Martin Kohli

(European University Institute, Florence, Italy)

Aging and justice[1]

Chapter 25 (pp. 456-478) of the

Handbook of Aging and the Social Sciences, 6th edition

edited by Robert H. Binstock & Linda K. George

San Diego, CA: Academic Press, 2006

martin.kohli@iue.it

[1] Parts of this chapter are an expanded and revised version of the arguments presented in Kohli (2004). I am grateful to Harald Künemund for the ideas that have matured in our long cooperation, to Anne-Cathérine Küffer for her unfailing research assistance, and to Christine Chwaszcza for her comments on the first draft.

Introduction

This chapter focuses on justice between age groups and generations. A *Handbook of Aging* obviously asks for such a focus. But more generally, this dimension of justice has become one of the major issues of contemporary societies. In the history of most Western welfare states, the key "social question" to be solved was the integration of the industrial workers, in other words, the pacification of class conflict. This was achieved by giving workers some assurance of a stable life course, including retirement as a normal life phase funded to a large extent through public pay-as-you-go contribution systems or general taxes (Kohli, 1987). In the 21st century, class conflict seems to be defunct and its place taken over by generational conflict (Bengtson, 1993; Kaufmann, 2005). The new prominence of the latter is due both to the evolved patterns of social security which have turned the elderly into the main clients of the welfare state, and to the demographic challenge of low fertility and increasing longevity.

Such an assertion needs to be qualified in two ways. First, it should be noted that conflict or competition between young and old over scarce resources is by no means new. As will be discussed below, it is a common theme in historical and anthropological accounts of pre-modern societies as well (see Foner, 1984; Williamson & Watts-Roy, 1999). But with the evolution of the modern welfare state the form and arena of this conflict have changed. Secondly, and more importantly for our present concerns, it remains essential to assess the extent of the generational cleavage per se and the extent to which it masks the continued existence of the class cleavage between wealthy and poor (or owners and workers). In other words, to what extent have the new *inter*generational conflicts really crowded out traditional *intra*generational ones? There are moreover other cleavages that are usually categorized as "new" dimensions of inequality (in distinction to the "old" ones of class), such as those of gender and ethnicity (or "race").

Issues of justice play a prominent role in adjudicating conflicts and legitimizing their solutions along all these cleavages. Modern democratic polities, evolving under conditions of individualized participation in public affairs, increasingly depend on broad cognitively-based acceptance by their citizenry, and thus rely on commonly shared (universal or local) sources of legitimacy such as those provided by justice ideas.

Justice as used here should not be equated with the world of law. I will not go into the discussions, e.g., of how age boundaries are legally regulated and to what extent these regulations are constitutionally valid (see Igl, 2000, for a perspective from Germany), nor of the legal framework against discrimination on the grounds of age (see chapter 22). These problems are related to the arguments developed here insofar as they rely on the same general set of ideas about the fair division of the life course and construction of age groups. Setting the age boundary of retirement is tantamount to deciding which ages are institutionally expected to gain their living from participation in the labor market, and which ages have access to public pensions. But it would go beyond the scope of the present chapter to cover these issues – even more so as they present major differences among national legal regimes.

The first two sections of this chapter discuss the two basic concepts: age and generation on the one hand, justice on the other. As to age and generation, I will show that most problems are situated not at the level of age groups but of generations or cohorts, and then outline my own distinctions between (various types of) societal and family generations in order to frame the issue of generational equity. As to justice, the focus will be less on normative conceptions than on the perspectives of empirical justice research: as analysis of attitudes and values, as institutional analysis, and as discourse analysis. In the third section, the discourse on and institutional anchoring of generational equity will be reviewed. The fourth section presents the distributive outcomes in terms of income shares and poverty risks of different age groups, and the fifth, the patterns of public attitudes and beliefs concerning justice among generations, the role of the state and other possible providers of social security, and the acceptability of various reform proposals. A brief final section will return to the issue of inter- vs. intragenerational conflict, and discuss the link between the public and the private generational "contract."

Wherever possible this chapter relies on comparative arguments and findings among the economically advanced nations of the OECD world. The emphasis is on European conceptualizations and sources where the comparative perspective has (by necessity) been given more prominence. The U.S. literature is not fully reviewed, but is included for comparison, both with regard to institutional specifics and empirical dimensions of resource distribution and attitudes.

<u>Age and generation</u>

Aging is relevant to justice concerns not so much in terms of the process of individual aging as in terms of the aggregation of individuals into age groups and generations or cohorts as socially delimited entities. And as will be seen, age groups per se are not really problematic; it is the differentiation into generations that creates the major problems in terms of distributive justice. Over the past two decades, they have usually been addressed as the problem of *generational equity*.

It needs to be emphasized that age groups are not given but socially constructed through the institutionalization of the life course. "The elderly" as a category are today directly predicated upon the institutionalized age boundary of retirement. Changing this boundary would create different relative sizes of age groups, and thus change the distributional balance. Raising it has therefore become one of the main avenues in the current reform or retrenchment of pension systems. However, such changes are difficult to implement because these age boundaries, although socially constructed, are not freely available to political intervention – they are linked to basic structural properties of welfare states and labor markets (e.g., seniority wage systems) and stabilized through deeply entrenched biographical orientations and expectations (see Kohli, 1994).

In all modern societies the elderly are the main recipients of public income transfer programs, while children – even when taking child allowances and the costs of schooling into account – are to a large part financed privately by their parents. Such unequal allocation of public resources among age groups may be considered "unfair" or ineffective if, e.g., its outcome is that one group is consistently worse off than another. But in principle an unequal treatment of age groups is perfectly legitimate. The reason is that age is not a fixed characteristic (see Daniels, 1988, p. 18). Age groups are to be viewed not as entities with fixed membership but with regularly changing membership, with all individuals progressing through the life course from one to the next according to an institutionalized schedule.

With generations this is not the case. The concept of generation can be defined with regard to society or to family – two levels which are usually analyzed separately but need to be treated in a unified framework (Kohli, 1996; Kohli & Szydlik, 2000). At the level of the family, generation refers to position in the lineage. At the societal level, it refers to the aggregate of persons born in a limited period (i.e., a birth cohort according to demographic parlance) who therefore experience historical events at similar ages and move up through the life course in unison. One cannot leave a societal generation or birth cohort in this formal sense – they are fixed-membership entities. In a title such as *Justice between age groups and generations* (Laslett & Fishkin, 1992) the *and* thus stands for a major conceptual and empirical problem.

Under what conditions and to what extent this common socio-historical location experienced by a birth cohort throughout its life leads to a shared consciousness of being a generation and to a common mobilization as a societal actor has been the subject of intense argument and research. What is clear, however, is that the concept of generation is a key to the analysis of social dynamics. In the sequence of generations, families and societies create continuity and change with regard to parents and children, economic resources, political power and cultural hegemony. In all of these spheres generations are a basic unit of social reproduction and social change – in other words, of stability over time as well as renewal (or sometimes revolution).

In some "simple" traditional societies without centralized political power and class-based social stratification, age and gender are the basic criteria for social organization and the distribution of rights and duties. The most obvious type are the societies – to be found mostly in East Africa – based on formal age classes or age-sets, as they are sometimes called (Bernardi, 1985). A subtype of particular relevance to the present chapter are those societies in which the basis is not age but generation – that is, position in the family lineage. Here the sequence of generations in the family directly conditions the position of the individual in the economic, political and cultural sphere

(Müller, 1990). In modern societies these features of social organization have been differentiated and are now institutionalized in separate spheres. But they need to be linked at least conceptually, so that shifts in the relative importance of these spheres may be detected. There are indications, for instance, that in the West the main arena of intergenerational conflict has shifted from the political and cultural to the economic sphere. The political cleavage between generations has turned into a cleavage over the distribution of public resources.

As these brief remarks show, the idea of conflict or competition between young and old is by no means new. But it may have taken on a new form of institutionalization in the modern era, with its emphasis on societal dynamics and progress through the replacement of old by new generations. In political and cultural terms, a case in point is the youth movements at the beginning of the 20th century. They celebrated and mobilized youth as the vanguard of cultural and political change, and even as a higher form of human existence, necessarily at war against the adult world (Wohl, 1979). The contemporary history of the conflict dates from the institutionalization of age-based social security (Williamson & Watts-Roy, 1999). In the United States it was the passage of the Social Security Act in 1935 that brought the distribution of resources between young and old – the conflict that later came to be known under the term of *generational equity* – into public focus.

