

CZECH-POLISH-SLOVAK STUDIES IN ANDRAGOGY AND SOCIAL GERONTOLOGY PART XI

EDITORS:

ŁUKASZ TOMCZYK, ANDRZEJ KLIMCZUK

**BETWEEN SUCCESSFUL
AND UNSUCCESSFUL AGEING:
SELECTED ASPECTS
AND CONTEXTS**

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PEDAGOGICAL UNIVERSITY OF CRACOW

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**Łukasz Tomczyk
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Introduction

We provide to readers the 11th volume of the “Czech-Polish-Slovak Studies in Andragogy and Social Gerontology” series. We are delighted to announce that the presented study is the result of the work of scientists from seven countries: Austria, China, Ghana, Hungary, Japan, Poland, and Russia. This international collection of texts is part of the global discourse on the determinants of adult education and the functioning of people in late adulthood. The 11th volume is a collection of research results that show both the positive and negative dimensions of ageing through the prism of research experience from various geographical and cultural areas.

The researchers invited to the presented volume tried to illustrate the issues assigned to the following topics: ageing with dignity; retirement age; assumptions and conditions resulting from living in the home; the relationship between challenges concerning life expectancy and needs; care and ageing services; and foundations and potential changes in pension systems. The research results presented in this volume have a common denominator, which is caring for the quality of life of the older people regardless of their place of residence. Thus, the study “Between Successful and Unsuccessful Ageing: Selected Aspects and Contexts” brings new insights from scientists who scrupulously characterize the complexity of processes that affect the positive and negative conditions of functioning in old age, which is a mosaic of various nuances.

Inviting readers to familiarize themselves with the content of the monograph, we would like to thank the reviewers who contributed to the improvement of the quality of the texts and open new fields for participation in further joint publishing projects.

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Andrzej Klimczuk*

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YAROSLAVA EVSEEVA¹

Successful Ageing: State of the Art and Criticism

Abstract: This chapter reviews the history of the major ideas of successful ageing, their current state, and criticism. The original concept of successful ageing understood as life satisfaction continuing into later maturity, was developed by Havighurst in the early 1960s. Afterward, it was associated with active, healthy, positive, or productive ageing. For contemporary gerontology, successful ageing was rediscovered in the late 1980s by Rowe and Kahn who regarded it as good physical and mental health as well as social engagement. Today, one can speak of three major trends in the development of ideas of successful ageing. On the one hand, considerable numbers of scientists and specialists around the world in an uncritical way elaborate projects and programs of successful ageing as a useful research and practice framework. On the other hand, over the past two decades, ideas of successful ageing have tended to embrace more than implied in the classical Rowe-Kahn model. For quite a large group of researchers, successful ageing is an umbrella term for a positive world outlook and a respective

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lifestyle in old age, not limited to one theory and potentially encompassing all older people who are relatively content with themselves and their life, which can be facilitated through altruistic behavior (e.g., volunteering) and spiritual growth (lifelong learning and creativity). Finally, quite influential is the trend that denies the importance of successful ageing and regards it as a reflection of current neoliberal values. This approach is typical of critical gerontological branches, post-Marxist, feminist, postmodern gerontology among them. Authors sharing this view believe that concepts of successful ageing individualize and psychologize ageing and ignore power relations and structural inequalities in society (which do not allow all the population groups to age equally “successfully”).

Key words: Successful Ageing, Social Gerontology, Activity Theory, Disengagement Theory, Critical Gerontology

Introduction

This chapter presents an overview of the history of the ideas of successful ageing. Related to successful ageing are the concepts of active ageing (connected with ongoing activities as one age, most often work and social engagement), healthy ageing, productive ageing (focusing on staying in paid employment and other forms of economic efficiency), some of them more popular with particular researchers, in particular countries. Furthermore, active ageing is rather a policy framework, associated with programs of governments and international organizations while successful ageing is more often seen as academic discourse.

Since ancient times, humankind has contemplated how to age “well,” what it would mean to have a good old age. In ancient times, there was exclusive knowledge, philosophy; the physical was seen through the metaphysical. The human condition was related to the balance of the elements; warmth

(fire) and humidity (water) were regarded as the bosom of life, while with years, a man supposedly grows cold and dry, thus withers and dies. In order to prolong life, one was to eat warm types of food (cereals, most spices, certain kinds of seafood and meat) and avoid complete rest. The old-age ideal was a sage indulging in speculation and accumulating wisdom, though it was accessible for few. In the Christian Middle Ages, the body was subjected to the soul, and life was looked upon in the light of the end; piety would be the main merit of an older adult. Alongside medicine still following Galen, there developed alchemy as a mysterious way to immortality. Renaissance humanists started to display interest in the physical body itself; they dreamed of a long life full of vital energy and creativity. In the 15th century, Zerbi (1988 [1489]) published “Gerontocomia,” the first treatise on old-age care. Enlightenment became the last epoch when longevity was considered a private matter, to be attained through moderation and diet; in the 19th century, with the development of professional science, life extension became a duty of the medical discipline. In the 20th century, based on medical physiology and biology of ageing, gerontology, a specific branch of science devoted to ageing, came into existence.

In a certain sense, the first contemporary theory of successful ageing belongs to Russian biologist Metchnikoff, one of the fathers of gerontology, who also coined the term itself. In “The Nature of Man” (1903), he speaks of the so-called “natural death” emerging as a result of orthobiosis, the full human life cycle (which can be achieved, among other methods, by means of eating products rich in lactic acid bacteria). According to the author, “natural death” can be experienced by centenarians and near-centenarians, who feel that they have lived enough and are ready to die; allegedly, they feel satisfied and do not show any obvious fear of death.

In the second half of the 20th century, natural sciences developed towards further specialization of knowledge;

biology of ageing was delving into the microworld. One of the theories reaching beyond cells and chemical processes and actually concerned with positive ageing was elaborated by Ukrainian Soviet gerontologist Frolkis. The fundamental concept of his adaptive-regulatory theory is *vitauct* (Latin, “life extension”), a phenomenon opposite to physical ageing. As early as the 1920s, Soviet gerontology had stressed the significance of compensatory means exercised by the human organism. According to Frolkis (1988), *vitauct* characterizes the adaptive and reparative capacities of the organism, among them DNA repair, metabolism activation, detoxication, the antihypoxic system. Thus, an individual’s lifespan is a resultant vector of ageing and anti-ageing, the latter to be enhanced by physical activity, a low-calorie diet, taking geroprotectors (e.g., antioxidants).

Successful Ageing in Social Gerontology

Soviet gerontologists had always paid attention to the social aspects of ageing; probably owing to that fact, there was no need in the region in a special branch such as social gerontology. Whereas in Western countries, it was recognized in the middle of the 20th century that while biology and medicine of ageing were making good progress, social aspects of ageing remained in the shade. In 1944, the United States Social Science Research Council founded the Committee on Social Adjustment in Old Age. Under the auspices of the Committee, two important texts were published, “Social Adjustment in Old Age” (Pollak & Heathers, 1948) and “Personal Adjustment in Old Age” (Cavan et al., 1949). This new socially-oriented branch of ageing studies got the name of “social gerontology.” Early socio-gerontological theories developed within functionalism, a major current in American sociology in the 1940-1960s. Parsons, the theorist of functionalism, viewed all constituents of society as functions which ought to operate effectively, thus sustaining the whole

system. Being normative, functionalist theories prescribed people to behave in such a way that societal balance may be preserved.

The first socio-gerontological theory, the activity theory, advanced by Cavan, Havighurst, and others, saw the way to optimal ageing in people's ongoing social activity (Cavan et al., 1949; Havighurst & Albrecht, 1953). The "right" behavior, for example, if one manages to adapt one's lifestyle to the changing circumstances, was defined as "adjustment" (the opposite was labeled "maladjustment"). Becoming a retiree, a person loses part of his or her social connections, primarily with colleagues. The person is to substitute the lost connections with new ones and maintain the constant activity level; in order to achieve that, one can find, for example, a part-time job, take up a hobby, engage in volunteering and community work, or take on grandparenting duties. Individual success, activity as a life stand belong to the known values of American culture; the theory in question was also a reflection of the cultural context of the period. The system of old-age benefits was developing, a market of goods and services for older people was on the rise, the first "golden age clubs" and retirement communities were established. Gerontology added to that trend, manifesting the importance of its own object.

However, the second socio-gerontological theory, Cumming and Henry's (1961) disengagement theory, embraced a different model of "ageing well." It stated that not all the active individuals were satisfied with their life and not all the non-active ones were dissatisfied with it. According to the disengagement theory, the most appropriate and "natural" scenario of the relations between an older person and society would be their gradual mutual alienation. An individual, while ageing, keeps drifting away from society, immerses into one's own inner world, whereas society, from the family to the power institutions, pays still less and less attention to the person, consigning the latter to oblivion. Eventually, there sets

in the final stage of disengagement, death. The somewhat grave mood of the disengagement theory was a reaction to the excessive optimism of the activity theory. Furthermore, forecasts could already be heard warning about future competition between the young and the old on the labor market, for material and non-material resources. Older people were now supposed to focus on themselves, their own life, and leisure.

Both fundamental theories have since then been earnestly criticized, first of all for their alleged one-sided nature. Although the activity theory gained popularity and was later associated with successful ageing, some researchers could not accept the idea of compulsory, “fussy” activity. It was viewed as a normalization strategy promoted by the official and medical discourse as well as the justification of social work with older people (Katz, 1996, 2000). The disengagement theory has been exposed to even more criticism. Particularly, its validity was considered limited as the older generation could be seen withdrawing from society only in Western culture (Gubrium, 1973); some arguments were merely directed against its supposedly negative nature. It was practically not until the 1990s that the marginal theory was to a certain extent, emancipated in Tornstam’s (1999, 2005) theory of gerotranscendence. In his theory, disengagement takes the shape of gerotranscendence; that is the transition to a new personality level happening in old age. This new existential state is characterized by a decrease of interest in the material world, refusal of a lifestyle overridden by achievement, focusing on the main, limiting the circle of connections and activities; therefore, a person obtains opportunities for spiritual development and creativity. According to Tornstam, gerotranscendence is welcomed by most older people.

Meanwhile, the original concept of successful ageing was proposed by Havighurst (1961), understood as life

satisfaction continuing into later maturity. Within this framework, people would be ageing successfully if they were content with their past and present, and the years lived were filled with a satisfactory substance (“adding life to the years”). Successful ageing became one of the most popular ideas in social gerontology, which may be accounted for not only by its allegedly positive nature but also by the looseness of its definition. Since the 1960s, it has inspired numerous research projects and has been linked to such affiliated concepts as “healthy,” “positive,” “productive,” “effective,” “optimal” as well as “active” ageing and others. Though in its author’s view, it was compatible with both the activity and the disengagement model, to the public as well as researchers, the activity theory has seemed closer to successful ageing than its counterpart. The World Health Organisation titled its active ageing program “Add Life to Years,” hence referring one to Havighurst’s successful ageing formula.

Concepts of successful ageing appeared in various gerontological branches. A critical model, known as SOC (selective optimization with compensation), was developed by P. Baltes and M. Baltes in the psychology of ageing and incorporated into social gerontology. Life is seen here as continuous development: not as fading, but rather as an interplay of losses and gains. Thus, while the third age offers all opportunities for successful ageing, one can be active and socially successful even after eighty. In order to attain that, the individual can use specific techniques, namely selection (concentrating on the most significant goals), optimization (improving methods of attaining those goals) and compensation (replacing methods that are no longer available with new ones). Baltes and Baltes (1998) give the example of pianist Arthur Rubinstein (1888–1982) who was long professionally active and as time went by gave fewer performances (selection), rehearsed more (optimization) and changed the tempo to produce an impression of a high speed

of playing which, in fact, he could no more keep up (compensation).

The recent concept of successful ageing most researchers now refer to belongs to Rowe and Kahn (1987, 1998). In their works, old age is seen as necessarily active. By successful ageing they mean: (a) avoiding diseases and disability; (b) maintaining physical as well as cognitive functions; and (c) “full engagement in life, including productive activities and rich interpersonal relations” (Rowe, 1997, p. 367). The more active older individuals are, the better should be their health and emotional state. Rowe and Kahn’s works became a symbol of the so-called “new gerontology,” focusing on successful ageing rather than seeing old age as a time of frailty and disease.

Contemporary Views: Extensions and Criticism

Though some attempted to actually measure successful ageing based on Rowe and Kahn’s three categories, eventually, because of their own perceptions as well as their exposure to lay views, researchers have recently been considerably stretching successful ageing (for instance, religion and spiritual growth were not included in the Rowe-Kahn model, but proved crucial for older informants). What constitutes successful ageing now extends from a balanced lifestyle, independence, and favorable living conditions to death acceptance.

As more researchers now see it, ageing successfully need not mean compulsory physical and social activities which would disagree with older people’s changing physical conditions or their own wishes. Older people, it is stated, ought not to be equated with energetic middle-aged adults, and those less active than their peers must not be left behind while social policy should pay attention to preventive health care (Walker, 2002). Even older people with reduced mobility can

be active enough for their condition, for instance, volunteering over the phone (Boudiny, 2013).

Furthermore, ideas of successful ageing are being spread onto an ever-larger scope of phenomena. Flood (2006) gives a comprehensive definition of successful ageing as an ability to adapt to occurring changes while maintaining one's own identity and existential meaning. Lander V. McCarthy and Bockweg (2013) present "a holistic view of successful ageing." They unite all major socio-gerontological theories under the roof of successful ageing. In the activity theory, they highlight the orientation towards cooperation and altruism; in the disengagement theory, the value of solitude and reflection; in the continuity theory, the idea of ego integrity and self-acceptance; in the life span development theories, the attitude towards old age as a qualitatively new life stage leading to individuals' self-realization. The authors include into their model Maslow's idea of self-transcendence as the highest level of human needs, the Eriksons' transcendental eighth and ninth stage of psychosocial development and Tornstam's gerotranscendence theory. In their view, the most encompassing recent approach is given in Reed's (2003) theory of self-transcendence, which, according to the author, implies a gradual, usually taking place in old age, widening of the cognitive boundaries of an individual, who overcomes the limited views on one's own self, other people, and the world. This can be attained through altruistic behavior, lifelong learning, creativity, keeping a diary, and sharing wisdom with others. The idea that the positive does not have to be entirely positive while the negative may be positive in some way, thus uniting activity and disengagement in transcendence, may seem a promising trend in successful ageing theorizing.

However, the looseness of the definition has proven to be a weak point of the successful ageing concepts and a target for criticism. Timonen (2016) speaks of more than 100 definitions of successful ageing. Moreover, its problems do

not end here. In 2015, “The Gerontologist,” where Havighurst’s article formulating the original concept was once published, devoted a special issue to the issue of successful ageing, analyzing it from various angles and commencing its criticism with the very phrase “successful ageing,” namely to what extent the notion of success can be valid and applicable. An overview of the critical arguments is given in the article written by Katz and Calasanti (2015). Firstly, according to the authors, a substantial part of research on successful ageing still relies on gerontologists’ own idea of success in old age and would not consider what it may mean for older people themselves to age successfully. Secondly, regarding successful ageing as people’s own responsibility, this discourse ignores power relations in society, environmental issues, and other barriers to ageing “well” which lie beyond individual choices. Some older people, and some groups of older people, for example, women compared to men, minorities vs. the core population, tend to have fewer resources for successful ageing. What about people ageing “unsuccessfully”? Elsewhere, Calasanti (2005) writes about anti-ageing propaganda as a manifestation of ageism and criticizes her own colleagues for their aversion to an unhealthy, physically unattractive old age. Besides, the longer people live, the more health issues they are likely to develop; after 85-90, diseases and disabilities are an objective phenomenon. Successful ageing seems to exclude all those people.

Many researchers have recently proposed to reject successful ageing in favor of other concepts. To those belong, Moody’s (2005) idea of conscious ageing by which the author means that people should better recognize and adapt to, not postpone or deny decline. According to Moody, spiritual growth is possible in the face of loss and pain. Liang and Luo (2012) criticize the successful ageing model for an ethnocentric view and suggest it should be replaced with “harmonious ageing” to reflect other, non-Western

perspectives. They see this as the integrity of body and mind as well as the interdependence of one with the world and other people instead of individual success.

Starting with the pioneering study by Bowling and Dieppe (2005), who focused on “lay views” of successful ageing, various researchers have looked into attitudes towards ageing expressed by older people themselves, particularly those the least consistent with ideas of successful ageing, for example, very old, living with a disability, suffering physically and morally, grieving, belonging to other cultures. An interesting example is given by Lamb (2014), who contrasted their views on the ageing of Boston-area financially secure former professionals in their 70s and 80s (stemming from the environment the ideas of successful ageing had come from) with those of Indian villagers in their 60s and 70s. The former longed to sound like successful agers, enumerating the many activities they were engaged in and claiming they had never been happier. The latter were not showing any sign of physical or social activity, only meditating and waiting to die. The inclusive approach to successful ageing is, indeed, challenged in the latter case.

Therefore, some researchers claim that successful ageing has exhausted its potential, such as Timonen (2016) who insists that neither successful nor active ageing concepts are working; they are allegedly just modeling ageing and older people (hence her theory of model ageing), prescribing them what to do and how to be. According to her, what is needed is not a normative theory of any kind, but merely actual research of diverse ageing populations.

Conclusion

One can see nowadays that successful ageing concepts still represent a product of social gerontology in high demand. The discourse in question is forwarded by international

organizations and power institutions, especially in Western countries. To the latter, the realization of successful ageing strategies would mean reduction of retirement expenditures and welfare services costs. Therefore it constitutes an essential component of many contemporary programs in the sphere of social policy towards older people. At the same time, conceptually, successful ageing is now more encompassing than ever; successful is that option which is suitable for the particular individual. This way, successful ageing has become a broad framework not limited to any given theory and capable of embracing the majority of older people. Relatively healthy individuals as well as those with a disability, working and retired, (grand)parents and childless may be said to be ageing successfully if they are content with themselves and their life rather than dissatisfied. In other words, successful ageing is being individualized and psychologized, herewith losing its scientific rigor.

Yet, one may object that this reflects modern trends. With the contemporary level of tolerance and the development of lay cultures, there exist foundations for a positive, harmonious, diverse ageing. People are claiming their right for both a “graceful” and “disgraceful” ageing, for accepting their own ageing body, for seeing ageing not as physical fading, but as spiritual enrichment. Therefore, while, on the one hand, it is possible to speak of the societal pressure older people may be feeling (the cult of youth, beauty standards, and anti-ageing technologies), on the other hand, anyone can follow their own preferred lifestyle and even become a trendsetter. The latter approach is supported by works of authors such as Gullette (2004), for whom old age is a time of “narrative freedom,” and Randall (2013), calling upon people to cultivate irony so that they may get the best of their later years (as it helps individuals to accept the ambiguity of life, to be less serious about oneself and eventually one’s own end). Being in line with those trends, successful ageing may prove a fruitful

framework for the 21st century. However, others may claim that it is just, for example, a reflection of neoliberal values, demanding personal responsibility for the way one lives, or looks.

Thus today, one can observe three major trends in the use of successful ageing ideas by sociologists and gerontologists: (1) considerable numbers of scientists and specialists around the world see successful ageing as an in-demand, funded area of ageing research and practice, as a convenient framework to work in; and (2) for quite a large group of researchers, successful ageing is a nominal, umbrella term for a favorable view of ageing, a positive world outlook and a respective lifestyle in old age, not limited to one theory and encompassing all older people who are relatively satisfied with their life (which can be facilitated by altruistic behavior and spiritual growth). Also, (3) somewhat important is the trend that regards successful ageing as an exclusive rather than a general phenomenon (there are, after all, those who are not, and should not be, happy with their life). This approach is typical of critical gerontological branches, Neo-Marxist, feminist, postmodern gerontology among them. Authors sharing this view believe that concepts of successful ageing reflect current neoliberal values, individualize and psychologize ageing and ignore power relations and structural inequalities in society (that do not let all population groups age are equally “successfully”).

Therefore, those researchers who are using the successful ageing discourse, need to critically assess their use of it. If they are of the opinion that it has research potential, if they consciously believe that success, activity, and productivity for that matter, are highly relevant concepts, they should acknowledge this fact as well as explain to themselves why they think so—or dismiss it and choose other methodological foundations.

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DELALI ADJOA DOVIE¹

Utilizing Retirement Planning as Leverage for Age Reduction among Workers

Abstract: Preparedness inadequacy for the retirement transition is one of the critical reasons for age reduction. This chapter examines retirement planning as a leveraging strategy and vibrant remedy for age reduction using quantitative data obtained from formal and informal sector workers (N=442). The findings show that retirement plans are categorized into short-term, medium, and long-term plans. Collectively, these yield income, health, housing, social networks, leisure, and paid work beyond pensions. Post-retirement income is a significant determinant of the retirement decision. Retirement planning can be used to leverage the lack of preparedness for retirement, which in turn reduces the activity of age reduction. This averts dependency in old age and creates the avenue for successful ageing, which is often heralded by the retirement transition. Further, not planning for retirement and the associated act of age reduction is an indication of the non-acknowledgment of the notion of active ageing. Noteworthy is that age reduction is a portrayal of old age as a shameful loss of youthfulness. This chapter argues that planning for

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retirement may be the best alternative strategy for combating age reduction from an economic outcome dimension. Retirement planning is leveraged without which labor cannot achieve old age oriented social protection at the individual level.

Key words: Workers, Age Reduction, Retirement, Retirement Planning, Successful Ageing

Introduction: Age Issues in the Ghanaian Context

The retirement age of a public officer is sixty (60) years as stipulated clearly in section 199 (1) and (4) of the 1992 Constitution of the Republic of Ghana (Government of Ghana, (GOG, 1992), with variations in certain areas, for example, the judiciary at 70 years (Doh, Afranie and Bortei-Doku Aryeetey, 2014). The Ghana civil service law 1993, PNDCL 327, also states the retirement age of civil servants as sixty (60) years. Yet, there is no fixed age for retirement in the informal sector, except that dictated by ill-health (Apt, 1996). The “retirement principle” mandates that people leave work at a specified or fixed age irrespective of mental or physical ability (GOG, 2010; Novak, 2006; Tonah, 2009). Retirement choices depend on health, financial and domestic circumstances, work satisfaction of employees on the one hand, and the discretion of managers and pension funds, or changes in the labor market on the other including age reduction. The ageing policy articulates the fact that in Ghana, old age starts from 60 years irrespective of gender (GOG, 2010; Doh et al., 2014). This view aligns with the provisions of the African Union (AU, 2002) policy framework on ageing, including other international protocols (Doh et al., 2014).

Age issues in the Ghanaian context may find expression in the manipulation of biological age in a variety of spheres such as football, labor market, retirement and a host of others, culminating in age cheating of diverse forms. For

instance, age fraud has been the bane of football academies Africa in general, and Ghana in particular. Such facilities, mostly blinded by a player's talent, are unable to detect the correct age of prospective students. The biggest challenge is age cheating. Besides, it is difficult for academics to get players in the youth national teams as older players are still getting picked due to their more physically dominating game, but are not necessarily better technical players (Mensah, 2019). Pulse (2017) writes that in 2003, Ghana's Minister of Youth and Sports, Joe Aggrey, conceded that the country cheated on the ages of players registered for international tournaments. He added that in the past we were cheating and winning, but the right thing must be done now.

According to GhanaWeb (2019) as President Akufo-Addo sacks over 60-year old's from government, the Deputy Managing Director of GCB-Bank in-charge of operations has been caught in an age-cheating scandal. This affords him extra years to remain at post, at a time he is supposed to have retired. Available documents accord the Deputy Managing Director, multiple dates of birth, raising concern as to his exact age. There are speculations that he has altered his date of birth with the GCB-bank, hence going on retirement in May 2020. The two documents, namely, a biometric Ghanaian passport and Social Security and National Insurance Trust (SSNIT) card, put his age at 63 and 64 years, respectively. This discovery comes at a time President Akufo-Addo laid off the director of the Bureau of National Investigations (BNI). The 62-year-old was given a contract of two years, but after serving just two months, he was shown the exit. According to sources within the government, there were influential people within the government, who called for his removal using age as well as other factors against him. However, he was paid all his entitlements and the salary as he would have earned, if he had served the two-year contract as directed by the president. Similarly, the Controller and Accountant-General was relieved

of his position for the reason that his appointment was allegedly shrouded in inadequacies and irregularities, and that he was sixty-seven (67) years old at the time of his engagement. Essentially, the continuous stay in this category of individuals in the office and therefore, such scenarios raise public tensions.

In spite of these provisions above, the public service, makes provision for limited engagement or contract appointment as clearly stated in the Ghana civil service document titled: ‘Guidelines on Appointments, Upgrading, Conversion and Promotions (AUCP) in the Civil Service’ 2015, section 9.0 (subsection 9.1-9.8), (GhanaWeb, 2019). Example of individuals engaged under this clause encompasses 68-year-old Kofi Juma of the Ghana Industrial Holding Corporation (GIHOC), 67-year-old, Isaac Osei of the Tema Oil Refinery (TOR), 67-year-old Kwame Owusu of the Ghana Maritime Authority (GMA) and 65-year-old Kwadwo Owusu Afriyie of the Forestry Commission. Others entail 65-year-old Dr. Anthony Nsiah-Asare of the Ghana Health Service, 64-year-old Samuel Annor of the National Health Insurance Authority, 65-year-old K. K Sarpong of the Ghana National Petroleum Corporation (GNPC) including 65-year-old Martin Amidu of the Office of Special Prosecutions. From hindsight, the above mentioned 60-year-olds’ appointments may be reflective of the creation and/or the existence of the opportunity for paid work beyond retirement.

The Ageing Body

Ageing is not one process, but many processes. It has a myriad of possible outcomes, some positive and some negative. Increasing age brings greater experience, including expanded opportunities to become skilled in a variety of activities that range from politics to music on the one hand. This is reminiscent in older adults being the epitome of wisdom, keepers of traditions, and givers of useful advice, and a great

extent of experiences (Atchley and Barusch, 2004; Kpessa-Whyte, 2018). Later life has the propensity to be a time of extraordinary freedom and opportunities once the responsibilities of employment and childbearing are set aside. On the other hand, ageing is a losing proposition for some people, who lose physical or mental capacities, good looks, opportunities for employment and income or positions in the organization in which they belong (Atchley and Barusch, 2004, pp. 4-5).

Ageing is neither predictably positive nor predictably negative. For some, it is mainly positive, whereas for some others it is mainly negative. The way ageing is viewed in society also reflects the two-sided nature of ageing. For instance, the political realm emphasizes the advantages of age. Other dimensions of life, namely employment, stress the demerit of ageing. The family incorporates both positive and negative aspects of ageing. The current literature also provides a view of ageing. Some scholars emphasize the negative aspect(s) when they study ageing people with a focus on sickness, poverty, loss of social roles, isolation, and demoralization. As a result, their theories seek to explore and explain how people arrive at such an unhappy state. From this point of view, therefore, ageing is perceived as a problem. By contrast, some writers stress the positive, perceiving most older persons as being in good health, and in frequent contact with family including having at least adequate incomes as well as a high degree of satisfaction with life (Atchley and Barusch, 2004, p. 5).

Of course, both kinds of outcomes exist. The positive-negative nature of ageing is further reflected in the fact that ageing is both a social problem and of high achievement. Some people in this frame have difficulty securing an adequate income and thus are discriminated against because of their age at work and in terms of social programs, lack healthcare, and need better housing and transportation. The view that these

problems recur regularly is a significant social problem. Such a social problem is responded to differently by different individuals, with some resorting to age reduction and/or age cheating. This study thus explores how individual workers resolve best such social problems.

Ageing and old age take diverse forms (Charles and Carstensen, 2010; Jylhävä, Pedersen, and Hägg (2017) namely chronological age, biological age, psychological age, physical age, social age including functional age. As Quadagno (2014) points out, old age is determined by chronological age, social age, and working age. Chronological age refers to the age we are in numbers (Gubrium and Holstein, 2000).

Ageing is merely a passive or indirect outcome of biological processes (Moody, 2010). Biological ageing, as Astad (2001 cited in Novak 2006, p. 99) writes, is “a process of intrinsic, progressive and generalized physical deterioration that occurs over time...”. Intrinsic ageing includes decreases in lung capacity, loss of brain cells, and hardened arteries. Extrinsic ageing includes changes in the body due to sunlight, smoking, or noise. Four criteria to intrinsic (or true) ageing pertain. First, true ageing is universal. It occurs in all members of a species if they live long enough. Wrinkled skin in humans fits this definition. Second, true ageing is basic to the organism. A person cannot undo it or stop it. Decreased lung elasticity falls into this category. Third, true ageing is progressive. Debris accumulates in the cell over time until the cell stops working. Fourth, true ageing is deleterious. It culminates into a decline in physical function(s). This puts the individual at the risk of illness, leading later on to death (Novak 2006). It is worth noting that chronological age alone is not a good predictor of functional capacity or biological age (Moody, 2010).

Chronological age, a property of individuals may stand as a proxy for biological maturation, psychological development, membership in larger social categories (e.g.,

cohorts), or life stage or phase (Settersten and Maye, 1997). An individual's chronological and physical ages are two different things, and two people of the same age can display a dramatically different rate of ageing. Therefore, chronological age can be a marker of age as well as an arbitrary marker, including a poor indicator of old age. This is because whereas some people may be old at 50 years, others may seem young at 80 years.

