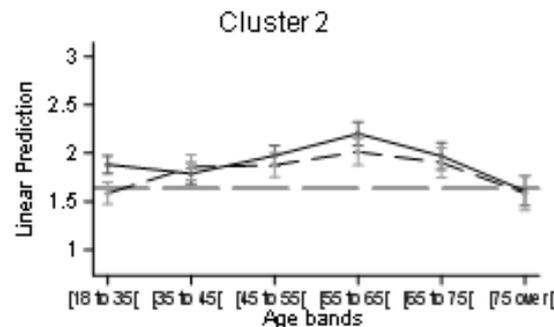
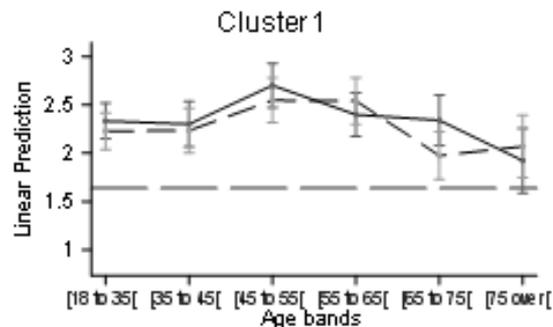
5 Results – Social Exclusion

- Subjective social exclusion is hump-shaped and declines towards old-age as life gets more predictable;
- Subjective felt exclusion is above EU average in Eastern Europe and the Southern Member States, although has decreased sharply in the Baltic countries;
- In Central Eastern Europe, the Balkans and Southern Europe, the oldest old feel more excluded in 2016 than in 2011

Participation in Society

Country Clusters:

1 Nordic, 2 Continental, 3 Western Islands, 4 Mediterranean, 5 Eastern Europe, 6 Baltic, 7 Balkan



Source: EQLS, ed. 3 & 4. OLS Regression of making ends meet on age bands, controlled for sex, education, size of household 3+, married, lone parent, disp. household income and urban/rural context. The horizontal dashed line represents the overall EU28 average.

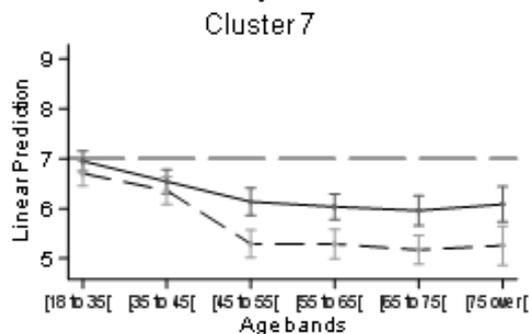
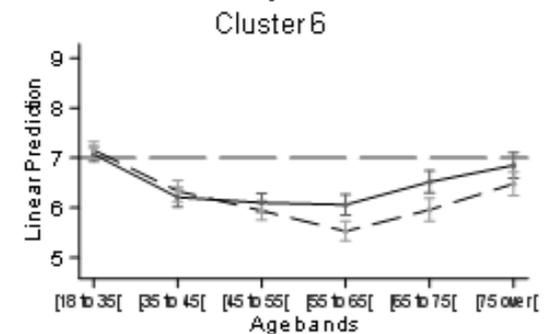
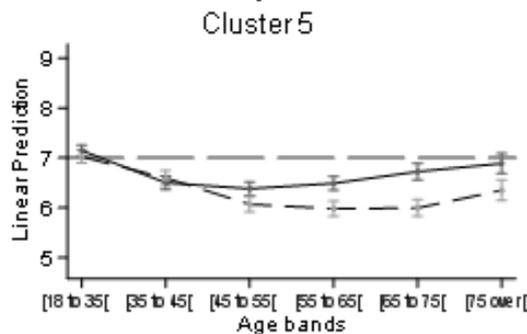
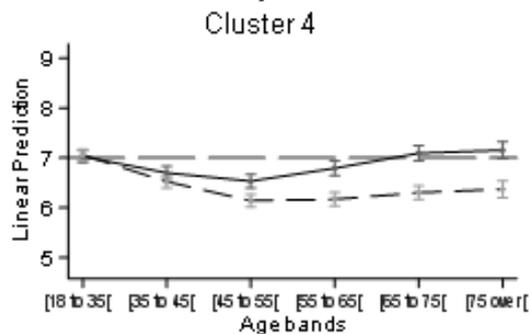
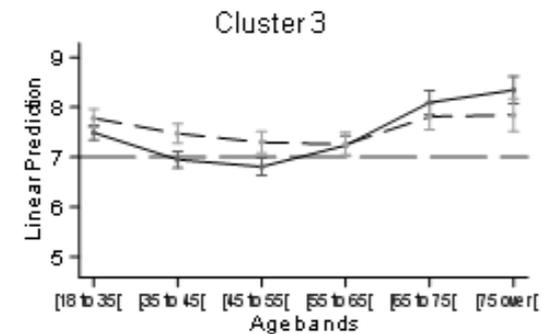
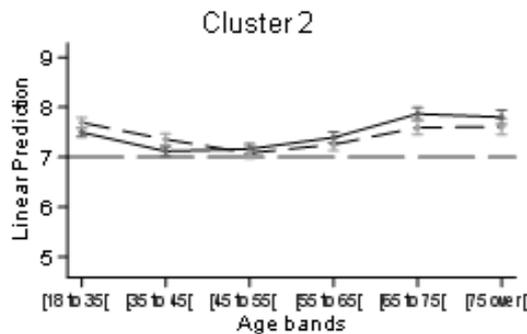
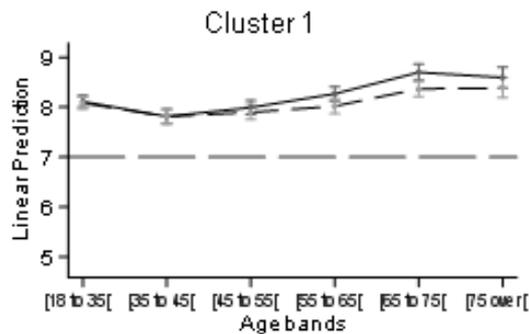
5 Results – Political participation