Justice: Empirical and normative perspectives

Empirical social science research on distributive justice (issues of procedural and retributive justice will not be covered here) comes mostly in two variants which can usefully be differentiated along two dimensions: that of small-group contexts vs. whole societies and that of attitudes vs. behavior (Miller, 1992, 1999; Swift, Marshall, Burgoyne, & Routh, 1995). The first variant is that of social psychology, and more recently, of economics: experimental studies of behavior in terms of distributing rewards at the micro-level. The second variant is that of sociology and political science: survey studies of attitudes or beliefs about the fairness of the distribution of resources across whole societies. It is with this second variant that the present chapter is concerned.

Public beliefs about whether social arrangements are just play an increasing role today. Processes of societal individualization have reduced the power of traditional loyalties, and at the same time raised the level of expectations towards democratic polities. In this situation the reference to and conflict over basic principles of justice becomes critical. This is especially the case now that in all advanced societies the institutional patterns of resource distribution are under stress, and the public agenda is dominated less by the prospect of giving new benefits to the citizenry than by the retrenchment of existing ones (Liebig , Lengfeld, & Mau, 2004).

Public issues of aging are above all issues of social security and the welfare state. This may be the arena where the reference to principles of justice is most marked, because it is here that the problems of the societal distribution of resources are to be resolved (Liebig et al., 2004). The welfare state directly bases its legitimacy on principles of just distribution, and therefore its legitimacy is especially dependent on whether it is perceived as fulfilling these principles.

Justice beliefs and attitudes are thus critical because at the collective level they condition the public acceptance of welfare state reforms (and by that, the latter's political fate). They are moreover critical because at the individual level they affect compliance with the taxes and contributions imposed by the welfare state.

It must be noted, however, that the relevance of attitudes may be questioned on two grounds. The first is the possibility that the opinions of ordinary people will be unsystematic and contradictory. The second is that it is not clear to what extent beliefs are in line with actual behavior, and that expressed beliefs may reflect social desirability (Swift et al., 1995).

These are both potentially serious drawbacks to empirical justice research in the sociological style. This is especially clear in relation to the large body of scholarship in the philosophy or political theory of justice, i.e., in the normative arguments on what is to be considered just on what grounds. The relation between empirical and normative work has so far been tenuous at best. Among the practitioners of the former there is at least some awareness of theories of justice, while among the practitioners of the latter there is little interest in the other side. The widespread disregard and even contempt of empirical justice research by philosophers and political theorists is aptly expressed by the anonymous British referee of the *International Social Justice Project* cited by Swift et al. (1995) who considers it "a waste of time to survey the views of people who are not in a position to judge the issues" (p. 17). This disregard of course does not do justice to the role of popular beliefs as a source of political legitimacy. For some theorists it remains moreover essential to ground a theory of justice for a democratic state on some consideration of the beliefs of the people who make up the democratic constituency. As an example, Elster (1992) asserts that "theories of justice need empirical foundations" (p. 192). What exactly the latter should be and how they should inform theories of justice remains a complex issue (see Swift et al., 1995, for a lucid overview). But any empirical foundations presuppose a good answer to the two potential drawbacks.

The first one, about the inconsistency of popular opinion, is not special to the field of justice. It is a common experience for researchers aiming to measure attitudes (or related concepts) that their respondents will agree with many different statements simultaneously, including contradictory ones (e.g., Kohli & Künemund, 2003). But this need not be the end of the story. On the one hand, attitude statements in surveys, even if worded closely to specific situations, are never fully defined – they always leave room for definition of what precisely they mean to say. It may be possible in many instances to reconstruct the meaning of seemingly contradictory items so that the contradiction vanishes. On the other hand, even if we accept that ordinary people do not spend as much energy and intelligence as political theorists would on the logical structuring of their beliefs, there is a range of psychometric procedures to get at the underlying or latent meaning of answers to a set of attitude items. According to psychometric standards the common practice by many sociologists to base their interpretations on single-item answers is problematic, even though in many instances – and in this chapter as well – it may be unavoidable because the survey in question does not include full batteries of items.

The most ambitious comparative measurement of the cognitive space of justice beliefs so far is the already mentioned *International Social Justice Project* (Kluegel, Mason, & Wegener, 1995). A careful analysis of the large number of attitude items in different formats collected here (Swift et al., 1995) shows that these beliefs are indeed reasonably well structured, both in terms of internal consistency and of external validation according to plausible socio-demographic differences such as gender, education, class and political preference. The three main factors common (in varying degrees) to the three countries under investigation (West Germany, Britain and the United States) are equality of outcomes, justified inequality, and need – the factors that also usually result from systematic discussions of distributive justice, or from reconstructions of the criteria embodied in welfare institutions. People consistently use these different criteria for different situations. In all three societies, people thus organize their normative judgments "around established and coherent principles of justice" (Swift et al., 1995, pp. 35).

The second potential drawback may be thornier. The attitude vs. behavior conflict has been the subject of a long research tradition in social psychology which – as discussed by Swift et al. (1995) – has culminated in "general agreement that attitude, no matter how assessed, is only one of the factors that influence behavior" (Ajzen & Fishbein, 1980, p. 26) but not much more. Given the contextual (societal and situational) variation in which individuals act, however, it may be unreasonable to expect more. The conclusion may also be stated in more positive terms, aptly summarized by Swift et al. (1995): "attitudes do not determine behavior, but they do provide relatively enduring predispositions to action, albeit leading to different behavioral outcomes in different concrete circumstances" (p. 41). One of the methodological consequences is that when surveying attitudes, it is essential to phrase them so as to represent situated behavioral choices or dilemmas as closely as possible. They should moreover be complemented by direct measures of behavior, such as voting on relevant issues (e.g., Bonoli, 2004).

Miller (1999), in his far-ranging discussion of the principles of social justice in political philosophy as well as in empirical research, addresses both problems simultaneously. His aim is "to discover the underlying principles that people use when they judge some aspect of their society to be just or unjust, and then to show that these principles are coherent" (p. ix). He again asserts that popular judgments are indeed coherent but that different principles are used in different contexts. Yet the coherent expression of justice beliefs in behavior depends on what he terms the "circumstances of social justice" – a state of affairs that presupposes morally bounded societies, a set of institutions with predictable distributive outcomes, and an agency capable of regulating them. It is especially the first of these presuppositions that is becoming problematic today under the double pressure of globalization and multiculturalism.

The perspective of justice research at the level of attitudes may be contrasted to the perspective of institutional analysis (Liebig et al., 2004). Justice research as institutional analysis aims to describe or to reconstruct the principles embodied in institutions such as those of the welfare state. The interest in such an analysis is threefold: first, institutions have differential chances of survival according to the plausibility of the moral principles they rely on; second, they can themselves be read as moral statements of the purposes that a state or society aims at; and third, they may in turn influence public attitudes by highlighting certain principles and discarding others (V. H. Schmidt, 1995). There is now a substantial body of comparative research on the justice ideas institutionalized in different welfare states (e.g., Rothstein, 1998), and more specifically, pension regimes (e.g., Palme, 1990). Goodin, Headey, Muffels, & Dirven (1999) go one step further by confronting institutional justice principles with empirical distributive outcomes – following a long-standing tradition of "critique of ideology" but with an emphasis on a sophisticated empirical analysis. Another way to pursue institutional analysis is to focus on how distributive judgments are made and implemented in empirical social settings (e.g., Elster, 1992; V.H. Schmidt, 2000). Studies of decision-making in situations such as granting access to medical treatment or higher education show that these processes are often "local," with little reference to overarching standards of justice.

In recent years, a third perspective of justice research has become prominent, that of discourse analysis (e.g., Leisering, 2004). It examines the semantics of justice as they emerge (or are shaped) in public discourse on the distribution of resources, and in turn influence the public perception of these issues. It may also examine the structure of beliefs held and communicated by specific political actors (e.g., Reeher, 1996). Discourse can be understood as "policy discourse" – a form of systematic communication from above, used by governments (or other agents in charge) to argue the case of institutional change. Vivien A. Schmidt (2000) has demonstrated that such discourse has indeed been effective in facilitating popular acceptance of change, especially in the present circumstances of the politics of retrenchment where "policy initiatives that go against the narrow self-interest of electoral majorities succeed more often than one would expect" (p. 230). It is a tantalizing issue to what extent a successful policy discourse can be motivated and designed in a purely strategic way. But in any case, just as the welfare state could not exist without the support of strong normative arguments and moral convictions, discursive attempts to gain support for retrenchment must convincingly appeal to values – including those values of solidarity upon which the traditional welfare state was built. As Schmidt shows, “no major and initially unpopular welfare-state reform could succeed in the medium term if it did not also succeed in changing the underlying definition of moral appropriateness” (p. 231).