The use of chronological age is problematic since it lumps together people of a broader range of generations into a single category (Quadagno, 2014). Talk less of it being deliberately reduced by those who deem it fit for one reason or the other. These and other factors have resulted in social gerontologists defining people based on the roles they play. These roles are a set of expectations and/or guidelines for people who occupy certain positions such as retirees in society (American Senior Fitness Association, 2010; Quadagno, 2014), including working retirement planners. The role here may find expression in the role played by formal and informal sector workers in ensuring a secure future and the associated post-retirement financial security, namely preparing for the retirement transition. Functional age denotes how people look and what they can do. Functional age may be determined by appearance. Grey hair and wrinkles are physical features that are associated with old age. Yet, in today's world, hair dye and face-lifts can alter appearances so dramatically that the usual signs of physical ageing can be mostly obscured (Quadagno, 2014, pp. 6-7). Analogically, obscuring or altering the physical features of the normal signs of physical ageing is synonymous with the pursuance of instituting retirement investments of all sorts. Chronological age is often reduced for diverse purposes including the lack of and/or inadequacy of retirement plans and a host of others.

The chapter is structured as follows. In the next section the dynamics of age reduction is explored ascertaining

its causes and effects, and in the subsequent section retirement and its attendant issues are examined, next is the presentation of the research methods used. The penultimate section examines retirement planning as a mechanism for combating age reduction among formal and informal sector workers from short, medium- and long-term plan dimensions, and finally, in the last section conclusions are drawn.

The Dynamics of Age Reduction

People age in diverse ways at different speed levels and various parts of the same person may age at different rates as well. In the same vein, age reduction is a common phenomenon undertaken at different ages and levels in society. The act of reducing one's biological age to obtain gains of one form or the other denotes the desire for late retirement. It occurs at diverse spectrums of life, namely employment, marriage—age of consent, travel, and visa application (multiple visa categories) among others. This implies that under extraordinary circumstances, the age of consent can be reduced. There exist different conditions for the reduction of marital age in church and civil marriage procedures. In church marriage, to reduce marital age, permission needs to be obtained from the bishop, and in a civil marriage, only the court can reduce marital age (Grigienė, Čerka, and Perkumienė, 2016).

Age reduction is pursued for diverse reasons such as to outwit the labor market or the employment system for which biological age is reduced on paper; age is also reduced by virtue of appearance. Thus, age reduction is expressed in two dimensions—age reduction on paper and in bodily forms. Stated differently, the body ages from two dimensions namely inwardly and outwardly, both of which can be catered for appropriately through a myriad of ways including balanced dieting, exercising, adequate sleep and routine health checks. The first dimension depicts age reduction on paper, especially

in the formal labor market with implications for working for longer years than could typically have been the case from the onset. As part of this first dimension, essentially there are, among others, lowering particularly retirement age, lowering age of criminal liability, lowering marital age, lowering age of consent, lowering voting age, lowering working age, and lowering minimum legal drinking age. All these issues referred to seek to establish a minimum legal age to be able to do something.

The second dimension relates to the usage of anti-ageing products to moderate the physical appearance of individuals, namely facials, hair, and outfits. This depicts the use of anti-ageing products such as anti-ageing creams, surgical face-lifts including collagen implants, dye, facial products, wrinkle eraser, plastic surgeries, and a host of others in an attempt to retain a youthful appearance. The related information pertaining to this are mostly obtained from social media sources (Dovie, 2019a), among others. In addition, advertisements create the belief that we can keep good skin no matter the age. It is worth noting that age reduction pursued is accompanied by acts of concealing age (e.g., spots, wrinkles) by people who have noticed the signs of ageing and do not want to look like older persons in order to avoid the bad social and psychological consequences of being old.

Age is reduced to facilitate continuous participation in the labor market over and above the retirement age while avoiding retirement, hiding the symptoms of old age makes people look and feel young. To the contrary, shortening the time of employment and a more extended period of retirement would lead to very low pensions, higher tax burdens on workers, and slower economic growth. Age reduction is also reflective and/or harbors sentiments of age discrimination at the workplace and the public space (Gough, Adami and Waters, 2008; Quadagno, 2014), which is pushing people to maintain a youthful appearance (Quadagno, 2014), utilizing

anti-ageing products. Thus, connoting an adaptation mechanism for perpetrators. The effects of age reduction encompass opportunities to make more money for people or more income earned by individuals; as well as low government spending on retirement packages.

The key predisposing factors to age reduction on paper entail the prestige attached to the given positions in work organizations in society (Ferguson, Strauss and Vogt, 2005; Gough et al., 2008), weakening of traditional social support system (Aboderin, 2006; Doh et al., 2014; Dovie, 2018b, 2019b; Tonah, 2009) albeit remote, the lack of planning culture, poor time management and poor resource management (Dovie, 2017).

In successful ageing, the specificities of ageing bodies are primarily overlooked while the capacity of the older person to retain a youthful body, for example, with the aid of sexuo-pharmaceuticals is celebrated (Sandberg, 2013, p. 11). This reminisces the common and persistent discourse on ageing as a loss, decline, and deprivation. Sometimes, the physical decline does not culminate from the ageing process at all. Instead, they may be due to various pathologies (albeit diseases), lack of proper diet and exercise, smoking, stress, including other factors. Other declines have been attributed to the process of ageing and may occur at different ages, or not occur at all (Barrow, 1986; Karp, 2000). The ageing body has consequently been discussed as a threatening disruption to identity and self (Öberg, 2003). The decline discourse has been criticized for reinforcing negative and stereotypical images of later life and for overlooking experiences of ageing that involve increasingly healthy and engaged ageing of individuals (Sandberg, 2013, p. 13). The fact is that it does not ultimately challenge age hierarchy and ageism (Calasanti, 2003). Rather, it retains the youth and the characteristics of the youth as desirable (Sandberg, 2013).

Age reduction then has links with social age since individuals reduce their ages to gain “social acceptance and acceptance economically.” Similarly, people reduce their ages for want of social acceptance, primarily through what they wear or how they look regarding appearance as earlier indicated. If it were not for the notion of social acceptance, older adults might maintain their bodies, which in turn epitomizes their acceptance of their natural ages. Using anti-ageing products in embellishing, one’s looks implies age reduction, especially in the Ghanaian society. Age reduction may give the pursuers some form of self-worth, even in an old receptor. In the case of the latter, age reduction is undertaken to remain in the labor market for longer than previously anticipated, usually with the expectation of making more income for longer, as mentioned earlier. This situation has implications for the lack of preparedness of the indulgers for retirement. Hence, the tendency to seek delay in embarking on the retirement transition. This phenomenon is discussed in the section below. De-Graft Aikins, Kushitor, Sanuade, Dakey, Dovie and Kwabena-Adade (2016) posit that research on ageing in Ghana has focused on six empirical areas: demographic profiles and patterns of ageing; the health status (e.g., physical, mental, and sexual) of older adults; care and support for older adults; roles and responsibilities of older adults; social representations of ageing and social responses to older adults; and socioeconomic status, social and financial protection and other forms of support for older adults. This study aims at adding to the literature on socioeconomic status, social and financial protection, and other forms of support for older persons. Put differently; this chapter aims to contribute to the debate on age reduction, retirement planning, and retirement decisions based on post-retirement preparation, particularly incomes.

The Retirement Issue

Retirement has had a varying trajectory. For instance, people worked until they died in 1900, the average person spent 1.2 years being retired, in 1980 13.8 years was spent being retired (Belsky, 1999) and recently at least between 5 and 20 years is spent in retirement (Atchley, 2000; Atchley and Barusch, 2004). Retirement can be defined as “the exit from an organizational position or career path of considerable duration, taken by individuals after middle age, and taken with the intention of reduced psychological commitment to work after that” (Snyman, van der Berg-Cloete and White, 2017, p. 204).

The Social Security and National Insurance Trust (SSNIT) pension scheme including the new 3-tier pension scheme alludes to the fact that the normal retirement age is 60 years (Agbobli, 2010; Doh et al., 2014). However, for some workers employed in hazardous fields, the retirement age is 55 years. Similarly, members aged between 55 and 59 years may opt for early retirement with reduced benefits (Agbobli, 2010; Tonah, 2009). Some others also retire as early as 45 years (Agbobli, 2010).

Retirement planning denotes the various preparations, and the associated preparation portfolios workers institute during active service or the working life phase in anticipation of life after retirement or active service (Agbobli, 2011; Novak, 2006). The critical reasons for consideration in planning for post-retirement life are weakening traditional social support system, increased life expectancy (Zaidi, 2015), the lack of formal social support infrastructure (Aboderin, 2006, Dovie, 2018a, 2018b, 2019b; Holzmann and Stiglitz, 2001). Also, “poor financial planning for retirement is reported to be a major problem among formal and informal sector workers and may compound the overdependence documented among elderly individuals” (de-Graft Aikins et al., 2016, p. 176). Further, not planning towards retirement may engender vulnerability to economic dependence in later

life (de-Graft Aikins et al., 2016; Kunawotor, 2013). In essence, “favourable attitudes towards retirement are associated with planning, company counselling, personal discussions, and exposure to news media presentations about retirement” (Barrow, 1986, p. 169) as opposed to the act of age reduction. In consequence argues that to live a prosperous or trouble-free retirement life is to plan for it now. Since one of the antecedents to age reduction is the lack of or inadequacy of preparedness for retirement, the chapter sought to articulate the role of retirement planning as a meaningful remedy for the challenge of age reduction.

Research Methods

Tema is a typical major Ghanaian city that is privy to and epitomizes an urban setting. It articulates the deepened prong of age reduction among the populace, including workers vis-à-vis retirement planning.

This study is a part of a larger Doctor of Philosophy degree project in which the explanatory sequential mixed methods strategy was employed. Using a three-phase approach comprising first qualitative, second quantitative, and third qualitative phases, the study gathered both qualitative and quantitative data collected between mid-2016 and early 2017. The second phase ascertained workers’ specific views on age reduction and the prospect of retirement planning as its remedy. As a result, the following hypotheses were explored: (1) there is a relationship between retirement planning and remedying the issue of age reduction or cheating; and (2) there is an association between retirement age and age reduction or cheating.

Sample Selection and Size

A multi-stage clustered sampling technique was used to select a sample of 442 workers aged 18–59 years utilizing the formula developed by Moore and McCabe (1993). An

anticipated non-response was built into the survey design. In which case, the total population of Tema according to Ghana Statistical Service (2014) is 292,772, out of which 135,640 are employed, and it was from this group that the sample for the study was selected. The usage of the simple random sampling technique implies that the results are statistically representative and to the general population. Hence, generalizability to the general population is permissible.

Research Instrument

A questionnaire containing two sections was used in the process of data collection. Section one was on the socio-demographic characteristics, namely age, educational level, ethnicity and sector of work. The second section explored issues of retirement aspirations, house acquisition, and ownership. The questionnaire was created based on previous research, input from colleagues, and also the study's research interests. Examples of questions that have been previously used in published studies include questions about retirement planning (Dovie, 2018a). After the initial questionnaire was written, qualified experts reviewed it, especially for grammatical corrections and accuracy. Before conducting a pilot of the questionnaire on the intended respondents, it was tested on a small sample of 30 individuals following the guidelines of Perneger, Courvoisier, Hudelson, and Gayet-Ageron (2015). Afterward, a pilot test among the intended respondents for initial validation was undertaken. All participants completed the same questionnaire.

Together these were collectively contextualized to fit this study and the Ghanaian scenario. The survey questionnaire instrument's reliability was ensured in diverse ways, namely through clear instructions and the wording of questions. The administration of the questionnaire took the form of face-to-face interviews, including self-administration. The face-to-face interviews were conducted in both the

English language and Ghanaian languages, namely Ga, Ewe, and Twi. The questionnaire contained standardized instructions, namely, “please tick where appropriate.” Also, trait sources of error were minimized through interviewing respondents at their convenience. To achieve this, multiple interview appointments were scheduled at one time. The validity of the survey data was attained following Nardi (2006)’s guidelines. The validity of the data was also obtained from face-to-face interviews. Also, the survey sought an alternative source for confirmation through further in-depth interviews.

Data Collection

Institutional Review Board (IRB) approval was attained by the researcher from the University of Ghana. Confidentiality and anonymity were ensured.

A questionnaire was used in the process of data collection. The administration of this questionnaire took the form of face-to-face interviews to eliminate the situation of unreturned questionnaires — the main strategies for finding appropriate respondents comprised of contacting key players in different organizations. Initially, the researcher reminded participants about the aims of the study and that the discussion would be used to suggest future directions. The survey interviews were designed to gain an understanding of the connection between age reduction and retirement planning. Face-to-face interviews were used in gathering data. Face-to-face interviews are endowed with the merit of providing pertinent information while allowing the researcher the opportunity to have control over the line of questioning (Neuman, 2004). The interviews were conducted for a period ranging between 60 and 90 min. Prior to the interviews, informed consent was sought.

It is worth reiterating the fact that the quantitative study was not anonymous. To prevent it from affecting the

results of the study, the respondents were informed about the information that was to be collected from them and how their identities were going to be protected. This information was included in the study's informed consent form as the best way to explain the nature of the data collection and to assure respondents that their privacy was going to be protected.

Data Analysis

The answered questionnaire were cleaned and serialized for easy identification. The survey data were entered into the Statistical Package for Social Science (SPSS) and were analyzed with selected descriptive statistics, namely frequencies, percentages, Chi-square statistics, and Cramer's V test.

Utilizing a 2 tailed test at 5% level of significance, the data were subjected to Pearson Chi-square statistics and Cramer's V test for purposes of ascertaining the relationship between retirement planning and remedying the issue of age reduction or cheating on one hand; and on the other, the association between retirement age and age reduction or cheating.

Socio-Demographics

The study population consisted of 213 males (48.2%) and 229 females (51.8%) aged between 18–59 years. Most of the respondents had some level of education and were constituted by formal sector (221, 50%) and informal sector workers (221, 50%) (Table 1). Overall, the highest educational level attained by a near majority of the respondents (46.4%) was tertiary education. The no formal education designation is merely indicative of the attainment of non-formal classroom education, including those who could not complete primary six. The pre-tertiary category encompasses primary, JHS, SHS, Technical, Commercial, Secretarial, GCE O' Level

education. The tertiary category comprised bachelor's, post-graduate diploma, and master's degrees.

Table 1 Respondent Demographics

Variables	Characteristics	Frequen cy	Percent (%)
Age	18–24	21	4.8
	25–29	42	9.5
	30–34	81	18.3
	35–39	58	13.1
	40–44	67	15.2
	45–49	59	13.3
	50–54	54	12.2
	55–59	60	13.6
Gender	Male	213	48.2
	Female	229	51.8
Educational level	No-formal education	24	5.4
	Pre-tertiary education	212	48.0
	Tertiary	206	46.4
Sector of work	Formal	221	50
	Informal	221	50

Source: Own elaboration.

Workers' Perception of Age Reduction

The predisposing factors to age reduction are diverse. They encompass the desire to earn more income; continuous enjoyment of one's position at work; indecision towards retirement planning; the lack of or inadequate retirement preparation (20%); the fear of retiring; denial; the obscurity of actual age; habit of untruthfulness including delusion about time availability (Table 2).

Table 2 Predisposing Factors to Age Reduction

Factors	Percent (%)
The desire to earn more income	18.1
Continuous enjoyment of one's position at work.	16.0
Indecision towards retirement planning	15.2
Lack of or inadequate retirement preparation	20.0
Fear of retiring	10.0
Denial	5.2
Obscurity of actual age	5.0
Habit of untruthfulness	5.1
Delusion about time availability	5.4
Total	100.0

Source: Own elaboration.

The impact of age reduction may entail feigned youthfulness, albeit physically, psychologically, attitudinally, as well as financially. This may be disastrous in the context of increased life expectancy, inadequate formal support infrastructure, and weakened extended support system. The phenomenon of age reduction can be remedied using retirement planning, which has vividly being discussed in the section below.

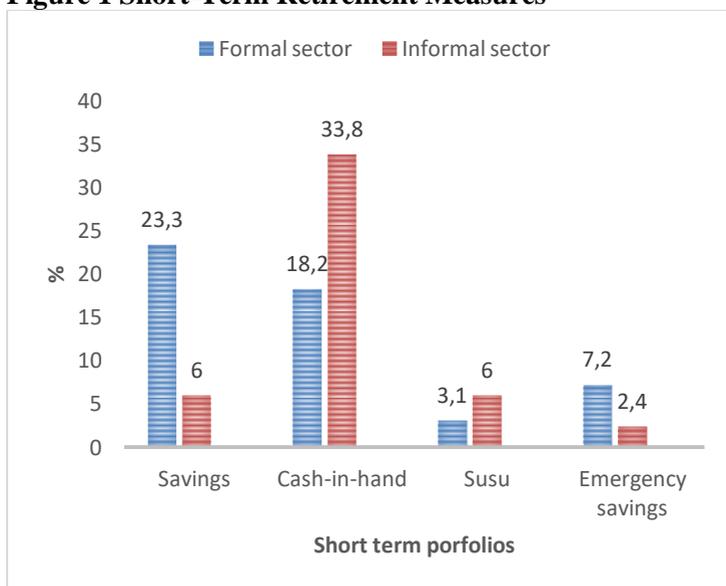
Retirement Planning as a Mechanism for Combating Age Reduction

Age reduction can be avoided and therefore combated through various means including retirement preparation. Planning for retirement on the part of the individual is imperative for a variety of reasons such as the weakening of the extended family support system, increased life expectancy, the lack of formal social support infrastructure even in the ambit of the increased older adult population, adjusting comfortably to post-retirement life as well as ageing-well. The latter point

alludes to the fact that the attitude and/or habit of age reduction is not a feature of ageing-well, rather the reverse.

It is worth noting that retirement plans may be segregated into three distinct categories: short, medium, and long terms. These stages depict the extent to which saved or accumulated funds could easily be spent or otherwise. This order of instituted measures is more futuristic in nature. Savings are the easiest in this context, whereas pension contribution is difficult to touch.

Figure 1 Short-Term Retirement Measures

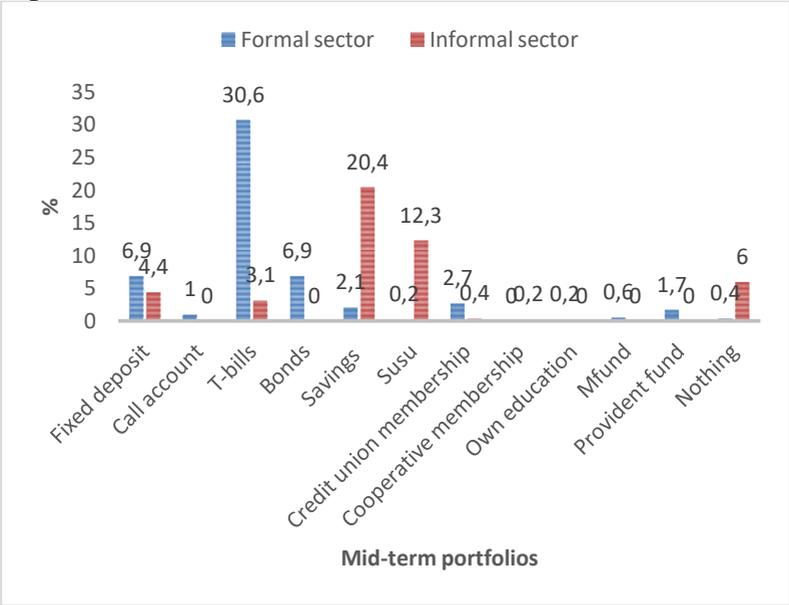


Source: Own elaboration.

The short-term measures are those plans that can easily and with a matter of urgency be taken for use in solving an interim challenge, which could either be reinstated or not. This kind of measure may depict the everyday financial plans put in place by individuals to facilitate daily living, although it

also may serve as a tool for the mobilization of resources for onward investment in retirement portfolios particularly savings and susu. Figure 1 associates cash-in-hand and susu mostly to informal sector workers (33.8%) whereas it also attributes savings (23.3%) and emergency savings chiefly to formal sector workers, but not exclusively. It also creates the impression that formal sector workers save more than the informal sector ones, yet this may not be a given.

Figure 2 Medium-Term Retirement Measures



Source: Own elaboration.

The medium-term plans have the propensity to extensively be both preserved and conserved for financial security in post-retirement life. These measures reveal that fixed deposits, T-bills (30.6%), credit union membership, bonds among several others are mainly instituted by formal

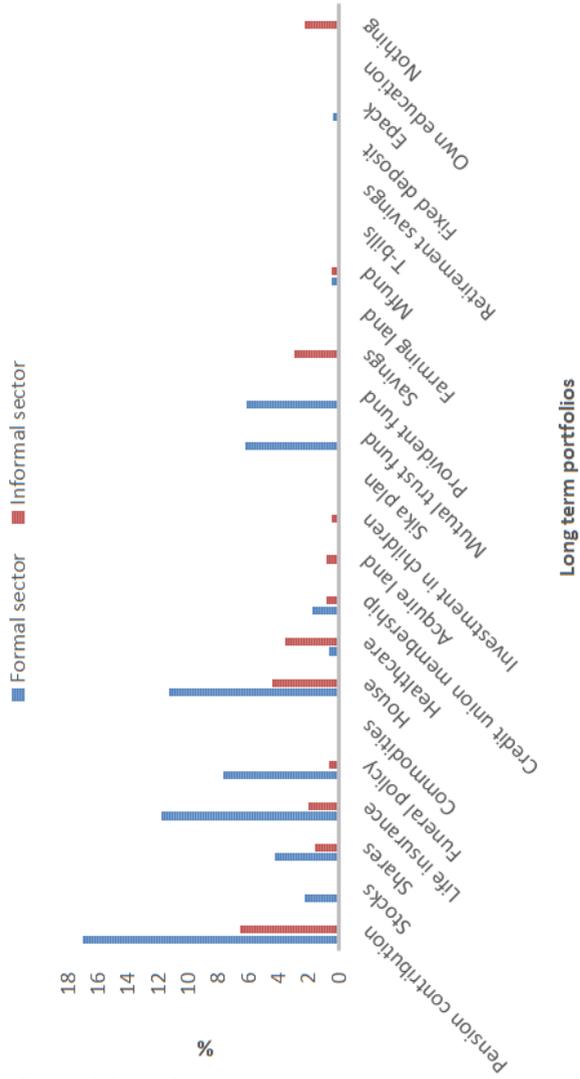
sector workers (Figure 2) compared to their informal sector counterparts who appear to be dominant in the areas of susu² (20.4%) such as cooperative memberships. The medium-term measures also entail an “own education” component, which relates to the retirement planner upgrading or developing the self for promotion, quite apart from investment in children’s education, with implications for increased salaries and wages.

The long-term plans instituted by the respondents comprised direct financial products/assets such as pension contributions, life insurance, funeral policy; Epack³, commodities such as gold; physical assets such as houses including health products namely healthcare plans, and education. Regarding physical assets more informal sector workers (0.9%) have acquired plots of land in readiness for the construction of houses whereas more formal sector workers have acquired houses (11.5%) (see Figure 3 for details). The trend obtained under medium-term plans persists under the long-term measures, where comparatively more formal sector workers invest massively in indirect financial assets, education, among others than their informal sector colleagues, in exception of a few cases namely savings and church welfare that the latter dominate in, including not having instituted any measures at all. This implies that workers have to decide on how much to save for retirement in addition to how much to allocate towards pension wealth. Also, it brings to the fore the issue of estimating how much one anticipates spending and/or depend on during the retirement phase of life prepare towards it.

² Susu is an informal savings mechanism utilized by all manner of people including informal and formal workers.

³ Epack is a financial, particularly a savings product out doored and utilized by DataBank Ghana.

Figure 3 Long-Term Planning Measures



Source: Own elaboration.

Table 3 Test Statistics of Retirement Planning and Remediating the Issue of Age Reduction or Cheating

Tests	Values	Degrees of Freedom	Asymp. Sig. (2-Sided)
Pearson Chi-Square	140.600a	9	0.000
Cramer's V	0.800	9	0.000
N of Valid Cases	442		

Source: Own elaboration.

In furtherance to the intimations above, the survey data were subjected to Pearson Chi-square statistics and Cramer's V test in order to ascertain the association between retirement planning and remediating the issue of age reduction or cheating (Table 3). The Cramer's V = 0.800 outcome indicates a strong association between the two variables. The Cramer's V Test value above reflects the fact that retirement planning positively correlates with curbing age reduction.

In the same vein, the data were further examined using Pearson Chi-Square statistics where the following hypotheses were tested: There is no association between age reduction and retirement age; there is an association between age reduction and retirement age, utilizing a 2 tailed test at 5% level of significance. The resulting p value of 0.000 is less than 0.5 (for details, see Table 4). This implies that there is a relationship between age reduction and retirement planning.

Table 4 Pearson Chi-square Test Statistics on Retirement Age and Age Reduction

	Values	Df	Asymp. Sig (2-Sided)
Pearson Chi-Square	130.503	5	0.000
N of Valid Cases	442		

Source: Own elaboration.

It is worth reiterating the fact that Figure 3 is denser than the medium and short-term ones, with Figure 1 being the sparsest. It also denotes the level of preparedness and attention retirement planning received from these workers, these plans may not be adequate at the individual level per the kind of retirement lifestyle anticipated individually as well as the length of time to be spent in retirement with longevity insight.

The nature of these measures makes it practically impossible to delineate them from ordinary daily living measures. Yet, it articulated the mid and long-term plans, particularly the latter may be outstandingly a retirement-oriented set of plans without a doubt. This further strengthens the fact that retirement planning, although may require quite a deliberate effort to be undertaken, is a core constituent of daily living and yet must be segregated with the urgency it deserves. After all, pension contributions are deducted from the same incomes that workers receive on a daily, weekly, bi-weekly, and monthly basis. Clearly, the results reflect the fact that although both formal and informal sector workers plan for retirement including the diversification of the same, more formal sector workers indulge themselves in the process than their informal sector colleagues. Perhaps, this could be due to retirement age and mandate for formal sector organizations. This may imply two things, either the later lack the requisite knowledge of the existence of and access to financial and related products or that they lack adequate financial resources towards undertaking them including financial resources in aid of retirement or business, the provision of basic needs and the dilemma thereof. Workers' retirement plans, particularly those of formal sector workers, are usually supplemented by employers' retirement schemes.

In addition, information obtained from the 2010 Population and Housing Census (GSS, 2013) reveals that Ghana's economically active population is 10.9 million, with the formal sector forming a small portion of it, and who

contribute only 1% of pension contributions in the country (SSNIT, 2015). This trend is suggestive of the fact that a vast majority (99%) of Ghanaian older adults may be without any retirement income security in the future, in the midst of weakening extended family support system of care and support and increased life expectancy. This situation is worrying and needs to be addressed with policy interventions without which gerontological crisis may emerge.

Significantly, the act of retirement planning is a comprehensive process that is constituted by the articulation of retirement aspirations, financial literacy, the institution of retirement plans, diversification, and monitoring of the same. First, the retirement aspirations may entail living arrangements (housing) (Dovie, 2017, 2018b 2019c); financial security (Dovie, 2017, 2019c; Synman et al., 2017); leisure/employment, social networks, health dimensions (Dovie, 2017, 2018b, 2019c) and therefore the goals of the retirement planning process. Second, with the articulation of these aspirations, the individual then needs to acquire some level of financial knowledge and/or literacy before, simultaneously or afterward in relation to how and where to undertake retirement-oriented investments, what to invest in including resource management. The third process pertains to actually engaging in retirement-oriented investments in pension schemes, funeral policies, social networking, provident and mutual funds, susu, retirement savings accounts, health policy, and a host of others. Fourth, portfolio diversification is another applicable process. It is a context in which the retirement investments are not concentrated in one investment product as usually is the case, pension contributions but into other areas of investment namely shares, bonds, susu, the housing including health plans (Dovie, 2017, 2018a). Yet, portfolio diversification should surpass mutual funds, provident funds, pension funds, savings, bonds, stocks, and shares to entail real estate (Kiyosaki and Lechter, 2002),

social networks, leisure, and healthcare. Last but not the least, is the monitoring of investments made to ensure the requisite dividends are recouped while creating the avenue for the rectification of any existent anomalies, including reconciliation of that with available investment records. However, in the event of failure to plan on a much larger scale, *individuals will be exposed to financial insecurity when retired* (Lusardi and de Bassa Scheresberg, 2016, p. 24) including poverty in old age (Moen, 2006; Kim and Moen, 2002). Significantly, in the absence of planning for old age, some pre-retirees may have to *negotiate care within complex family arrangements and formal care systems* (de-Graft Aikins et al., 2016, p.7)

Interestingly, workers' retirement planning efforts are supplemented by employers' retirement benefit schemes that comprise healthcare, houses as well as plots of land (see Dovie, 2017, 2019c for details). Gerrar (1998) observed that use could be made of employees' retirement benefits to acquire houses for them by their employer(s). This alludes to the fact that workers' retirement plans, especially those of formal sector employees, have two distinct dimensions, albeit labor and employers' contributions, which are distinctively different from pension contributions.

This chapter argues that motivation is key to curbing age reduction among workers. Here, motivation through pre-retirement counseling and financial education is imperative. The articulation of these and the undertaking of retirement investments and diversification, as well as the monitoring of the same, cannot be underestimated. Noteworthy is that all these processes may be undertaken simultaneously or in a piecemeal manner. In a similar vein, the entire process of retirement planning can be undertaken and/or executed currently or sequentially. The overall outcome of the above-described processes is health, housing, income (and the related security), and social network outcomes. These pillars

collectively facilitate a conducive post-retirement life albeit ageing-well, key among which is income, the ultimate retirement transition decider. Roncaglia (2010) and Zaidi (2015) document that preretirement planning facilitates increased financial security improved health and well-being, including age-friendly infrastructure distribution for onward utilization.

As much as possible, all these are significant concerns about adequate income during retirement is a crucial factor that influences many individuals when choosing an age to retire. Research has shown that finances are the most influential single predictor of the decision to retire and that people are more likely to leave the workforce if they can financially afford to retire than if they cannot (Beehr, Glazer, Nielson, and Farmer, 2000; Dovie, 2018c; Gough et al., 2008; Nielson and Farmer, 2000; Snyman et al., 2017).