- Political participation is highest at prime age (40s and 50s) and declines in later life;
- Political participation is not so developed in all Eastern European Countries;

Level of Life Satisfaction

Country Clusters:

1 Nordic, 2 Continental, 3 Western Islands, 4 Mediterranean, 5 Eastern Europe, 6 Baltic, 7 Balkan



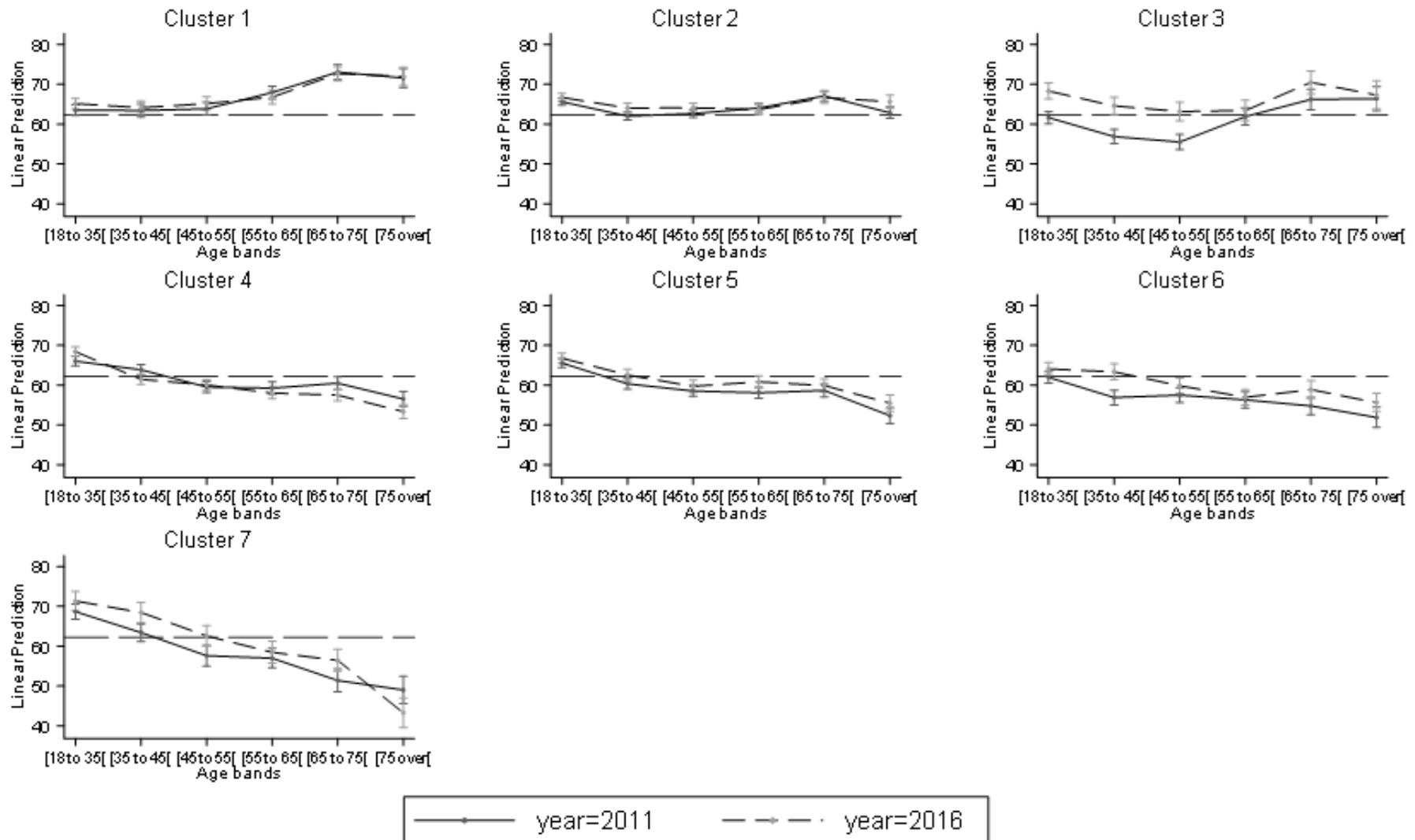
5 Results – Life Satisfaction

- Overall life satisfaction is still U-shaped in Western Europe, but flattening out at the same time by increased satisfaction levels in middle ages;
- Older age groups in South and Easter Europe report much lower satisfaction in 2016 then in 2011.

Mental Well-being

Country Clusters:

1 Nordic, 2 Continental, 3 Western Islands, 4 Mediterranean, 5 Eastern Europe, 6 Baltic, 7 Balkan



Source: EQLS, ed. 3 & 4. OLS Regression of making ends meet on age bands, controlled for sex, education, size of household 3+, married, lone parent, disp. household income and urban/rural context. The horizontal dashed line represents the overall EU28 average.

5 Results – Mental Well-being

- Mental Well-being increases with age in the Nordic countries and the Western islands while being stable over the lifecourse in Central Europe;
- Mental Well-being is declining with age in all other regions in Europe;
- In the Balkan countries, the situation is outright dramatic as the average oldest old are at risk of depression;

6 Conclusions I

- There is a North-South and an East-West divide with results that 'mirror' each other;
- Some regions in the EU have more structural problems (East, South) other lack protection of life risks but overcome shocks quickly (Western Islands, Baltics);
- Only the Nordic Countries seem to be equally good at reacting quickly as protecting from life risks;
- Some of the standard findings of age related QoL indicators are currently challenged (U shaped life satisfaction);

6 Conclusions I

- There is a **North-South and an East-West divide with results that 'mirror' each other**;
- Some regions in the EU have more structural problems (East, South) other lack protection of life risks but overcome shocks quickly (Western Islands, Baltics);
- Only the Nordic Countries seem to be equally good at reacting quickly as protecting from life risks;
- Some of the standard findings of age related QoL indicators are currently challenged (U shaped life satisfaction);

6 Conclusions I

- There is a North-South and an East-West divide with results that 'mirror' each other;
- Some regions in the EU have more **structural problems** (East, South) other **lack protection of life risks** but overcome shocks quickly (Western Islands, Baltics);
- Only the Nordic Countries seem to be equally good at reacting quickly as protecting from life risks;
- Some of the standard findings of age related QoL indicators are currently challenged (U shaped life satisfaction);

