



Report final seminar

Welfare, wellbeing and demographic change:
Understanding welfare models

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Background JPI MYBL

The Joint Programming Initiative 'More Years, Better Lives' ([JPI MYBL](#)) seeks to enhance coordination and collaboration between European and national research programmes related to demographic change. Areas affected by demographic change cover a wide range of research fields and policy topics ranging from health to social welfare, education & learning, work & productivity to housing, urban & rural development and mobility. JPI MYBL therefore follows a transnational, multi-disciplinary approach bringing together different research programmes and researchers from various disciplines in order to provide solutions for the upcoming challenges and make use of the potential of societal change in Europe.

We are an initiative of currently [17 member states](#) represented by representatives of ministries, funding agencies, civil society and research institutes. Throughout the year we organise workshops at conferences and with partners, attend meetings, collaborate with other institutions, organise expert processes, publish positions and policy papers and support and supervise the projects we are funding in research calls.

Objective joint call

The aim of the joint call 'welfare, wellbeing and demographic change: understanding welfare models' was to **support research which will improve the understanding of how different approaches to welfare secure the quality of life, especially on older people**. This is important, not only because of the ageing of the European population, but also because of increasing pressures on public finances, and changing patterns of population movement and employment, within and beyond Europe itself. The objective was to develop comparative perspectives on "welfare models", and the ways in which they are changing, drawing on the great diversity of approaches to welfare across Europe and Canada. Welfare models have the function to promote general wellbeing, to help individuals remain active contributing members of the community, and to overcome the challenges of declining health and capability. A better understanding of these differences can help policymakers to identify potential ways of meeting needs, as their own models evolve in response to changing demographic pressures and circumstances. More specific, the following research question were asked and will be addressed in the topic sessions:

- I. Understanding wellbeing: how appropriate are current measures of wellbeing across the changing life course?
- II. Intergenerational relationships: how can welfare models distribute resources, rights and responsibilities in fair and sustainable ways?
- III. Welfare models: How can welfare models secure the health and wellbeing for older people confronted to caring needs, subject to frailty and nearing the end of life?

Programme outline final seminar

The chair of JPI MYBL, Peter Allebeck, welcomed all 75 participants to the online final seminar and introduced the topic of the joint call. In total five projects participated in the final seminar: [AgeWellAccounts](#), [CIRCLE](#), [CREW](#), [EMMY](#) and [WELTRANSIM](#). The principal investigators (PIs) gave a short introduction to the projects by explaining the aim of the project and highlighting the key findings (see Annex I). Afterwards, the research questions were discussed in three topic sessions. The principal investigators shared their view on the topics their projects addressed followed by a lively discussion with all participants. The final seminar was closed by reflections and take home messages from the chairs of the scientific and societal advisory boards. You can find the detailed programme outline, including speakers, in Annex II.

Topic sessions

I. Understanding wellbeing: how appropriate are current measures of wellbeing across the changing life course?

The results from the projects showed a number of deficiencies of the current measures of wellbeing across the changing life course:

- Differences between socio-economic and demographic groups are often ignored;
- Little and poor information and quality of data for the oldest old population;
- Data from populations living in institutions is often missing;
- Specific measurement tools to assess mental wellbeing (MWB) are missing;
- Longer lives and better health require new measures of ageing, a more dynamic approach is needed.

Despite the deficiencies, the PIs came up with three concrete policy pointers to advise policy makers:

- Use a multi-dimensional approach to measure the multi-dimensional nature of wellbeing and MWB in different society groups over the life course. The PIs observed that a comparative approach across European countries helps to understand how the time trend has changed in measuring wellbeing across different societies and welfare state regimes;
- A variety of objective and subjective wellbeing measures is needed;
- When measuring resources along the life time private transfers (care, time, market goods) are important determinants of economic wellbeing in addition to public transfers.

II. Intergenerational relationships: how can welfare models distribute resources, rights and responsibilities in fair and sustainable ways?