As Gough et al. (2008) have noted by investigating the relationship between income and retirement age, they concluded that high earners retire relatively early, while those in the lowest income groups tend to retire later. This may, however, be the situation in exception of ill-health, industrial accidents, or accidents of any form. This suggests that age reduction has implication for workers' actual retirement age as well as embarkment on the retirement transition. Retirement plans generally perform a better function of retaining workers than attracting workers (Towers Watson, 2005). Ferguson et al. (2005) contend that an increase in the pension benefits of \$1,000 increases the propensity of retirement among female teachers by .02 to .08 percentage points. Thus, in an accrual model based upon the current Pennsylvania State Employees' Retirement System (PSERS) plan, a person who enters service at age 20 will have a strong incentive to stay with the state between ages 40 and 50, where the value of pension benefits being earned is equal to 20% to 90% of his/her salary. Once he/she can retire, the value of benefits earned can turn

negative, even reaching as much as 60% of his/her salary, providing a strong incentive to leave.

The phenomenon of retirement planning can be used to leverage the lack of preparedness for retirement which in turn reduces the activity of age reduction, averting dependency in old age and creating the avenue for successful ageing, which is often heralded by the retirement transition. In furtherance to this, not planning for retirement and the associated act of age reduction or age cheating is an indication of the non-acknowledgment of the notion of active ageing. Active or successful ageing ensures full participation of older adults in society. However, this is negated by the lack of resources and opportunities from economic, social, political, service, and civic exclusion and/or inclusion viewpoints. These challenges are overcome with a myriad of strategies, namely age reduction and postponement of the retirement transition. Retirement planning is leveraged without which labor cannot achieve old age oriented social protection at the individual level. As Ashby (2013) points out, “without leverage labor cannot achieve gains...” (p. 347). It is here argued that the ultimate leverage labor has against age reduction is its ability to plan for retirement.

Conclusion

This chapter sheds light on the diverse predisposing factors to age reduction, causes and effects, and how age reduction can be combated in Ghana. Age reduction is not an immunity to the process of ageing. Instead, it portrays old age as a shameful loss of youthfulness. It argues that planning for retirement may be the resilience tool or strategy in combating age reduction or age cheating and its associated tendencies in Ghana. Because retirement planning is a more robust social support mechanism that can better reflect the reliability level of post-retirement life, thereby creating a link between age reduction and retirement planning. Retirement is an inevitable

phenomenon, so does longevity in contemporary times. Therefore, planning is the panacea to stability and improved conditions in later life. Age reduction or age cheating is suggestive of the postponement of retirement due to the individual's current socio-economic situation.

Another remedial measure that could be resorted to is the phased retirement model. In this model, an employee transitions from full-time work to retirement by continuing to work on a limited basis (part-time or seasonal) and receiving some amount of his/her pension benefits pertain. The benefits of phased retirement model are two-dimensional. From employers' point of view, phased retirement can be beneficial in that it may: help retain trained personnel; reduce training costs and reduce salaries, and benefits and costs as employees shift to part-time status. Whereas from that of employees, phased retirement can be beneficial in that it allows for flexible work arrangements; a gradual transition into retirement rather than a sudden shift, as well as the opportunity to supplement retirement income or increase future retirement benefits by deferring current retirement income. However, potential challenges such as increase in actuarial costs, reduction in spousal benefits, legal and regulatory obstacles namely systemic refusal to distribute benefits until the employee reaches the requisite retirement age or terminates employment. Finally, phased retirement may violate age discrimination. All these collectively tend to inhibit the implementation of phased retirement.

Age reduction could also be eradicated through the phenomenon of awareness creation and/or re-socialization by the National Commission on Civic Education (NCCE), Ministry of Information, the Ministries, Municipalities and District Assemblies (MMDAs) and the media. Further, use could be made of core values such as truthfulness to the self, society and the nation. It is noteworthy that truthfulness is a virtue. Lastly, adult education, with its non-formal and

informal potential, can also contribute to the successful solution of the problem in question.

The chapter has shown the convergence between age reduction and retirement planning. It is concluded penultimately that age reduction has implications for the age of retirement, the adequacy of post-retirement income including the seeming stimulation of debate on the reform of funded and unfunded pension schemes of and the attendant pension policy re-orientation.

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Housing as a Challenge for the Ageing Population: The Case of Poland

Abstract: This chapter aims at describing the role of housing in the ageing population, on the example of Poland, which is one the fastest ageing country in the world. This issue is significant because housing well suited to the needs of older people means lower expenses in medical and social care. Seniors living in proper conditions remain not only longer healthy, but they may also stay longer active in the labor market. Housing adoption to the needs of an older population means a particular challenge for Poland, where the majority of the housing stock was created in socialism and is inhabited by large by older people. It is crucial to raise awareness of age-friendly housing among the seniors, their relatives, architects, and policymakers. This purpose serves the first model apartment for seniors in Poland, which was created by the chapter's authors.

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Key words: Age-friendly Housing, Seniors' Needs, Central and Eastern Europe, Socialism, Housing Stock

Introduction

The primary goal of this chapter is to discuss the role of housing in the ageing population, on the example of Poland. Undoubtedly, the maladjusted to the older people needs housing poses a great challenge for the Central and Eastern Europe (CEE) where the intensity of the ageing process is particularly pronounced. Poland is no exception in this group, and the country has one of the fastest ageing population in the world. Housing poses one of the keystones of the Age-Friendly Cities concept introduced by the World Health Organisation (WHO) in 2007 (WHO, 2007), what indicates its importance in keeping people active, healthy and independent throughout the life course.

In the first part of this chapter, attention is given to the process of ageing taking place in the CEE area. The values are being presented not only in relation to the overall population but also to its oldest part, aged 85+. The growth of this population group is forecasted to be particularly significant in Poland, and this poses a particular challenge for proper housing, well suited to the needs of the oldest group of people.

In the second part, dwelling environment for seniors as a critical economic factor is discussed. It is pointed out that poor housing conditions older people live in contribute to vast financial expenses caused by the need for medical care resulting from accidents taking place in maladjusted dwellings. Poorly accessible dwellings contribute to social isolation that in turn, may result in mental disorders. The location of older people dwellings in scattered, peripheral areas also leads to alienation and makes the job of social workers less effective. However, above all, proper housing condition may keep a person active and healthy for a much longer time. Thanks to proper housing, seniors may keep

working and thus may contribute to the economic prosperity of the country.

The third part is focused on housing stock development in Poland. The majority of the housing stock in Poland was created in socialism, when Poland, as well as in other CEE countries, experienced very intense urbanization and industrialization process. This has significant repercussions today. The majority of the seniors in Poland live in prefabricated housing stock created in socialism. These dwellings are hardly adaptable, though several amendments can be introduced. Equally important is the environment, in which this dwelling is located. In socialism, the estates were designed with a young population in mind. Today many kindergartens or schools are obsolete and could be transformed into other function better suited for the ageing population needs.

The subsequent part concentrates on the question: What is a senior-friendly apartment? Based on the outcomes of the project of the first model apartment for seniors in Poland done by the chapter's authors, the features of such a dwelling are presented. The initiative is being described in detail in the sixth part. It is worth mentioning that it is a bottom-up, purely private initiative where no public support was involved so far. It is a civic response to the currently observed accelerated process of ageing in Poland. The project had found a vivid response in the press and contributed mainly to a growing awareness of the age-friendly housing in Poland.

Finally, outlook and potential solutions are being presented. It is pointed out that in Poland, in-depth studies on housing conditions of seniors are needed and that cities should also make such analysis on a local level. Apart from that, the state should introduce technical standards regarding new housing stock according to which age-friendly dwellings would be built. The investors, both public and private, should be obliged to create such dwellings and economic incentives

for adoption of existing housing stock to age-friendly standard should be introduced. However, above all, the education of seniors, their relatives, architects, and policymakers on age-friendly housing should become a priority.

Ageing as a Significant Process for Future Spatial Development

Europe belongs to the oldest regions in the world in the demographic terms. According to the WHO it has the highest median age and people in many European countries enjoy the highest life expectancies (WHO Regional Office for Europe, 2012). However, many differences between European countries exist regarding demographic processes, and they tend to grow. These concerns, in particular, the pace of the ageing process.

Nowadays, countries of CEE face a rapid process of ageing. Such an intensity of the process was found in none of the Western European countries so far, and it is expected to increase. This is well exemplified by the cases of Poland and Germany. In 1950 the median age in Poland was only 25.8 years while in Germany 35.2. Nowadays (2015) Poland still can be regarded as the country with a very young population (median age 39.7 years) and Germany together with Japan is described as the country with the oldest populations in the world (median age 45.9). However, this situation is going to be completely different in 2050. It is expected that by that time Poland will become a demographically older country than Germany with a median age exceeding 52 years, while for Germany it will amount to only 50.3 years (statista.com, 2019). It is important to note that Germany with currently many excellent solutions aimed at meeting the needs of older people reached this level because the awareness of the ageing process has existed there already for quite a long time. This is not the case of the CEE countries which “overnight” change from countries with young populations into those with the old

ones. This process was very well described by the World Bank report with a meaningful title “From Red to Grey” (World Bank, 2007). It was pointed out that post-socialist and post-communist countries underwent not only the system transition at the turn of the 1980s but also experienced an accelerated process of demographic change. This process can be linked with very hard economic conditions that arose in the 1990s, which resulted in decreasing birthrate and outmigration of the young to the west that further negatively influenced the natural increase.

However, not only lowering birthrate contributed to the accelerated process of ageing. Another crucial factor was a growing life expectancy, which is going to grow in the coming decades as well. It will certainly result in the increase of the “oldest old” group of seniors (85+) in the CEE. This increase will be higher than the expected one for the Western countries, and it can be well illustrated by the comparison of the situation in Poland, France, and Germany—the largest and neighboring countries in Central Europe (Table 1). The percentage of people aged 85+ in Poland is going to grow until 2060 by more than 3.8 times, while in France this growth will amount to 2.3 and in Germany 2.8 times.

Table 1 Percentage of People Aged 85+ in Years 2015-2060 in Germany, France, and Poland

	2015	2020	2030	2040	2050	2060
Germany	2,64	2,91	4,23	4,73	6,90	7,34
France	2,95	3,36	3,61	5,39	6,31	6,93
Poland	1,75	2,16	2,53	4,81	6,00	6,72

Source: Own calculation based on the data from Eurostat (2019).

Dwelling Environment of Seniors as a Critical Economic Factor

Proper housing conditions are a predominant factor for a successful and happy life on every life stage. However, in the old age, housing becomes particularly important because, with age, people tend to spend increased time in their dwellings (even 80-90%). It is the place where app. 47% of non-fatal injuries among older people (60+) in the European Union occurs (EuroSafe, 2013, p. 16). The economic and societal costs for the consequences of poor design or construction of homes for older people are very high in Europe. In the United Kingdom (UK) the total cost to the national health service resulting from various incidents in unhealthy housing older people live in is estimated to 1.7 billion Euro per year (Garett & Burris, 2015). These are the costs only relating to the health service, and they represent only a fraction of the total costs to society that could be significantly reduced if senior-friendly housing was available.

It has to be noted that real cost resulting from poor dwelling condition are likely to be significantly larger than those directly linked and quantified. The non-accessible character of the flats, poor indoor environment quality causing low physical activity induce gradual but the increased deterioration of health. The inability to move to and from a dwelling result not only in physical isolation of seniors but also significantly contributes to social exclusion and mental disorders.

Poor dwelling conditions can not only be a reason for increased health care costs associated with injuries and illnesses but contribute to lowering the age when seniors are no longer in position to live independent and rely on social care. In Poland, due to lower health level of older people than in the west, the age at which a person starts to need assistance or needs to move to a nursing home is already 75-80 years (Błędowski, Szatur-Jaworska, Szweda-Lewandowska, &

Kubicki, 2012) whereas in Western Europe it is 85. Nursing homes regardless of their standard, are more cost-intensive than independent or semi-independent living. Therefore, support of age-friendly housing should be seen as a way to minimize increased expenses in health and social care.

Not only the conditions offered by the dwellings themselves but also their spatial distribution in the urban structure has an impact on the costs connected with health and social care on seniors. Scattered, often located in areas of poor social infrastructure and services, these dwellings generate extra effort for social workers. It is more money and time spent on travels and making provisions than practical work focused on social and physical activation of the seniors.

Finally, the economic influence of ageing populations should not only be seen through costs. Active and healthy seniors can contribute to the economy instead of being seen as a burden for the system. Although seniors are usually associated with persons who are not professionally active anymore, one cannot deny the influence of seniors on the job market. The share of people over 50 on the job market is prone to increase, and already in many companies, they belong to a valued core of the staff. Having said that dwelling conditions and life satisfaction contribute to work productivity, one should see the senior-friendly housing stock as another economic factor.

The abrupt demographic change in the CEE will bring many challenges, among which the adoption of the housing conditions to the needs of older adults seems to be most pronounced. Although many Western European experiences might be very valuable and useful, the countries of the CEE area need to develop their own responses to maladjusted housing older people live. It is caused by the differences in housing stock between these two European regions.

Housing Stock Development in Poland and Senior Dwellings

Older generations of Polish society have a rather low mobility rate. Surveys conducted among Polish seniors (Cieśla, Cieśla, & Iwański, 2018) indicate a high percentage of old people dwellings in prefabricated multifamily buildings dating from socialist times. This may indicate that those persons moved into their apartments when they were young and never changed them later.

In 1950 the CEE region was overwhelmingly rural: the share of the rural population was over 80% in Bulgaria and Yugoslavia, over 70% in Romania and Poland, and 60% in Hungary (Enyedi, 1996, p. 109). These shares were very high in comparison to Western Europe, where less than 30% of the population lived in rural areas. Therefore, one of the primary objectives of socialist planning was to catch up with the West in terms of industrial and urban development. Indeed, industrialization and urbanization process was very intense during 44 years of the socialist period. Nowadays, the shares of urban populations in post-socialist countries are comparable with those in the West. However, there are substantial differences in the city network structure (people are more concentrated in medium-sized cities) and in the housing stock structure.

In Poland in period 1946-1988 urban population tripled—it grew by 15.7 million, from 7.5 in 1946 to 23.2 million 1988 (own calculation based on census data derived from the Central Statistical Office of Poland). This immense growth required an intensive housing construction. According to the data of the Central Statistical Office of Poland, in period 1945-1988 over 7.5 million flats were built in Poland, most of which are in prefabricated, multi-store buildings. Nowadays, these buildings form a large part of the housing stock in Polish cities. It must be noted, however, that despite high construction rates housing shortage existed throughout the

socialism and it remains on a high level. For this reason, the current National Housing Program envisages building 2.5 million flats until 2030 (MIIR, 2016).

Cities in socialism were planned with a young population in mind. Mostly young people were migrating from the rural areas, and this migration was described as a social promotion. The cities were enlarged by prefabricated estates (in the Soviet Union and Romania called micro districts or micro rayon, in the German Democratic Republic (GDR) “Großwohnsiedlungen” and in Poland “osiedla mieszkaniowe”). These structures included the multi-store apartment’s buildings, social infrastructure, and services. They were designed to host several thousand inhabitants. The average size of the estate amounted to 10 000 inhabitants; however, some were much more populous. The largest Polish estate, Ursynów in Warsaw was planned for 140 000 people. This part of Warsaw is ageing now the fastest compared to other city districts (Cieśla & Iwański, 2017).

Even though many facilities such as schools and kindergartens located at the socialist housing estates are becoming obsolete so far, no discussion has been raised on the methods of adapting them to the needs of the ageing inhabitants. Dwellings and buildings also require adaptations, but these are hard to be done since prefabricated systems construction does not allow for significant changes at low cost.

Overall, Poland witnesses high deficiencies in housing dedicated to older residents both in existing stock and the new one. On the state level, the National Housing Program acknowledges the need in creating flats for older people. However, it concentrates its measures on flats for the young people as it is hoped that by improving their housing conditions also the birthrate will increase. Apart from the state-level housing policy is also led on a local level. Unfortunately, only few cities take measures aimed at creating housing for older people. Worth mentioning are the actions are

taken in Szczecin, Stargard, Poznań, and Ostrów Wielkopolski.

While a closer look into the urbanization process in the CEE region with regard to senior dwelling conditions is needed, the above observation allows for a conclusion that different housing stock adaptation strategies should be created in different countries. In Poland, the most critical type of dwelling seems to be the prefabricated blocks of flats.

Current Situation and Dwelling Needs of Seniors in Poland

Whereas an in-depth study of senior dwelling conditions needs to be done, an initial survey (Cieśla, Cieśla, & Iwański, 2018) allow for the following observations. Majority of Polish seniors' dwell in midsize towns up to 65 000. This is alarming as it is the size of towns which suffer the highest shrinkage and ageing (Śleszyński, 2016) being also much weaker in terms of health and social care infrastructure.

Polish seniors are between 60 and 75 years old they were born in the 1950s during the first demographic high after the war. This group has a relatively high potential for independent living, and most of the physical burdens can be balanced with equipment. Those people can potentially profit most from living independently and usually do not require intensive care. A significant part of them can stay professionally active.

Similarly, to other European countries, it is women who prevail among Polish seniors. Their dominance in the overall number of seniors is connected with the difference in life expectancy of males and females. Interestingly, however, this discrepancy is in Poland much more significant than in other countries of the European Union. According to Eurostat in 2017 life expectancy for men and women in the UK amounted to 79.5 and 83.1 years respectively (3.5 years difference), while in Poland at the same it was estimated on level of 73.9 and 81.8 years (8 years difference) (Eurostat,

2019). Gender of dwelling users seems to be a crucial factor to take into account.

Seniors in Poland live in their dwellings as singles or couples. The larger, multigeneration model is getting less and less popular, represented at present by only a fraction of households. This is followed by the fact that loneliness is being increasingly reported as an issue bothering the singles. Depression is often the consequence of loneliness and isolation. According to the PolSenior survey, the risk of depression among Polish seniors increases with age, and it was reported that in the age group 55-59 1/5 of persons had depression, 65-79 1/4 and in the group with more than 80 years 1/3 (Mossakowska, Więcek, & Błędowski, 2012). The dwelling, therefore, should provide not only retreat but also the potential for easy reaching out to other community members.

There seems to be a considerable discrepancy in the needed and actual size of seniors' dwellings in Poland. Only 20% of the surveyed seniors live in 40-60m² the size best suited for singles and couples. Big dwellings (houses or apartments) cause significantly increased maintenance costs, whereas smaller dwelling does not allow for the accessible and safe arrangement. About half of the surveyed seniors live in multistory buildings without an elevator, and the majority of the dwellings are situated in buildings from the socialist era (Cieśla, Cieśla, & Iwański, 2018).

Although the above depicts the current dwelling environment of seniors as rather discouraging vast majority is against changing their place of residence. This also due to the existing social connections, or merely a sentiment. The most open for a change of address are characteristically those who dwell in social housing projects what indicates especially low satisfaction in this type of dwellings.

What Is a Senior-Friendly Apartment?

Whereas the importance, high demand for senior-friendly apartments cannot be denied it remains an open question what defines such a dwelling. In broad terms, such an apartment should provide optimal living conditions for a person with limitations associated with advanced age to enable independent and active and satisfying live style. The authors of the first model apartment for seniors in Poland stress the importance of three key features: safety, comfort, and ease of maintenance (Cieśla & Cieśla, 2018). These translate into various issues.

Safety should be provided by reducing the risk of common injuries. This is fostered by the barrier-free character of the interior with particular regard to bathroom and kitchen and a set of special aids such as railings. Importantly, thanks to the flexible arrangement on preinstalled fixing points, the safety increasing equipment can be gradually added according to the raising needs of the user.

Comfort has multiple dimensions, among which air quality, thermal comfort, and acoustics play a significant role. Taking into account that seniors are much more sensitive to all disruptors and illness triggering factors, a senior-friendly apartment should be distinguished by elevated standards in all of the mentioned aspects. This does not necessarily result in significant cost increase if taken into account before construction.

Ease of maintenance has its financial and purely physical dimension. Above all, a rightly chosen size of the dwellings allows for optimization in both. Apartments with the size of 40-60 m² usually do not have excessive costs in terms of utilities and are easy clean if adequately furnished and equipped with easy cleanable surfaces. A senior-friendly apartment should also be easily upgraded with telecoms and other infrastructure allowing easier access to services and if so, becoming a serviced apartment.

Problem Awareness and Education Efforts

Although the ageing poses significant challenges both on an individual and national scale, there has been little done about it. The reason for it might have been a still low level of problem and insufficient knowledge of available solutions (Klimczuk & Tomczyk, 2016). Private home buyers or decisionmakers responsible for public housing stock seem to underestimate the importance of senior-friendly dwellings. This is gradually changing, thanks to both public sectors led and bottom-up initiatives.

The Polish government has launched a multisector program called “Accessibility Plus” (pol. “Dostępność Plus”) the aim of which is to increase the general availability of the built environment, equipment, and services to people with disabilities including seniors (MIIR, 2018). The program calls for improvements in law regulations and policies and fosters the dissemination of good practice. Additionally, the National Institute of Public Health in Poland has launched a campaign in media, and a series of events on ageing and connected challenges and solutions implemented followed by a publication of education brochure titled “Features of a safe dwelling for seniors” (Cieśla & Cieśla, 2018).

Local authorities start to realize the problem of the ageing population. In 2007 WHO published a guide on age-friendly cities, which comprised eight different domains referring to the city life (WHO, 2007). Based on that in 2010 a global network of age-friendly cities was launched, which initially had 33 cities, but in the year 2018, their number exceeded 700, 7 of them in Poland (WHO, 2018).

Poland has a network of Third Age Universities with first institutions dating back to 1975; however, most of them in operation since 2010 or younger. Some of those institutions established to keep the seniors active introduce the subject of a

healthy lifestyle with regard to dwellings, such as education on injury prevention.

A relatively new and innovative platform for education, training, and best practice exchange is a model apartment for seniors in Warsaw. This private, bottom-up initiative called “At Home Despite the Age” (pol. “U Siebie Mimo Wieku”) (Mimo wieku, 2019) aims to present a technically feasible complete solution to most of the problems of seniors in apartments. It should be mentioned that the design takes into account the economic factors of the Polish real estate market.

First Model Apartment for Seniors in Poland

A common constraint in implementing proper senior-friendly solutions at homes is the lack of knowledge about what could be installed and how a dwelling for senior should look like. In order to alleviate this problem in Western countries, so-called model apartments for seniors are flourishing. In France, they are named “un appartement témoin pour les personnes âgées” in Germany “Musterwohnung für Senioren.” Their primary purpose is to raise awareness among older people and their carers about what is available on the market, which can help them stay healthy and independent longer. They may focus on particular disorders such as “dementia house” in the UK, where dedicated solutions for people with cognitive impairments are presented. Others show technological advances that support older dwellers. Apart from educating seniors and their carers, these model apartments have also other particularly important function. Namely, they serve as an advertising space for age-friendly products and services. Companies have the possibility to gain new customers—older people, whose number is rapidly growing. In this way, model apartments contribute to the development of the silver economy.

The first model apartment for seniors was opened in Poland in September 2016. It is located in Warsaw, close to a subway station Wawrzyszew. Unlike other Western examples of this kind, it is an entirely private and bottom-up initiative. Its authors (Agnieszka Cieśla and Jan Cieśla) managed to invite 18 companies all together to a dwelling, which was lent for this purpose by their relatives. During two years of existence, it was visited by over 2300 persons, who represented various groups: seniors, their carers but also architects, social activists and representatives of developers interested in creating this kind of dwellings. It is worth mentioning that the apartment was also visited by the representatives of the Ministry of Investment and Economic Development as well as the Ministry of Family, Labour, and Social Policy. Apart from visits and training, the authors were also busy with publicizing about their initiative. The press and others were keen to show this development as a spectacular and positive example of potential countermeasures to challenges connected with the ageing population on both national and individual scale.

Outlook and Potential Solutions

The lack of senior-friendly dwellings will result in increased expenses in health and social care systems. Fostering active and independent lifestyle among seniors and providing senior-friendly apartments seems to be the best strategy as shown by examples in Western Europe. This is a growing necessity for Poland, where as shown above, the process of demographic ageing is particularly fast.

In order to stimulate housing modernization and new age-friendly housing construction, various means should be applied. First of all, in-depth studies and analysis are needed that would show the scale of the needs of older people for proper housing conditions. Such surveys are very costly, and they should be financed by the state. The cities should also be

encouraged to carry out such surveys in cooperation with scientific institutions. It is essential for the cities to properly measure the housing needs of the seniors as this has significant implications on spatial planning. Unfortunately, so far surveys on older people needs regarding housing in Poland are missing. As a consequence, the potential investors (both private and public) disregard older people as potential customers of their investments.

Such studies would also trigger a very much needed discussion on how citizens want to live in the old age. Such a discussion has never taken place in Poland, perhaps due to the fact that so far, the majority of the older persons lived with their relatives and were cared for by them. This changes nowadays abruptly. The caring potential of Polish families is rapidly diminishing due to the outmigration of more than 2 million young people after accession to the European Union in 2004. As a consequence, new models of senior housing should appear.

Apart from that, the state should introduce elevated technical standards regarding new housing stock. It is crucial because particularly in the new housing age-friendly dwellings can be created at low costs in comparison to expensive modernization of existing housing stock. The investors should not only be incentivized to carry out such investments, but they should also be obliged to create a certain number of age-friendly dwelling in each investment. Such a solution is already in place in Germany.

The modernization of the existing housing stock and creating in this way more age-friendly dwellings is also significant, due to the fact that as shown above the majority of the seniors in Poland live in prefabricated housing dating back to socialism. The local government can carry out some measures such as co-financing of the bathroom modernization (the case of Poznań) in reference to communal housing. For private persons owning their flats, banks should provide

financial support in the form of flex. Reversed mortgage with which they could finance the necessary amendments in their flats.

Above all, education of end-users and policymakers is needed. It is vital to talk about ageing and housing needs in the old age also with the young people in order not only to sensitize them to the needs of seniors but also to make them aware of their future needs.

So far, Poland has not witnessed efficient, coordinated programs aimed at increasing the availability of senior-friendly dwellings. Taking into account the relatively weak and deteriorated public housing stock and rather a modest production in the public sector it is the private developers and individuals shaping their demand who may change the situation.

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Exploration of Ghana's Older People's Life-Sustaining Needs in the 21st Century and the Way Forward

Abstract: This chapter investigates older people's needs in contemporary Ghana using the analyses of quantitative and qualitative data sets. The findings identified eight distinct patterns of needs, namely basic needs, care, and domestic help; sociability, emotional and affective support; information; counseling; spiritual needs, free bus rides, and rights. These needs highlight older adults' social and personal requirements regarding daily living and healthcare in their desire to age with dignity. Their provision may avert problems related to population ageing, including old-age dependency. These needs can be addressed through the following measures. First, the facilitation of the informational needs of older people is attainable through the introduction of initiation for adults and/or older people into the social structure and/or life course.

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Second, the provision of houses through the mediation of government on behalf of pension contributors, payable in installments. These may ensure appropriate adjustment to life in old age, albeit longevity. The life-sustaining needs of older people have existed since time immemorial. However, these needs are now taking a new dimension in the era of population ageing and increased life expectancy, economic hardship, and weakening extended family support system. We, therefore, argue that these require interventions at both the family and institutional or state levels or formal and informal levels, particularly needs satisfying programs and policies should be instituted by the government in addition to the existing ones.

Key words: Life-Sustaining Needs, Care, Protection, Age Discrimination, Initiation, Sensitization

Introduction: Social Change in Ghana, Population Ageing, Formal and Informal Care of Older People

A transformational factor in recent times is social change, which has occurred globally, including Africa and Ghana (Dovie, 2019a). According to Apt (2002) and Kpessa-Whyte (2018) social change is caused by modernization, urbanization, and globalization, necessitated by societal and familial changes, albeit inadequate formal support infrastructure (Aboderin, 2006; Dovie, 2018a), declined extended family support system (Aboderin, 2006; Doh et al., 2014; Dovie, 2018a; van der Geest, 2016); and increasing nucleation of the family (Dovie, 2019a). Functionally, the extended family support system still cares for older adults, its declining status notwithstanding, which is a preventive measure against government's fall in the provision of their social needs, namely social care, and healthcare. Ghiara and Russo (2019) have argued that it is widely agreed that social factors are related to health outcomes: much research has served to

establish correlations between classes of social factors on the one hand and classes of diseases on the other hand (p.7).

Ghana's older adult population is mainly attributable to changing fertility and mortality trends (Tonah, 2009). Ghana's ageing population has increased seven-fold over 50 years—from 213,477 to 1,643,381 in 2010 (GSS, 2010). The current percentage of Ghanaians above 60 years is 6.7%. This is one of the highest proportions of that age category in sub-Saharan Africa (GSS, 2013). The phenomenon of population ageing has two distinct dimensions to it; namely, first, women constitute a substantial proportion of older people in Ghana. Second, the fact that the vast majority of Ghana's older people live in rural areas, although the number of older adults in urban areas is also rising.

Population ageing refers to a rise in the average age of the population. Population ageing culminates from increased life expectancy and falling rates of fertility (Novak, 2006; UNECE and EC, 2015; Zaidi, 2015). It is a worldwide phenomenon with different pace and sequel among regions and countries (Holzman and Hinz, 2005). In consequence, as life expectancy increases, it causes a corresponding increase in the population of older adults (Hughes, Kroehler, and Vander Zanden, 2005). The life expectancy of humans has been constrained for decades; this notwithstanding, population ageing depicts the triumph of public health, the advancement in medicine and economic development over disease and injury.

Population ageing has profoundly influenced older people's conditions of life and their welfare problems. The increasing population of older adults has elicited a pressing problem that has emerged concerning taking care of older people (Dovie, 2019a). Particularly, as larger numbers of people survive into old age, the repercussion is an explosion in demand for care, albeit on a long-term basis. Longer life expectancy presently and in the future may lead to older

people needing support for longer years (Novak, 2006). This indicates, for instance, that it is anticipated that growing numbers of older people will suffer from chronic disorders that keep them from living independently (Moody, 2010). What then are the basic needs of this category of people?