6 Conclusions I

- There is a North-South and an East-West divide with results that 'mirror' each other;
- Some regions in the EU have more structural problems (East, South) other lack protection of life risks but overcome shocks quickly (Western Islands, Baltics);
- Only the **Nordic Countries seem to be equally good at reacting quickly as protecting from life risks;**
- Some of the standard findings of age related QoL indicators are currently challenged (U shaped life satisfaction);

6 Conclusions I

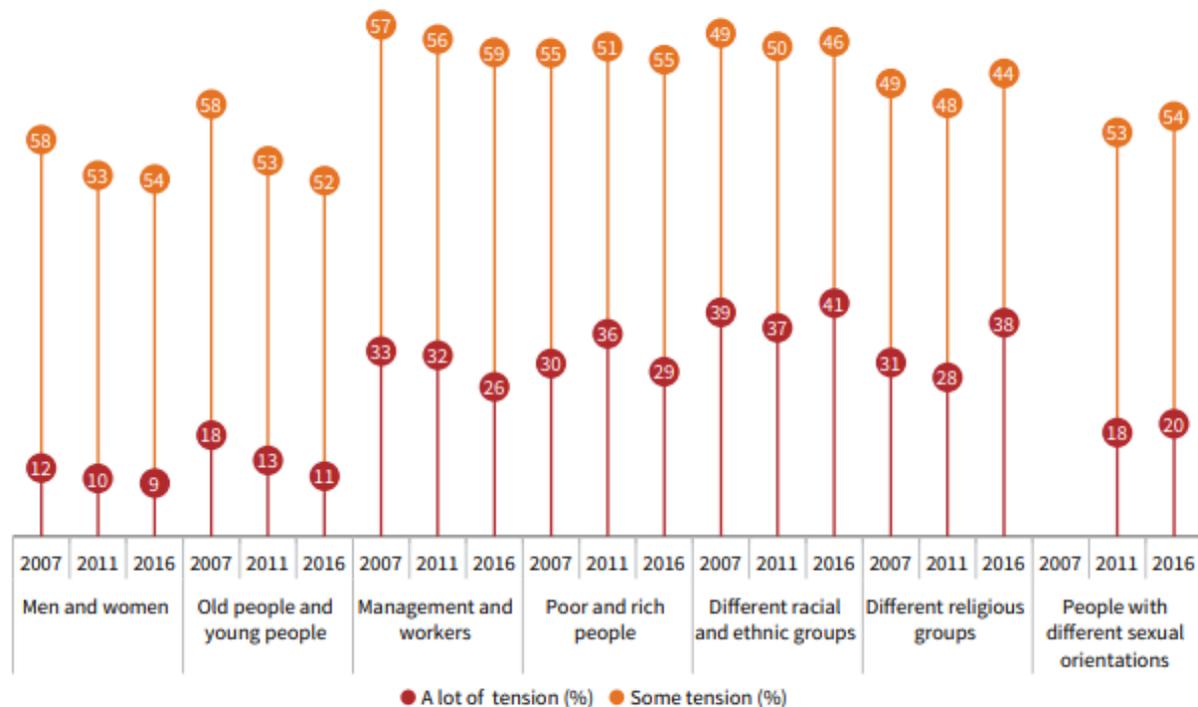
- There is a North-South and an East-West divide with results that 'mirror' each other;
- Some regions in the EU have more structural problems (East, South) other lack protection of life risks but overcome shocks quickly (Western Islands, Baltics);
- Only the Nordic Countries seem to be equally good at reacting quickly as protecting from life risks;
- Some of the **standard findings of age related QoL indicators are currently challenged** (U shaped life satisfaction);

7 Policy Pointers

- There cannot be a one-size fits all solution as the problems are very different in each Member State;
- Inequalities are long-term and develop over the life-course, so the solution cannot be a focus on the life stage;
- While in Western Europe the most disadvantaged are the young, in Eastern Europe it is the old who are most disadvantaged;
- Social Policies should consider an element of intergenerational fairness, including a renewal of the generational contract;
- Mental health issues among elder in Eastern Europe needs to be addressed by adequate multiple policies;
- The burden of the welfare states mainly lies on the shoulders of the working population who are facing multiple burdens themselves.