Discourse can also be understood more broadly, in the sense of “discursive politics” characterizing the democratic process as such. As Rothstein (1998) argues, democratic institutions “force participants to defend their positions publicly. Those taking part must therefore justify their actions in moral terms.... Democracy thus acquires a special moral logic, which differs in part from the logic of other institutions (such as the market)” (p. 117). This is most succinctly stated in the currently popular concept of “deliberative democracy.”

What are the substantive results emerging from the literature on distributive justice? Given the complexity that our brief discussion has hinted at, it may come as a surprise that there seems to be convergence on some broad conclusions. There are three basic principles by which distributive outcomes are justified: need, merit or desert (usually based on work performance), and equality (usually based on citizenship status). In addition to need and merit as criteria to justify an unequal distribution, one may also invoke the incentive criterion – inequality serving to motivate people to perform better so that in a positive-sum game everyone will be better off in the end. These principles operate at the level of normative theories (e.g., Miller, 1999), at the level of popular beliefs (e.g., Forma & Kangas, 1999; Swift et al., 1995), and at the level of welfare state institutions (e.g., Leisering, 2004; Palme, 1990; Rothstein, 1998). Their salience varies between countries, between groups of persons, and between the parts of the welfare state, but together they seem to exhaust most of the conceptual and empirical space of distributive justice.

For the specific topic of justice between age groups and generations, it is first of all necessary to analytically separate these two dimensions. As Daniels (1988) has shown, inequality among age groups – based, e.g., on needs perceived to be different – does not violate justice principles (as unequal treatment based on other ”morally irrelevant” traits such as gender or race would). The reason is that while we (usually) do not change our gender or race, we do change our membership in age groups by the simple process of aging. Thus, the fact that we successively live through all the stages of life makes treating them differently morally acceptable. (For more precision, the argument has to take into account differential longevity structured along relevant socio-demographic group characteristics. Indeed the question of whether groups with shorter life expectancy – e.g., lower vs. higher status groups, or men vs. women – should help finance the benefits for those living longer has become a pressing issue of relating *inter*generational with *intra*generational equity.) There may be grounds for justifying a distribution according to the different needs of age groups, e.g., children versus adults or the elderly. They are institutionalized in practices such as income equivalence scales which often assume lower costs for children (but usually do not differentiate among adults of different ages). On the other hand, there may be reasonable political decisions to allocate more resources to children – more precisely, families with children – because, e.g., of a perceived need to invest into a society's future (see Esping-Andersen, Gallie, Hemerijck, & Myles, 2002; Esping-Andersen & Sarasa, 2002; Preston, 1984). There is also the heavily-discussed issue of singling out age groups by ascribing them different levels of "merit," such as through rationing access to some forms of medical treatment for older persons (see Callahan, 1987). But usually it is most appropriate to have equality across age groups. The "prudential life span account" proposed by Daniels (1988) as a normative standard seems to ultimately favor equal outcomes. And indeed it can be observed that special benefits for one age group – e.g., free or subsidized access to public transports or cultural events – are usually legitimized in terms of making up for the disadvantaged economic situation of this group rather than of different needs.

The domination of the equality criterion is even clearer for the distribution across generations. It may be questionable how far into the future (or into the past) the standard of equality should be extended, but there is little ground for legitimizing any other distributional standard. The intergenerational sharing of burden and rewards is just or fair to the extent that each successive generation can expect to receive the same treatment as the preceding and following ones when it moves up through the stages of life. In such a world, financing the elderly during one's earning years through a pay-as-you-go system is not problematic because one can expect to reap the same benefits in one's retirement funded by the next generation (a pattern often called *indirect* or *sequential reciprocity*). Problems arise "only" to the extent that such equality of treatment is not given – which in the real world is unfortunately rather the rule than the exception. Criteria of need or merit come into play with reference to *intra*generational justice, as, e.g., with the idea that the pension system should conserve the level of income that the individual achieved when in the labor force (merit), or conversely, that it should ensure a basic income floor (need). The first of these ideas is central to the welfare states of the "conservative" regime type, the second to both the "social-democratic" (universalist) and "liberal" (residual) types. Most welfare states have some combination of the two, as when an income-maintaining pension system is complemented by a minimum guaranteed pension for those below a certain threshold.

Generational equity: Discourse and institutions

For the last two decades the distribution of resources between young and old has usually been debated under the term *generational equity* (see the detailed overview by Williamson & Watts-Roy, 1999; also Binstock & Quadagno, 2001; Cook, 2002). During the 1960's and 1970's the U.S. enjoyed a period of expansion of social security for the elderly under the banner of what Binstock (1983) described as *compassionate ageism*. This idea of the elderly as discriminated against, poor, and in need of public support proved to be "an effective rhetorical device...[that] helped sell social policies that increased the share of societal resources" allocated to the elderly (Williamson & Watts-Roy, 1999, p. 10). The turn away from compassion for the old had to do with the success of these policies in changing their economic situation (see below), with changing demographics, and with the economic downturn of the early 1970's. But these changes in the "real world" needed again to be discursively focused and packaged in order to become politically effective. This was achieved not least by a number of conservative think tanks and foundations. The media have become the central arena for the construction of political meaning, favoring through their rhetorics not only individual actors but also "flamboyance, simplification, polarization, and the related styles that emphasize the crisis nature of social problems" (Williamson & Watts-Roy, 1999, p. 26).

Generational equity refers to "the argument that the elderly have been the recipients of an unfair distribution of public resources for income, health care, and social services" (Binstock & Quadagno, 2001 p, 343), and that this comes at the expense of the non-aged population, especially children. As Williamson & Watts-Roy (1999) show, this idea has been anything but new, but its growth into a full-blown political discourse can be dated to 1984, with on the one hand Preston's (1984) influential comparison of the well-being of children and the elderly, and on the other, the founding of *Americans for Generational Equity (AGE).*

From the United States the discourse has been imported to the United Kingdom and to the European continent where institutionalization has been slower but with more current weight, such as with the German *Stiftung für die Rechte zukünftiger Generationen* (Foundation for the Rights of Future Generations) founded in 1996. The different patterns of debate in Europe can be attributed to its institutions as well as to its discursive traditions. In fact there are also major differences within Europe. As Vivien A. Schmidt notes, intergenerational justice has become a recurrent theme "only in those Continental countries with pay-as-you-go, earnings-related pensions, where the problems of funding remain significant – for example, in Germany, Austria, Italy, Belgium, and France – and not the Netherlands or Switzerland" where pensions are to a larger extent privatized (V. A. Schmidt, 2000, p. 302).

The discourse of generational equity has clearly been one of the more effective ones in shaping the public agenda of welfare retrenchment over the last two decades. Its effectiveness in changing popular attitudes and beliefs has so far been less impressive; as will be shown below. The political consequences drawn by the proponents of generational equity go in the direction of reducing public spending for the elderly – e.g., by privatizing (parts of) old-age security, reducing the benefits, and increasing the retirement age. Other demands include age-based rationing for some types of medical care, and age tests for a range of issues such as driving or even voting. The demands are often grouped under the term *sustainability* which links the long-term survival of social security schemes to issues in the domain of ecology.

Although the general idea of keeping the world intact for future generations is readily accepted, the more specific demands have drawn intense criticism. Among the scientific community of gerontology and the associational community of old age concerns, the generational equity demands have become a common rallying point for repudiation and indignation, and an easy occasion for claiming the scientific and moral high ground. The proponents of generational equity have accordingly been hit by a range of counter-statements from public or scientific associations for the elderly, such as the volume from the *Gerontological Society of America* (Kingson Hirshorn, & Cornman, 1986) which proposed a competing frame, that of generational interdependence, or the volume from the *AARP*, formerly the *American Association of Retired Persons* (Cohen, 1993).

These counter-statements have indeed made a strong case, pointing out that the expansion of old-age security should be seen as a success that – far from unduly privileging the elderly – has only given them their due share by finally bringing them up to par with the active population (Hudson, 1999). Moreover, improving their well-being does not necessarily come at the expense of other population groups. The argument of a zero-sum game in the distribution of resources between young and old can be criticized on three grounds: first, children and elderly depend on different institutions for their economic well-being (Easterlin, 1987; see below); second, if seen in a comparative perspective higher public spending on children and elderly are not mutually exclusive (Pampel, 1994); and third, children and elderly are linked through intergenerational family ties so that resources flowing to one side profit the other as well (Kingson et al., 1986; Kohli, 1999).

Finally, the institutional alternatives to public social security are less convincing than they are discursively made to look. For example, privatizing old age pensions through a fully-funded system will not solve the problem of lower returns since returns from private funds depend equally on the domestic economic product at the time they are cashed in (except if the funds are invested in more dynamic economies abroad). The costs of private funds – in other words, the profits to be made for the financial industry – are often much higher than those of public administration. Predictably, a mature privatized system such as that of Chile is now facing these problems.