Care broadly means ongoing assistance with a wide variety of functions ranging from periodic chores, housework, and transportation to 24-hour monitoring and help with ambulation, bathing and eating (Atchley and Barusch, 2004, p. 212). Care for older people is a widespread phenomenon. In some high-income countries, there is variable funding for social care; for example, Germany has a special tax to help fund this. In the United Kingdom (UK), social care for patients in institutions is means-tested, for example, above a certain level of assets, this is self-funded. The same is in the United States. Consequently, this is an issue facing all countries (Rosenthal et al., 2014). Care provision in contemporary times is a shared phenomenon for both younger and older generations, which may be needed more by the latter category of individuals. However, Kyomuhendo and Boateng (2019) note that older female adults are burdened with the care of generations due to the HIV/AIDS epidemic. Conversely, the neglect of older people (Dovie et al., 2018) may be responsible for the lack of care for them (Dovie, 2019a). All these have implications for life-sustaining needs and the requisite care, particularly for older adults.

Care provision to older people takes diverse forms, varying greatly among countries, and is changing rapidly. Yet, even within the same country, regional differences exist concerning elder care. Globally, older adults consume the most health expenditures than any other age groups. This indicates that comprehensive aged care may be very similar. There exist large proportions of global older people, especially in developing nations, as continued pressure is put on limiting fertility and decreasing family sizes. Traditionally, care for

older people has been the responsibility of family members within the extended family context. Increasingly in modern societies, state or charitable institutions provide care for older adults. This has been due to decreasing family size, weakening family support systems (Aboderin, 2006; Doh, Afranie and Bortei-Doku Aryeetey, 2014; Dovie, 2018a), greater life expectancy of older people, and geographical dispersion of families, among others. There may be the need for using programs for low-income older people in the low-income bracket. The social support needs of older adults increase with advancement in age. These social support needs' provision entails financial interventions, for example, Livelihood Empowerment Against Poverty (LEAP), housekeeping, and supportive services for older people who are marginally independent.

Early research on ageing has shown that the protection offered older people in the Ghanaian society has come under some pressures from modernization, urbanization and search for better livelihoods (Aboderin, 2006; Apt, 2002; Kpessa-Whyte, 2018; Mba, 2010). The life-sustaining needs of older adults are worth examining in this chapter especially in the context of rapid social change, increased life expectancy, population ageing, the decline in the extended family support system and a host of others. Life-sustaining needs in the context of this chapter refer to older adults' social needs that when met will enhance their ability to ascertain improved quality of life. This provides a preview of the situation at hand as well as the way forward in addressing them. This may, in turn, improve the social positions of older people in the 21st century.

Older people's care may range from taking care of a parent or an older person once a week to providing personal care such as bathing or feeding (Novak, 2006) on a daily basis. These needs can further be categorized into formal and informal care. Formal care may mostly be provided by the

state and informal care by the family and/or community. The provision of these needs necessitates a collaborative effort between the family and the state (Dovie, 2019a). Cash-for-care policies have the propensity to exacerbate existing inequalities in care, with negative repercussions for well-being in later life. The supply of needs, therefore, depicts the norms of reciprocity and beneficence. However, the family is strained, for example, by the participation of women in the labor market, thus reducing their capacities to meet these needs (Lloyd-Sherlock, 2004). It is also confounded by the weakening of the extended family support system in contemporary times. Further, population ageing and attendant longevity have consequences for the daily needs of older adults' in Ghana. Hence, the study's objective is to ascertain these needs in contemporary Ghana.

In the advanced world, formal care is predominant due to the existence of the requisite infrastructure (Rosenthal et al., 2014), whereas in the developing world including Ghana, informal care dominates in older adults care provision as a result of inadequate formal support infrastructure (Aboderin, 2006; Dovie, 2018a, 2019b). Movement into formal (private) residential care is pursued by people aged 80+ as well as people in the poorest quintile, women, single or widowed as well as people who have no children or those who have only one child (Evandrou, Falkingham, Maslovskaya and Vlachoutoni, 2012; Dovie, 2019a). Formal residential care tends to occur towards the later part of old age (Evandrou et al., 2012). It requires significant financial resources on the part of older people involved and their children and/or relatives. Formal care reception and/or solicitation is facilitated by highest education quality vis-à-vis impact on earnings over the life course and informal care receipt. As Evandrou et al. (2012) opine, informal care is obtainable in the context of the family structure. In Ghana, similar to most developing countries, the great majority of older people continue to live

with their children or other family relations, where they receive non-formal care.

Care can also be categorized into short and long-term care. Older people with long term care needs, half of those who lack family caregivers are in nursing homes compared to 7% of those with family care (National Academy of Aging, 1997, cited in Uhlenberg and Mueller, 2004, p. 139). It is worth reiterating the fact that older people do not only receive care from family members but also provide care (Bentson, 2004; Kpessa-Whyte, 2018) to developmentally disabled children, grandchildren and many more. Long-term care denotes a range of services designed to assist people with chronic conditions that compensate for limitations in the ability to function independently (Quadagno, 2014, p. 272). Typically, women are the primary caregivers of ill family members with disabilities, including older people (Dovie, 2019a; Quadagno, 2014). Women's salaries tend to be lower than those of men. They also have shorter social insurance contribution periods. The weakening of the extended family support system can expose Ghanaian older adults to high socio-economic pressures. Women's social insurance conditions are also reduced by breaks from the salaried world due to childcare (Bevrukov and Foight, 2004). Women are almost always the main providers of care, whether the responsibility falls to younger daughters, daughters-in-law, sisters, or some other relations. Women do predominate in paid care, either in institutions or working in private households (Lloyd-Sherlock, 2004).

Theoretical Framework and Literature Review

The conceptual framework that guides this study is informed by the application of exchange theoretical approach to the life-sustaining needs such as basic needs, care, and domestic help; sociability, emotional and affective support; information; counseling; spiritual needs, free bus rides and rights, the

situation of older adults. It adopts the theoretical premise that the individual uses experiences to predict the outcomes of similar exchanges in the present (Blau, 1964; Homans, 1961). Social exchanges are more than economic transactions, which entail psychological satisfaction and need gratification. Exchange theory espouses the fact that social life is a service of exchanges, which add to or subtract from an individual's store of power and prestige.

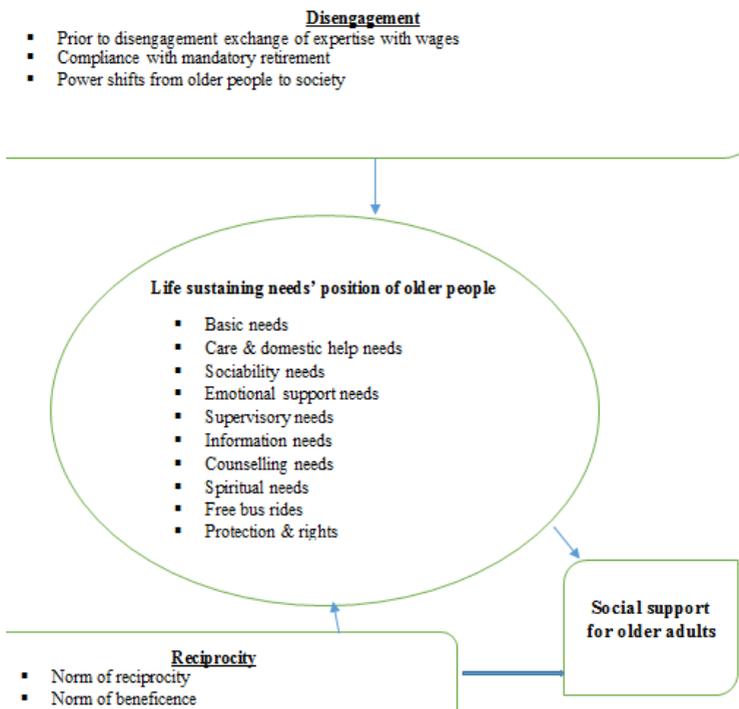
Older people with sources of power such as financial resources or interesting stories to tell find themselves in a better position of power, which in turn makes their relatives the dependent power position holders. Older people who possess little power are forced to pay a high price for visits by family relations with regard to familial obligations (Martin, 1971).

Further, older people gradually lose power until all that remains is a low capacity to reply. For instance, retired workers once exchanged their expertise for wages yet in old age they are required to comply with mandatory retirement, particularly formal sector workers in exchange for social security, retirement pensions, and medical care. In essence, there has been a gradual shift from older people to society (David, 1975). Similarly, the provision of their needs shifts to society, especially with the advancement in age vis-à-vis their increasing population and many more. This depicts compliance with mandatory retirement. The challenge in this context for the less powerful partner (e.g., older people) is that unbalanced exchange may become institutionalized, providing a basis for continuous imbalances. Social interaction and activity often decrease with old age because society enjoys distinct merit in the exchange relationship between older adults and society.

Social exchange finds expression in reciprocity. As a norm, reciprocity elicits the payment of goods or deeds with a

corresponding amount of goods or deeds to maintain a balance in relationships (Apt, 1996).

Figure 1 Conceptual Framework on the Position of Older People on the Basis of Needs



Source: Own elaboration.

For instance, parents take care of their children today so that they will, in turn, take care of them when they are old. However, in society, some people, for example, children and the mentally challenged are unable to repay what they receive. As a result, beneficence (David, 1984) elicits non-rational sentiments such as loyalty, gratitude, and faithfulness. The norm of beneficence is at play at both the personal and societal

levels of relationships. In this chapter, attention is directed at relationships at the societal level indicating that benefits from the government namely social security including other social services and instruments should increasingly be directed at older people per their positions of vulnerability. The norms of reciprocity and beneficence have increasingly remained interesting and valuable concepts with which to perceive older people's positions regarding needs and their subsequent provision pertains. These and the life-sustaining needs of older people are outlined in the conceptual framework (Figure 1).

Old age is often perceived as a gradual loss of physical and mental abilities with increasing difficulty to maintain mobility and independence, with implications for frailty (Halperin, 2019). Aged care is a process of caring for an older person in order that he/she may remain independent for as long as possible (Wagner, 1991). Aged care highlights the social and personal requirements of older people who need some assistance with daily activities and healthcare, but who desire to age with dignity (Kijong and Antonopoulos, 2011) and security. In consequence, the loss of mobility may constitute a severe cause of social withdrawal and physical impairment stressing the need for prevalence and rehabilitation forms of primary and secondary needs. However, ageing, and old age may expose older people to experiencing denial to appropriate health and social care.

Financial stringency is the main reason why middle- and lower-income economic level families cannot maintain their older relatives despite their best intentions. But, maintaining older people in the family implies additional expenditure for the cost of relatively expensive foods such as milk and fruits; the cost of drugs since older people often need multiple medications for long periods for multiple clinical disorders; (larger) accommodation for older people as well as those for group children. As Halperin (2019) notes, this has consequences for intergenerational reciprocity.

Aged care may encompass the fulfillment of life-sustaining needs, such as food, clothing, shelter, and requirements that are unique to senior citizens. It comprises services such as assisted living, adult daycare, long-term care, nursing homes or residential care, hospice care, family, or home care, including social services. Care needs can also be categorized into short-term, intermediate, and long-term as earlier stated. Long-term care is constituted by healthcare and social services needed by older adults, who have lost the ability to care for themselves due to chronic illness and/or condition. Chronically ill older people are already in need of long-term care. Fundamentally, long-term care is different from acute healthcare. The latter is the kind of care that is appropriate for condition(s) that culminate from a single cause, which can be treated by medical intervention (Dovie, 2018b). Chronic conditions that require long-term care do last for a long time and with a myriad of causes, namely Alzheimer's disease, dementia, and stroke, which result in permanent disability. Acute healthcare is an example of long-term care. However, the quality of long-term care may vary widely. Anum, Akotia and de-Graft Aikins (2019) found that older adults are prone to a greater extent to psychological dysfunctions namely loneliness, depression and lower quality of life, which is contrary to the emphasis placed on non-communicable diseases (NCDs) (e.g., diabetes, hypertension, strokes, arthritis) (Dovie, 2019a).

Older people in need of long-term care may be resident in different environments that range from a family residence to a nursing home or assisted living facilities. Older adults with severe chronic conditions often need assistance with activities of daily living (ADLs), irrespective of whether they live in the community or in an institution (Moody, 2010).

Formal and informal social support may play significant roles in providing the life-sustaining needs of older people. This may take the form of formal or state cash

transfers. Similarly, the family may serve as the platform on which the government transmits social protection for older people (Doh et al., 2014). This may be termed 'complementary social support.' This implies that despite the weakening of the extended family support system, it has remained a reliable and available source of social protection for older people.

Methods and Data Analysis

The research project began with some concerns and questions about older adults' needs in contemporary Ghana. The study used quantitative and qualitative datasets to investigate the social care needs of older people, while the questionnaire survey provided the necessary data for the development of an understanding of Ghana's older adults' repertoire of care needs. The qualitative (key) interview data provided an explication of questionnaire-based issues.

A total of 131 respondents were selected as adequate for the study. The proportion of individuals in the present sample reflects those of the population aged 15+ in Accra, using the mixed methods approach. This composition of the study sample was utilized because younger generations live with and participate in the care of older people in their respective residences and thus have knowledge of their needs inasmuch as the older adults themselves do. Hence, the specificity of this research is about the opinions of relatively young people (15+ and 59) over older people's needs (60 and 65+).

Adabraka is a town in the Accra Metropolitan Assembly, a district of the Greater Accra Region of Ghana. Adabraka's population is 36,510 (GSS, 2014). This mixed-methods study was designed to investigate older adults' social needs using questionnaire survey and key informant interviews.

The study adopted the convenience and purposive sampling techniques in selecting the respondents. For the quantitative data, respondents were selected from public formal, private formal and informal sector workers, and retirees. The sample is large enough to help address the research questions accurately. In all, 150 questionnaires were given out, and 131 were returned. However, the usage of the convenience sampling approach means that the results are not strictly statistically representative of the general population. In addition, five key informant interviews were conducted.

Research Instruments

Questionnaire

A questionnaire containing two sections was used in data collection. Section one was on the socio-demographic characteristics, such as age, educational level, and ethnicity. The second section explored issues of social care needs of older people. The questionnaire was created based on previous research, input from colleagues, and also the study's research interests. Examples of questions that have been previously used in published studies include questions about perceived older adult care needs (Doh et al., 2014; Dovie et al., 2018). After the initial pool of questionnaire was written, qualified experts were made to review it, especially for grammatical corrections and accuracy. The questionnaire was tested on a small sample of 30 individuals following the guidelines of (Perneger, Courvoisier, Hudelson, and Gayet-Ageron, 2015). Subsequently, a pilot test among the intended respondents was undertaken.

The survey questionnaire instrument's reliability was ensured in diverse ways, namely, facilitation by clear instructions and wording of questions. The questionnaire contained standardized instructions, namely, "please tick where appropriate." Also, trait sources of error were minimized through interviewing respondents at their

convenience. The validity of the survey data was attained following Nardi's (2006) guidelines. The validity of the data was obtained from face-to-face interviews.

The administration of the questionnaire took the form of face-to-face interviews, including self-administration. The face-to-face interviews were conducted in both English language and Ghanaian languages, namely Ga, Ewe, and Twi.

Interviews

Five interview participants were selected utilizing the purposive sampling technique. Purposive sampling was used because of its importance in the selection of participants who had specific characteristics such as sources of information. The interview themes that emerged were related to the perception of social care needs and suggestions for future studies.

The interviews were designed to gain an understanding of older adults' social care needs. The interviews lasted approximately 30 minutes. Initially, the researchers reminded participants about the aim of the study and that the discussion would be used to suggest future directions.

Each in-depth interview took the form of a semi-structured interview and was conducted individually in the participant's office or chosen the place. The interviews were audiotaped. Face-to-face interviews are endowed with the merit of providing pertinent information while allowing the researcher the opportunity to have control over the line of questioning (Neuman, 2004).

Data Analysis

Methodological triangulation was deployed to include the combination of methods to understand and explain (Greenstein, Roberts and Sitas, 2003) the social care needs of older adults. The answered questionnaire were cleaned and serialized for easy identification. A data entry template for the quantitative data was developed in the Statistical Package for Social Science (SPSS). Subsequently, the responses were entered into SPSS and were analyzed with selected descriptive statistics, namely frequencies and percentages.

Analysis of the qualitative data was undertaken along with six distinct steps. The first step involved the transcription of interviews, with the majority done alongside data collection (Bryman 2008). The second step entailed reading through all the data in order to obtain a general sense of the information; reflect on its overall meaning; ascertain the general ideas emanating from the participants (Creswell 2009). Accordingly, the transcripts were subjected to thematic analysis. Thematic analysis entails the process of encoding qualitative as well as textual information. Despite the strict procedural nature of coding and themes that emerged from constant immersion with qualitative data, Joffe and Yardley (2004) contend that thematic analysis is more exploratory. For the interviews, data analysis was first conducted by the researchers and subsequently by an independent researcher with experience in qualitative data analysis to increase confirmability and dependability. Both researchers ensured dependability by keeping a coding manual, which entailed original extracts from the interviews and definitions of the emergent themes (Johnstone, 2006).

Step three involved coding, comprising the review of transcripts and labeling their parts. The process of coding relates to the creation of analytical categories in relation to data; further different data were grouped based on sameness. The data were turned into fragments, for example, cut and

paste the chunks of data into a file; try to maintain track of origins of each chunk; this was done for doing this for all the transcripts; and finally, come up with a file for each category or code (Bryman 2008). Codes were developed based on emerging information to be obtained from participants. Each of the researchers read the scripts in detail, and then individually coded and categorized data from the same interview. Data from the interviews were coded by the researchers and across the entire interview data capturing diverse views. Through constant comparison, constant refining resulted in a list of themes (e.g., types of need) with their importance determined by frequency, the multiplicity of participants' views as well as uniqueness.

At step four, there was the generation of descriptions and themes that included a detailed rendering of information as well as the use of codes to generate a small number between five and seven themes or categories—types of life-sustaining needs. These themes appeared as major findings. Step five dealt with the interrelation between themes. It involved the use of narrative passage to convey the findings of the analysis; and conveyed interconnected of this case study, the themes analyzed for each case and across different cases. Step six, entailed obtaining meanings from each case while taking note of lessons learned from the study. The analysis was written up with the use of quotes from participants. Noteworthy is that pseudonyms were used for the interviewees to ensure anonymity and confidentiality.

Results

Socio-Demographic Background of Respondents

The study population comprised 57 males (43.5%) and 74 females (56.5%) aged between 15-60+ years. Approximately one-third of the respondents (35.1%) were married, 3.05% have lost their spouses, while 57.3% were single. Most of the respondents had some level of education and were constituted

by public formal, formal private, and informal sector workers. On the whole, the highest educational level attained by the majority of the respondents (68.7%) was tertiary education, while 3.05% had no formal education as evident in Table 1.

Table 1 Socio-Demographic and Economic Characteristics of Respondents

Variables	Frequency	Percentage (%)
Age Category		
18-19	4	3.05
20-24	52	39.69
25-29	14	10.69
30-34	20	15.27
35-39	10	7.63
40-44	7	5.34
45-49	9	6.87
50-54	5	3.82
55-59	6	4.58
60+	4	3.05
Marital Status		
Married	46	5.11
Divorced	6	4.58
Widowed	4	3.05
Single	75	57.25
Educational Background		
No formal education	4	3.05
Primary	1	0.76
Junior High School/Middle School	14	12.98
Senior High/Vocational/Technical	21	16.03
Business college	1	0.76
Tertiary	90	68.7

Occupation

Public sector employed	44	33.58
Private sector employed	43	32.82
Informal sector employed	44	33.58

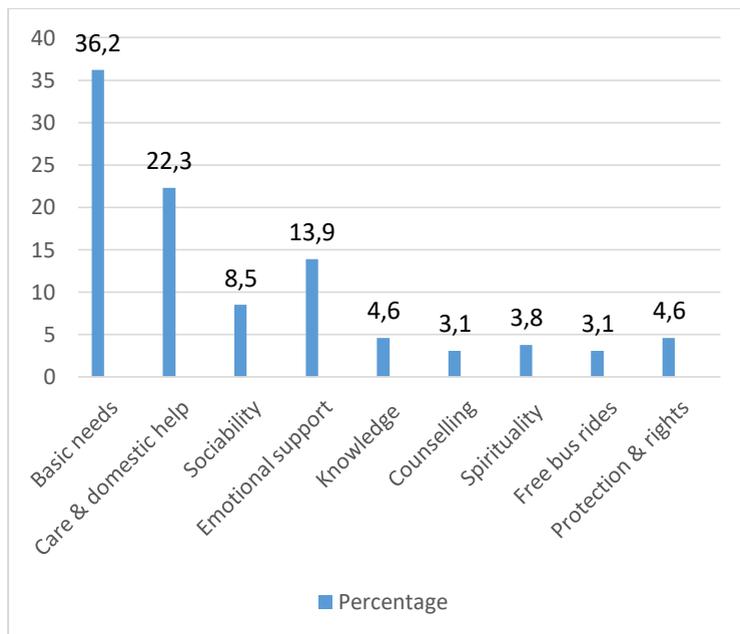
Source: Own elaboration.

Life-Sustaining Needs of Older Adults

The study identifies eight distinct patterns of needs for older adults. These are diverse, the fulfillment of which will boost their well-being as well as the quality of life. Older people's basic needs (36.2%) is constituted by nutrition, clothing, shelter, finances, healthcare, and supervision, including paid work. Finance, which in this context denotes financial support, as a source of legal tender, enables older people to be cared for regarding the provision of proper dietary requirements, clothing, and shelter. However, the nutritional status of older Ghanaians and the determinants of under-nutrition are issues that require rapt attention. Essentially, the determinants of poor nutritional status among older people may include inadequate household food security. As a result, the interview data revealed that: *“there is a need for financial support as well as taking older people to see the doctor at least every 3 months to check their health conditions on a regular basis”* (Interview with Martina). Supervisory needs for older people are based on the extent of their health conditions, including assistance with movements such as sitting, walking, getting up, among others. There are significant diseases in old age namely arthritis, osteoporosis, cancer, Parkinson's disease, Alzheimer's disease, dementia, cardiovascular diseases, peripheral vascular disease, impaired homeostasis, orthostatic hypotension that necessitate supervision. These may constitute life cycle risk factors in the form of orphanages, disability, sickness, unemployment, and old age. The fact that the basic needs of older people constitute approximately 36% of the total needs' patterns observed in this chapter implies that such

needs are essential. This, however, does not suggest that the other needs are insignificant. It is rather because the life of older people may slowly come to a standstill stop without them.

Figure 2 Life Sustaining Needs



Source: Own elaboration.

The need for care, physical and domestic help (22.3%) also pertain. Care needs are expressive of concern, dedication, and attachment. Cumulatively, these needs find expression in helping people in feeding, cleaning up, toileting, walking, moving about including their domestic space. In other words, care needs may range from personal care to home care. Care

may take the form of primary and secondary care. Family care is a primary source of care where older adults stay with their adult children. Secondary care, on the other hand, is in the form of care that older people receive in institutional homes, which in the Ghanaian context is in its nascent phase and is depicted by recreational or daycare centers for older people (Figure 2). These constitute the basis of care. Based on this, a policy on financial assistance to caregivers of older people will be in the right direction.

Sociability needs (8.5%) call for the availability and accessibility of good social relations, companionship, and visitation among the social networks of older people. Inasmuch as older adults need good social relations with their family relations and acquaintances, they also need to have such relations enhanced and/or transformed into one with strong ties of companionship consolidated by frequent visitations, particularly those who do not live with their children and relatives. This has become imperative, due to disengagement on their part from active service, culminating in a reduction in the strength of their social network. This implies that attaining a good social relation composition fulfills a social need that facilitates intergenerational social interaction. Also, older people's active engagement has the propensity to improve their well-being. They tend to thrive in contexts where love, understanding, and mutual respect exist.

Old age, also known as the third age, is a different phase in the life course, with which life-sustaining needs are expressed in emotional and affective support. By explication, the interview data summarizes emotional support need as follows:

“When accessed, it assists in lifting older people to higher levels with regard to going through or having trouble later in old age” (Interview with Mingle).

“It denotes having someone to rely on during trying moments in life, especially in old age” (Interview with Betty).

“Emotional support is reminiscent of the best parts of being in a relationship” (Interview with Nike).

“Affective support for older adults is related to speaking to and hearing them out, nearness to them as well as comforting them” (Interview with Vera).

Pertinent in the context of emotional and affective support are affection, love, and tolerance from children. In recent years, the link between affect and a conducive life in old age has been the subject with increased attention. Affective states such as flow and curiosity have the propensity to display positive correlations with old age, while the opposite effect is generated by negative states, including boredom and frustration. Hence, the goal of many societies is to provide older adults with emotional states that are conducive to leading a fulfilling life in old age. Significantly, emotional needs connote the provision of emotional support.

Information and/or knowledge transfer pattern denotes the fact that older people are a repository of wisdom, which could be transferred to younger generations. This suggests that older adults have a myriad of transformational experiences in life that they can bequeath to younger generations. Similarly, older adults need the requisite information in relation to what to do and how to do it on entering the phase of old age including what is happening around them and issues regarding pension income, healthcare, and formal support infrastructure. In the case of the latter, the National Pensioners' Association provides supplementation through the Pensioners' Medical Scheme (PMS). This need becomes very distinctive due to functioning in a different phase in life with its associated dynamic requirements and needs vis-à-vis the essential resources for a healthy lifestyle and well-being.

Older people need gerontological counseling or advice on what they should undertake to be able to lead a healthy life. Such a life-sustaining need depicts a short or long-term dimension to assistance given to older people to bring about

effective change that enhances their well-being. This suggests that there is a need for some specialist services for older adults situated within larger advocacy organizations. This is because overall, older people tend to remain marginalized regarding more general counseling services in society. Since older people spend more of their lives outside the labor market with limited participation therein, there is the need for guidance for learning in later life that must strongly support life-course transitions, to enhance the quality of experiences and well-being during old age. For instance, it is crucial to have guidance and counseling in relation to learning new roles concerning taking on significant caring roles, dealing with changes in health conditions, becoming a grandparent, or becoming dependent. This may be termed 'gerontological counselling'. This is needed even though older people have needs common to all other age groups, including the need for protection and rights. The informational and/or knowledge needs, as well as the guidance and counseling needs, resonate the significance of initiation among this age category.

Primarily, there seems to be a connection between old age and spirituality. This is because old age appears to have been perceived as denoting an end of life phase. This connotes the departure from the physical world in transition to the other world beyond the natural with supernatural touch and which requires prior preparation. This spiritual need though a prerequisite for all humankind, serves as a unique need for the older generation. Spiritual need, the interview data outlines is a need that older people prepare for by virtue of joining churches or mosques including other religious bodies and fraternities, where regular attendances and diverse shades of commitments are portrayed. Sometimes, they expect to be buried by the latter, if their offspring fail to do so.

Social needs, such as free bus rides, relate to the provision and availability of social facilities such as free boarding on state buses. Transportation needs as the interview

data shows find expression in, for instance, the Eban card to facilitate movement from one place to the other by older people. Eban card is a discount card that gives a discount on state buses to older adults. These peculiar needs have been necessitated by a reduction in the income sources of older people because of retirement and/or inability to work due to diverse reasons. This includes failing health conditions or the inability to stand for long in queues or sit for long or in the process of obtaining a given social service such as transacting business in the banking hall.

These life-sustaining needs highlight older people social and personal requirements regarding daily living and healthcare in their desire to age with dignity. Their provision may avert problems related to population ageing encompassing old-age dependency. These life-sustaining needs of older people, e.g., food, clothing, shelter, health, and protection, have been broadly defined regarding what things are socially anticipated.

Exploration of Measures to Address Older People's Needs

Providing older people's life-sustaining needs may require modes such as the institution of initiation of older people at old age into the life course to provide informational needs that will, in turn, ensure the appropriate adjustment of older adults. Assisting individual workers to acquire houses through government intervention in the acquisition process (62.3%) (see Table 2).

The act of initiation will ensure that older people are appropriately adjusted to life in old age. It will make them have prior knowledge of life after retirement. This is because some older adults are thrown into a state of anomie when they retire. Initiation into the social structure or the life course will perform functions such as help to prepare older adults towards life in old age, albeit, longevity guarding against the perception of ageing experience as a surprise. Programs to

inspire them towards that period comprise good retirement packages. It will serve the purpose of informing them early on about better lifestyles as well as staying healthy, nutritional facts and being productive. This facilitates adequate preparation for life in old age or retirement, including working after retirement or second careers. It may ensure comfortability after retirement as well as create awareness on the possible activities they can participate in to keep them in shape, and how older people can spend their wealth or pension resources in a more economically profitable manner. Initiation should be introduced at 50-59 years to enable older people to meet their requisite demands in all spheres of life. Initiation processes may teach what older adults are expected to do at a particular age. It may provide information on the changes that older people may experience including problems associated with old age and retirement while having a fair share of what they will be dealing with.

Table 2 Measures to Providing the Life-Sustaining Needs of Older Adults

Variables	Total (N=130)	Males (N=51)	Female (N=79)
Introduction of initiation			
Yes	108(83.1)	43(33.1)	50(50)
No	16(12.3)	6(4.6)	10(7.7)
Don't Know (DK)	6(4.6)	2(1.5)	4(3.7)
Government provision of public & civil servants with houses			
Yes	81(62.3)	36(27.6)	45(34.6)
No	46(35.4)	17(13.1)	29(22.3)
Don't Know (DK)	3(2.3)	3(2.3)	0(0)

Source: Own elaboration.