Do we stand divided?

Figure 29: Perceptions of tensions between different social groups, 2007–2016

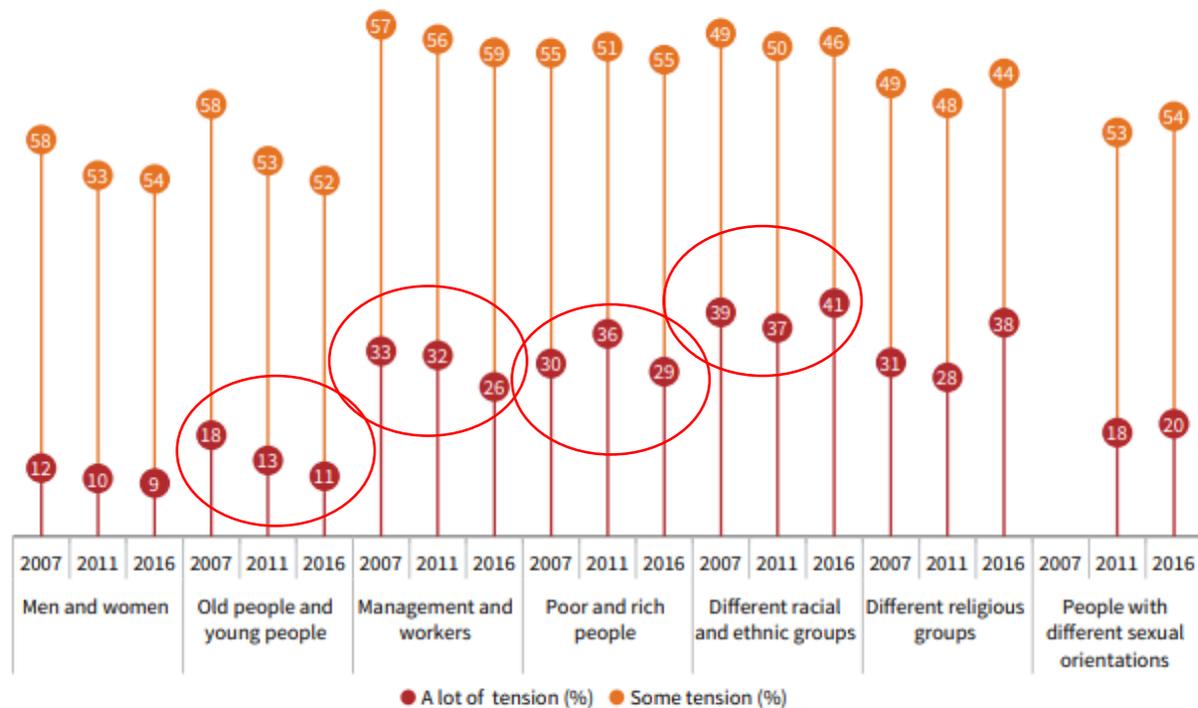


Notes: Q34: 'In all countries there sometimes exists tension between social groups. In your opinion, how much tension is there between each of the following groups in this country?' Answer categories are: A lot of tension; Some tension; No tension; (Don't know); (Refusal). EU28 data.

eurofound.link/0029

Do we stand divided?

Figure 29: Perceptions of tensions between different social groups, 2007–2016



Notes: Q34: 'In all countries there sometimes exists tension between social groups. In your opinion, how much tension is there between each of the following groups in this country?' Answer categories are: A lot of tension; Some tension; No tension; (Don't know); (Refusal). EU28 data.

eurofound.link/0029

8 APC – Analysis

(Prof. Louis Chauvel, Universite de Luxembourg)

- Creating a pseudo-panel using EQLS 2003, 2007, 2011 and 2016;
- APC isolates the impacts of age, period and cohorts separately by overcoming the identification problem:
Age=Period-Birth Cohort;
 - I. The APCD model detects deviations from the linear trends of age, period and cohort: it is able to identify specific cohorts defined by higher or lower values (baseline=0), but it cannot identify linear trends;
 - II. Age-Period-Cohort-Trended Lag (APCTLAG) model (Chauvel, Leist & Ponomarenko 2016), the cohort vector will absorb the general linear trend of social change and make *relative* changes in social outcomes visible.