In the United States, reframing the discourse of generational equity as an “entitlement crisis” has also been less than convincing (Quadagno, 1996). It suffered its first blow at the disappearance of the federal budget deficit in the late 1990s. In the meantime the deficit has skyrocketed again under the combined pressure of the Bush administration’s tax cuts and the costs of war. (For the latter there are obvious parallels to the early 1970’s). It remains to be seen whether the current administration’s attempts to resurrect the entitlement crisis frame by putting the blame for the deficit on social security will succeed even in the absence of supporting numbers.

European welfare states, however, have been less fortunate. Here, the issues of generational equity have become an important part of the broader efforts towards welfare retrenchment (Esping-Andersen et al., 2002; Pierson, 2001). This is due to the tightening of public finances under the pressures of Europeanization and globalization, but also to the increasingly bleak demographic outlook. Demography is not destiny (and presenting it as such may be another form of ideology) – but it does create a major challenge in terms of population aging. This challenge goes beyond the economically advanced societies of the OECD. It is, however, largest for some of the latter that have shown a persistent pattern of low fertility.

The joint impact of low fertility, increasing life expectancy, and relatively early exit from the labor force will drive up the contribution rates or drive down the income replacement level of pensions, especially (but not only) in the welfare states of Southern and Continental Europe and Scandinavia with their extensive pay-as-you-go (contribution- or tax-based) pension systems. Immigration (see United Nations Population Division, 2000), increasing female labor force participation and an increase in the retirement age limit will all provide some financial relief, but the demographic numbers are such that the issues will remain critical. The current conflicts over pension 'reform' – or more to the point, pension retrenchment – is taxing these societies' capacities for finding viable political compromises to their limits (see Myles, 2002).

Some proponents of generational equity argue that the window of opportunity for implementing these reforms is closing because the older population increasingly dominates the political arena by its sheer voting weight (see Binstock, 2000). They see a point of no return when the power of the elderly will be such that they will be able to block any attempt at reducing their benefits. In a formal analysis for Germany, Sinn & Uebelmesser (2002) have projected the median age of voters and the "indifference age" as the age of the cohort that is affected neither positively nor negatively by a pension reform. The assumption is that reform will be feasible if and only if the median voter favors it (2002:155). The authors conclude that until 2016, a reform can be democratically enforced because a majority of the voters will still be below the indifference age. 2016 is "Germany's last chance"; after that year, it will be a gerontocracy.

Such a model is of course highly mechanical; it presupposes that voting shares fully translate into specific policies, and that people's votes are based only on their current individual position – which is manifestly not the case. Pampel (1994) has shown that over the period from 1959-1986 the effects of population aging on public spending in OECD countries varied according to whether a country had class-based corporatism and strong leftist parties. Population aging has resulted in higher spending on pensions and the aged relative to spending on families and children only in countries (such as the United States) without these features. Self-interested mobilization by age is thus more likely in countries which do not have class-based institutions that emphasize *intra*generational over *inter*generational cleavages and conflicts (see chapter 19).

If political action is not purely interest-based, this creates room for discourse based on justice ideas. According to Daniels' (1988) argument presented above, intergenerational sharing of burden and rewards is just or fair to the extent that each successive generation can expect to receive the same treatment as the preceding and following ones when it moves up the through the stages of life. Unfortunately, the real world never quite conforms to this ideal. The most drastic departure from it may be illustrated by Thomson's (1989) account of the development of the welfare state in New Zealand. According to Thomson, it has been the result of the political activity of a specific generation which first created a youth-state with housing subsidies and benefits for young families, and then over its own life course turned it into a welfare state for the elderly. New Zealand's welfare state thus would have represented one generation's success in exploiting its preceding and succeeding ones.

Although such blatant political exploitation of the public ”generational contract” seems to be the exception rather than the rule, there are other sources of discontinuity. As mentioned above, the most obvious one today is demography. An interesting proposal for coping with the changing size of successive cohorts is the *fixed relative position (FRP)* model (as set out by Myles, 2002, based on Musgrave, 1986) where “contributions and benefits are set so as to hold constant the ratio of per capita earnings of those in the working population (net of contributions) to the per capita benefits (net of taxes) of retirees” (p.141). This allows for proportional risk sharing: “As the population ages, the tax rate rises but benefits also fall so that both parties ‘lose’ at the same rate” (Myles, 2002, p. 141). In other words, the distribution of resources among age groups agreed upon in a society is stabilized so that it remains identical for each successive cohort, thus fulfilling the condition for Daniels' (1988) justice standard.

But problems of equity arise in the *intra*generational dimension as well. The relation of the ”old” issues of inequitable distribution (or poverty, or exclusion) along class lines and of the “new” ones such as those based on generations remains a thorny one. The discourse on intergenerational equity may function as an ideology: as a way to divert attention away from the still existing problems of poverty and exclusion *within* generations, e.g., based on class or gender. If welfare systems are redesigned as a consequence of demographic change, these problems may be exacerbated in surprising ways. An example is the proposed rise in the age of retirement. Given that longevity is socially stratified, a rising retirement age would disadvantage the less well off because an additional year of employment represents a larger proportional loss for someone with a shorter life expectancy (Myles, 2002). This may be one reason why raising the retirement age proves to be so broadly unpopular, as indicated below.

Generational equity: The empirical record

Most of the claims of generational equity focus on the distribution of resources between the young and the old. As mentioned above, one line of research examines the input side: welfare state spending targeted to different population groups, among them, the young and the old, and how it is brought about by welfare state institutions (e.g., Pampel, 1994). This concerns not only the large redistributive programs such as old age income security or health insurance, but also arrangements only partially organized or subsidized by the state such as long-term care (see Anttonen, Baldock, & Sipilä, 2003). An important extension is that of generational accounting which includes contributions as well as spending, and tries to establish long-term balances for each successive cohort (e.g., Kotlikoff, 1992).

A direct comparison between spending on the elderly and on children and youth would however be misleading. In modern welfare states, incomes and services for the elderly are to a large extent publicly financed, while those for the young are still mostly borne by their families. The one exception is the educational system, but even if it is included in a broader conceptualization of the welfare state the transfer shares for the young and the old are still uneven. In low-fertility countries there is now a heightened emphasis on the need for public financial aid and services for families with children, but the projected increase remains far below the large transfer programs directed at the elderly.

The more straightforward way of validating the claims of the generational equity debate is to assess the output side: the outcome of market distribution and state redistribution in terms of the economic well-being of the young and the old. The fact that this is indeed the outcome of state activity *and* market processes poses an interesting problem of causal attribution, and should caution us not to treat the well-being of children and the elderly simply as the result of a zero-sum game. What Easterlin (1987) remarked in response to Preston's (1984) argument needs to be heeded today as well: "the divergent trends in poverty rates of children and the elderly chiefly reflect two different and largely independent causes. Whereas the improved status of the elderly is largely attributable to government action..., the rise in the poverty rate of children is, to an important extent, a result of market forces" (Easterlin, 1987, p. 195). If there is a trade-off between the two, it is probably more nation-specific than universal, in other words, it is premised on specific institutional arrangements (Pampel, 1994). Esping-Andersen & Sarasa (2002) recently tried to refute the zero-sum view on the grounds that it is premised on an overly static analysis. They attempt to identify "a win-win policy model that simultaneously ensures child and elderly welfare" in the sense that "social investments in children now will have strong and positive secondary effects in terms of helping maintain welfare guarantees for the elderly in the future. The key lies in minimizing child poverty" (p. 5) which in most countries would be surprisingly affordable. On the other hand there are attempts today to show that high contributions for public programs such as pensions do indeed lower the market incomes of younger cohorts, and moreover have negative consequences for economic growth, and thus for future market incomes; but this link remains tenuous as long as distributional issues are not taken into account.

[Table 1 about here]

With this caution about causal attribution in mind, we now turn to a descriptive account of the economic well-being of the elderly relative to other age groups. Table 1 shows that from the mid-1980's to the mid-1990's children have lost ground in some countries, and that their income position is considerably below that of the active population. The income position of the elderly has indeed improved in most countries but also remains below that of the active population, particularly so in the United Kingdom with its "residual" welfare state. Moreover, the position of those above age 75 is clearly less favorable than that of the "young old."

[Tables 2 and 3 about here]

Another perspective is that on poverty. As shown by Table 2, poverty rates among children and the elderly vary massively among nations. The "liberal" cluster of welfare states (where the share of private pensions is larger) has generally higher poverty rates among both groups of dependents, with some interesting exceptions however (Canada and Switzerland). Regarding the evolution of poverty over 25 years in West Germany (Table 3), the elderly have improved their lot but only to the general population level, while the situation of children has worsened to a level considerably less favorable than that of the general population. Similar results for the United States over the period from 1960 to 1995 have been presented by Johnson and Smeeding (1998). It should be noted that this may reflect some structural changes, such as more single parents and fewer children to mothers with higher education. It is obvious from these results that in terms of generational equity (as well as of pronatalist incentives) families with young children should indeed be the target of supplementary welfare efforts. But the results give no reason to strip the elderly of (part of) their current benefits.