There is a need for proper and more in-depth sensitization regarding the importance of the extended family support system in satisfying the needs of older adults. This intimates the need to promote adequate social protection and care for older adults. The promotion and protection of the rights of older people will help provide the necessities they need at their old ages. It will raise a sense of awareness in the working class to be responsible for dealing with older people through the ratification of the convention on the rights of older people (CORP). The convention will protect older people against exploitation and harsh treatments from other people. In effect, older people must be given more rights as their population increases to ensure that they do not suffer unfairly as a result of the absence of laws that will give them more rights.

The Ghanaian society must be sensitized about the fact that older people can still be productive in society according to 36.2% of the respondents. Further, they can undertake jobs that are not so demanding, such as getting involved in a hobby that will earn them income, so they do not feel excessively dependent on others for their sustenance. Despite these, there are existing legislation and policies such as the 1992 Constitution and the national ageing policy that could be beneficial to older people. Thus, what is actually needed is effective and efficient implementation, monitoring, and evaluation of policies. This seems to suggest that as a nation, Ghana has good laws, legislation, and other legal instruments promulgated, yet the challenge pertains to effective and efficient implementation, monitoring, and evaluation of these mechanisms.

The acquisition of houses by individual workers through the intervention of government, payable through installment is worth exploring. It has the propensity to afford workers the means of owning houses even while living in government bungalows or organizational flats or rented

residences. The attainment of these and the others outlined above are reflective of the exchange theoretical ideology that alludes to the exchange of consolidated care provision for older adults for the expertise they once expensed through the process of reciprocity (David, 1984). However, there is a need for one to psyche him/herself up when young and get to know and understand that old age is inevitable. This is because adjustment initially takes place in the mind.

Discussion of the Facilitation and Provision of Life-Sustaining Needs for Older People

Older people in Ghana are predominantly non-institutionalized people in need of care, from the society and state. The results show that older Ghanaian adults have life-sustaining needs, the conditions of living notwithstanding. These needs entail basic needs (e.g., food, clothing, shelter, and healthcare), care and domestic help, sociability, emotional and affective support, information; gerontological counseling; spiritual needs, free bus rides, and protection needs. Free bus rides are here tagged as life-sustaining needs because when obtained, it ensures that pension incomes are not used on the same. Thus, preserving the said amount cumulatively for use on other necessities of life, considering the cost of living in Accra is relatively high.

Existing literature shows that for instance, the prevalence of under-nutrition is high in older African men (9.5–36.1%) and women (13.1–27%) (Charlton and Rose, 2001). This confirms the findings from other studies that older people are a repository of wisdom (Crampton, 2013; Tonah, 2009; van der Geest, 2002). Essentially, guidance and counseling (Dovie, 2018a) that engages with the learning of older people could, therefore, become more oriented towards these developmental tasks. This is consistent with the argument for the strengthening of the weakened extended family support system (Doh et al. 2014). Dovie (2019a) expands older people's social needs, especially the healthcare

dimension to encompass geriatric care needs, which comprises hospitalization, the absence of segregated care for older persons at health facilities including healthcare expenditures. In terms of care, and incipient institutional care regime constituted by the occasional, adult day-care center and residential archetypes, all of which provide a variety of care avail for older adults. Significantly, there are indications that family support no longer suffices in meeting the basic needs of older people (Aboderine, 2006; Dovie, 2018a), particularly in Accra.

The provision of housing needs can be attained through the mediation of the government on behalf of pension contributors, payable in installments. This may ensure appropriate adjustment to old age, post-retirement life, albeit longevity. These developments imply social development, a context in which economic growth is converted into socially desirable forms of goods, namely housing, healthcare including family welfare. Further, Moody (2010) argues that the biology of longevity, the economics of healthcare, and the right to lead a decent life influence older adults' need. Health promotion entails improved diet or increased exercise, which may reduce the onset of illness and hence, life expectancy (Dovie, 2018b).

Most Africans enter old age after a lifetime of poverty and deprivation, poor access to healthcare and diet that is usually inadequate in quantity and quality. Yet, in Ghana, nutritional interventions and mainstream poverty reduction strategies and targets are mostly directed toward infants and young children, including pregnant and lactating mothers. This challenge of the significant disregard of older people is reflected in the millennium development goals and fewer older adult-oriented policies comparatively in Ghana, which constitute a continuation of the former. This may be due to a myriad of reasons including the relatively small nature of the population of older adults, the younger population is more

vulnerable to poverty than the former, and finally, the traditional family system already provides for older people. Perhaps, this status quo pertains because of the functionality of the extended family system even in its declined state. This may depict the hierarchy of generational priorities. In contrast, studies, for example, Anum et al., (2019) contend that Ghana's older adult population is one of the highest in West Africa. Therefore, older people must be targeted in all cases in equal measure for all state interventions, since older adults' population is on the increase vis-à-vis changes in the traditional family support system (Aboderin, 2006; Apt, 2002; Doh et al., 2014; Dovie, 2018a). Similarly, Bruggencate, Luijckx, and Sturm (2018) note that with a growing population of older adults and the need for them to stay healthy and community-dwelling, satisfying social needs is essential. Above all, these should be done to safeguard the future of older adults. This has significant implications for resource distribution, which may mostly benefit older people regarding the meeting of their life-sustaining needs.

Noteworthy is that older adults continually contribute to the family's overall welfare through helping to raise, educate, and transmit time-honored indigenous wisdom and traditional values to the younger generation in their care while supporting with the performance of minimal housekeeping duties (Kpessa-Whyte, 2018). By contrast, the traditional form of providing care and support for older people depicts a "complex system that includes reciprocal care and assistance among generations, with older adults not only on the receiving end but also fulfilling an active, giving role" (Apt, 2002, p. 41).

These patterns of life-sustaining needs are of essence in relation to population ageing and increased life expectancy. For instance, Ghana's total population has been estimated to have a life expectancy of 65.75 years whereas life expectancy at birth for males is 64.5 years and 69.18 years for females

(CIA World Factbook, 2018). Meeting these life-sustaining needs may offer older adults the opportunity to enjoy life at least to the barest minimum. A better life should be constituted by specific components such as an increase in needs provision. There should be the widening of the distribution of life-sustaining goods namely food, shelter, clothing, healthcare, financial resources and protection; the provision of more jobs for older adults; and last but not the least, to the expansion of the range of economic and social choices available to older adults thereby culminating in their non-dependence entirely on significant others. In consequence, Apt (2002) observed that older people might enjoy old age if they access essential provisions such as adequate food, housing, and healthcare.

In demonstrating how some of the life-sustaining needs, namely rights, protection, informational, counseling, and shelter needs may be addressed, three distinct measures were outlined. First, the United Nations (UN) Convention on the Rights of Older People (CROP) in tandem with the complementarity of the International Plan of Action on Ageing adopted by the World Assembly on Ageing (Nizamuddin, 2002) will facilitate the well-being of older people tremendously. However, the former may entail the ratification of the CROP, which is beyond the scope of this chapter. It is worth noting that older adults have a legal right to receive in-kind services, such as home-care services for designated hours per week dependent on eligibility and levels of disability, and access to a day-care center.

In some societies, people attain recognition as adults by virtue of going through a more or less elaborate ritual of initiation. Initiation is mostly performed for boys, girls, or both which may qualify people to, for instance, marry (Omer-Cooper, 1996). Whereas the initiation of boys is constituted by instructions in all kinds of tribal lore with trials of strength and endurance, the initiation of girls is associated with some instructions on sexual and domestic life.

Initiation at adulthood may constitute a mechanism by which old individuals acquire and maintain wisdom or knowledge in relation to preparing towards life in old age. The initiation at this stage will serve as an age marker as well as depicting how age differences may be perceived. This will determine the age at which people can obtain information in relation to life in old age and the age at which to retire from employment. Initiation at adulthood may serve as a regulation of mechanisms regarding the relationship between different generational groups in terms of the transmission of valuable resources and social status in the social structure based on age. This makes age a salient feature of social classification. It also makes possible social stratification, initiation, or transmission from one stage to another in relation to knowledge, resources, and social positions. This suggests that structure exists at numerous levels and in many forms that range from institutionalized mechanisms of roles and resource allocation (Dovie, 2018a) to the underlying cultural systems of language, knowledge, and aesthetics. This signifies that social structure has a profound influence on the life course (Dannefer and Kelley-Moore, 2009; Tonah, 2009; UN, 2002).

Essentially, Ghana's cultural institution can have an initiation into adulthood and/or old age as one of its constituents with the purpose of creating awareness on what to anticipate in old age. This cultural school of initiation may create a strong sense of awareness among initiates. The program inherent in this school could be conducted under the authority of the district assemblies across the country. After completing the initiation school, the initiates may retain a sense of preparedness for life in old age. Both men and women can attend this school.

The phenomenon of initiation must also be constituted by a counseling component since Ghana lacks a nationwide counseling service delivery, also known as gerontological counseling, particularly for older adults. This will, therefore,

comprise information, advice, and guidance. This new service will cater to the specific needs of older people. Guidance for learning in later life needs to actively support life-course transitions, including an enhancement of the quality of experience and well-being during old age. In essence, where guidance and gerontological counseling about learning new roles relate to taking on significant caring roles, dealing with changes in health conditions, becoming a grandparent, or becoming dependent. Guidance and counseling that engages with the learning of older adults could become more orientated towards these developmental tasks. It is important to take into consideration issues of where and how they are accessed as well as sensitivity to older people's peculiar issues and needs. These measures are complemented by existing state-led interventions discussed below.

Respite care and services, on the other hand, benefit caregivers who may need to rest from caregiving chores to prevent requiring medical help due to excessive caregiver fatigue. Respite care is a type of care that is available if carers need a break, including 24-hour emergency respite cover (Moody, 2010). It requires information about the location and the specific types of aged care services available for older adults. It highlights a variety of health and aged care services, which focus on linking providers, namely hospitals, community services, family support, and aged care in rural and regional areas.

Existing State-Led Interventions

Some of the problems identified as encountered by older adults encompass poverty, poor nutrition, inadequate housing, and poor access to healthcare facilities, including other salient amenities. Existing documentary evidence illustrates that in recent times, there have been programs implemented and aimed at improving conditions of living and thus meeting some of the life-sustaining needs of older people. These

interventions consist of the national ageing policy, which has been promulgated with the bid to empower older adults. It specifies their rights and responsibilities. For example, the national pension scheme enables beneficiaries to receive some amount of money that facilitates the provision of their basic needs whereas the national health insurance scheme (NHIS) fosters older people's access to primary healthcare at a reduced or no cost at all dependent on the age in point. However, the scheme does not cover all illnesses, including surgical operations and hospital admission costs (Dovie, 2018c, Soussey, 2015). Further, the challenge for the older population in Ghana is that the retirement age for public sector workers is 60 years; while the NHIS provides free care to those aged 70+ years (NHIS, 2003). The National Pensioners' Association has the PMS instituted in response to such inadequate resources (Dovie, 2018b). First July in Ghana has been declared as 'Senior Citizens Day' symbolizing a national commitment to the well-being of older people (Mba, 2004).

Others are the Eban Elderly Welfare Card that provides older adults with easy access to social amenities, especially the provision of quick services to persons aged 65 years and above at hospitals, banks, and other public places at a discount of 50% (GOG, 2015). However, if the retirement age in Ghana is 60 years, then the provision of such services or needs should benefit people aged 60 years and above to avert the depicted age discrimination in policy terms (Dovie, 2018c). In addition, one of the six witches' camps in the northern part of the country, precisely the Bonyase Witches Camp in the Central Gonja District (Duodu, 2014) has been closed down. There is also a LEAP for non-pensioners. These constitute the formal social protection measures and informal support infrastructure instituted to facilitate older people's well-being. Yet, as earlier mentioned early on, these are delimited by their provisional age criteria, implying that these

formal measures could be expanded to include others, which have been discussed above.

Conclusion and Recommendations

The life-sustaining needs of older adults can be categorized into nine distinct patterns namely basic needs, care and domestic help, sociability, emotional and affective support need, supervisory need, knowledge; counseling; spiritual needs, free bus rides, and protection and rights. The fulfillment of these needs for older people may culminate in the adjustment to life in old age, including improvement in well-being. In effect, the government should institute and expand life-sustaining needs' satisfaction policies and programs. Preparing for old age may be undertaken at both individual and societal levels. For this course, individuals need to prepare adequately regarding both financial as well as preventive healthcare early towards old age. On the social front, small and gradual changes spread over a longer period is imperative. Given existing policies, significant increases may ensue in population ageing with regard to costs associated with a pension, health, and long-term care. Meeting these needs seeks to suggest that no one is left behind, including older adults in resource allocation and distribution in the country from a developmental viewpoint. This is consistent with Ban Ki-moon's statement that: the post-2015 development agenda offers a historic opportunity for the UN and its member states to strengthen the rights and roles of older persons in society as an integral part of our commitment to 'leave no one behind.'

Collectively, these remedies would improve the social positions of older adults in an era of declining extended family support system and increased life expectancy, actualized through the meeting of their life-sustaining needs. These, when attained, are reflective of the practicalisation of the norms of reciprocity and beneficence (see Apt, 1996; David, 1984 respectively for details), with implication for the

effectiveness of formal and informal social support by the family, the community, and the state.

Longer life expectancy now and in the future may lead to increasing numbers of older adults requiring support for more years. The needs of Ghana's older adults in the 21st century is indicative of the fact that traditional patterns or family-based care have undergone rapid change. The provision of these distinct needs significantly contributes to the satisfaction of older people's individual and life-sustaining needs.

It is concluded that there is a connection between needs, age discrimination, and the rights of older people. This may depict ageism, which refers to the stereotype, prejudice, or the discrimination older adults are exposed to. Age discrimination depicts the treatment of people differently based on age, as demonstrated in this chapter.

These have been tolerated in society, although they have the propensity to culminate into the violation of older people's rights. The lives of older adults can be changed by enabling them to lead lives full of dignity, particularly attainable through initiation and gerontological counseling, housing or shelter provision, and a host of others. In effect, these can be made a better platform for nurturing improved well-being with opportunities for growth, resulting in the strategic satisfaction of older persons' life-sustaining needs. Therefore, these serve to improve the social position of older people in the Ghanaian society in the long run. It also serves to provide life-enhancing services to older people in the 21st century. While all the life-sustaining needs of older people examined in this chapter are essential, the call for visiting patterns and emotional and affective support among others confirms the weakening nature of the extended family support system. Suffice it to say that considering family-focused legislation targeted at promoting necessary and reciprocal arrangements among family members will promote and

consolidate the provision of visitation, including emotional support for older adults.

Planning for housing for the aged population requires considering social and physical concerns. A continuous assessment of the health, work, household, care, economic, psychological, or emotional and social statuses of older people should constitute a definite prerequisite for the provision of these needs. Also, foster care and adoption services may be promulgated and rendered to the benefit of older people. Recreational centers need to have news about them reaching out to the masses through sensitization. The life-sustaining needs of older adults have existed since time immemorial. However, these needs are now taking a new dimension in the era of population ageing and longevity, economic hardship, and weakening extended family support system. These require interventions at both the family and institutional or state levels. Interestingly, family responses or support is abundant amid its weakening in contemporary times.

Nevertheless, impediments to meeting the life-sustaining needs of older adults entail financial constraints, the lack of political will as well as the absence of a focus on such needs. Yet, a myriad of actions have the propensity to overcome these impediments, namely a comprehensive information system development about the financial, physical, and social situation of older people in Ghana. This may serve as a crucial point of reference for assessing needs, drafting programs, and making rough cost estimates. More so, existing census data, organized to reflect the circumstances of older adults, may provide a good start. Other efforts may entail older people-specific surveys. In furtherance to this, the inclusion of older adults in national social protection frameworks may require starting with existing national strategies, such as the poverty reduction strategy paper for the poorest countries, or the medium-term expenditure plan for others, and doing “stress test” on the older adult. These strategies should then be

subject to extensive consultation with civil society with the reformation of an implicit social compact as a purpose. This also encompasses the mobilization of resources and finally, the formation of external partnerships to attain the provision of older adults' life-sustaining needs in the 21st century.

Since the government is not forthcoming with a consolidated aged care regime for older people, informal care needs to be invigorated to attain the same aim. Stated differently, based on current situational analysis, informal care may be better for meeting the life-sustaining needs of older adults in Ghana. With time, however, a new model of care called 'mixed care' may have to be created, combining formal and informal (familial) care for older people.

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Research on the Development of the Elderly Care Policies in China

Abstract: The population ageing of Chinese society is deepening. The elderly care policy is a policy standard formulated by the government to protect the rights and interests of older people in the process of actively coping with the population ageing. It has crucial guiding significance for improving the elderly care services and carrying out pension practice. Since the reform and opening-up⁴, China's elderly

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⁴ Reform and opening-up is a series of economic reforms initiated by the People's Republic of China on December 1978 and a basic state policy for implementing socialism with Chinese characteristics. The

care policy system has gone through three stages of initial construction, development, and transformation, showing a development direction from aid to service, from one to multiple, from unique to general. In general, China has primarily formed a complete framework of the elderly care policy system, the rights, and interests of older people have been strongly guaranteed, the elderly care service industry has developed rapidly, and the quality of elderly care service has been effectively improved. However, in the process of policy development, there are still problems such as difficulty in implementing policies, low effectiveness, vague content, and fragmentation of policies. In the future, it is urgent to establish a complete, scientific, reasonable, and effective elderly care policy system. It should further expand the scope of benefits of old-age care policies, promote the coordinated development of the elderly care policies between urban and rural areas and among regions, strengthen the guiding and leading role of the government, and refine policies on personnel training, so as to form a powerful driving force for old-age care.

Key words: Elderly Care Policy, Population Ageing, Policy Evolution, Social Security, Elderly Care Service

Introduction

In 2000, China accounted for 7% of the population of older people over the age of 65 and had been climbing ever since⁵.

reform was pushed forward by the communist party of China (CPC) under Deng Xiaoping, and was proposed at the third plenary session of the 11th CPC central committee in 1978 as internal reform and opening up to the outside world.” This decision changed the situation that the mainland of China was gradually closed to the outside world after 1949 and made the People’s Republic of China develop rapidly.⁵ On the issue of an ageing population, the United Nations has a unified view: when the proportion of people aged 65 and overtakes

In 2005, the population of older people over the age of 65 exceeded 100 million. In 2017, The population of older people increased further to 15831 million people, and the proportion of the population of older people over the age of 65 soared to 11.4%. According to the United Nations (UN) World Population Prospects (2017), by 2040, China will become a super-aged country, and by 2050, the population over 80 will exceed 100 million. However, because the development of social security support system is not perfect and has the typical characteristics of “getting rich before getting old” and “getting old before getting ready” (Nie, Huang, 2015; Sun, Gao, 2018), the elderly care problems in China are extremely severe. An old-age service system, which is based on individual families, backed by the communities, supplemented by different institutions, boasts a more complete range of functions, is of an appropriate scale, covers both urban and rural areas and combines medical treatment with endowment care, shall be established as soon as possible. Against this background, the Chinese government has successively issued a series of relevant policies.

Literature Review

Under the circumstances of the convergence of factors such as before getting rich and before getting old, urban-rural dual structure, family miniaturization, and empty nest trend (Yu, Liu, 2013, Feng, Nie, 2016), ageing is showing the characteristics of large base, fast growth and apparent ageing trend, which poses a severe challenge to the current the elderly care policies in China (Wang, Zhang, 2013). At present, research on the elderly care policies have entered the

up more than 7% of the total population, it is called an ageing society. If it is over 14%, it is called an aged society, and if it is over 21%, it is called a super-aged society. The older people in this chapter refer to those over 60 years of age stipulated by Chinese law.

substantive stage, and there are 2115 articles on the elderly care policies and the elderly care security in China Academic Journals full-text database (CNKI) from 2005 to 2016 (Wu, Tang, 2018), which have achieved fruitful research achievements.

From a macro perspective, the elderly care service and industrial development are relatively lagging, unable to meet the growing need for providing for older people (Zhen, 2018), and it is required to start from the perspective of national strategy and long-term planning of ageing work, and the elderly care policies system shall be established in line with economic development level (Yuan, Li, Dang, 2009), ageing characteristics and older people wills (Peng, Hu, 2011).

From the micro-level, to build an evolutionary elderly care policy system, on the one hand, it needs to reshape the value position of the elderly care system arrangement, adjust the relationship between short-term objectives and medium-term and long-term strategies, and pay attention to the role of family capacity development in the elderly care sustainability (Hu, Peng, 2013) and on the other hand, it shall also be paid attention to the gender characteristics in the ageing process and establish the elderly care security system with social responsibility as the main body (Tong, 2008). On the whole, the Chinese academic circles are scattered over China's research on elderly care policies and lack of systematic analysis.

Due to historical reasons, older people undertakings in China started in the late 1970s, and the number of related elderly care policies began to increase. Therefore, this chapter mainly combs out the elderly care documents issued after the late 1970s and focuses on the interpretation of the policies issued in recent years, describes the development track of the elderly care policies in China, analyzes the development demands in the policies, and evaluates the policies to explore the innovative ideas and countermeasures of the elderly care

policies, so as to provide reference for the future adjustment of the elderly care policies.

The Historical Track of the Elderly Care Policies in China Evolution

Since the reform and opening up, the Ministry of Civil Affairs has resumed its operation; older people undertakings have started to develop and set up China National Committee on Ageing, marking that the ageing work is on track, and the elderly care problems have begun to receive initial attention from the government. Until now, the development of the endowment policy has gone through three stages (Wakabayashi, Nie 2012).

Table 1 The Elderly Care Policy Evolution in China

Period	Representative Policies
The elderly care policy system construction period (1978~1990)	<i>Provisional measures of the state council on retirement and resignation of workers (1978)</i> <i>Report on exploring the establishment of a social security system at the grass-roots level in rural areas (1987)</i>
The elderly care policy rapid development period (1991~1999)	<i>A decision on Reform of the Elderly Care Insurance System for Enterprise Employees (1991)</i> <i>Basic Plan of Rural Society the Elderly Care insurance (1991)</i>
The elderly care policy transformation and all-round	<i>Notice on Accelerating the Pilot Work of New Rural Cooperative Medical System (2006)</i> <i>The Opinions on Promoting Home pension service in an All-round Way (2008)</i>

development period (2000~2012, 2013~)	<i>Several Opinions of the State Council on Accelerating the Development of the Elderly Care Service Industry</i> (2013) <i>The Notice on Guiding Opinions on Promoting the Combination of Medical Care</i> (2015) <i>Guidance of the general office of the ministry of human resources and social security on the pilot implementation of the long-term care⁶ insurance system</i> (2016)
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Source: Own elaboration.

1. Initial Establishment of the Policy System

In 1978, the State Council promulgated and implemented the *Provisional measures of the state council on retirement and resignation of workers, Interim measures on the resettlement of old, weak, sick, and disabled cadres*. These two policies are mainly aimed at the resettlement policies for veteran cadres and older workers who have contributed to the building of socialism. In 1982, the United Nations convened the first World Assembly on Ageing in Vienna, calling on all countries in the world to recognize the problem of population ageing. The Assembly accelerated the establishment of China's ageing organization. In 1983, the State Council officially approved China National Committee on Ageing as a permanent establishment. Since then, China has started an organized,

⁶ The World Health Organization (WHO) defines it as a system of care activities carried out by informal caregivers (families, friends or neighbors) and professionals (health and social services) to ensure that those who do not have full self-care ability can Continue to get the quality of life that you personally like and the higher quality of life, the greatest possible degree of independence, autonomy, participation, personal satisfaction and personal dignity. At present, China's long-term care is in the pilot stage.

leading, and planned ageing work. In the same year, the *Trial Measures for the Elderly Care Insurance for Employees of Urban Collective Economic Organizations* were promulgated, enabling employees of urban collective economic organizations to obtain specific living security after retirement. Since 1984, the elderly care insurance social co-ordination began to be implemented in various regions of the country, and the overall reform of the elderly care insurance system has begun. In 1987, the Ministry of Civil Affairs issued a *report on exploring the establishment of a rural social security system at the grass-roots level*, pointing out that the family's function of supporting older people and children is weakening, while the proportion of older people is increasing, and the task of supporting older people is getting heavier and heavier, advocating the establishment of a rural social security system at the grass-roots level.

At this stage, China's elderly care problems began to receive attention, relevant ageing policies were introduced one after another, the ageing organization was initially established, the prototype of the ageing policies system began to take shape, and elderly care work began to develop in the direction of standardization and specialization. However, ageing policies were mainly concerned with solving the old age life of employees and retired cadres in the old and infirm enterprises, and a systematic working idea has not yet been formed.

2. Rapid Development of the Policy System

In 1991, the State Council issued *Decision on Reform of the Elderly Care Insurance System for Enterprise Employees and Basic Plan of Rural Society the Elderly Care insurance*, which indicated that China began to attach importance to the development of rural the elderly care insurance while paying attention to the city the elderly care insurance. Marking the beginning of the overall social development of Chinese enterprise the elderly care insurance (Yuan, 2001); In 1992,

the State Council issued the Notice of the Ministry of Civil Affairs on Further Accelerating the Development of rural social endowment insurance undertakings, pointing out that the development of rural social endowment insurance undertakings at that time was far behind the requirements of the whole situation and stressing the need to accelerate the development of rural elderly care insurance further. In 1995, the State Council issued the Notice on Deepening Reform of the Elderly Care Insurance System for Enterprise Employees, proposing the objective of establishing the elderly care insurance system that meets the requirements of the socialist market economic system and applies to different older groups in cities and towns. In 1999, the Ministry of Culture issued Opinions on Strengthening the Cultural Work of the Elderly and stressed the need to vigorously build the culture of older people, build cultural venues for older people, do an excellent job in university education for older people and enrich the lives of older people.

At this stage, China began to adjust ageing policies, began to pay attention to different older groups, and emphasized the protection of rights and interests of older people at the legal level. At the same time, the city the elderly care insurance has been steadily developing, and the rural the elderly care insurance is moving towards standardization and rapid development, marking that the elderly care insurance has also begun to develop towards a more comprehensive and inclusive direction, and the practicability of the policy has gradually increased.

3. Comprehensive Development and Transformation of the Policy System

After entering the 21st century, elderly care policies in China began to enter a period of rapid development. By the end of 2017, there were nearly 120 rules (Chen, 2018) and regulations related to the elderly care in China. In 2000, the

State Council issued *Opinions on Accelerating Socialization of Social Welfare*, stressing that social welfare organizations enjoy equal treatment with government-run social welfare organizations. In the same year, the State Council also issued *the Notice of the Ministry of Finance and the State Administration of Taxation on Tax Issues Concerning Elderly Service Organizations*, pointing out that it is necessary to strengthen the construction of the elderly care service institutions vigorously and vigorously support social welfare organizations. Social welfare is no longer a unilateral commitment of the government, but a transformation to the society to accelerate the socialization of social welfare. With the development of urban medical care, China has also begun to attach importance to the development of rural medical care and has begun to pilot the reform of rural medical care system since 2002, with the emergence of a new rural cooperative medical care system. In 2003, the State Council issued *Opinions on the Implementation of Rural Medical Assistance* to clarify the objects and methods of medical assistance. In 2006, the State Council ministries jointly issued *the Notice on Accelerating the Pilot Work of New Rural Cooperative Medical System*, advocating the provision of high-quality and convenient medical services for rural residents. In 2013, the State Council executive meeting discussed, and the approved *the Task Measures for Deepening Reform and Accelerating the Development of the elderly care service* calling for strengthening the development of ageing and proposing the objective of building an urban-rural the elderly care service system by 2020. In the same year, the State Council released *Several Opinions of the State Council on Accelerating the Development of the Elderly Care Service Industry*, which clearly stated that the Chinese government needed to encourage private capital to participate in the elderly care service industry, thus 2013 was regarded as the first year of the elderly care industry. In 2015, General Office of the State

Council forwarded *the Notice on Guiding Opinions on Promoting the Combination of Medical Care* and the elderly care service issued by the Health and Family Planning Commission and other departments, proposing the concept of combining medical care and nursing to provide older people with a health services and the elderly care services. In 2016, the Ministry of Civil Affairs issued *the 13th Five-Year Plan for the Development of Civil Affairs*, proposing to promote the rapid development of the elderly care service industry, strengthen the informatization of the elderly care service system, and strive to explore and establish a long-term care guarantee system.

During this period, the population ageing has been highly valued by the government; the ageing policy has been developed rapidly, the content of the policy is more comprehensive, has gone through the transformation from “resettlement and assistance type” to “comprehensive service type.” It pays great attention to the development of the elderly care service industry and the improvement of the elderly care service quality and gradually emphasizes the use of multiple methods to meet older people’s cultural and entertainment needs while ensuring the basic livelihood of older people, reflecting the characteristics of practicality and popularity.

Achievements of the Elderly Care Policies

1. The Elderly Care Policies System Framework Was Formed

After decades of development, China has primarily formed a system based on the *Constitution*, relevant fundamental laws, and some national and local policies to provide services for older people. The elderly care policies are involved in elderly care insurance, health care, daily care, cultural education, and the rights and interests of older people. For example, *the Decision on Reform of the Elderly Care Insurance System for Enterprise Employees* was issued in 1991, proposing the

establishment of a multi-level the elderly care insurance system combining primary the elderly care insurance, supplementary insurance for enterprises and personal savings the elderly care insurance. *The Decision on Establishing the Basic Medical Insurance System for Urban Workers*, promulgated in 1998, points out that accelerating the reform of the medical insurance system and ensuring the basic medical care for urban workers are objective requirements and important guarantees for the establishment of a socialist market economic system, and proposes tasks and principles, coverage and payment methods for the reform of the primary medical insurance system for urban workers, establishing the necessary medical insurance pooling funds and individual accounts, improving the management and regulation mechanism of the necessary medical insurance funds, strengthening the management of medical services, properly solving the medical treatment of relevant personnel, and strengthening organizational leadership. In 2006, *the Notice on Developing the Elderly Care Service Industry* was issued, which provides guidance for the development of the elderly care service Industry. In 2016, *the Opinions on Further Expanding Consumption in Tourism, Culture, Sports, Health, Education and Training for the Elderly* was issued, pointing out that under the current environment of sustained and steady growth of domestic consumption in China, the elderly care policies shall be reformed and innovated to increase effective supply in the consumption field, make up for shortcuts, improve people's livelihood, promote the development of service industry and drive economic transformation. The policy system of elderly care has been continuously improved and gradually expanded, including elderly care, insurance, geriatric health care, geriatric culture development, and geriatric education.