The projects showed that in weaker welfare states (Mediterranean and Eastern Europe) families are often over-burdened with care responsibilities, especially towards other generations, which leads to negative effects on health and wellbeing, social participation and labour force participation. Often women play an important role in providing informal care, which to early exit from the labour market. When designing family policies, interrelations among generations should be considered.

The projects also showed that welfare state transfers are biased towards:

- Older people, pensions systems for example act as protective factor during the economic crisis;
- Childless individuals, as they do not need to care for their offspring. This has effects on I) fertility decisions and hence the future sustainability of welfare states and II) private monetary and time transfers (including care)

Pension systems have to be redesigned to account for demographic changes, such as increased life expectancy. In addition, they have to be harmonized with the overall tax system.

III. Welfare models: how can welfare models secure the health and wellbeing for older people confronted to caring needs, subject to frailty and nearing the end of life?

The projects showed that intensive care provision to sick or disabled individuals is more likely in countries who lack formal care services and state support typical of Southern or Eastern European welfare state regimes. Generous welfare state provisions are associated with higher MWB in the oldest old, can reduce the stress of caregiving, and reduce the negative impacts on health.

Welfare state impacts MWB by improving health outcomes and reducing inequalities and enhancing social trust e.g. via opportunities to contribute to society in oldest old age. A lifetime perspective is needed in order to have a thorough account of the impact of welfare state models into older age. The EMMY project is currently working in this area and hopes to have more clarity soon.

Reflections

Looking back at the final seminar and the (pre)final results presented it was concluded that the seminar was very instructive. The findings were extremely relevant for our entire societies, and in view of the demographic change they called for policy recommendations and measures. A lot of work was done, but has not yet been completed because of administrative and funding issues, making the reflections below provisional.

- Wellbeing is multidimensional and the most important issues vary across the life course. Many measures, and relevant data were available, but not integrated in a way which would allow reliable comparison of the impact of different policies and welfare regimes. Some topics were less well covered, including time use and income/consumption measures. There was a debate about the relationship between the elements, and especially about the correlation between objective and subjective measures over time.
- The projects told us a little more about the differences between welfare regimes. Generally the welfare regimes transferred financial resources from those in middle age to the old, but time transfers made the calculation more complex. They affected different groups differently. Their impact was less negative in countries with relatively strong welfare states. Private transfers were commonly ignored in evaluations of welfare systems, but had a significant impact on the wellbeing of individuals and carers.
- There was a serious gap in data relating to the oldest old, who were routinely excluded from surveys. The research has helped to fill the gap, and developed a useful model of the various dimensions of wellbeing for the oldest old. There was a definition problem, in that some people define “oldest” by chronological age, when it may be more relevant to think in terms of the end of life (at whatever age, and over whatever period).
- Obvious inequalities between and within generations, men and women, multigenerational and childless households were also signalled and the long-lasting effects of original family conditions and dynamic processes

The projects will formulate their most crucial findings in a way that can be understood by politicians at national, regional, and local levels. And the General Assembly of JPI MYBL will consider these outcomes in further activities, for instance when drafting policy papers.

Annex I: Summary and key findings projects

AgeWellAccounts

Principal Investigator: Alexia Fürnkranz-Prskawetz

Project website: <http://agewell.eu/>



The AgeWellAccounts project analysed wellbeing from a life course perspective. Three teams from Austria, Italy and France worked on work packages related to the evaluation of intergenerational support in various European countries: The first work package focused on the age dimension of economic wellbeing. An important part of this work package was the measurement of private and public transfers between generations and genders as well as their interdependencies with economic wellbeing. Accounting for private transfers is essential for the analysis of economic wellbeing, especially due to their strong age and gender patterns. For example, low equalised income and a high risk of poverty among families and especially lone parents can be explained by private transfers to their children. Using various wellbeing indicators, we observed large differences in the development of economic wellbeing over time. In particular, young age-groups lost relative to the elderly population. The second work package complemented the first work package by focusing on the age and gender dimension of time use, specifically the work-life balance of families. The third work package was concerned with health, subjective wellbeing and their changing perception over the lifecycle. This work package had a strong focus on happiness and life satisfaction, as well as on the interrelationship between subjective and objective health over the life course. Overall, our research identified life stage and circumstances in which individuals are most vulnerable economically, health wise and regarding their subjective wellbeing. These findings are of great importance when considering necessary changes in the intergenerational transfer system.