Attitudes towards the public generational contract

What are the popular attitudes and beliefs in terms of justice between age groups and generations? In addition to a range of national studies on attitudes towards welfare reform and generational equity, there are now several cross-national surveys that lend themselves to comparative studies. The most comprehensive, in terms of the number and range of nations covered is the *International Social Survey Program* (*ISSP*, e.g., Andreß & Heien, 2001; Blekesaune & Quadagno, 2003; Hicks, 2001; Smith, 2000; Svallfors, 2004). This is a yearly survey with additional topical modules at larger intervals which currently comprises almost 40 countries (including most Western and Central European ones as well as Canada, Mexico and the United States). More restricted in scope but sometimes offering more detailed measurements are the *Eurobarometer* (e.g.,; European Commission, 2004; Kohl, 2003a, 2003b; Walker & Maltby, 1997), a regular European Union survey covering its member and candidate states which also has changing topical modules, and special surveys such as the *International Social Justice Project* (*ISJP*, see Kluegel et al., 1995) or the *International Survey of Economic Attitudes* (*ISEA*) (see Forma & Kangas, 1999).

Most attitude studies up to now show a level of acceptance of welfare policies that is much higher than the discourse on generational equity would lead us to think, with pensions being the most popular part the welfare state. There is some differentiation along the age dimension, but much less than one would expect from an interest-based model of political preference.

One set of questions is about which one among the different institutional systems or ”pillars” of the welfare mix should provide social security. On the issue of whose responsibility it should be to provide a decent standard of living for the old (*ISSP* 1996, see Hicks, 2001), an overwhelming majority in all countries say that this should (definitely or probably) be the government’s responsibility: from 84 % in Japan and 86 % in the United States to fully 96 % in the United Kingdom and 97 % in Italy. The proportion of those stating that this should definitely be so increases over the life course, but even among those under age 30 it ranges between 38 % (in Canada) and 69 % (in Italy), while among those over 65 the range is from 42 % (in the United States) to 81 % (in Sweden). As Hicks (2001) concludes, this “is not large enough to signal any intergenerational rift” (p. 8). Contrary to what the lively public discourse in the United States would suggest, the age gap is almost nonexistent in this country.

[Figure 1 about here]

As Figure 1 shows, in the four countries for which consistent time series from 1985-2001 are available (West Germany, Italy, the United Kingdom and the United States), support fell slightly until 1996, but again much less than the public emphasis on ”reform" in the sense of retrenchment would lead us to believe. Since 1996 it has even slightly increased again in three of the four countries, especially the United States. It seems plausible to conclude that when old-age security is perceived to be in danger the responsibility of the state is affirmed more stringently.

A second question concerns the desired extent of public spending for old age security (see Hicks, 2001, p.11). The question wording takes pains to avoid making the response too easy by signaling that ”much more” spending might require a tax increase, but even so, between 7 % (in Canada) and 27 % (in the United Kingdom) say “much more,” and between 21 % and 51 % say “more.” The large majority of the rest opt for “same,” between 1 % and 8 % for “less,” and only between 0 % and 2 % for “much less.” Clearly, there is very little support for cutting old age benefits, and considerable support for expanding it.

[Table 4 about here]

Table 4 presents the data according to age groups. The desire to expand government spending on pensions increases somewhat with age, but less than expected, with the two North American countries even going in the opposite direction. Bivariate results such as these may obviously reflect compositional changes other than age. There is for example a gender gap (not shown in the table) which is the largest in Sweden and the smallest in Japan (see Hicks, 2001, p. 20), with women having a higher preference for more public spending than men, which is partly behind the higher preference in the older age groups. More multivariate analyses will be needed to separate the various effects.

There is thus little evidence for the widely presumed loss of legitimacy of public social security, and especially pension provisions. Most people “favour existing arrangements – whatever they happen to be. That is a realistic view in light of the success of those policies” (Hicks, 2001, p. 4). What needs also to be noted, however, is a wide-spread loss of confidence that these existing arrangements will continue. It is in this sense of empirical prediction rather than political preference that the public generational equity discourse has been effective.

A special *Eurobarometer* module of fall 2001 (as analyzed by Kohl, 2003a, 2003b; see European Commission, 2004) provides a more recent description of EU public opinion on these matters, with detailed indications on specific pension goals and policy options. Goals refer to the normative foundations of pension policies as seen by the citizens, in other words, to their underlying value orientations, and in particular their ideas of social justice (European Commission, 2004, p. 44). The two most popular goals are prevention of poverty (92 % agree with the statement that “the primary goal of a good pension scheme should be to protect elderly against the risk of poverty”) and provision of basic social rights in the form of a guaranteed minimum pension (90 %). Maintaining one’s living standard (88 % agreement that “a good pension system should allow everybody to maintain an adequate standard of living relative to their income before retirement”), greater equality among the elderly (84 %), and the pay-as-you-go principle (81 %) are also supported by more than four fifths of the population.

Country differences in these normative preferences are not very marked. “There seems (to be) a broad consensus amongst European citizens concerning the goals of pension policies and even about the prioritisation of certain goals” (European Commission, 2004 , p. 7). This is held to be good news for the proponents of a common EU social policy, showing that “the value orientations and the social policy attitudes of citizens in the EU member countries do not fall as far apart as the institutionalised forms of social security do (especially in the field of pensions)” (p. 7). It should be noted, however, that other studies have shown a clear correspondence between welfare state regime types and attitudes such as towards redistribution (e.g., Svallfors, 1997).

As to age differences, the support for most of the statements shows an age trend in the expected direction. “The magnitude of this age effect, however, is not very significant” (Kohl, 2003a, p. 14). The strongest age difference concerns the pension entitlements of homosexual couples – and this is clearly not an age effect related to economic (self-)interest but a cohort effect related to value change.

[Figure 2 about here]

Figure 2 shows support for three alternative proposals for balancing revenues and expenditures of public pension schemes. To raise awareness of the costs of each option, the trade-offs were explicitly mentioned in the alternatives posed: (1) Current benefit levels should be maintained, even if this means increasing contribution rates or taxes; (2) Contributions should be maintained, even if this means lower pension benefits; (3) The age of retirement should be raised so that people work longer and spend less time in retirement. The first option, maintaining current pension levels, gains majority support in all EU member states. In the EU as a whole, 30 % strongly agree and 38 % slightly agree with this statement, while only 5 % strongly disagree and an additional 15 % slightly disagree. In contrast, the second option, maintaining current contribution rates, is supported by only 31 % and disapproved by a majority of EU citizens (53 %).

The third alternative, raising the age of retirement, is clearly the least popular one. Only 23 % approve it, while there is strong disagreement for 40 % and slight disagreement for an additional 29 %. If working longer turns out to be inevitable, such a policy will have to overcome considerable popular resistance. It may be true, as Hicks (2001) maintains, that there is “no opposition to working later in principle – people would like to work at older ages if the work were enjoyable” (p. 17; see Kohl, 2003b, p. 14, for a similar point). However, apart from the issue of how widely available such enjoyable jobs are, there is also the issue of control and choice. Raising the age of retirement would mean a longer dependency on whatever the labor market offers, and fewer resources for freely choosing between work and retirement. Does this mean that ordinary people are so stubborn that they will never give up their privileges? This is clearly not so. It means that they will have to be convinced that their sacrifices are necessary, that institutional retrenchments will be implemented with circumspection, and that they will be balanced by labor market reforms in favor of elderly workers.

The first option (maintaining current benefit levels) places the burden mostly on the tax-payers or the active labor force, the second (maintaining current contribution rates even at the expense of lower pensions), on the pensioners. But this again does not translate into massively different rates of support by age. There is some tendency for pensioners (76 %) to prefer the first option more often than the ‘active’ population (i.e., those in the labor force), but even among the latter, a strong majority (66 %) support maintaining current benefit levels even at the cost of rising contributions. Raising the retirement age is rejected by 69 % of the retired as well as the non-retired part of the population.

These results demonstrate that the distributional conflict among generations is much less pronounced than is presumed (or advertised) by the proponents of generational equity. This is true even for the more recent measurements. We may be on the brink of change – but if so, it does not yet show in the available data.