2. The Rights and Interests of Older People are Strongly Guaranteed

The elderly care policies continue to develop, and the legitimate rights and interests of older people have gradually been adequately protected, and the quality of life of older people has gradually improved. *The Law of the People's Republic of China on the Protection of the Rights and Interests of the Elderly* promulgated in 1996 clearly emphasizes family support obligations and social security, so that older people's work and rights and interests are protected at the legal level. After three amendments in 2009, 2012, and 2015, the content of Law of the People's Republic of China on the Protection of the Rights and Interests of the Elderly has been increased from 50 to 85, adding chapters on social services, humane preferential treatment, and livable environment. The new law on older people not only makes it a long-term strategic task for the country to cope with the ageing population but also will often go home to read and write into the law, meeting the increasingly urgent spiritual support needs of today's society older people. *The Notice on Printing and Distributing the Outline of the National Health Service System Plan (2015-2020)* issued by the General Office of the State Council in 2015 emphasizes the combination of medical care and support, promotes the strengthening of cooperation between medical institutions and the elderly care institutions, coordinates medical services and the elderly care service resources, and guarantees the elderly care service quality. Our country is continuously exploring a new way of combining medical care with the elderly care, integrating social resources, combining medical care with the elderly care resources, maximizing the use of social resources, and providing better the elderly care service for older people in our country. Our country's elderly care policy coverage is gradually expanding, and the rights and interests of older people, quality of life and physical and mental health are guaranteed continuously.

3. The Elderly Care Service Industry is Developing Rapidly

The Notice on Developing the Elderly Care Service issued in 2006 provides key guidance for the development of the elderly care related industries and personnel training, and points out such policy measures as developing social welfare services for older people, social the elderly care service institutions and services for older people at home, supporting the development of elderly care and hospice services, promoting the development of the market for older consumers, strengthening education and training, and improving the quality of the elderly care service personnel. *The Several Opinions of the State Council on Accelerating the Development of the Service Industry* published in 2013 pointed out that it shall be focused on the overall management of four relationships: Taking care of both career and industry, current and long-term, central, and local authorities, and towns and villages. In 2016, the State Council issued *Some Opinions on Fully Opening up the Elderly Care Service Market to Promote the Elderly Care service quality* further emphasized the importance of the elderly care service industry, pointing out that it is not only a livelihood undertaking but also a sunrise industry with development potential. It shall adhere to the principles of deepening reform, opening up the market, improving the structure, highlighting key points, encouraging innovation, improving quality and efficiency, strengthening regulation and optimizing the environment to develop the elderly care service market and improve the elderly care service quality. In the same year, the State Council issued an *Outline of Health China 2030 Plan* emphasizing that in the field of healthy China, the elderly care industry and Internet medical care are included. Facing a severe ageing trend, there is a big demand for older people in our country, and there is a big space for older people market. Under such a background, the elderly

care policies on the elderly care industry have rapidly promoted the development of the elderly care service industry. The scope of the elderly care service industry has been continuously expanded, and the demand for the elderly care has been continuously met.

4. The Elderly Care Service Quality Has Been Effectively Promoted

China has entered the information age, and information technology has been widely used in the elderly care service. The elderly care service industry has developed rapidly, and the elderly care service quality has also been effectively upgraded. At the fifth plenary session of the 18th Central Committee of the Communist Party of China in 2015, it was proposed to promote the construction of a healthy China, which marks the beginning of a healthy China to become a national strategic level. At the same time, China has begun to explore new directions for intelligent old-age care, promoting the optimal allocation and use efficiency of existing medical, health and old-age care resources, and providing multi-level and diversified health the elderly care service for the majority of older people. In 2016, the Ministry of Civil Affairs issued *the Notice on Supporting the Integration and Transformation of Idle Social Resources to Develop the Elderly Care service*, emphasizing the effective increase of total supply through the integration and transformation of idle social resources, promoting the development of the elderly care service industry to improve quality and efficiency, and better meeting the growing demand of society for the elderly care service. All localities are required to integrate and transform idle social resources and develop the elderly care service according to the level of economic and social development, the trend of an ageing population, the distribution of the population of older people and the demand of the elderly care service. With our country's emphasis on, the elderly care policy involvement is

becoming increasingly widespread, from guaranteeing older people material life to paying attention to the health and spiritual life of older people. Therefore, the elderly care service level has been adequately raised to better meet the growing demand of older people.

Problems and Challenges of Policy Development

1. Difficulty in Implementing Policies

Facing the severe ageing situation, a large number of policies had been issued for older people, but it is not easy to implement them. The elderly care policies have not only a large number but also covers a wide range of areas, involving the elderly care service and the elderly care industries in different regions but mostly stays on the theoretical principle level, with few policies that benefit the people. The formulation of the policy lacks the investigation of the situation of older people in different regions and the in-depth participation of policy targets. Most of the regions follow the policies formulated by the central government and use the ubiquitous the elderly care problems to cover up the particularity of the elderly care problems in different regions, which makes it difficult to implement the policy and does not benefit the public.

2. Low Effectiveness of Policies

The elderly care problems are a system problem that needs a complete the elderly care system to deal with (Chen, Pang, Chen, 2004). Ageing policies can be divided into laws, administrative regulations, rules, and normative documents according to its effectiveness level, and its effectiveness gradually decreases. At present, the ageing policies at the national level in China are limited to ministerial regulations and the level of the normative document, while the ageing policies rising to the level of national laws and administrative regulations is rare. At present, ageing policies, which have

risen to the national legal level, only has the rights and interests of older people Guarantee Law and most ageing policies exist in the form of “notices,” “opinions,” “decisions” and so on. The low effectiveness makes it difficult to achieve the intended effect in the implementation of the policy.

3. Vague Content of Policies

In the face of the elderly care difficulties, the Chinese government has introduced various social forces and put forward the idea of socialized old-age care so that all parts can explore socialized old-age care according to the distinctive characteristics of different regions. However, there is no clear plan for the short-term, medium-term, and long-term development of socialized old-age care nationwide (Hu, Cui, 2015), leading to the concept of socialized old-age care becoming a very vague one. From the humanitarian point of view, with the economic development to solve the elderly care problems for older people, it is crucial not only to solve the problem of older people’s survival but also to solve the problem of its spiritual life needs and improve older adults’ quality of life (Mu, 2005). However, although China’s elderly care policies generally benefit a wide range of areas, it is difficult to form a joint force due to the lack of links among various independent policies. For example, *the opinions on the establishment of a pilot urban medical assistance system*, the elderly care service facility land guidance and necessary the elderly care insurance fund investment management measures all have only a single function, and the guidance on promoting the combination of medical care and the elderly care service puts forward relatively few policy documents on comprehensive services such as medical care.

4. Fragmentation of Policies

The policy of “fragmentation” is universal and shall be treated equally to the population so that they can enjoy the resources

allocated by the policy fairly. However, China's ageing policies have distinct regional differences: First, compared with cities, rural ageing policies are weak, which is also a concrete manifestation of the urban-rural binary difference in the ageing policies field. Second, the development of ageing policies is uneven among different economic regions. Ageing policies are relatively complete in the eastern developed regions and relatively sparse in the less developed regions in the central and western regions. This "fragmentation" of ageing policies makes it difficult for older people groups in different regions to share equally the fruits of the country's economic and social development.

Proposals on the Direction of the Elderly Care Policy Development

1. Further, Expansion of the Coverage of the Elderly Care Policies

In the future, the current situation shall be changed with regard to the beneficiaries of the elderly care policies. For older people, poor, disabled, and other groups in older people, it is necessary to continue to increase policy support. For particular groups such as the left-behind elderly in rural areas, their orientation of shall be clearer. Also, special attention shall be paid to people with disabilities and older adults who have lost their independence in the policy design. At present, only a few pilot areas have established older people long-term care insurance system. It is necessary to set up a national long-term care insurance system as soon as possible and speed up the exploration of a plan suitable for national conditions. In this regard, the state shall establish and improve the relevant system as soon as possible to ensure that citizens, including all difficult older groups, enjoy fundamental rights, and maintain basic living standards in society. At the same time, it shall also be taken into account the need for central and local governments to increase the input of welfare funds in resource

mobilization and allocation, such as through tax increase and fiscal expenditure adjustment.

2. Promote the Coordinated Development of the Elderly Care Policies Between Urban and Rural Areas and Regions

The implementation of social policies is to promote coordinated economic and social development, and the elderly care policies are no exception. China's economy and society have the dual structure of urban and rural areas and the unbalanced development of eastern, central, and western regions. Rural areas and central and western regions security level of the elderly care policies are lagging behind cities and eastern regions. The main direction of China's current the elderly care policies development is to build an the elderly care policy security system that is compatible with the level of social productivity, so as to maintain a balanced relationship between the achievements of economic development and the objective of social equality, and achieve the unification of social welfare resource allocation efficiency and social equity through resource redistribution. Therefore, it is of vital importance to increase financial investment, improve rural and central and western regions the elderly care insurance, medical services, community care and social participation and other security conditions and service facilities, strengthen and improve the regulation and management system, and gradually narrow the security level of the elderly care policies gap between urban and rural areas and regions. At the same time, research on the elderly care policies shall formulate the scope, amount, funding channels and operating procedures of the state finance the elderly care compensation for older people in rural areas and central and western regions where welfare benefits are impaired in the current social structure.

3. Strengthen the Guiding and Leading Role of the Government

The elderly care policies are an institutional arrangement stipulated by the state, political parties, and authoritative organizations to safeguard the legitimate rights and interests of older people and guarantee its life (Wu, Jiang, 2006). For the development of national policies, the government plays an essential role in leading and leading. The government shall give full play to its leadership and leading role, continually explore and formulate scientific the elderly care plans and policies, enhance the feasibility of the elderly care policies, and ensure that the elderly care policies can truly benefit ordinary older adults. First of all, the formulation of the elderly care policies must be based on an in-depth investigation, and the government must ensure that the elderly care policies are well-founded. The government shall make a full investigation into the economic and social development of each region before formulating the elderly care policies, summarize the characteristics of the development of each region, and formulate different the elderly care service plans according to these different characteristics and the actual situation in different regions. The number of the elderly care policies issued in China is more than that of actual implementation, so the government shall not only be the promulgator of the policy but also be the supervisor of the policy, giving full play to the governments supervisory function to ensure that the elderly care policy and service quality benefits older people. The government shall improve the legal guarantee mechanism of the elderly care service so that the service supply can have laws to follow (Wu, 2015).

4. Refine Policies on Personnel Training

At the present stage, there are some problems in personnel training for older people, such as small scale, single level, and uneven quality, which to some extent restricts the rapid

development of the elderly care service industry. The guarantee mechanism of the elderly care service talent team shall be strengthened. Increase government guidance, promote professional training institutions and high-quality old-age care institutions to carry out training of old-age care workers, and gradually improve the professional level of the elderly care service team. At the same time, it is necessary to further standardize the management of employees, establish a system of qualification certification and professional title evaluation for the elderly care service, adhere to the system of holding certificates, gradually improve the treatment of employees and stabilize the elderly care service team. Also, it is possible to train the elderly care service nursing talents without tuition in colleges and universities, just like regular school students, and encourage students to apply for the elderly care-related majors. Attract more talents to join the elderly care industry.

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The Austrian Pension System: History, Development and Today

Abstract: The Austrian system for pensions and care is dated back to the monarchy and was established in the year 1848 when the future empire ensured the whole country. In the settlement with Hungary, the Hungarians got their own system, and now there is a guarantee for the wellbeing of older persons in Austria. As most of the people remember, the only introduction was after the First World War in Austria, between 1918 and 1920 the social assurance system was created by persons such as Ferdinand Hanusch or members of the social-democratic party. Now the whole system has three pillars: the assurance of health; the assurance of accidents; and the assurance for older persons and care, which is covering the risks after the age of 60. It was a class-struggle when people go into a pension, but as far as we can see, the development was similar in the whole of Europe. The changes were done after the Second World War when some of the countries became communist regimes, while Austria became a flower of diversity in the systems of social assurances. There were no

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private assurances, those who existed were plus-payers, so the state allowed the assurance according to professions and qualifications. As we see, the results are different from the communist states of the Warsaw Pact, and this chapter focuses on explaining the social system of today and the changes of it as it is perceived.

Key words: Austria, Welfare State, Pensions, Compensation Payments

Introduction

The Austrian pension system is dedicated for all people who fulfill the rights of pension payments according to the Allgemeines Sozialversicherungsgesetz (ASVG; General Social Security Act) since the year 1947 when the first version was re-written after the Second World War. The pension scheme is a creation of the afterwar generation in order to supply all people from the sufferance of the war and to diverse groups of victims. These groups were differentiated to the extent of the prison and camps times and persecution by the Nazi regime, so the survival population in Austria was confronted in classifying the victims of the war. This is reconstructed in several volumes of history published by scientists such as Brigitte Bailer-Galanda or Emmerich Talos. The Opferfürsorgegesetz (Victims Welfare Act) (1947) had the aim to nominate the groups of victims and to give them first payment and care, after the war, from payment to support such as housing, clothing, and health assurance. First Austria celebrated the heroes of resistance such as “the new Austria from the beginning of August 1945, is the only journal, who wrote on the day of solidarity the 17 June 1945, the celebration of the fighters for resistance in Austria and the solidarity of the victims of the war” (Bailer-Galanda, 1993, p. 138). Thus, the political heroes and then the victims were

counted. First, the Jews were meant to be killed altogether; it lasted until the first turned back.

Moreover, they did not receive money as people persecuted because of their origin got no money until the association of camps was found. Now all prisoners in concentration camps had a right to blame. Now it was possible to supply political fighters and victims in concentration camps and make an advancement in the law. The civil servant, Mr. Dr. Sobek, was head of the national association for the victims of the Holocaust and he took over the Jewish victims from 1946, where he received a donation from the American Red Cross and the joint (Bailer-Galanda, 1993, p. 140).

So, the income was assured by Fürsorge and not by social assurance rights. The 2nd version in 1947 was for people, who were persecuted because of “dependency, religion, and nationality” so Jews got their rights by the attestation of times in camps and “that the administrative attestation alone was enough for the retreat payment” (Bailer-Galanda, 1993, p. 142). Thus, the Jews who were imprisoned became the first pensioners, as the Republic Austria was convinced that the rights such as work and employment has to be cleared in a long-term version, as the bad sanity and physical status was evident and therefore first the pension-payment.

There were 21 novels of the law, the improvement for the victims of the Holocaust became its renewal, and there twenty-five years after the end of the war, the group of people entitled to it was probably already very small the follow-up costs, the victims’ ID cardholders were now also able to claim other compensation payments, such as those for occupational damages, also minimal. Twenty-five years after the war, the demanded persons were little, and the costs also so the damage was minuscule to ask” (Bailer-Galanda, 1993, p. 145). However, the majority of Austrians were the survivals in the territory of Austria, who now saw themselves as victims, but

this was not confirmed. Many Austrians saw themselves as victims of the war and persecuted the migrants of the time in exile, and chancellor Leopold Figl uttered, that they were seated in chairs instead of fighting for Austria (Bailer-Galanda, 1993, pp. 149-150). Now the conflict became evident, who are the heroes fighting for Austria and who not, and what kind of civil rights are given to them? Already in July 1945 the citizenship and the requirement of the citizenship for all persons declared that the people who suffered being exiled in March 1938 now could ask for the Austrian citizenship at all administrative bodies in the country, on demand of the individual (Bailer-Galanda, 1993, p. 152).

Thus, the reality was that only Austrians could apply for Austrian means, and the state followed according to acknowledgment. Until 1948 only 2700 Jews officially returned to Austria, and since then Austria knew the smallness of the community and their demands of restitution. In the 7th novel of the *Opferfürsorgegesetz*, the camp times were recompensated, by the intervention of the allies, but in the 22 novels of the social laws, the “underground people” could get compensation, those were living in illegality, hidden or with a wrong name in France or Netherlands.

The “*Opferfürsorgegesetz*,” the law in social work, was the most important law to solve all kind of victimization of the 2nd World War, and now the success was evident, the enlargement of groups of victims’ step by step. Heroes of Austria, camp-prisoners for Austria, left children and Jews got their money according to the sufferance they have gone through. Those who were not included were the civil population in Austria, besieged by the German army and then deliberated by the Red Army of Russia. This will be the main dialogue now and for the future of the social assurance system.

Emmerich Talos (1995) reconstructs the history of the whole social assurance system which covers, health assurance, accident assurance, and the pension scheme, as well as the

entrance of foreigners into the system. The introduction after the war was in 1947 when the administrations were established such as “to open the steps: the paying and financial regulations are reintroduced, and the self-governmental administration was established in 1947, without elections but with nominations of the representatives of each organization” (Talos, 1995, p. 538). The period of transfer were all transitional laws, as the large one was concluded in 1955, creating for all assurance needs good practice. Since then, the ASVG-Novellen (reforms) occupy the Austrian parliament yearly and is the ground of a better supply for the whole Austrian population and all non-Austrians covered by the rules of law. The system of social assurance was addressed to working people, who received material help, accident assurance and without the income calculation on needs (consumption) the living standards had to be assured and the equivalent, from income and payment relation to be established for every citizen (Talos, 1993, p. 538). Though Austria did not conclude a popular assurance system, but one according to the professions (economy, public administration, and railways), they are separated, according to their personal efforts and income.

Since then, the social assurance system was enlarged to the extent that until 1994, 99% of the entire population is reached by the Austrian social assurance system. However, the pension system is a part of it and got reform in the 1960s when the Rentendynamik (indexation) was introduced, and the rising of the yearly payments. Now the 1970s are the success story of the Austrian pension. A system such as the social expenses compared to the GDP rose every year from 1955-1977, yearly with 11,7% and then the amount rose to 16-24,5%. The supply was done via the higher payments from employees and employers and the higher budget of the state, especially for the pension system (Talos, 1995, p. 542). Thus, the system discriminated foreigners, non-Austrians though having rights.

One is the former limited right of receiving Notstandshilfe (unemployment assistance), mostly against Turkish people, who need it for long-term unemployment, and the limited use of social-assistance payment (Sozialhilfe) where foreigners were excluded, as having no private property accessible in Austria.

Further, the women are discriminated as the stay at home are covered by the family payment, accessible also for foreigners, but this is no assurance payment, so the loss in the 2nd net is that the times are not counted as assurance times. The pension systems cover the problem in having fewer times, having less income, and the marriage gives rights into the pension system (widower pensions). Women are genuinely discriminated as the work at home, and the rise of children was then included as reserved times, but 400.000 women do not have the right for pensions, as there is no in payment for it by an employee, the result is the prolongation of the payments of the unemployment assurance system.

In order to higher the schemes of payment the Ausgleichsrichtzulagensatz (compensation allowance rate) was introduced, where the minimum standards are defined by law: 909 Euros for all and in the pension system 1022 Euro for 2018. This can be fought out before the court when the payment is too small.

Since the 1980s the financial supply of the pension system is the nucleus of the parliamentary treatment, the comparison of payers and receivers of pensions, and the enlargement of rights for pensions. One is the early retreat, another the diminished work retreat (dauernde Erwerbsunfähigkeit; permanent incapacity for work) all increased to 460.000 in 1993.

Now the money becomes tight, and the Austrian government concludes in one of its novels to the ASVG, the extension of the times for pensions, and the exclusion of the times school and studies for full inclusion into the system, they

are waiting times, or you have to pay for them. “The necessary measures are: the reorganization of the revaluation and adjustment of the services (the so-called net adjustment) the unification of the assessment basis, the reimbursement of the later retirement” (Talos, 1995, p. 549). So, the older you are, the more you get as a pension payment.

However, also in 1993, the times for children’s education at home is counted four times, waiting times into the pension system as no payments were made. The whole area of waiting times become then the political issue; this is the school and students times, the children’s education times, the times with scholarships or Karenzgeld, which are in between or before the work. All cases are meant to be treated individually and when not mentioned, all countable also for foreigners.

The Restitution After the Second World War

The chapter was discussed in many ways; one is done in the volume “Wieder gut machen? Enteignung, Zwangsarbeit, Entschädigung, Restitution 1945-1999” (“Make up for it? Expropriation, Forced Labor, Compensation, Restitution 1945-1999”) (Forum Politische Bildung, 1999), where a survey of the most important politics after the war are bound together. One principle was that besides the Fürsorge, the Rückstellungsgesetzgebung was the background of all the social politics. Every victim had to declare its damage because of the war, either migration, camp, or rape and all this was put together in 7 Rückstellungsgesetzgebungen, that means all risks of the war were defined, and then the people were asked to applicate. The compensations were different but known:

In 1946 the Austrian government announced all robberies as false done under German occupation: 1. “Non-declaration of capital transfers made during the German occupation” and a VO ruled the Vermögensentziehungsanmeldung (Deprivation of property

registration), that is the announcement of stolen properties: 1. Rückstellungsgesetz (Restitution Act): compensation law; 2. Rückstellungsgesetz: is the robbery of bank accounts, cash, and stocks; 3. Rückstellungsgesetz: is the creation of compensation funds, for loss of flats and houses; 4. Rückstellungsgesetz: enterprises were cut down; 5. Rückstellungsgesetz: properties were stolen of juridical entities; 6. Rückstellungsgesetz: patents, marks, and rights of enterprises; and 7. Rückstellungsgesetz: employment in the private economy.

However, for a long time, the Austrian state argued that he is himself a victim of the Nazi regime and not able to pay, now the state is the giver, a turnaround in history. The Austrian state refused to have any responsibility for the evil of the war and refused payments for a long time; finally, it changed (Bailer-Galanda, 1999, p. 106).

Till 1948 lasts the protest the laws, but finally, the victim had to be paid out, as he did not receive any kind of replacement of his house or flat confiscated at the beginning of the war. Another principle was that only the empirical subject had the right to receive compensation, not the migrant abroad or Auslandsösterreicher. In 1950 Otto Tschadek responsible for social affairs saw a danger in the laws, in 1953 the claims committee of the Jews in Austria started negotiations, a tradition in Austrian political history.

Then in 1958 the “Kriegs- und Verfolgungssachschädengesetz” (War and prosecution claim law) was created and in 1961 a fund for the “Abgeltung von Vermögensverlusten politisch Verfolgter” (Compensation of property losses of politically persecuted) was established for the bank accounts, stocks and money stolen. However, all Rückstellungsverfahren (restitution proceedings) lasted a long time, and in the year 1954 still, 5.181 persecuted acts were open.

For the pension system is important all laws for the civil servant or the public administration, in 1952 the Beamtenentschädigungsgesetz (pay off law for public servants) paid a small part of income for the years under German administration, they were utterly terrible, forced workers had to wait. The pensions were only available till 1938, before the NS regime, the seven years remained empty. Moreover, it is bound to the Austrian citizenship, no migrants after 1945 and so “but the reform made it possible to get the Austrian citizenship and to ask for a pension” (Bailer-Galanda, 1999, p. 91). However, together with the Opferfürsorgesetz in 1947, only those who fought for Austria or against the NS persecution had the right for a pension (fortlaufender Rentenbezug; continuous pension).

With the 3 Rückstellungsgesetz the money per day was published for every day in prison, or living in secrecy or wearing the yellow star, all together were calculated per day. In 1972 the association of campers announced a substantial compensation for the loss of a lifelong income (Lebensverdienstsumme), this was about 300.000 ATS (Austrian Schilling) per person. Between 1945-1988 Austria spent eight milliards ATS in all these matters, in different cases and different processes and laws.

As the last institution, the Nationalfonds der Republik Österreich für Opfer des Nationalsozialismus (National Fund of the Republic of Austria for Victims of National Socialism) was found by the Austrian Parliament in 1995 and is headed by Mag. Lessing, Parliament. The start was to gather all people who did not receive any money now, the forced workers had a restitution fund in the meantime, and the fond became the institution for application and distribution. Here Prof. Dr. Perz was appointed to make the accompanying research as the data of the enterprises have to be explained. “Also, the right of social assurances was reformed for forced labor and the data of forced laborer in Austria” (Perz, 1999, p.

155). Now the use of the fund is to react via addresses in the whole world, the net for payments in a symbolic way such as 25581 payments done as an acknowledgment between 1995 and 2015 (Parlament, 2015).

Summarizing, the pension was received by victims of Holocaust who were not able to work, by persons, who were heroes for Austria and fought only for Austria and then to persons, who were not allowed to work anymore after the NS-regime, this means now, that the 7 years of NS-Service, employment and administration were not allowed to be counted in. Also, the turning back people from Russia in 1955 got the right to receive a pension, not able to work, due to the sanity in the camps in Russia (gulags) and the lousy food.

The persons who served through, during the war, were rare as most of the Austrian public servants were dismissed in 1938, or gesäubert (cleared), so few were stable in employment, one example is a Dr. Pfundner, a director of the Hofmobiliendepot, he survived all political regimes, also here it is unknown, if the Nazi times were included in his assurance schemes (2012).

Austria and Poland

Poland entered into Austrian history in the time of Lech Wałęsa and his Solidarność, it was the will and wished to be acknowledged in the world with the working rights of the harbor of Gdańsk. This is evident a challenge, and so the trade unions of Austria started a bilateral exchange to the Solidarność, and Austrians traveled to Poland, and then Polish migrated to Austria. After half a year they were meant to return or made a political marriage, this was done most currently, so many Polish men married Austrian women for the benefit of staying. After one year of marriage they received all kind of Austrian social benefits and got divorced, they started to study or to work here, but there is no evident study for the wellbeing of Polish in Austria.

There existed since 1960 a bilateral Polish-Austrian agreement, which was mutually accepted in both countries, but there is a lack of visits, documents, and reality of the agreement between Poland and Austria. Austria developed experts in travels to Poland and tried together with the BFI (Berufsförderungsinstitut; Vocational Training Institute), a training system for Polish workers and employees to learn labor law or social assurance system.

Lech Wałęsa was the figure for deepening the working relations and external relations to Poland and many people arrived as migrants to Austria, when Poland suffered the war law internally the people came to Austria now to stay. They were not needed, but Austria accepted them for a reason for persecution. The life of Wałęsa is described in few books so Mary Craig (1990) about Lech Wałęsa and Poland, where the existence of Solidarność or the strikes of 1980 or the long waiting lists for food all this lead to the war law until 1984. Therefore Polish people came to Austria; they were used to choose the trade unions or a chamber of commerce for existing to Austria. In 1983 Swedish decided to give the Nobel Peace Prize to Wałęsa, and his wife Danuta with his son could take it, Lech Wałęsa himself was in prison, and waited for the end of his prison. The adverse economic conditions lasted till 1988 and the first free elections were in 1989.

Julie Gatter-Klenk (1981) is a German author who described the history of all Polish working conflicts until 1981, the first strikes of 21 demands to the government and the meeting with the Pope in Rome. However, the actual knowledge on Poland is little, in the year 2000, Austria and Poland concluded a strong agreement law on the mutual recognition of the social systems (BgbI. III Nr. 212/2000). The content is the regulation of health assurance, accident assurance, pension system, and unemployment payment system. This altogether made the social system in Poland, plus the payment in case of pregnancy. The Art 4 defined that “By

application of the laws of a Contracting State, the nationals and the nationals of the Contracting States shall be equal unless otherwise provided in the present Agreement” (BgbI. III Nr. 212/2000).

Art 17 regulates the acknowledgment of the assurance times and the practice which is dedicated to the territorial principle, in the year 2000, the law passed the parliament, and origin was made in the year 1998. Since the year 2000 Polish citizens have the same rights such as Austrians in the social system, and I am convinced there is a lack of mutual knowledge and public, to learn how they feel here in Austria, but the law is very successful.

The technical know-how of the pension system is the law, inclusive the times of assurance institutions, the mathematics of pensions or mathematics of assurance, chair at the Technical University of Vienna, as well as the chair for mathematics at the University of Vienna. This is common in all member states of the European Union (EU), and in Poland, but the difference is that we have a pension system, according to the professional rights and not a common system. In the time after the war, there is no exchange with the Warsaw Pact states, where so ever, as there is no social contract with them, this lasted till 1989 with the fall of the German Democratic Republic. Austria reconstructed for the refugees from Hungary and the Czech Republic their labor-rights in Austria and put them into the ASVG in Austria, without interruption, except the time of the refugee processes. There is little known about accordance with East Berlin in all social rights; it was a domain of the East German government to be proud of its social system.

The Social Innovation of the Pension System

Since the accession of Poland to the EU in 2004, the system of social assurance has to be acknowledged mutually, and binding, without exception, so every Polish pensioner can

receive the money also in Austria or stay in a pensioner's homes. The innovation for the pension system was done with the installment of the large care system in 1993 and the steps of the care intensity. All this makes Austria a unique well caring country for older people, and the Ministry of Social Affairs is convinced to make the best system existing in Europe.

Therefore the Ministry is eager to inform the public with books, brochures, and other folders on the situation of older people in Austria. There is a large gap between the high incomes and the poor pensioners, as the system is bound to the professional income before, and makes in the benefits a difference for well-educated people and workers, and women, So the Austrian system knows low pensions at the height of 650 Euros and also the richest ones with 4500 Euros. The last minister Alois Stöger, SPÖ, fought an act to limit the highest income of pensions, as there were huge incomes previewed, and now it seems that the limitation of the highest is of 4500 Euros.