8 APC Analysis

Composite indicator of QoL based on ...

Y16_Q4	Life satisfaction (1 very dissatisfied, 10 very satisfied)
Y16_Q5	Taking all things together on a scale of 1 to 10, how happy would you say you
Y16_Q6c	Satisfaction with standard of living (1 very dissatisfied, 10 very satisfied)
Y16_Q6e	Satisfaction with family life (1 very dissatisfied, 10 very satisfied)
Y16_Q25a	Shortage of space
Y16_Q33	Trust in people
Y16_Q58a	Quality of health services
Y16_Q58c	Quality of public transport
Y16_Q88	Making ends meet (inversed scale)

The “Synthetic Indicator of Quality of life” (SIQL) is based on the first axis of a principle component analysis (Crombach alpha for 9 dimensions = .78, 39% of inertia)

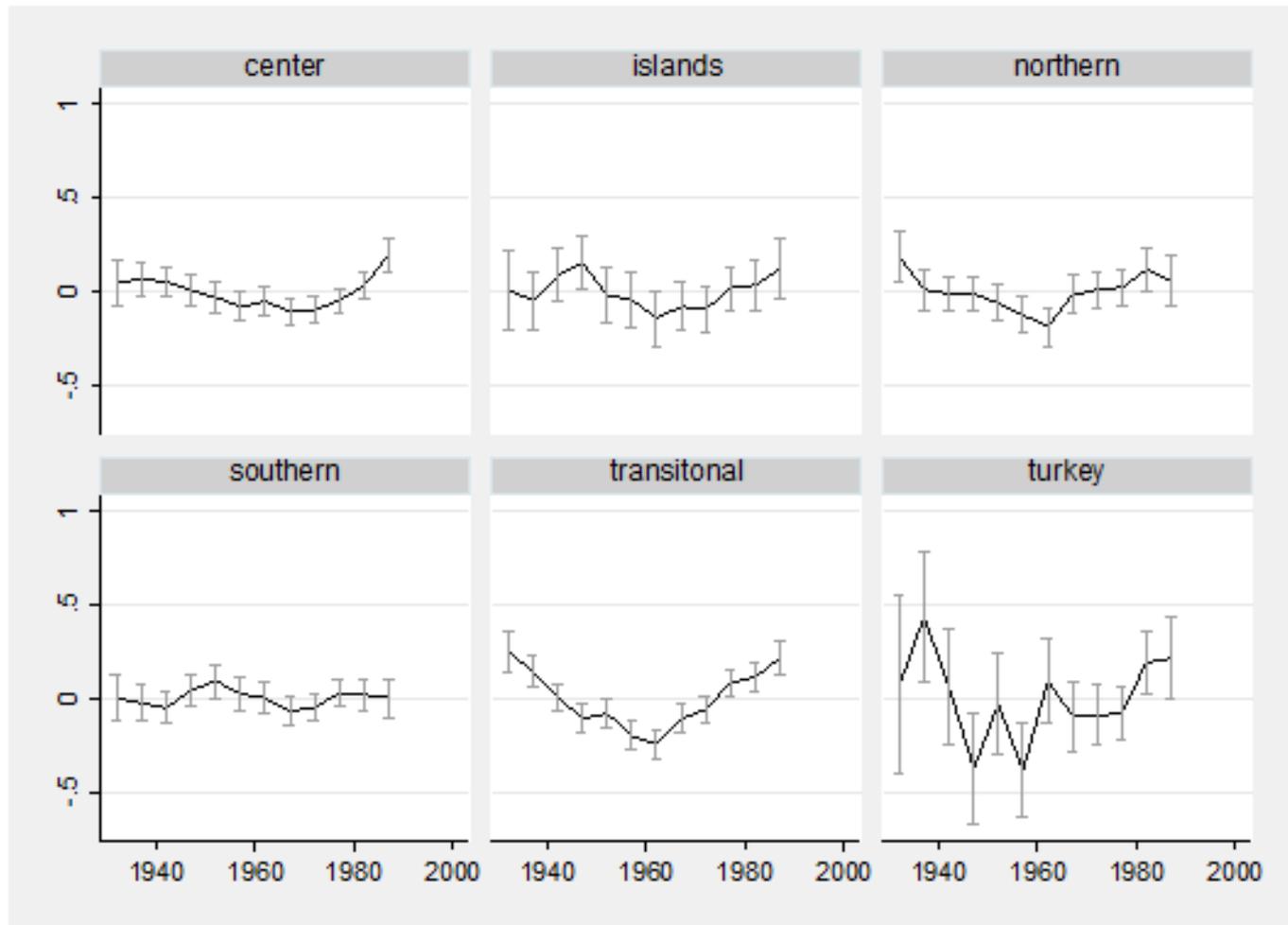
8 APC Analysis

Results of APCD (Model I)