The public and the private generational contract

How is it to be explained that age (and/or cohort) effects remain so modest? The best answer seems to be through the generational interdependence frame that has been raised in opposition to that of generational equity (Williamson & Watts-Roy, 1999). It emphasizes burden-sharing and solidarity between the generations, and also more tangible forms of support. On the other hand, it highlights problems of intragenerational equity as well. For the young, the institutionalization of income-maintaining retirement pensions means that they are freed from any expectation of income support towards their parents. They can moreover count on services such as grandparenting. But in many cases they can also expect material support. The public resource flows to the elderly has enabled the latter to transfer resources to their offspring in turn.

Recent research on *inter vivos* family transfers demonstrates that such transfers are considerable, that they occur mostly in the generational lineage, and that they flow mostly downwards, from the older to the younger generations (Kohli, 1999). There may be expectations of reciprocity, or other strings attached, but by and large parents are motivated by altruism or feelings of unconditional obligation, and direct their gifts to situations of need. For Germany, our survey in 1996 showed that 32 % of those above age 60 made a transfer to their children or grandchildren during the 12 months prior to the interview, with a mean net value of about 3700 €. Thus, part of the public transfers from the active population to the elderly was handed back by the latter to their family descendants. The aggregate net *inter vivos* transfers by the elderly population amounted to about 9 % of the total yearly public pension sum. This link needs to be qualified, but the overall pattern is clear: The public generational contract is partly balanced by a private one in the opposite direction. The family transfers function to some extent as an informal insurance system for periods of special needs. Even more important in monetary terms are bequests. They are more frequent and much higher in the upper economic strata, but now also increasingly extend into the middle and lower ranks.

<u>Conclusion</u>

Our discussion has shown that the potential for distributional conflicts among generations certainly exists and is fueled by the current challenges of public finances and demography. However, the discourse of generational equity overstates the extent and inevitability of such conflicts, and sharpens them at the expense of conflicts along the more traditional cleavages of class. Survey data regularly show that the public generational contract still enjoys high legitimacy among all ages and segments of the population. Among the young, this partly depends on whether they trust in the continued viability of this contract so that they themselves will also receive its benefits. Another reason is that pensions free the young from the obligation to support their parents, and even more importantly, that they can rely on their parents in times of need. We also need to examine the institutions – such as parties or unions (Kohli, Neckel, & Wolf, 1999) – that mediate generational conflicts by favoring or disfavoring age integration in the political arena.

At this point, it is the gaps in our knowledge that come into focus. Although there is by now an extensive comparative literature on the welfare state in terms of old-age security and related programs, the institutions that shape the politics of aging societies – and by this, the way that generations are able to relate to each other – have mostly been neglected so far. The same is true for the articulation of the public with the private generational "contract." A second topic where we lack the necessary information concerns the relation between *inter*generational and *intra*generational equity. As to the former, the broad literature on generational accounting now provides a useful framework, even though the details of valuating costs and benefits remain highly contentious and in need of further analysis. As to the latter, many critical issues – such as the consequences of differential survival – still await closer scrutiny. A third topic where more research is needed is the structure of welfare state attitudes and the attitude-behavior link. And finally it should be noted that most of the studies on economic well-being as well as on attitudes have been limited to cross-sectional data, or repeated cross-sections at best. For a field in such rapid evolution this is especially regrettable. Better monitoring and explanation of changes will only be possible on the basis of individual-level longitudinal studies. It is to be hoped that new data sets now under construction will enable us to increasingly close these gaps.

References

Ajzen, I., & Fishbein, M. (1980). *Understanding attitudes and predicting social behavior*. Englewood Cliffs, NJ: Prentice-Hall.

Andreß, H.-J., & Heien, T. (2001). Four worlds of welfare state attitudes? A comparison of Germany, Norway, and the United States. *European Sociological Review, 17*, 337-356.

Anttonen, A., Baldock, J., & Sipilä, J. (Eds.). (2003). *The young, the old and the state: Social care systems in five industrial nations*. Cheltenham: Edward Elgar.

Becker, I., & Hauser, R. (2003). Zur Entwicklung von Armut und Reichtum in der Bundesrepublik Deutschland - eine Bestandsaufnahme. In C. Butterwegge & M. Klundt (Eds.), *Kinderarmut und Generationengerechtigkeit. Familien- und Sozialpolitik im demografischen Wandel* (pp. 25-41). Opladen: Leske + Budrich.

Bengtson, V. L. (1993). Is the "contract across generations" changing? Effects of population aging on obligations and expectations across age groups. In V. L. Bengtson & W. A. Achenbaum (Eds.), *The changing contract across generations* (pp. 3-24). New York: Aldine de Gruyter.

Bernardi, B. (1985). *Age class systems*. Cambridge, UK: Cambridge University Press.

Binstock, R. H. (1983). The aged as scapegoat. *The Gerontologist, 23*, 136-143.

Binstock, R. H. (2000). Older people and voting participation: Past and future. *The Gerontologist, 40*, 18-31.

Binstock, R. H., & Quadagno, J. (2001). Aging and politics. In R. H. Binstock & L. K. George (Eds.), *Handbook of aging and the social sciences, 5th edition* (pp. 333-351). San Diego: Academic Press.

Blekesaune, M., & Quadagno, J. (2003). Public attitudes toward welfare state policies: A comparative analysis of 24 nations. *European Sociological Review, 19*, 415-427.

Bonoli, G. (2004). *Generational conflicts over resource allocation: Evidence from referendum voting on social policy issues in Switzerland.* Paper presented at the Conference on Erosion oder Transformation des Sozialstaates?, Fribourg, Switzerland.

Callahan, D. (1987). *Setting limits: Medical goals in an aging society*. New York: Simon & Schuster.

Cohen, L. M. (Ed.). (1993). *Justice across generations. What does it mean?* Washington: American Association of Retired Persons.

Cook, F. L. (2002). Generational equity. In D. J. Ekerdt (Ed.), *Encyclopedia of aging* (Vol. 2, pp. 533-536). New York: Macmillan.

Daniels, N. (1988). *Am I my parents' keeper? An essay on justice between the old and the young*. Oxford: Oxford University Press.

Easterlin, R. A. (1987). The new age structure of poverty in America: Permanent or transient? *Population and Development Review, 13*, 195-208.

Elster, J. (1992). *Local justice: How institutions allocate scarce goods and necessary burdens*. Cambridge, UK: Cambridge University Press.

Esping-Andersen, G., Gallie, D., Hemerijck, A., & Myles, J. (2002). *Why we need a new welfare state*. Oxford: Oxford University Press.

Esping-Andersen, G., & Sarasa, S. (2002). The generational conflict reconsidered. *Journal of European Social Policy, 12*, 5-21.

European Commission (2004). *The future of pension systems (Special Eurobarometer 161 / Wave 56.1)*. Retrieved January 7, 2005, from http://europa.eu.int/comm/public_opinion/archives/ebs/ebs_161_pensions.pdf.

Foner, N. (1984). *Ages in conflict : A cross-cultural perspective on inequality between old and young*. New York: Columbia University Press.

Forma, P., & Kangas, O. (1999). Need, citizenship or merit: Public opinion on pension policy in Australia, Finland and Poland. In S. Svallfors & P. Taylor-Gooby (Eds.), *The end of the welfare state? Responses to state retrenchment* (pp. 161-189). London: Routledge.

Förster, M., & Pearson, M. (2002). *Income distribution and poverty in the OECD area: Trends and driving forces* (OECD Economic Studies No. 34, 2002/I).

Goodin, R. E., Headey, B., Muffels, R., & Dirven, H.-J. (1999). *The real worlds of welfare capitalism*. Cambridge, UK: Cambridge University Press.

Hicks, P. (2001). *Public support for retirement income reform* (OECD Labour Market and Social Policy Occasional Papers No. 55).

Hudson, R. B. (1999). Conflict in today's aging politics: New population encounters old ideology. *Social Service Review, 73*, 358-379.

Igl, G. (2000). Zur Problematik der Altersgrenzen aus juristischer Perspektive. *Zeitschrift für Gerontologie und Geriatrie, 33, Supplement 1*, I/57-I/70.

Jesuit, D., & Smeeding, T. (2002). *Poverty and income distribution* (LIS Working Paper No. 293). Luxembourg: Luxembourg Income Study.

Johnson, D. S., & Smeeding, T. M. (1998). *Intergenerational equity in the United States: The changing well-being of the old and the young, 1960-1995.* Paper presented at the Twentieth Annual Research Conference of the Association for Policy Analysis and Management.

Kaufmann, F.-X. (2005). Gibt es einen Generationenvertrag? In F.-X. Kaufmann (Ed.), *Sozialpolitik und Sozialstaat: Soziologische Analysen* (2nd ed., pp. 161-182). Wiesbaden: VS.