This is one of the innovations of the pension system, which is organized in all nine federal states and has no structural improvement, as access to the social assurance system was reorganized. The pension assurance is discussing its higher yearly payment in the public, and according to the steps of pensions till 1.000 Euro, or between 1.500-2.000 Euro or above, there are significant differences, The pension system supplies the cures for old people, and it seems, that many of cure stations are discussed in their quality, also this system is not under discussion, there are all ambitions to gather, and mainly only in Austria.

Now the debate for social innovation is about the official system of pensioners, the care, and the organizations of care at home for older people. This became a large market, and there is a competition of state-runned or private-runned organizations, responsible from meals until new computers for

older people, to be connected, and have a decent life for the benefit of old age.

However, the open market of older people in the market for non-governmental organizations which train and serve the older person in all her/his wishes, and so the Western EU member states discuss the offers and market conditions for older people. However, there is research done for the private sector suppliers, and so they can improve the offers under the title of “silver economy.” The silver economy is all supply for older people on the market of goods today and the specific needs for them.

One coordination is done via EFSI (European Federation for Services to Individuals) (2018), the European Association for care and households, they make studies for the reality in households, but there are little differences in Western Europe, whereas the east remains poor. Except for poverty and little means, there has never been a comparison of care systems in the West and the East. The vast inequality of means, costs, and personnel are evident, and so the cooperation is timid.

Under the title of the Interreg CENTRAL EUROPE (2018), there are no projects for older people, and this means that the pension systems are not checked bilaterally, or within the member states of the EU.

The home care and 24 hours care are the innovation in the field for pensioners, that means for all those who are ill or completely ill, for the sane and active pensioners exist few proposals in leisure time. This is an open market, and so the pensioners can choose the offers.

There is a legal presentation of the pensioners in Austria, bound to the socialist and Christian democratic party; Dr. Kostelka and Dr. Korosec, both are charged with the negotiations of the incomes and the higher rates every year. It seems a great affair when these persons are called up; they have no other democratic function.

The area of the political representation of the pensioners in the other EU member states as well as the calculation are in Austria completely unknown, in the Ministry of Social Affairs is a general director, SC. Dr. Sommer, who is head for all legal matters concerning the pension system in Austria for all, as. Railway drivers have a different scheme as normal employee or a woman with interrupted times of work. The representatives of the offices of pensioners are invited twice a year to speak in the Ministry, and all governmental commissions are out of duty at the moment. There is nothing in common is more applicable to find a common solution for the lack of financial supply or home care work (BMASK 2018c). There has never been any official contact to Poland in all these matters; my research did not find one note of a visit of a minister to Austria.

The Austrian Pension System Today

The Ministry of Social Affairs made a series on topics of the pensioners and the pension system as there is no evidence given for other countries, all in German: the pension, health street and competence center, check-up and partly pensions, pensions, legal basis and demands for pensions demand a survey. These folders inform about the different four pension runners, the law, and the main idea of calculation: it is the payment so-called “Beitragsgrundlagen” (contribution bases) and then the values, and the times of occupation and the value calculation of the mathematician. Austria counts on older people and long times of work, so the partial pension is to spare money for the corridor pension and the further payments for a stay in employment (BMASK, 2018a). *Freiwilliges Engagement in Österreich* (BMASK, 2017b), is the service of volunteers in the care system, “with the law of volunteers the legal frame for the support in the important area of non-governmental organizations is done” (BMASK, 2018b, p. 3). It asks for refunding of the costs such as material costs and

travel costs and assurance against accidents by the hosting organization (assurance against crimes). Volunteers act have to be documented as well as the Freiwilligenpass (Volunteer Pass) (2018).

The Austrian pension system is explained very often as people do not understand it, the basics are described in “Grundlagen im österreichischen Pensionsystem” and enter the reforms done until now. The first is the age, the normal age is 60 years for women and 65 years for men, but in the civil service the age is the same, and the high ranks for women are new. All people after the date of the 1 January 1955 have the right of a pensions account which is the continuous counting of their working. Times, waiting times for children care, times for school and studies, and or care for older people. The basic need is: “for receiving a pension you need the assurance times full of 180 months (15 Jahre), and about 84 full in work” (BMASK, 2018b, p. 7). This, together with the previous long time of work, makes a pension payable, and now it is crucial how a pension is calculated.

When you have a Pension Account for the payments of the pension is summarised, and then it is kept on the account for you. “For every year in 2014, the requirement of assurance times is written into a document, the bonity pass, the bonities make summer, and then the yearly demand for a pension can be calculated. This is then multiplied with the payments and the factor, 1, 78, and then this is the bonity for the bank account. The yearly bank account bonity is divided into 14, and this is the payment” (BMASK, 2018b, p. 13). So, the Austrian system functions and especially the maths of assurance is complicated, but the nucleus of national pride. However, in the meantime, all states have a similar system, though the communist states have started with a simple equal payment system at the beginning of the Warsaw Pact states. Moreover, the Austrian system wants to be justified, “the other side of justice is the individual income and the payments and

the effects on the pension system the other side of justice is the guaranteed standards of income and the basic income of the Ausgleichsrichtzulage (compensation straightening allowance)” (BMASK, 2018b, p. 16).

Couples who educate the children together can divide the pension. Times for every child 4 years and one after the other, child but the aim of Pensionsplitting that the “The parent who educates a child can receive 50% of the pension payment of the spouses and the pension account is filled for 2 persons, where the 100% remain at the spouse who worked” (BMASK, 2018b, p. 21). So, the effect is that there is a necessary waiting time when children are educated about the pension system acquired. The proof is the income for a children care money, or holiday money, specialized emergency help or the need for a Betriebshilfegesetz (Operating Assistance Act) “when both man and woman work, the assumption is that the mother educates the child” (BMASK, 2018b, p. 23).

The Care for Older People

The care for older people is differentiated for stationed persons, this is in-home care centers; in large homes for older people or care in visits and ambulant medical care. The Ministry of Social Affairs regularly publishes the homes under the “Alten- und Pflegeheime in Österreich-Ost” (BMASK, 2017a) and it is a survey, to select the home to stay when being old or ill. It is convenient to know where to stay and when, as there is not really something to be done afterward, that means when the whole care is now in a medical cared home. The volume is enormous and shows a large number of homes. All homes are described, and the daycare payment needs according to the step of care in the system (7 steps). The daycare costs differ from 90 Euro to 300 Euros due to high medical care.

The high costs and the state control of them made the population of people with disabilities, and this in an amount of 500.000 people, all administered via the Ministry of Social Affairs, constant stress. The homes for the people with disabilities and the single wish to be kind to older people made the Austrian system so unique and successful. The second emphasis is the ambulant care services, the accompanying non-governmental organizations or the guidance for older people, the volume of “Einblicke in eine bunte Welt” is the introduction of persons, who work either in a home or an ambulant non-governmental organization for older people in Austria. All of them show how they like their job and the duty to work for older people.

Conclusion

The image of Poland in Austria is defined by the books or publications we have, Austrians learn when Austria governed Poland after the year 1772 in the south, the area was called Galicia and Lodomeria, and the area was lost at the Congress of Vienna, given back to Poland. Since then exists Austrian history in Poland and many people are convinced as good inhabitants here in Vienna. The modern architecture in the history is on Otto Haertl, the architect who worked during the war in Poland and then in Austria, he constructed a cabinet in the building of the Federal Chancellery in Vienna but remains unknown for the Western public. On the long-run, there is no Polish great or important political cooperation today, and the Polish work in their academy of sciences for people who profit of the international institutions should be improved.

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**Ageing and the Pay-as-you-go (PAYG)
Pension System's Asset-liability
(Mis)Matching**

Abstract: The study present how in the late 1930s-1940s a new, modern pension system was introduced in America without any theoretical basis, as a kind of arbitrary mix of existing pension systems, to replace the by then non-functioning “traditional pension system” in which working children maintained their ageing parents in exchange for having been raised. Later, in 1958, they found an ideology for the system, “solidarity between generations,” but this didn't fit in with the system's economic foundations, with the fact that the modern, pay-as-you-go pension system distributes the profits of raising children amongst the older generation regardless of how much people have contributed to it. This made raising children unprofitable, which provided a strong incentive to avoid it, thus launching the ageing process. Moreover, the modern pension system, also as a result of ageing, is making increasingly large and uncovered promises to the retired generation. The system may be repaired by matching the asset (raising children) side to the liabilities

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(pension promise) side, for example, by only promising a pension to those who have contributed to the system (through raising children or accumulating savings), and only to the extent of that contribution. Contribution payments are an obligation, the repayment of the cost of people's upbringing, with relation to which no pension is automatically due. By doing so, the 3rd pillar of the modern pension system will also have been capitalized using a special kind of capital: human capital.

Key words: Modern Pension Systems, Pay-as-you-go, Pension Reform, the Human Capital-based Pension System

Introduction

Eighty-something years ago in the mid-1930s, the developed industrial world (the United States, Western Europe, and Central Europe) looked a lot different than it does now in many respects, with different capacities and problems. Just to name a few:

- In contrast to today (and the situation a few generations prior to that), the financial basis for people's old-age livelihood was uncertain. This, coupled with the protracted global economic crisis (with low demand and high unemployment), caused significant political tensions.
- The population was mainly made up of young people and was continuously growing, since:
 - Marriage was to all intents and purposes the only legitimate form of relationship.
 - It was partly an expectation for there to be several children within a family, and in part, it was challenging to avoid there being children.
 - For most social classes, raising children was not (yet) particularly expensive, and in fact (although much fewer than previously) there

were still classes for whom having children from the child's relatively young age was regarded as a financially favorable undertaking.

- It was discovered—first in practice, followed by a kind of theoretical stamp of approval from the pen of Keynes (1936/1965)—that the transfer of income from classes that are generally more inclined to accumulate savings to those who immediately spend them is a solution to low demand, for example, stimulates the economy.

It was under such conditions that a significant social innovation was introduced in the United States, the pay-as-you-go (PAYG) pension system. Certain elements of this may have been similar to the existing systems, but it was radically different, overall. Its main and extremely novel characteristic was that no mathematical reserve was accumulated in relation to future expected benefits (only a liquidity reserve that was several orders of magnitude less), and the contributions paid into the system were to all intents and purposes immediately distributed as benefits (as indicated, in theory, by the expression PAYG). This enabled the immediate handling of two pressing problems:

1. They were immediately able to pay a pension to people who retired not long after the system was introduced, following only a short period of contribution payment, thus mitigating the above-mentioned social tensions.
2. A significant and continuously increasing income was transferred to a stratum of society (older people) who were almost guaranteed to spend most of it on consumption, meaning the new pension system was itself a great Keynesian stimulus.

The flaw in the idea was that the solution lacked

theoretical foundations, and as a result, the operators of the system were concerned about possibly having established a Ponzi scheme (Blackburn, 2003). Two decades later, Samuelson wrote a paper (Samuelson, 1958) that was regarded at the time and is still regarded as the until then missing theoretical foundation of the PAYG system. The operators of the system were relieved (Blackburn, 2003), and now rejected the regular accusations of the opposers of the system (usually supporters of capitalised pension systems) with relation to the Ponzi scheme (although in 2017 the Economist already praised Samuelson (The Economist, 2017), as someone who proved that good Ponzi schemes are also possible). Much has changed since then. However:

- In the developed world, most older people in most countries primarily maintain themselves from PAYG pension systems.
- The financial foundations of these are increasingly uncertain, however, given the fact that society is increasingly made up of older people, since.
 - The ratio of marriages is continuously falling; many types of legitimate relationship exist.
 - Having children is no longer an expectation even in marriage, and contraception is easily accessible.
 - Raising children takes a long time and is becoming increasingly expensive and is no longer a financially rewarding undertaking for practically any class.
- The Keynesian stimulus has since become a slightly “overused” element of economic policy; large, and continuously increasing government debt has become the norm, which to a certain extent itself also shows the characteristics of a Ponzi scheme.

Overall, what was a great social innovation 80 years

ago is now finding itself increasingly obviously in trouble in an ageing world, to the coming about of which it has probably itself contributed, ending up as its own foundation. We, therefore, need a new social innovation.

This chapter attempts to prove the following statements:

1. Samuelson did not, in fact, provide the philosophy for a good Ponzi scheme or the existing PAYG systems (but something completely different, fundamentally a solution to an imagined situation), because...
2. ...existing PAYG systems are the unprincipled combination of other (logically pure) systems.
3. However, it would have been possible (and it still is possible) to bring about a good PAYG system that at the time would have handled the same problems that this bad PAYG system handled.
4. However, this is funded just like all the other logically pure systems, precisely because it is not a Ponzi scheme, although the capital is entirely different of what the supporters of the usually funded system regard as capital. The recognition and realization of this could be a true social innovation.

The structure of this chapter is as follows: it first presents the characteristics and main problems associated with logically pure pension systems, then compares these to the characteristics of the PAYG system, determining that it is a kind of unprincipled combination of the former. It then examines Samuelson's solution and determines that it, in fact, concerns a special case that does not exist in reality, and which cannot really be applied in general form to reality (since it disregarded essential things), and also that it does not in fact concern existing PAYG systems. The chapter then examines how a logically pure PAYG system could have been

established and could still be established today. Finally, the chapter reviews today's main ideas for pension reform and shows that these do not lead to a long-term solution.

The Characteristics of Logically Pure Pension Systems and Their Main Problems

Looking back at history, roughly three forms of economically sound and sustainable old-age subsistence are distinguishable.

“Pension Insurance”

The first is living from previously acquired or inherited assets (primarily from its regular dividends, and perhaps from the partial or full depletion of the “capital”), also in old age. This was always the prerogative of a relatively small group and of course “still has not gone out of fashion” today. During the course of time, more and more people accumulated enough (but not necessarily more) capital during the course of their active years from which they could survive during their old age. The modern business form of this solution is life annuity insurance, or in general, the pension insurance provided by insurance companies. Its economic essence is the accumulation of a reserve, or (in the case of annuity insurance) the sharing of risk.

The solution may be called pension “insurance,” but there is not necessarily a need for an insurer in every phase (insurers naturally attempt to make themselves indispensable in every phase). Accordingly, pension insurance is not necessarily a single insurance “product,” or not every part of the solution is definitely linked to insurance, as expressed by the word “plan” that is usually applied to such situations in English. As a “pension plan,” pension insurance can be split into two temporally separate phases, the accumulation and decumulation phase. Accumulation, meaning the accrument of the capital required to provide a living in old age, can occur in practically any form (e.g., in government bonds, investment

funds, shares, property, a combination of these), and liquidity is not a particular issue; capital can be invested for a long term. Insurance companies (and depending on the regulations of the given country, other financial institutions) naturally attempt to assure that this accumulation occurs with them.

Decumulation is the (partial) depletion of this capital, and/or its previous and continuous dividends, which may occur in many forms and using several solutions. Its most obvious form is the purchasing of a life annuity using the accumulated capital. Those who choose this have maximized the (monthly) pension derived from their accumulated capital, while to all intents and purposes deciding that they themselves will be spending the full capital and its dividends (while perhaps giving smaller amounts to their relatives out of the annuity received).

The opposite of a life annuity is perpetuity, which merely means that the owner of the capital will always only be spending the (real) yield of the capital while the (real) value of the capital remains permanent and can be inherited in full following their death. This apparently only allows for a much lower standard of living during retirement compared to a normal life annuity, and therefore is only practical given a large amount of accumulated capital.

People often find compromises that lie somewhere between the two, such as a guaranteed life annuity, joint annuity, or simple capital depletion coupled with a life annuity that has a long deferral time.

The “funded” (capitalized) and “defined contribution” (DC) general professional attributes may be linked to pension insurance or a pension insurance plan. In contrast to PAYG pension systems with no capital or (often only partially capitalized) “defined benefit” (DB) pension funds, the funded, or sometimes fully funded attribute indicates a stressed characteristic that is otherwise self-evident, it could hardly be anything else. The “defined contribution” is also a self-evident

characteristic, at least in the accumulation phase. This is why it is possible to state at all that in the beginning pension funds were practically exclusively of a DB character, meaning that the employer promised a concrete pension or determined a “pension formula” with which the concrete pension to be received could be calculated. The PAYG system also took the DB attribute from the pension funds.

If the pension insurance operates as a normal or deferred life annuity during the decumulation phase, it also includes a risk distribution element. The risk is the expected remaining lifespan, which is uncertain for everybody.

The economic essence of pension insurance is the voluntary balancing of income and consumption during one’s adult lifetime (only taking into account the active and old age inactive periods), with the accumulation of reserves and its scheduled spending (or that of its yield), possibly with the support of risk-sharing (decumulation)—and with the possible inheritance of part of the accumulated capital as an important subsidiary motive or incentive.

The “Pension Fund”

The second solution was for the former employer to continue to care for its previous, retired employees in their old age, and to continue to pay them their salaries. This initially included only the personal servants of the very rich but was gradually extended. The basic logic is that in exchange for a certain period of service, if an employee achieved this, meaning they proved to be consistently loyal, the former employer kept the individual on the payroll until his/her death. Later, as it became more popular, they attempted to make it increasingly professional and assure the living of retired staff in their old age by setting aside the capital that would probably be required to enable payment of their pensions; they capitalized the annuity reserve, so to speak. The modern form of this solution is the pension fund, and originally the defined benefit

(DB) pension fund.

However, what has simply been given the name “pension fund” is, in fact, a cumulative term for several solutions that, however, form a kind of evolutionary chain. A kind of logical reconstruction of this evolutionary chain may help to explain the justified or unjustified nature of certain solutions.

The whole thing began with the remuneration of loyal servants (to lords, kings, and state officials), whom it was expedient to retire from service above a certain age, but who during their period of service had not accumulated enough assets to be able to live comfortably in their old age. The reward for their previously demanded a significant loyalty could not be that they should be destitute in their old age, and so their income continued to be provided to them, often in a similar manner as when they were in active service: in kind. The period spent in service was a kind of measure of loyalty, to which this benefit could be linked with a (high) minimum requirement. This is how the idea of “period of service,” which still exists there today, found its way into the pension system. In view of the fact that initially this kind of service was only available to the very few, which was further reduced by the fact that it required an extremely high period of service, and so few people survived to that age, and those who succeeded did not have many years left, initially the system did not cost too much for those who provided the service, and therefore there was no particular need to set aside a reserve for this purpose.

However, the method began gaining increasing popularity, meaning more people were included in this kind of service; private companies began to copy the practice, and the state itself also began employing increasing numbers of people, and accordingly keeping people who left active service on the simple payroll became an increasing burden. In addition, private companies were not necessarily very stable or

long-term institutions such as the state, and accordingly, the beneficiaries of the service also wanted some kind of guarantee that they will still receive it if the company happens to go bankrupt. The solution to this was the actuarial assessment and planning of the undertaken services, and the establishment of relative independence for the service within the company itself. This, in turn, led to efforts to temporally balance the burdens of the company, or rather the guarantor of the services, which meant the introduction of reserving. Once reserving was introduced, the question was often raised whether this should be organized independently, giving rise to the appearance of pension funds linked to companies, which were generally not fully capitalized, meaning the account did not contain the total capital required for the full provision of services, discounted by its expected yields. Accordingly, the bankruptcy of the guarantor could lead to a significant reduction of the services undertaken, which they attempted to prevent or avoid using several methods. Firstly, the expected level of funding of the pension fund, meaning the ratio of accumulated capital to the value of the undertaken services that had to be reached, was set increasingly higher. Secondly, the independence of the pension fund from the guarantor company was also gradually increased, and particularly the fact that the company could not use the fund's capital to handle its financial difficulties. Thirdly: a kind of inter-fund risk distribution was established in case of bankruptcy, meaning the introduction of mandatory guarantee funds and solutions.

Meanwhile, the economic rationale behind the system remained unchanged: during the employee's active age the employer did not pay out the full salary, but this was instead balanced throughout their entire remaining lifespan, in addition to applying risk distribution with relation to employees who attained differing lifespans, and by doing so the employee was also remunerated for their loyalty to the

company. So, in the beginning, pension funds, which are often also referred to as occupational pension systems, only paid out pensions at all concerning relatively high periods of service.

The fact that employer pensions were tied to achieved long periods of service caused increasing tension after the method became popular, in view of the fact that this represented the main source of pension for more and more people, among whom an increasing number regularly changed workplaces. In addition, the economy also transformed, with many years spent at one workplace and loyalty becoming an increasingly unimportant value. Accordingly, employees increasingly began demanding that the pension entitlements they had already acquired should not be lost when they change workplaces, while employers were increasingly less inclined to use this method to also chain their employees to them. The portability of acquired pension rights was born, the simplest form of which is the transfer of capital between pension funds. However, this applied pressure to pension funds from two directions: (1) their level of capitalisation must be close to 100%, because leaving employees will definitely be taking away 100% of the capital value of their previous entitlements, meaning that in the case of low-level capitalization those that remain (the “loyal” employees for whom the system was introduced in the first place) could find themselves in an extremely bad position, and (2) the capital value of the transferred entitlements must be easily calculable.

These tensions all pointed in the direction that pension funds, and the occupational pension system in general, should become as similar as possible to pension insurance. In its fully developed form, a pension fund can be regarded as a partially capitalized DB system, given the fact that it made a predetermined promise of a pension using a pension formula to employees who achieve a predetermined service period. The DB system itself assumed the long-term stability of both the employer, the company, and the employment of the employee.

Both have since changed; the lifecycle of companies is becoming increasingly shorter, and their size and number of employees also fluctuate strongly over a longer period. As a result, companies can best fulfill their pension promises if they correspond to their performance capabilities to the maximal extent. Moreover, this means that they should not promise a level of pension that is realized in the distant future, but a pre-set current contribution for employees that happen to be working there at the time, which means that pension funds have taken on an increasingly DC character.

Today, a general tendency with relation to employer pension systems is that old-school DB funds are closed to new employees, and only DC funds are launched for new ones. This means that pension funds are increasingly converging towards insurance pension solutions. From among the previous solutions and key concepts of the occupational pension system, the service period has become outdated and uninterpretable. To an increasing extent, the only formal difference between pension insurance and pension funds is that employers pay contributions in one and employees pay into the other, but even this difference is beginning to disappear these days.

It would seem that after their rapid proliferation and “heyday,” DB pension funds are beginning to be phased out, but they will probably never disappear completely. Their application may be reduced to that exclusive group, high-ranked employees, for whom their predecessors were initially devised, and from where their expansion began. Occupational pension and pension insurance solutions are increasingly being combined into a fully capitalized DC system in which either employer or employee can be contributor in some, perhaps even changing form, but which is clearly owned by the employee, meaning it can naturally be transferred between pension funds and insurers, and entitlement is only dependent on reaching a certain age, with no role played by the

employee's period of service.

The Traditional Pension System

The two solutions described above used to only provide old-age security to a small, privileged group. For the “people,” who made up the vast majority, the solution was transferred within the family, which remained possible while the family model was several generations living together. Moreover, this was the norm right up until the industrial revolution (which occurred during a different period in Europe and the world's countries—in some, it still has not occurred today), which was closely associated with the character of the economy and the distribution of labor. On the one hand, the economy was dominated by agriculture and family farms as the dominant “form of business,” in which practically every generation from the youngest to the oldest had their tasks in accordance with their age. The family living together was to all intents and purposes simply the logical result of this kind of distribution of labor, and of the fact that the “business” was passed down from father to son. Industry, which at the time formed a much smaller proportion of the economy, also meant artisan families, where the trade and its tools were passed down from father to son, and accordingly, multi-generational households were also the norm.

However, the industrial revolution changed all this, predominantly by splitting multigenerational families through forcing young people to leave their families and move to industrial centers to work, because, in contrast to earlier industry and agriculture, modern industry required a concentration of population. This meant that young people who found themselves far from their parents could no longer support them directly, and of course, no longer possessed the consumer goods that they previously had as active agricultural producers. This meant they could only have supported their old parents with money, since they too no longer produced

consumer goods, but instead purchased them. Moreover, they were probably unable to do so initially because this element was not part of their wages (profit was realized instead, and accordingly the previous consumption of the older generation who was left to fend for themselves now facilitated the accumulation of capital). This put an end to the previous state of affairs that is often referred to as the “natural” or “traditional” pension system.

Considering the economic essence of the traditional pension system, which collapsed as a result of the industrial revolution, it can be stated that in many respects it corresponds to the pension insurance detailed above (towards which pension funds are also converging). This means: saving (the employer or employee saving part of the current income, meaning removing it from current consumption) in the active life stage, the investment of the saved monies, and the gradual spending of the investment and its returns in old age.

The logic of the traditional pension system, on the other hand, is: raising children during one’s active career, who then maintain their parents when they are inactive. Economically, this can also be described by stating that partly resources are drawn away from current consumption by raising children (which is spent on children out of income), and partly an additional effort must be made in the interest of raising children (time that would otherwise be used for leisure or earning further income is invested in children). By doing so, value is being created from an economic perspective: the human capital that is embodied in children’s capabilities. When children maintain their parents in their old age (during their active career), they are able to do so by putting into operation their capabilities, meaning the human capital they have acquired with the help of their parents, which at this time they are partly spending on repaying the costs of this, and the interest on those costs, to those who at the time invested in advance in their human capital. So, the logic is the same as in

the case of pension insurance: restricting current consumption—saving/investment—spending the investment and its return. The difference is that in this case, the investment occurred in a special way (raising children) and in a special kind of capital (human capital), and until now this only happened in a particular (traditional) case of the division of labor, when different generations lived together and worked together in the family business.

However, it is also different from pension insurance in that it includes no risk-sharing. The reason it exists in pension insurance is that the insurer handles the lifetime risk of many people in a single pool. From this perspective, the traditional pension system is as if there were lots of small insurers (the parents) with a few “clients” in a pool, meaning their children. For this reason, fluctuations in risk (“deviation” or “variance”) may be extremely high for those involved, especially if it is taken into consideration that at one time (during the era of the traditional pension system), mortality was different than it is today. It sometimes occurred that all of someone’s children died before they reached old age, and so they had no pension despite their investment. People also often died while still of active age, and so their children were exempt from having to repay the costs of their rearing. It did not occur often, but sometimes a late child did not enter active age by the time their parents had (would have) already become inactive. Moreover, finally: many people did not succeed in having children, despite wanting them. True, according to the logic of the traditional pension system the latter was easy to handle: one had to adopt one (or more) orphans, or one of many children from a poor family, or perhaps (according to the logic of pension insurance) the money saved by not raising children, or which was earned during the extra working time not spent on raising children, could be put aside.

Despite all these limitations, the traditional pension system was a logically and economically well-built

construction—in contrast to the modern pension system that replaced it.

The Muddled Development of the Modern Pension System

Many trace the modern pension system back to Bismarck, although it was only born some 80 years ago via Roosevelt's New Deal. Bismarck established a state system based on the logic of pension insurance (moreover, this is why it was named "insurance," although with the "social" prefix), meaning it followed the pattern of saving—reserve accumulation—reserve spending with risk balancing, while all this was organized and made mandatory by the state. True, this system later received two major "shocks": the First and the Second World War, in which Germany's reserves lost all their value, but attempts at their re-capitalization were only abandoned in the 1950s (Németh, 2009; Werding, 2014), probably as a result of the American system, which had been developed by then.

The American system was admittedly an improvisation, without any kind of fundamental principle. The goal was for a relatively large number of people to receive a pension relatively soon after the system was launched, which also meant that pensioners did not have enough time to accumulate enough capital from their savings to receive a suitably-sized pension, meaning the logically and economically pure Bismarckian solution could not be applied. For this reason, the system did not even aim to have suitable reserves with which to cover the services it undertook to provide to new entrants, and as such also if new payments cease, as is self-evident in the case of pension insurances and the original Bismarckian system that follows the same logic. Instead, only a kind of liquidity reserve was established, and instead of accumulating and investing contributions, they were immediately put towards current payments. For this reason, opposers of the system immediately branded it as a Ponzi

scheme and, although somewhat reluctantly, the operators of the system were also inclined to regard it as such. This state of affairs continued for around 20 years until the appearance of Samuelson.

The elements of the American system (or rather the system that later became popular in the modern world as the modern, PAYG-type pension system) were patched together from otherwise logically ill-fitting elements of pension insurance schemes and pension funds (occupational pensions). The element according to which the basis and source of following services is the payment of regular, individual contributions (as opposed to the ad hoc payments made by the employer in the case of employer pension system), was adopted from pension insurance schemes, to which logically, a DC system belongs. The fact that the system is DB-based, was adopted from employer pension systems, in which the level of pensions was determined according to a pension formula that was constructed based on the service period, which indicated loyalty (this was a forced element due to the fact that they wanted to provide pensions quickly, before the payments of older members provided the required collateral to cover this). Moreover, finally, the practice according to which the pension fund must not always be filled up to 100% was also taken from here, where the employer guaranteed payment as a “sponsor.” This “motive” was later “overstrained” to the extreme, meaning that to all intents and purposes they totally gave up on filling up the system—despite the fact that employers did not uphold the system as guarantors. This role of sponsor/guarantor was taken over from them by the state.

The various elements of the system were apparently not in harmony with each other, because they pieced together the incompatible elements of logically pure pension systems. If individual payments are the basis for the pension, then the pension must fundamentally use a DC system, in which the period of service has absolutely no place. If the period of

service is essential, then it rewards loyalty to the employer, in which case the employer should have been forced to establish a DB system for everyone, for example, an occupational pension system, or to act as guarantor for a system of this kind operated by the state. However, contributions were made individually or at least were regarded as such, even if they were based on a kind of tax on income paid into the system by employers. The state should not have disregarded the need to capitalize on the system, even if initial pensioners received larger payments that could be financed by their contributions. This should have been covered by other revenues. True, in this case, the state would have accumulated a huge reserve than needed investment, which would have been unfavorable from several perspectives. On the one hand, state officials are not particularly capable of making good investment decisions (nobody trained them to do so, in addition to which they must conform to totally different expectations than their colleagues in the private sector), and in addition the danger of corruption would have increased to a great extent, and finally the state would easily have regarded this reserve as (easily borrowable) money that can be spent on its own goals, meaning it would have converted it into sovereign debt. The operators of the system “saved on” these important problems by intrinsically not accumulating reserves (except a kind of liquidity reserve).