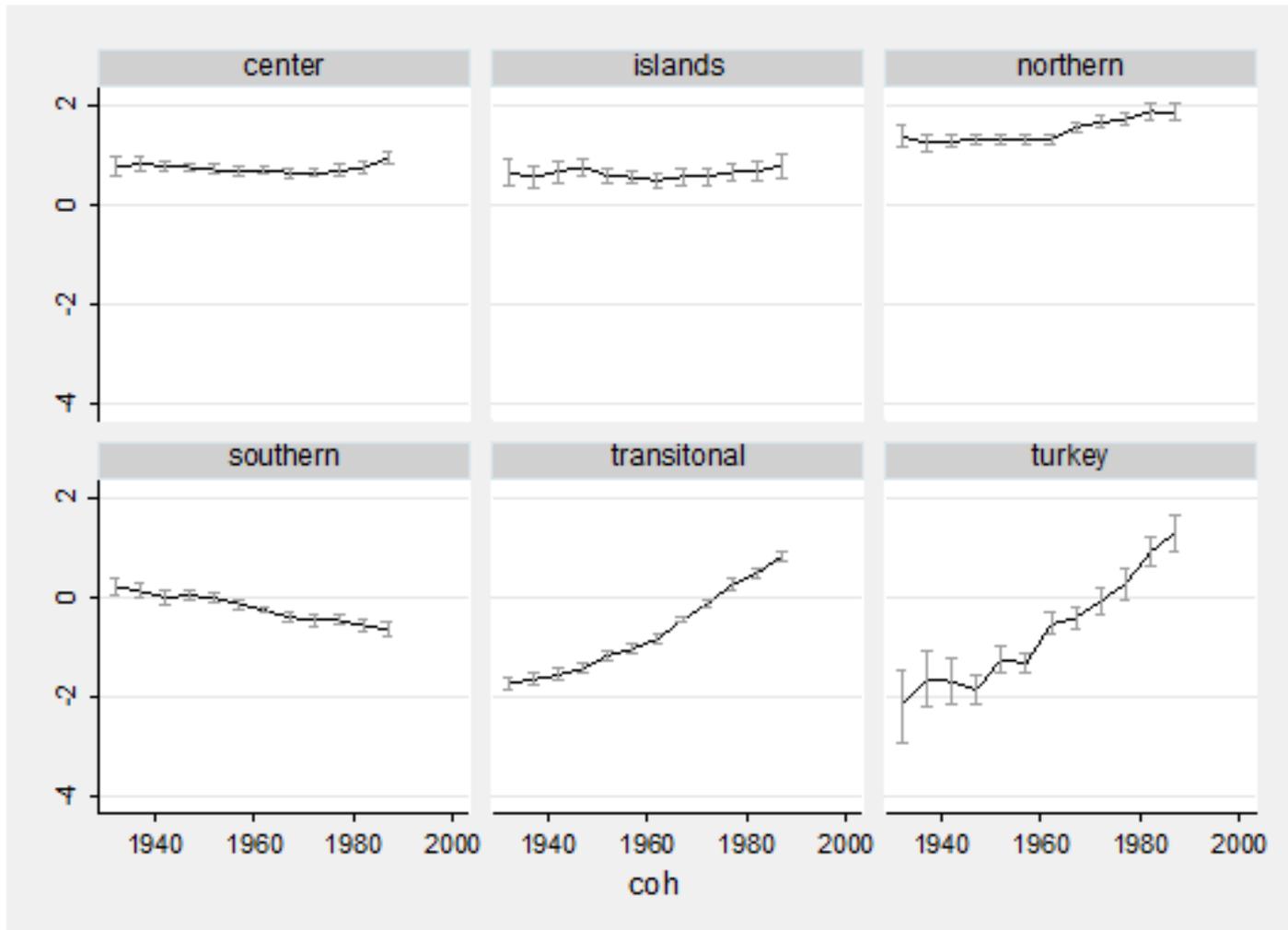
	Continental	Islands	Nordic	South	Transitional	Turkey
coh_1932	0.046	0.006	0.184**	0.002	0.247***	0.074
coh_1937	0.067	-0.047	0.012	-0.027	0.141***	0.431*
coh_1942	0.05	0.086	-0.01	-0.053	0.009	0.064
coh_1947	0.008	0.154*	-0.013	0.041	-0.109**	-0.374*
coh_1952	-0.031	-0.016	-0.058	0.090*	-0.081*	-0.031
coh_1957	-0.079*	-0.042	-0.123*	0.021	-0.200***	-0.384**
coh_1962	-0.049	-0.142*	-0.187***	-0.001	-0.243***	0.091
coh_1967	-0.104**	-0.079	-0.016	-0.067	-0.111**	-0.095
coh_1972	-0.095**	-0.094	0.009	-0.049	-0.059	-0.093
coh_1977	-0.047	0.018	0.025	0.026	0.082*	-0.082
coh_1982	0.033	0.036	0.118*	0.016	0.112**	0.188*
coh_1987	0.199***	0.121	0.059	0.001	0.214***	0.211*
<u>_cons</u>	0.727***	0.615***	1.471***	-0.227***	-0.713***	-0.725***