Key findings

1. **Large differences in changes of economic wellbeing across demographic groups:** e.g. income of younger generations declined relative to the elderly population in the majority of European countries;
2. **Private transfers are important determinants of economic wellbeing:** Monetary transfers and time transfers to children are highly gendered and reduce wellbeing of parents. They limit the opportunities to participate in the labour force, earn income and pension rights;
3. **Subjective measures of wellbeing can be useful to complement objective measures,** but one has to be careful when analysing wellbeing solely based on self-reported information; especially when comparing different groups (countries, genders, age-groups) or when comparing wellbeing over time.

CIRCLE

Principal Investigator: Elsa Fornero

Project website: www.circle-cerp.carloalberto.org



The aim of CIRCLE is to provide new empirical evidence of the impact of the interaction between the economic and demographic changes and the welfare systems on the distribution of the resources, rights and responsibilities between generations. In many EU countries, welfare provisions addressed to older people are pay as you go financed and fast population ageing boosts redistribution from the young to the old. However, compensatory mechanisms redistributing resources from the old to the young are often implemented at intra-household level, mainly through inter-vivos transfers and informal care provisions. The analysis takes both redistributive flows into account and covers a variety of EU welfare state models, giving a strong base for generalizing the results and deriving useful policy implications. Work-Package 1 evaluates the intergenerational redistribution of resources induced by the major provisions of the European welfare systems addressed to older people. Work-Package 2 investigates the informal intra-household mechanisms of intergenerational insurance of income and care risks in European countries in the last ten years. Work-Package 3 investigates the perceptions and comprehension that individuals have of the aims of the main welfare provisions and of their implications in term of intergenerational relationships. A new survey will be run in Belgium, Italy and Spain allowing new research on this unexplored issue. Work-Package 4 designs a cogent dissemination strategy.

Key findings

Intergenerational redistribution of resources

- Multigenerational households are a short-term 'coping strategy' to alleviate child poverty with solidarity from older to younger generations;
- Pension-related tax expenditures can have a sizeable impact on revenue and strong effects on inequality and poverty and tend to be progressive on two levels: first, among pensioners, by favouring those with lower incomes; second, among people of working age, through a partial or no deduction of pension contributions, draining resources from those at the top of the income distribution.

Intra-household insurance

- A new measure of downward (and upward) mobility that considers incidence, intensity and inequality of income gaps shows that considering incidence in the analysis of downward income mobility is not enough to evaluate the impact of income losses;
- Women's retirement leads to an increase in their daughters' employment only in countries with weak family policies and strong family ties due to increases in in-kind transfers to daughters and grandchild care following retirement;
- Short work interruptions are not negatively associated with mothers' absolute and relative earned income in later life, long work interruptions and a failure to return to work have a large impact on women's long-term economic wellbeing. The effect is more marked in countries where decommodification through family and pension policies is limited.

Research on **intergenerational conflicts** has not started yet due to administrative issues in Italy which prevents research activities to be conducted.