Kingson, E. R., Hirshorn, B. A., & Cornman, J. M. (1986). *Ties that bind: The interdependence of generations*. Washington: Seven Locks Press.

Kluegel, J. R., Mason, D. S., & Wegener, B. (Eds.). (1995). *Social justice and political change: Public opinion in capitalist and post-communist states*. Berlin/New York: de Gruyter.

Kohl, J. (2003a). *Principles of distributive justice in pension policies. Cross-national variations in public opinion.* Paper presented at the Conference on "New challenges for Welfare State Research" (International Sociological Association Research Committee 19), Toronto.

Kohl, J. (2003b). *Citizens' opinions on the transition from work to retirement.* Paper presented at the ISSA 4th International Research Conference on Social Security "Social Security in a Long Life Society", Antwerp.

Kohli, M. (1987). Retirement and the moral economy: An historical interpretation of the German case. *Journal of Aging Studies, 1*, 125-144.

Kohli, M. (1994). Work and retirement: A comparative perspective. In M. W. Riley, R. L. Kahn & A. Foner (Eds.), *Age and structural lag: Society's failure to provide meaningful opportunities in work, family, and leisure* (pp. 80-106). New York: Wiley.

Kohli, M. (1996). *The problem of generations: Family, economy, politics. Collegium Budapest, Public Lecture Series No. 14*. Budapest: Collegium Budapest.

Kohli, M. (1999). Private and public transfers between generations: Linking the family and the state. *European Societies, 1*, 81-104.

Kohli, M. (2004). Generational changes and generational equity. In M. Johnson, V. L. Bengtson, P. Coleman & T. Kirkwood (Eds.), *The Cambridge handbook of age and ageing* (pp. in preparation). Cambridge, UK: Cambridge University Press.

Kohli, M., & Künemund, H. (2003). Intergenerational transfers in the family: What motivates giving? In V. L. Bengtson & A. Lowenstein (Eds.), *Global aging and challenges to families* (pp. 123-142). New York: Aldine de Gruyter.

Kohli, M., Neckel, S., & Wolf, J. (1999). Krieg der Generationen? Die politische Macht der Älteren. In A. Niederfranke, G. Naegele & E. Frahm (Eds.), *Funkkolleg Altern, Bd. 2* (pp. 479-514). Opladen: Westdeutscher Verlag.

Kohli, M., & Szydlik, M. (Eds.). (2000). *Generationen in Familie und Gesellschaft*. Opladen: Leske+Budrich.

Kotlikoff, L. J. (1992). *Generational accounting: Knowing who pays, and when, for what we spend.* New York: Free Press.

Laslett, P., & Fishkin, J. S. (Eds.). (1992). *Justice between age groups and generations*. New Haven: Yale University Press.

Leisering, L. (2004). Paradigmen sozialer Gerechtigkeit. Normative Diskurse im Umbau des Sozialstaats. In S. Liebig, H. Lengfeld & S. Mau (Eds.), *Verteilungsprobleme und Gerechtigkeit in modernen Gesellschaften* (pp. 29-68). Frankfurt/M: Campus.

Liebig, S., Lengfeld, H., & Mau, S. (2004). Einleitung: Gesellschaftliche Verteilungsprobleme und der Beitrag der soziologischen Gerechtigkeitsforschung. In S. Liebig, H. Lengfeld & S. Mau (Eds.), *Verteilungsprobleme und Gerechtigkeit in modernen Gesellschaften* (pp. 7-26). Frankfurt/M: Campus.

Miller, D. (1992). Distributive justice: What the people think. *Ethics, 102*, 555-593.

Miller, D. (1999). *Principles of social justice*. Cambridge, MA: Harvard University Press.

Müller, H. K. (1990). Wenn 'Söhne' älter als 'Väter' sind. Dynamik ostafrikanischer Generations- und Altersklassen am Beispiel der Toposa und Turkana. In G. Elwert, M. Kohli & H. K. Müller (Eds.), *Im Lauf der Zeit* (pp. 33-49). Saarbrücken: Breitenbach.

Musgrave, R. (1986). *Public finance in a democratic society, vol. 2*. New York: New York University Press.

Myles, J. (2002). A new social contract for the elderly? In G. Esping-Andersen (Ed.), *Why we need a new welfare state* (pp. 130-172). Oxford: Oxford University Press.

Palme, J. (1990). *Pension rights in welfare capitalism. The development of old-age pensions in 18 OECD countries 1930 to1985*. Stockholm: Swedish Institute for Social Research.

Pampel, F. C. (1994). Population aging, class context, and age inequality in public spending. *American Journal of Sociology, 100*, 153-195.

Pierson, P. (Ed.). (2001). *The new politics of the welfare state*. Oxford: Oxford University Press.

Preston, S. H. (1984). Children and the elderly: Divergent paths for America's dependents. *Demography, 21*, 435-457.

Quadagno, J. (1996). Social Security and the myth of the entitlement "crisis". *The Gerontologist, 36*, 391-399.

Reeher, G. (1996). *Narratives of justice: Legislators' beliefs about distributive fairness*. Ann Arbor, MI: University of Michigan Press.

Rothstein, B. (1998). *Just institutions matter: The moral and political logic of the universal welfare state*. Cambridge, UK: Cambridge University Press.

Schmidt, V. A. (2000). Values and discourse in the politics of adjustment. In F. W. Scharpf & V. A. Schmidt (Eds.), *Welfare and work in the open economy. Vol. 1: From vulnerability to competitiveness* (pp. 229-309). Oxford: Oxford University Press.

Schmidt, V. H. (1995). Soziologische Gerechtigkeitsanalyse als empirische Institutionenanalyse. In H.-P. Müller & B. Wegener (Eds.), *Soziale Ungleichheit und soziale Gerechtigkeit* (pp. 173-194). Opladen: Leske + Budrich.

Schmidt, V. H. (2000). *Bedingte Gerechtigkeit: Soziologische Analysen und philosophische Theorien*. Frankfurt/M: Campus.

Sinn, H.-W., & Uebelmesser, S. (2002). Pensions and the path to gerontocracy in Germany. *European Journal of Political Economy, 19*, 153-158.

Smith, T. W. (2000). *Public support for governmental benefits for the elderly across countries and time*. Retrieved February 7, 2003 from http://www.oecd.org/dataoecd/52/61/2535827.pdf.

Svallfors, S. (1997). Worlds of welfare and attitudes to redistribution: A comparison of eight Western nations. *European Sociological Review, 13*, 283-304.

Svallfors, S. (2004). Class, attitudes and the welfare state: Sweden in comparative perspective. *Social Policy & Administration, 38*, 119-138.

Swift, A., Marshall, G., Burgoyne, C., & Routh, D. (1995). Distributive justice: Does it matter what the people think? In J. R. Kluegel, D. S. Mason & B. Wegener (Eds.), *Social justice and political change: Public opinion in capitalist and post-communist states* (pp. 15-47). Berlin/New York: Walter de Gruyter.

Thomson, D. (1989). *Selfish generations: The ageing of the welfare state*. Wellington: Allen & Unwin.

United Nations Population Division. (2000). *Replacement migration: Is it a solution to declining and ageing populations?* New York: UN.

Walker, A., & Maltby, T. (1997). *Ageing Europe*. Buckingham: Open University Press.

Williamson, J. B., & Watts-Roy, D. M. (1999). Framing the generational equity debate. In J. B. Williamson, D. M. Watts-Roy, & E. R. Kingson (Eds.), *The generational equity debate* (pp. 3-37). New York: Columbia University Press.

Wohl, R. (1979). *The generation of 1914*. Cambridge, MA: Harvard University Press.

Table 1. **Relative equivalent disposable incomes, by age groups**
Average income of entire population = 100

	Children	Young	Young adults	Adults	Older adults	Younger senior citizens	Older senior citizens
	Age 0-17	Age 18-25	Age 26-40	Age 41-50	Age 51-65	Age 65-75	Age 75+
Canada, 1985	88	102	103	116	110	91	84
Canada, 1995	88	100	100	114	114	99	95
France, 1984	95	102	106	112	103	86	82
France, 1994	95	97	100	115	109	94	82
Germany, 1984	93	98	102	113	109	85	81
Germany, 1994	91	96	99	118	110	93	77
Hungary, 1991	99	109	103	119	96	81	77
Hungary, 1997	93	111	104	109	104	88	81
Italy, 1984	90	107	106	106	108	82	78
Italy, 1993	89	103	105	109	108	85	82
Sweden, 1983	101	71	105	119	119	91	70
Sweden, 1995	99	60	100	120	127	96	78
United Kingdom, 1985	90	114	105	124	105	74	72
United Kingdom, 1995	86	112	106	123	108	80	74
United States, 1985	82	99	104	118	121	99	84
United States, 1995	84	94	102	118	124	99	82

Note: For calculating relative income changes, population shares have been kept constant at the beginning of the period.
From: Förster & Pearson, 2002 (based on a questionnaire sent out by the OECD to national representatives).