APC estimates for cohorts by country clusters

APCD coefficients of SIQL for the welfare regimes (control for education, gender, spouse, urban)



APCTlag coefficients of SIQL for the welfare regimes



Conclusions II

- To be born in one particular cohorts can have a clear impact on quality of life, net of other correlates such as age and period;
- The cohort effect is however only significant for the Transition countries;
- When taking into account the trend, subjective QoL has improved in the Nordic countries, Transition countries and Turkey;
- Subjective QoL has significantly declined for younger cohorts in the Southern Member States.

Conclusions II

- To be **born in one particular cohorts can have a clear impact on quality of life**, net of other correlates such as age and period;
- The cohort effect is however only significant for the Transition countries;
- When taking into account the trend, subjective QoL has improved in the Nordic countries, Transition countries and Turkey;
- Subjective QoL has significantly declined for younger cohorts in the Southern Member States.

Conclusions II

- To be born in one particular cohorts can have a clear impact on quality of life, net of other correlates such as age and period;
- The cohort effect is however only significant for the Transition countries;
- When taking into account the trend, subjective QoL has improved in the Nordic countries, Transition countries and Turkey;
- Subjective QoL has significantly declined for younger cohorts in the Southern Member States.

Conclusions II

- To be born in one particular cohorts can have a clear impact on quality of life, net of other correlates such as age and period;
- The cohort effect is however only significant for the Transition countries;
- When taking into account the trend, **subjective QoL has improved for younger cohorts in the Nordic countries, Transition countries and Turkey;**
- Subjective QoL has significantly declined for younger cohorts in the Southern Member States.

Conclusions II

- To be born in one particular cohorts can have a clear impact on quality of life, net of other correlates such as age and period;
- The cohort effect is however only significant for the Transition countries;
- When taking into account the trend, subjective QoL has improved for younger cohorts in the Nordic countries, Transition countries and Turkey;
- Subjective QoL has significantly declined for younger cohorts in the Southern Member States.

Thank you very much!