CREW

Principal Investigator: Bruno Arpino

Project website: crew-more-years-better-lives.org/



CREW's research covers four broad topics. First, we investigate the determinants of health and wellbeing in older age and critically examine old and new measures. Second, we describe patterns of caregiving and its impact on the wellbeing of caregivers. Third, we analyse the challenges faced by pension systems as consequence of changes in survival, family dynamics and work patterns. Finally, we examine recent and likely future changes in kin availability and the characteristics of kinless individuals. Gender and welfare policies are transversal themes of each topic, as they shape all of the dynamics analysed. CREW fills key policy-relevant gaps in existing research, ultimately contributing to knowledge that should inform policies to guarantee high quality of ageing and equal opportunities for successful ageing for both men and women and for people of different socio-economic groups. Our research demonstrates that older people wellbeing is a complex phenomenon that needs to be studied using rich longitudinal data and appropriate methods, and taking into consideration differences by gender and socio-economic status. Our studies emphasize the need to take a life course perspective that analyses ageing as a process, which means that older people wellbeing depends on the experiences at different stages of life starting from childhood. Our research also highlights the importance of contextual factors and time use as factors influencing older people's wellbeing. Finally, CREW also demonstrates the importance of comparative studies because of the important role that welfare regimes have in influencing older people's health and wellbeing.

Key findings

Older people wellbeing is a complex multidimensional phenomenon

- Needs to be studied using rich longitudinal data and appropriate methods;
- Life course perspective that analyses ageing as a process;
- Comparative approach recognizing the role of welfare regimes.

Caregiving has both positive and negative effects on health and wellbeing

- Impact of caregiving on caregivers' health is gendered;
- Impact is highly heterogeneous: intensity and type of caregiving, multiple caregiving roles, country context.

The kin availability is rapidly changing

- In the near future, a higher proportion of individuals is going to age without kin (children, grandchildren, etc.);
- Important policy implications as kin are often a significant source of practical and emotional support.

EMMY

Principal Investigator: Kristian Wahlbeck
Project website: www.emmyproject.eu



The main aim of the EMMY project was to use a mixed methods design to investigate what aspects may contribute to the development of good welfare policies supporting mental wellbeing (MWB) in oldest-old age. The qualitative study included a total of 117 participants from four European countries (Finland, Italy, Norway, Spain) asked participants aged 80 and over recruited from senior community centres, adult day care centres, and nursing homes to explore their thoughts MWB. Data was assessed using qualitative content analysis resulting in four themes/dimensions: functional, social, personal and environmental. The results reinforce the dynamic and multidimensional nature state of MWB. A systematic review on instruments measuring MWB in oldest old age found reliable and valid instruments to be scarce, and specific measures of MWB for people aged 80+ to be non-existent. Quantitative analyses were based on data from Round 6 (2012) of the European Social Survey (ESS). Exploratory Structural Equation Model (ESEM) highlighted the importance of 1) the evaluative dimension (where the item 'having a sense of direction in life' was especially important); 2) the emotional dimension of well-being (including positive affect such as enjoyment, calmness and happiness); 3) positive psychological functioning (including autonomy, competence, self-esteem, optimism and vitality); 4) meaning and flow (describing states of presence and engagement); and 5) positive and supportive relationships (referring to giving and receiving support and appreciation by others). These factors can be of use when developing policies which support MWB in oldest old age.

Key findings

There are several high quality instruments available to evaluate MWB in old age, but instruments for people aged 80+ appear to be non-existent.

Qualitative: four central domains of MWB found to be important in oldest old age: **functional, social, personal and environmental** domains.

Quantitative: analyses highlighted five key factors for supporting MWB in policy development (ESS):

1. **Evaluative factors** ('overall happiness, life satisfaction');
2. **Emotional factors** (enjoyment, calmness, happiness);
3. **Positive psychological factors** (autonomy, accomplishment, self-esteem);
4. **Meaning and flow factors** (sense of engagement);
5. **Positive and supportive relationships** (giving and receiving support, social engagement, respect and appreciation by others).

General trend towards more focus on MWB within policy most commonly in relation to health and social welfare, followed by financial support and residential care facilities.