Table 2. **Poverty rates (in percent) by country for total population, children and the elderly**

Country	Total population	Children (-18)	Elderly (65+)
Australia 1994	14.3	15.8	29.4
Austria 1995	10.6	15.0	10.3
Belgium 1997	8.2	7.6	12.4
Canada 1997	11.9	15.7	5.3
Denmark 1997	9.2	8.7	6.6
Finland 1995	5.1	4.2	5.2
France 1994	8.0	7.9	9.8
Germany 1994	7.5	10.6	7.0
Italy 1995	14.2	20.2	12.2
Netherlands 1994	8.1	8.1	6.4
Spain 1990	10.1	12.2	11.3
Sweden 1995	6.6	2.6	2.7
Switzerland 1992	9.3	10.0	8.4
United Kingdom 1995	13.4	19.8	13.7
United States 1997	16.9	22.3	20.7

Note: Poverty rates refer to 50 % of median equivalence income.
From: Jesuit & Smeeding, 2002 (based on the Luxembourg Income Study).

Table 3. **Poverty rates (in percent) by age in West Germany, 1973-1998**

Age	1973	1983	1998
Less than 6 years	8.0	11.5	15.9
7 to ca. 13 years	7.6	9.9	15.3
ca. 14 to ca. 17 years	4.2	7.3	14.9
ca. 18 to 24 years	4.6	12.0	13.3
25 to 54 years	4.0	5.8	9.6
55 to 64 years	6.2	4.9	7.5
65+ years	13.3	11.9	10.9
All	6.5	7.7	10.9

Note: Poverty rates refer to 50 % of mean equivalence income.
From: Becker & Hauser, 2003 (based on the German Survey of Income and Consumption).

Table 4. **Views on public retirement spending, 1996**

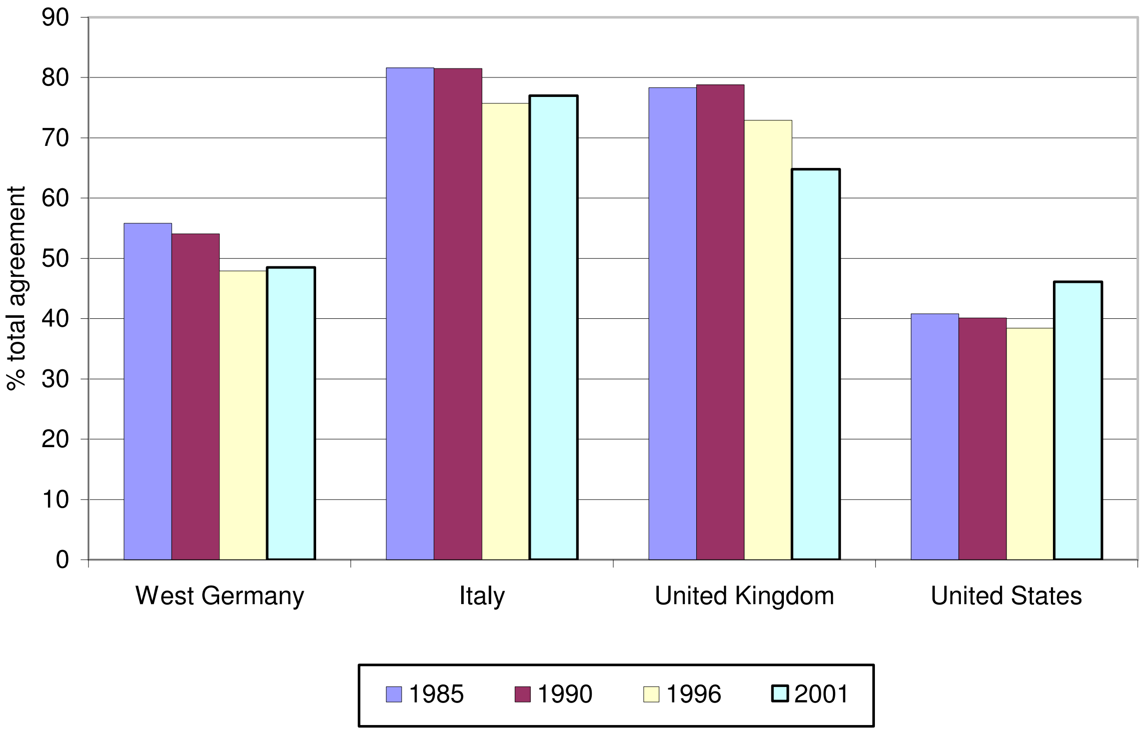
Percentage indicating they would like to see more, or much more, government spending on retirement benefits (being asked to remember that if you say "much more", it might require a tax increase to pay for it)

	Age group				
	Under 30	30-39	40-49	50-64	65+
Canada	34.8	23.4	24.6	30.5	20.5
Germany	45.5	41.6	41.6	48.4	51.7
Italy	55.8	60.4	65.8	65.8	75.6
Japan	54.6	48.0	53.9	57.9	60.9
Sweden	41.7	51.3	51.9	59.8	66.8
United Kingdom	63.3	79.2	79.7	79.8	87.1
United States	55.0	51.0	45.7	48.9	45.2

From: Hicks, 2001 (based on the International Social Survey Program).

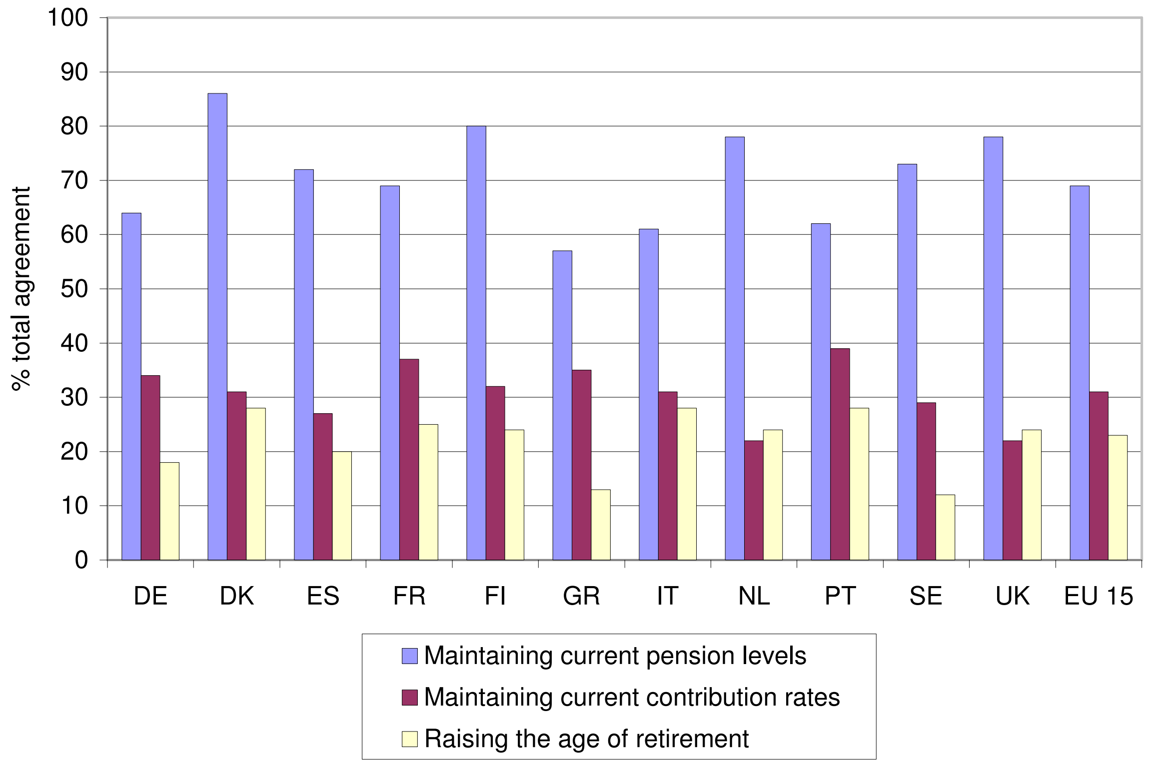
Figure 1. **Views on responsibilities for a decent standard of living for the old, 1985-2001**

Percentage indicating that it should definitely be the government's responsibility to provide a decent standard of living for the old



From: Hicks, 2001 (based on ISSP 1985-96), and author's calculations (based on ISSP 2001).

Figure 2. **Support for pension policy alternatives, 2001**



From: Kohl, 2003b (based on Special Eurobarometer 161).