It is interesting, however, and is indicative of a kind of tunnel vision, that when the elements of the new pension system were patched together from the elements of two logically pure pension systems, they totally disregarded the third, the traditional pension system. They did not even attempt to take elements from that, although the modern pension system fundamentally wanted to give pensions to people who once relied on the traditional pension system, meaning that to all intents and purposes one replaced the other. This, however, was probably intrinsically prevented by the fact that the science of economics was at the time still unable

to establish these principles at all. This would have required the—at the time non-existent—idea of human capital, and also that the traditional pension system is regarded as a proper construction, and not as nothing more than a kind of (humorous) economic anecdote.

Samuelson’s Solution—and Its Problems

So, in the late 30s and early 40s in America, the elements of two consistent pension systems were patched together into an inconsistent one, with relation to which its supporters to all intents and purposes agreed with its opposers, that it was a Ponzi scheme. This state of affairs changed radically in 1958 when Samuelson published an article (Samuelson, 1958), the extremely complicated title of which made absolutely no reference to pensions. The theoretical goal of the study was to find an example of the fact that the free market mechanism does not always assure a socially optimal solution in a particular situation. And for Samuelson this example was pensions in an abstract economy with no money in which an excess number of children are readily available without any particular effort (or as the author of an article published 50 years later in celebration of the original paper stated, in jest, but without any malicious intent: as if they were aliens from space, or who had been laid there by the stork at the age of 20; Weil, 2008). According to Samuelson, in this abstract economy savings, and accordingly pension insurance and a pension fund, is not possible, because there is no money, and because the produced consumer goods are perishable. “Providently,” but without any particular theoretical justification and very briefly (“it went out of fashion”), he excludes the obvious solution to the pension problem, that children should maintain their parents, although he mentions that such a thing did exist at one time, but without justifying why it no longer exists today. Furthermore, later he assumes that this “at one time” was so long ago that the new solution he

describes has been in use for generations (it is worth noting that Samuelson's simple assumption that raising children costs nothing is consistent with the assumption that children do not give back the costs of their rearing to their parents, because there were no such costs, there is nothing for them to give back, they owe them nothing. In other words, one theoretical error provides an excellent foundation for another—although until recently, most readers only regarded this as a method of simplification).

According to such conditions—on a market basis—there remained just one alternative for Samuelson to provide for old age consumption: if older active workers “blackmail” younger active workers, meaning older active workers forego part of their consumption in favor of younger active workers in exchange for younger active workers, when they become older active workers, foregoing some of their assets and consumption in favor of people who have in the meantime become inactive older people. The result is far from optimal because, in such a scenario, young active workers will consume their full production, plus part of the production of older active workers, meaning they will be practically drowning in “chocolate” (the only consumer item available in Samuelson's abstract economy). Meanwhile, older active workers must in part give some of their chocolate to younger active workers, while also paying back the chocolate they received from older inactive workers when they were of active young age, meaning their consumption will fall radically, while they will also receive hardly anything during old age. The conclusion is that the free market mechanism does not create a social optimum in this situation, and it would be expedient for the state to interfere. Moreover, the state should interfere by taking away part of everyone's production and giving it to the older, inactive generation by, in Samuelson's example, assuring that everyone, both active and inactive alike, consumes the same quantity in the case of a stationary

population. In addition, he calculates that if the state applies this same ratio of deductions in the case of an increasing population, then the consumption of the older generation will be much higher than that of active workers, because they will receive the “chocolate” that was deducted from them when they were of active age plus interest—this is what he calls “biological” interest.²

He calls the whole system a kind of new Hobbesian-Rousseauian social contract that links generations to each other, including generations that have not yet been born.

The paper was a huge success, the representatives of the American, non-capitalized pension system “recognized” their own system in the description, and were relieved that they were not operating a Ponzi scheme, but that behind their action, which was seemingly spontaneous and lacked any theory, lay a serious and radically new “philosophy”: solidarity between generations. Samuelson’s solution became the official philosophy of the PAYG pension systems, even though it is somewhat surprising why in fact the representatives of the modern American pension system “recognized themselves” in the description. Because the differences between the situation described by Samuelson and the American pension system in operation were vast, and to all intents and purposes evident to the reader:

- America was far from being an economy with no money. However, in his article, Samuelson explained the impossibility of accumulating savings and with it the need for state intervention, precisely with the lack of money. This was so true

² Aaron later “corrected” Samuelson on this point, drawing attention to the fact that economic growth also contributes to this (Aaron, 1966), and this is why the whole theory is often referred to as the Aaron-Samuelson theory, but this strand is of no interest to this study.

that at the end of his paper, he, in fact, notes that in the presence of money, other pension solutions are of course, possible. So, if money exists, why then should we have to resort to the instrument of the state establishing a new social contract?

- In practice, biological interest, which was cited very often, and which was rapidly officially accepted within the PAYG system, did not really work in the way described by Samuelson. According to Samuelson, the “pension contribution” is a ratio of income that is permanently fixed in the long term, and this is why the consumption of pensioners increases hugely compared to consumption during active age in the case of a growing population. In other words, the logical order here is: pension contribution → pension. In practice, however, the equation was just the reverse (and remains so—this was only changed by the NDC system, see Palmer, 2006): the operators of the pension system had an idea with relation to a “fair” level of pensions, which they determined with the help of a pension formula, and it was based on this that they determined the pension contribution that was required to enable them to provide this level of pension. Therefore, the actual logical order was: pension → contribution. As a result, biological interest was not just, or not necessarily, realized by pensioners, but they shared that with active workers such that, in the case of a growing population, pension contributions were relatively low.
- The fact that the biological interest is not only realized by pensioners only truly becomes essential when the population begins to decline.

Samuelson may have mentioned this possibility (he even put forward examples: Ireland and Sweden), but he didn't really examine the issue; in essence he suggested that the biological interest rate is positive, meaning that population is increasing, as was certainly the case during the baby boom that was in full swing when the article was written. Since according to Samuelson, the biological interest belongs to the pensioners, whether positive or negative, in the case of a declining population it means a falling pension because according to his paper pension contributions are fixed, and if those are only enough to provide a lower pension, that is what will be paid. In practice, however, this practically never happened this way. The most striking example of this is the fact that to all intents and purposes every PAYG system admits that behind it lies a vast sovereign debt that represents many times the annual GDP of the given country (and in fact, since 2017 in the European Union (EU) it has been compulsory for every member state to calculate and publish this). Samuelson did not use this idea yet (it was only "discovered" in 1974 by Martin Feldstein; Feldstein, 1974), but he did not have to use it because in the system he devised the implicit sovereign debt is 0. Moreover, this represents a vast difference compared to actual PAYG systems.

Overall, it may be stated that Samuelson did not establish the general philosophy of the PAYG pension system, but only a concrete example of it that only began being "discovered" and introduced after the end of the millennium. This is the total contribution indexed Notional Defined Contributions (NDC) pension system, which has been

introduced in Italy and Poland³ (in which the long-outdated service period was finally “forgotten”). Taking a look at the system, Samuelson’s description fits perfectly, since:

- Samuelson to all intents and purposes described a DC pension system with a fixed contribution rate...
- ...from which as high a pension as possible is paid out (as assured by total contributions indexing) ...
- ... and in which the biological interest rate can also be negative (in the case of a decreasing population, the total contributions index can easily become negative) ...
- ... and in which the implicit sovereign debt is zero.

It is characteristic, however, that this relationship has still not been “officially” discovered today in pension system economics, and in fact, for a long time, the NDC system was regarded as a kind of “aberration” compared to the “naturally” DB-type PAYG system.⁴ Although reading Samuelsson in retrospect, he, in fact, described a DC system (true, at the high level of abstraction in which his article existed, the DB and DC systems were, in essence, the same). In comparison, James Buchanan’s 1968 article (Buchanan, 1968) acted as a new revelation in pension economics, when he first proposed the NDC system. It was also left unnoticed for a long time that in contrast to Samuelson’s foundations, PAYG systems

³ The Notional Defined Contributions (NDC) system is often referred to as the “Swedish system,” because the first NDC system was introduced there. However, their indexing is not based on a total contribution index but is much more complicated in view of the system’s significant capital.

⁴ As admitted by Robert Holzmann—at least with relation to the World Bank—at the Budapest launch of the Holzmann, Palmer, and Robalino (2013) publication.

accumulate a huge implicit sovereign debt, and this was only examined and calculated following Feldstein's article in 1974. This may be interpreted by stating that it was then that it was discovered that the operation of a PAYG system constructed in this manner requires the state to take on a vast, undetected loan, which may also be regarded as a continuous and substantial Keynesian stimulus. The methodology of generational accounting was created to detect this loan taken on for pension purposes, and since it had been established all other loans, and to calculate its distribution between generations (Auerbach et al., 1994; Kotlikoff, 1993).

If, according to the above, the Samuelsson-based pension system is reduced to a total contributions-indexed NDC pension system with no implicit sovereign debt, it may be stated that this is not a Ponzi scheme, because the assets and liabilities of the system's balance sheet move parallel to one another. It is, of course, another matter that in the case of a continuously decreasing population the pension paid out by the system will either be continuously lower, or the age of retirement will have to be regularly increased, meaning the pensioner-protection function of pensions will be strongly eroded. However, upon examination of the usual PAYG systems with high implicit sovereign debt, it becomes clear that the very existence of this implicit sovereign debt points to what extent it is based on the logic of a Ponzi scheme in which revenues are immediately recategorized as dividends with the omission of the investment period, while those liabilities are also kept on the books (as if these revenues had been invested), meaning that in essence the liabilities side of the balance sheet "snowballs" independently from the assets side.

So, in summary, what may be stated about Samuelson's article is that is provided with an elegant solution to an imagined situation and provided an ideology to a pension system that did not yet exist at the time, and which had little to do with actual PAYG pensions systems. However, everyone

wanted to believe in it, and this “inclination” still exists today. For instance, this is probably why the Germans gave up on their previous plan to recapitalize their Bismarckian system and decided instead to transform it into a “modern” PAYG system—clearly based on the American model, although the citing of Samuelsson never really gained popularity in Germany.

In his article, Samuelson himself, on the one hand, avoided referring directly to the existing modern American pension system, since he stressed that the accumulating of reserves is possible in the presence of money, and it is as if he himself also believed that logically, only capitalized pension systems should be allowed in modern times. However, he was clearly “winking” at the existing pension system because, from among the possible alternatives that deserve further examination, he was quick to dismiss (and without any particular justification) the logical solution to the modern pension system, namely that it should be a modern version of the traditional pension system that it replaced. Although it would have been possible to choose a different solution, and it is still possible today, as will be described below.

Overall, Samuelson only seemingly put the modern system that until then lacked any theory in order theoretically, and in fact only increased the confusion with relation to it, which still exists today. True, according to the principles of economics that existed at the time, it would have been difficult to determine; it is, however, possible to determine it today. Accordingly, the theoretical possibility now exists to provide a philosophy for modern pension systems that better describes its essence and based on which several essential changes will, of course, have to be made to its design.

The Chance for a Logically Pure PAYG What They Did Not Do at the Time

It is interesting that despite the fact that they were clearly aware of the fact that most people used to receive old-age care (to all intents and purposes: a pension) from their children, and the economic foundations for this were also evident (“in exchange for being raised”), it wasn’t even considered that this same principle should also be applied to the modern pension system. Meaning that someone receives a pension because they raised contribution-paying children, and the payment of a contribution is itself a method of repaying the costs of being raised, which everyone owes—primarily to those who raised them (who are usually, but not always the parents), and secondly to taxpayers, thanks to whose contributions they had access to certain services in childhood (primarily towards their education). Meaning that the mandatory contribution payment of active workers could have been introduced as a matter of course without having to promise anything in return to contributors. Because everyone owed (and still owes) a contribution (or at least a contribution with an economically well-founded, carefully calculated level and period) to their parents, and to taxpayers. Instead, this debt was simply waived, without having truly noticed this fact. Moreover, they did so just as the cost of raising children began getting increasingly high (meaning the debt owed by children became increasingly large, and interestingly, the period spent in retirement, and which therefore needed to be financed, also began increasing almost parallel to this), and the costs are continuing to increase today (as has the number of years spent in retirement), meaning this gesture didn’t really have any financial basis. Because by doing so, they declared and assumed that:

1. No financial compensation is due for the increasingly expensive act of raising a child; it is something everyone does “of their own accord,”

meaning the income earned during their active career must also cover those costs.

2. People must also extract their pension from their income during active age.
3. Even under such conditions, they will undertake to have and raise a suitable number of children.

Of course, if a society has been doing this for generations, then the waiving of the costs of raising children only causes additional burdens for the generation that does not receive a return on this investment for the first time, after which a new balance can develop—provided that (in contrast to the era preceding the modern pension system) enough children are born without any kind of financial incentive. However, this latter assumption has no true foundation, and it has since been proven that this is not the case, and in fact people react to the increasing cost of raising children in the same way they do if the price of any other “goods” increases: they reduce consumption (this has been specifically documented by pension researchers, e.g., see Gál 2003). This effect is compounded by the fact that thanks to birth control becoming simpler, the realization of this rational individual strategy has become much easier and (in stark contrast to earlier opportunities) requires practically no sacrifice.

Looking back, as has already been noted, when Roosevelt introduced the modern pension system, experience with relation to the traditional pension system was not quite what Samuelson described (“it went out of fashion”). In fact, it was the traditional family farm/business and the traditional division of labor that had broken down; children moved out from their parents, and it was easy for them to refuse to pay them back the cost of their being raised in the form of old-age care. While generations lived together, there were of course also children who would have been glad to save on these expenses, but at the time the public opinion of their place of residence (generally small settlements where people knew

each other well) required the enforcement of this old social contract. When young people moved into big cities, this coercive force was eliminated. It was, therefore, an absolutely logical demand that the state should step in as coercer. This did not require a new social contract; however; it would have been enough to force the operation of the old social contract under these new conditions.

The Rooseveltian modern pension system is traditionally described such that its greatest winners were those who retired immediately after it was introduced, following only a short period of contribution payments, because they received an extremely high pension compared to their paid contributions. If the above logic is accepted, however, a totally different picture is arrived at: the majority of needy older people at the time were those whose children had refused to maintain them, meaning to pay back the costs of their rearing (and possibly the interest on that) in old age in accordance with the old social contract. Accordingly, it would have been entirely justified to tax active workers and distribute the tax among their ageing parents without those parents having to pay any kind of contribution. Moreover, to naturally promise the same to active workers: their children will also be taxed, and that will be distributed between them, depending on their efforts in relation to raising those children. From many perspectives, this system would have been very similar to the one that was realized, but without the element according to which a pension is due concerning the payment of contributions. A pension would have been due in exchange for raising a child, meaning for the creation of the human capital that is embodied in active workers. Moreover, the tax/contribution would have been the repayment of this.

From this perspective, the winners are not really those who first received a pension, but earlier people, who neither cared for their parents nor paid contributions. This, however, is only the first approach to the problem. It is, for instance,

possible—and this would require a deeper analysis of economic history, and for this reason, is only being raised as a hypothesis—that not even they were the true winners. It is possible that the employers of the first young peasants to flow into industry did not pay, as part of their wages, the element that would have made them capable of repaying the costs of their childhood. This element simply became profit, meaning that as a result, the missing consumption of older people who received no care also contributed to the accumulation of capital. In this interpretation, the introduction of contribution payments necessarily led to an increase in wages, and reduced profits, and as a result the maintaining of old parents was finally incorporated into wages, and the accumulation of capital to the detriment of the consumption of older people was eliminated (meaning that even in this manner, a kind of Keynesian stimulus would have been realised without any kind of implicit sovereign debt, because the part of the profits that was ready to “settle” as savings would have been delivered to people who generally would have used it for immediate consumption—to increase their income—to all intents and purposes in the same manner as was actually realized).

However, it is also evident that when the modern pension system was improvised, it, in general, lacked principles, and when principles were eventually found, they were the principles of something else, and therefore proved unfit to suitably handle the problem. However, this only became obvious after a very long time (and is still only visible to few people today), when it transpired that more and more people are deciding not to set their minds on raising children, which in the meantime had become extremely expensive and a bad deal, or similar to other highly desired luxury items such as sports cars and yachts to delay what has ultimately been reclassified as a luxury until they eventually run out of time, and the whole previous construction falls into crisis, and as a

result the Ponzi scheme nature of the system becomes increasingly apparent.

It may also be stated that when society “wrote off” and “threw away” the traditional pension system and waived the requirement for children to pay back the cost of having been raised, they did so by simply transferring these costs onto their parents. They did so at a time when, thanks to the otherwise justified elimination of child labor, they stripped childbearing of its last individual economic advantage. In other words, from this point on a kind of “losers” competition began at a social level to see who is prepared to have children even under such conditions. It may be stated that society’s most crucial long-term undertaking—its own regeneration—was turned into a bad deal and was fully transformed into the result of a solely subjective insight. Moreover, they were unaware of all this, and in general, this realization has still not been widely recognized even today.

What They Should Have Done

Based on the above, it is, however, clear what should have been done at the time instead of creating the patchwork modern pension system, and what should be done now instead of trying to keep it alive:

1. It should have been made clear that under the new conditions the modern pension system is replacing its predecessor, the traditional pension system, meaning that it is based on the repayment of the costs of raising a child for those who have undertaken to pay them. This is in the most part, the merit of parents (or foster parents) and to a lesser degree of general taxpayers. Meaning that the modern pension system is the restoration of the no-longer-operating traditional pension system, with state assistance.
2. Accordingly, it is mandatory to pay a pension

contribution based on a well-calculated contribution rate, but that in itself does not generate a pension entitlement. Only the raising of a contribution-payer will provide entitlement to a pension (at least from this system).

3. Of course the state could have simply declared that it is the obligation of children to maintain their parents (as China recently did⁵), but it was partly too late to do so (because presumably this part of wages had already been “swallowed” by employers, meaning they would have had to be forced to incorporate this into wages in some way, e.g., through taxes), and in part it was capable of offering a better construction than the traditional pension system. The essence of this is that it widely realized the risk-sharing that was missing from the traditional pension system, meaning it applied modern insurance techniques in the interests of making the burden on children (e.g., the payment of contributions) independent from the actual age of their parents (meaning it is made calculable for them), in addition to making the parents’ pension relatively independent of at what stage their children’s career, income generation, and contribution payment capabilities happen to be.

They are meaning that the fund accumulated from

⁵ See: Constitution (2004): “Article 49—Marriage, the family and mother and child are protected by the State. Both husband and wife have the duty to practice family planning. Parents have the duty to rear and educate their children who are minors, and children who have come of age have the duty to support and assist their parents. Violation of the freedom of marriage is prohibited. Maltreatment of old people, women and children is prohibited.”

contributions should have been distributed based on people's contribution to creating contribution-payers. Raising more, or more successful (with higher incomes, e.g., generally more highly trained) contribution-payers equates to a higher pension than raising fewer or no contribution-payers. People are also eligible for something if they raise no children since they have also contributed to the education of the new generation through paying taxes, as the cost of their education was in the most part covered by contributions on the part of taxpayers.

Such a system, of course, does not provide a suitable pension to people who do not raise children, or only from an extremely high age. However, they have saved the costs of raising children (regardless of whether the lack of children was the result of a conscious calculation on their part or a deeply traumatic tragedy), so it would not have caused difficulties for them to put the saved money aside in a pension insurance scheme and have that as the primary source of their pension. When this system was introduced some 80 years ago, there was, of course, no time to devise a separate system for older people with no children, the construction of which requires a few decades. However, it would also not have caused a problem if, following the declaration of the repayment of the costs of child-raising as the underlying principle behind pensions, people without children would also have temporarily not been excluded from the system, but instead the risk of having no children would have also been handled as a distributable risk until the elapsing of a certain period of preparation, which at the time roughly corresponded to reality.

It is, of course somewhat more complicated to operate such a system than the realized PAYG system because more data needs to be kept on file, not just the contribution payments and service period. Questions are also raised in relation to the fair level of contributions, the extent of the contribution payment period, and based on what principled should the paid contributions be distributed between old

parents/guardians. These are problems that can be solved, however, and it is still possible to determine general principles today that grasp the essence of the system and do not consider less important individual details. Furthermore, such a system is capable of operating for a long time such that it begins with generous estimates, and the details are continuously refined, parallel to the collection and processing of the required data.

What Can Be Done Today?

Today, the situation is much better in all respects compared to Roosevelt's era. Sufficient data is available, and it can no longer be claimed that the pension system must be necessarily highly simplified because of the need to keep records manually since a cheap and infinite computer capacity is available. Accordingly, the reform of the existing PAYG system can be realized as a matter, of course. One possible schedule: it is declared that the basis of the pension is an individual investment, of which there may be two types: child-raising efforts or individual savings—or possibly a combination of the two. The payment of contributions is mandatory (because this is the repayment of the costs of raising children—it is expedient to place this period nearer to the second half of the active career, so the family budget isn't burdened simultaneously by contribution payments and the cost of raising children) for a determined period (e.g., 30 years), but no pension is due in return (although failure to pay will result in a reduced pension). However, this principle would only apply to those who are suitably young: for instance, to those who are at least 25 years from achieving the age of retirement, and not at all to those who are only 5 years from retirement. A pro-rata combination of the old and new system would apply to those in between, meaning it would be realized gradually, while leaving everyone enough time to adapt to it with their individual life strategies. Usually, it would be assumed that everyone chooses exclusive savings

instead of raising children, so new employees would begin paying contributions into a mandatory pension insurance scheme. This contribution is reduced if they begin raising a child and is eliminated altogether if they begin raising another. Meaning they would not need to simultaneously pay in two directions; raising a child will not represent an additional burden, but not having children will also not be an economically favorable choice in the short term.

The annually accumulated contributions could be distributed among older people according to a kind of points system. Points would fundamentally be distributed based on the period of child-raising (considering that the person of the child-raiser may change over time), the number of children, and their expected contribution payment capacity. The latter can be estimated in advance based on the level of education, for instance, but the method may be refined later based on experience. Some points are also given for general taxpaying, in view of the fact that children's education was in the most part financed from that. It is expedient to apply some kind of proxy to estimate the level of individual tax payment. This could even be the contribution payment itself since this is probably in good correlation with it (although against it stands the fact that in this way it would seem as if contribution payments result in pensions, just like before).

These are the most general principles of the system, although many further details could be described, of course, but that would exceed the capacity of this chapter. Overall, such a solution would eliminate the implicit sovereign debt that lies behind the modern pension system, as well as all of the demographics-related sustainability problems (e.g., the destructive effect of ageing on the current PAYG system), since as a result all pension systems would become capitalized, in addition to which it would become clear that the realized PAYG system was merely a short, historical and theoretical oversight. Ageing could even be eliminated as a

result of this change, since raising children will once again be economically rational, and will definitely become neutral from the perspective of the pension system, because its Ponzi scheme character will be eliminated.

Existing Reform Ideas—and Their Problems

The above ideas are currently not part of mainstream pension theory and practice, and in fact, few people are aware of them. Thinking with relation to the future of the pension system is dominated by the fact that the realized PAYG system is taken as read, and the ideology it was given by Samuelson is accepted—without realizing the contradiction between the two. They are currently attempting to solve the pension problem caused by ageing in three other ways, but the success of all three solutions is doubtful. These are:

1. Solutions within the pension system:
 - a. The rationalization of the existing PAYG system.
 - b. The rejection of the current system through its Chilean-style full capitalization.
2. As an external solution: through immigration.

These days, the demand for the introduction of NDC-type pension systems is becoming increasingly strong (although the process has come to a halt somewhat these days, as analyzed by Guardiancich et al. (2019)). This may be interpreted as meaning that the Samuelsonian logic is being taken increasingly at face value, and pensions are increasingly being tied to actual contribution payments, and the various generous allowances that various strata of society have gained for themselves are being withdrawn, for example, it may also be defined as a kind of “back to basics” movement (although it’s supporters have not really noticed this).⁶ Overall, this

⁶ The supporters of the NDC system regard it as a novelty (see

means the rationalization of existing PAYG pension systems, with the help of which their lifespan can be extended. However, this does not solve the fundamental problem, meaning that if ageing continues, then further restrictions will have to be introduced. The most logical of these is the radical and continuous increase of the age of retirement, through which the increasingly high implicit sovereign debt can be reduced. This can also be categorized as the usual reduction mechanism of high sovereign debt, its disinflation. This solution considers ageing caused by a lack of children and reduces pension promises through the continuous and robust reduction of pensions themselves, or their period. It does nothing to handle the basis of the problem, the fact that it was the modern pension system itself that turned to raise children into a bad deal, and in fact it increases unfairness towards people who have children, because it distributes the negative effect caused by the general lack of children evenly among those who are responsible for it and those who do have children.

The Chilean solution is extremely popular among its original planners, neoclassical economists, and of course, this is also the most popular solution among life insurers because it would potentially allow their business to grow to huge proportions. However, two objections can be raised to the system, both of which are practical rather than theoretical:

1. The initial step in funding must assumable be the one-time acknowledgement or “printing” of the implicit sovereign debt, because long-term, slow capitalization solutions such as the 1998 Hungarian pension reform managed by the World Bank (for its theoretical foundations, see World

Holzmann and Palmer, 2006; Holzmann, Palmer, and Robalino, 2013).

Bank, 1994), according to experience, can easily be reversed politically. This means, however, that sovereign debt will increase to immense proportions. In addition to practical problems, this also raises the question of whether it is realistic that this debt can be worked off at all within a reasonable time (Banyár, 2017b).

2. If the capitalization is realized such that in the long term the—now explicit—sovereign debt remains the primary capital behind the pension system, then to all intents and purposes nothing has changed. This points to the fact that such a “capitalized” pension system is practically the same as the realized PAYG system, and to the fact that not only is the pension system a Ponzi scheme, but so too is the practice of hugely increasing the sovereign debt, and thereby the burdens of future generations. Who must either undertake those, or escape from them somehow, and will most probably choose the latter, which raises grim prospects for the pension system, and for future pensioners (Banyár, 2017a).

Immigration seems to be a logical and cheap solution. Moreover, indeed: why spend huge amounts of money on raising children if others are prepared to do so instead of us, and make the result available to us free of charge? It is more logical for people to spend this money on their own consumption, as has otherwise been the practice in developed countries in recent decades, thus leading to ageing as a financial problem.

However, upon taking a closer look, it is evident that immigration is a deeply problematic solution, because, in developed Western economies in which the pension system has fallen into crisis because of ageing, not all kinds of immigrants can be suitably employed. There are many poorly

educated immigrants, mainly from Africa and the Middle East. It would definitely seem, however, that these will not be the saviors of the welfare systems of developed countries, but their further beneficiaries. The reason is simple: during the critical period of their raising, for example, in childhood, there was no concentrated, high-level investment in their human capital (in their training), which would make them suitable to stand their ground in the workplaces of developed countries. By the time they arrive as migrants, they are past the age when this could be done. The only remaining solution is to invite migrants from countries in which this early investment in human capital was realized.

Moreover, this indeed works in the case of the EU: the rich EU member states attract the highly-trained workforces of less affluent member states. This also assists the further existence of their pension systems, meaning it handles the problem well for a time but at the price of exacerbating the problem in poorer member states (Banyár, 2014a). Meaning poorer member states do not enjoy the profits of the significant human capital investments they have realized, which will eventually lead to tensions in relations between affluent and less affluent member states. It would seem, therefore, that in developed countries the ageing problem cannot be solved without a human capital investment that is greater than the current one, one of the most obvious solutions to which, although undoubtedly not the only possible solution, would be the reorganization of the modern pension system as described above.

The Logically Pure State Pension System in Literature

In retrospect, it is interesting that despite the many inconsistencies described above, the majority of experts still believe that existing PAYG systems still have a coherent basic philosophy, the principle of solidarity between generations. It would seem that existing practices have “gouged” troughs in

the “neural pathways” of those dealing with the topic, into which thinking with relation to the subject slips back repeatedly, and which are difficult to leave. We do not have to go far for example: in 2003, the author of this chapter published a book in collaboration with József Mészáros (Banyár and Mészáros, 2003/2009), in which he cited this approach to existing PAYG pension systems as being self-explanatory. He continued to do so—right up until 2014—despite the fact that in 2005 he read a thought-provoking study on the subject by four Czech life insurance experts (Hyzl, Rusnok, Kulhavý and Řezníček, 2005), who in a logically totally coherent manner described the possibility of a new kind of PAYG system, which is to all intents and purposes the same as has also been suggested in this chaoter, above.

It is also interesting that the supporters of pension systems based on raising children, who are thankfully increasing in number (Demény, 1987; Werding, 2014; Botos and Botos, 2011; Banyár, Gál and Mészáros, 2016; Giday and Szegő, 2018; Regős, 2015; Kovács, 2012), while pointing out the importance of raising children, want to recognize it as a contribution payment.⁷ They do not realize that contribution payments are not a legitimate claim for receiving a pension, but that they are the repayment of a previous debt, which may be mandatory, but this is where the comparison ends; it does not give rise to entitlements but closes an obligation that came about previously. This also indicates the extent to which the ad hoc, theoretically unfounded solutions of the modern pension system, which according to the standards of world history were only created “yesterday,” have “eaten their way” into people’s way of thinking, and that it is challenging to free ourselves from this burdensome inheritance. However, let us

⁷ As indicated by Banyár, Gál, and Mészáros (2016), which was written in 2012-2013, this opinion was also shared by the author of this paper, but he changed his opinion (Banyár 2014b, 2016, 2017a).

trust that it is not impossible. A great deal depends on whether we do so or not.

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