WELTRANSIM

Principal Investigator: *Concepcion Patxot Cardoner*

Project website: <http://www.microwelt.eu/>



The WELTRANSIM project aims to explain the distributional effects induced by the ageing process and how welfare models contribute to mitigating such effects and securing wellbeing across the life cycle (from childhood to old age). Undoubtedly, population ageing changes the distribution of income, public resources and time use. In this respect, different welfare models induce different costs for actors and influence life course risks differently. WELTRANSIM places special emphasis on:

1. The distributional effects of education, particularly on causing life-expectancy differentials.
2. The potential generational conflict and the possible political pressure of the elderly on shifting resources from the young to the old.
3. The effects of changes in family structures and fertility trends in time and money transfers over the life cycle and particularly from/to old people.

In order to answer those questions, the microsimulation model MicroWELT is build combining different data sources. Individuals experience, first, educational transitions. Second, they create households and give birth to children, depending on their educational level. Hence, this model is able to project the impact of ageing, taking into account at the same time changes in the education distribution and family structures. Finally, the model is enriched incorporating the National Transfer Accounts accounting framework. As a result, the model allows analysing the impact of public transfers along the life cycle and its interaction with family transfers and other financing sources based on assets. The model is applied to Austria, Spain, Finland and the UK using comparable data, so that it can be portable to other countries.

Key findings

Results for Austria and Spain so far indicate:

- Net family transfers received are substantially higher for **childless individuals** than for **parents**, as they do not give to their children;
- Public transfers are only slightly higher for **mothers** (not for **fathers** because they work more and pay more taxes).

The biased welfare state (WS) is **redistributing** resources from **parents** to **childless** individuals.

- Short run: Pensions protected the elderly during the crisis. None “automatic stabilizer” protecting children;
- Long run: This affects equality of opportunities and future human capital.

Time transfers: Children net time consumers, but elders net producers – gender differences.

WS models (expected end 2020 from comparison of 4 countries/WS models + UK and Finland)

- Full account for the degree of familiarization of the WS;
- Liberal model lower protection: People rely more on assets to provide for the elderly (concentrated on highly educated);
- Nordic model more balanced: Recover after women transitions, more sustainable.

Identify a novel **characteristic of WS models**: Balance in government intervention in transfers to children and to the old.

Annex II: Programme outline final seminar

09.45	Enter virtual space
10.00 – 10.05	<p>Welcome</p> <p>Chair JPI 'More Years, Better Lives' <i>Peter Allebeck</i></p>
10.05 – 10.55	<p>Introduction to the projects</p> <p>AgeWellAccounts <i>Alexia Fürnkranz-Prskawetz</i></p> <p>CIRCLE <i>Francesco Figari</i></p> <p>CREW <i>Bruno Arpino</i></p> <p>EMMY <i>Johanna Cresswell-Smith</i></p> <p>WELTRANSIM <i>Concepcion Paxtot Cardoner</i></p>
10.55 – 11.00	Screen break
11.00 – 11.30	<p>Topic session I</p> <p>Understanding wellbeing: how appropriate are current measures of wellbeing across the changing life course? <i>Alexia Fürnkranz-Prskawetz</i></p>
11.30 – 12.00	<p>Topic session II</p> <p>Intergenerational relationships: how can welfare models distribute resources, rights and responsibilities in fair and sustainable ways? <i>Bruno Arpino</i></p>
12.00 – 12.15	Screen break
12.15 – 12.45	<p>Topic session III</p> <p>Welfare models: how can welfare models secure the health and wellbeing for older people confronted to caring needs, subjects to frailty and nearing the end of life? <i>Johanna Cresswell-Smith</i></p>
12.45 – 13.00	<p>Reflections and take home messages</p> <p>Chair Scientific Advisory Board (SAB) <i>Stephen McNair</i></p> <p>Chair Societal Advisory Board (SOAB) <i>Heidrun Mollenkopf</i></p> <p>Chair JPI 'More Years, Better Lives' <i>Peter Allebeck</i></p>