



From Contract to Conflict between Generations?

*The chances of living a long life are getting better and better – with far-reaching consequences for both individuals and society. A new book published in German, entitled *Die Zukunft des Alterns (The future of aging)*, edited by the President of the Max Planck Society, Peter Gruss, sheds light on various aspects. The book brings together 12 articles by Max Planck scientists on subjects ranging from the biological principles to the political consequences of aging. Here, we present an abridged version of a contribution by **WOLFGANG STREECK**, Director at the **MAX PLANCK INSTITUTE FOR THE STUDY OF SOCIETIES**, on politics in an aging society.*

Among the issues that society poses to social scientists nowadays are the political connotations of a progressively aging population. It has become an accepted fact of life that the increasing number of older and elderly people presents a major challenge to public services – one that goes far beyond the need to finance soaring pension benefits. Society needs a new, age-friendly structure. But what form should it take, and how can such change be achieved?

uses its position to economically exploit the younger generations. It has thus far been a natural precondition of the welfare state that the active should predominate over the retired and inactive. Once this ceases to be the case, politics and society may lose the means they need to safeguard the welfare and progress on which their own future depends. The political system would become an instrument of an – inevitably – declining class. The possibility of

An aging society entails changes not only in the demands on politics and administration, but also in the nature of politics itself, and in past views of old age. The more numerous the elderly become as a proportion of society, the harder it becomes to imagine them as passive recipients of welfare state largesse. If politics is the product of binding decisions in answer to Lasswell's question of "Who gets what, when and how?" then demographic change opens the door to the disturbing possibility that the intergenerational solidarity that underpins the welfare state may be replaced by acrimonious conflict between generations over the distribution of resources.

Even more disturbing is the question of whether, as the proportion of the old and elderly within the population grows, democratic politics will actually be capable of creating a fresh balance between generations. With increasing frequency, popular literature harps on the possibility that the rich industrial societies are likely to develop into new types of gerontocracies in which an elderly majority assumes political power by democratic means and

political renewal would be denied, and society as a whole would lose its future viability. The very possibility, or perhaps the need, to think seriously about the elderly seizing political power is the result of three developments: the rich industrial societies becoming over-aged (or, according to Franz Xaver Kaufmann, "under-young"); the advance of democracy and, in particular, univer-



The elderly are still politically active – even over issues other than their pension, as here, during an anti-war protest.

sal suffrage; and the establishment of the modern welfare state.

Reflected in today's fears for the future politics of aging societies are traces of a rhetoric once found in past political discussions of the modern welfare state: the fear that a parasitic majority might exploit political democracy for purposes of self-enrichment, thus leading to the strangulation of the market economy and the growth dynamic of capitalism by a class of pensioners whose living is not earned honestly in the marketplace. It is not so much old people per se who figure in this scenario, as retirees: it is a question, not of the interests of the elderly, but of the effects on the political economy of the benefits they receive from the welfare state.

In contrast to other conflicts between generations in modern times, a conflict over the distribution of re-

sources would have little to do with differing values or lifestyle choices. The intergenerational conflict of the future, if ever one were to replace the contract between generations that underlies the welfare state, would be an economic and political battle between groups with opposing concerns for their income. It would be fought through the medium of universal suffrage, with the aid of which a growing number of old people would assert their interests as retirees over a shrinking number of actively employed young people.



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Senior citizens on the march: Older people generally have more intense party loyalties than the young.

If the young generation is required to earn a living in the marketplace while the old are freed from the bonds of the market, the two sides must differ also in their class status. Politics comes into play insofar as the principal means of production of the older generation is the power of the state through which the solidarity of those still in work can, if necessary, be secured by compulsion. Conversely, a class that is determined to secure its existence by means of the state must also be able to exercise power over the state. It can do so only if it is capable of political action, and this in turn presupposes the ability to organize.

In one of his treatises on the politics of post-revolutionary France in the 19th century – in his essay on the “18th Brumaire” – Marx asks

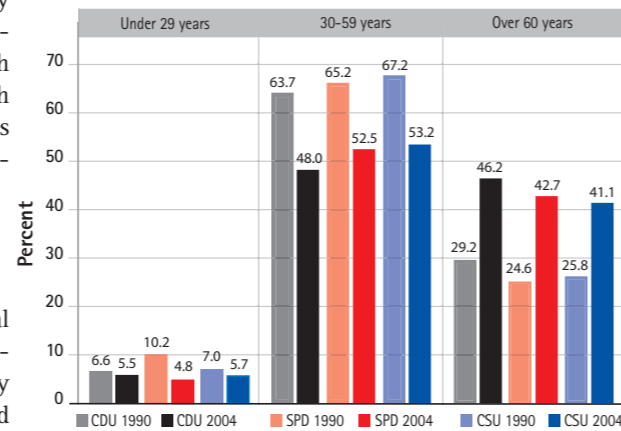
why, through decades of to-ing and fro-ing between revolution and counter-revolution, the French peasantry were always at the mercy of other interests, even though they not only constituted the vast majority of the population, but were also economically indispensable. In his answer, Marx describes the peasant class in one of his most powerful metaphors as “the simple addition of homologous magnitudes, much as potatoes in a sack form a sack of potatoes”: as an unstructured heap of equal, but unlinked individuals.

Are old people today a political “sack of potatoes” like the French peasants of the 19th century? If one believes what, until recently, political science claimed to know with certainty, then the ability of the old to organize themselves as a political force is of little consequence. In fact, gray parties in Germany and elsewhere have never managed to become more than a curiosity on the periphery of the political party system. Age as such appeared to researchers to be of marginal significance, just one more social factor impacting voting decisions. Ancestry, religion, gender, occupation and region, affecting old and young alike, were at least as important, if not more so.

AGE EFFECTS ARE GAINING IN POLITICAL IMPORTANCE

Where differences were observed, the literature was generally concerned with whether these were attributable to the effects of aging or generational effects. Aging effects are the consequences of growing older. Generational or cohort effects, on the other hand, are the

result of past imprints left on groups of the same age by certain historical events and associated shared experiences, the effects of which continue to have an impact throughout the entire life of the group. As far as research into the political behavior of older people is concerned, thus far, greater significance has been attached to generational than to aging effects. Political research likewise attributes the fact that older people generally have more intense party loyalties and go to the polls more frequently than their younger



Recent years have seen an increase in the number of members of the major German parties over the age of 60.

counterparts, not to the effects of aging, but predominantly to generational effects. The American gerontologist Robert H. Binstock points to the fact that voter turnout among older people in the US rose by 6.5 percent between 1972 and 1996, whereas among all other age groups, it declined (by no less than 37.4 percent among 18- to 24-year-olds). He asserts that such a change could only have been the consequence of the progression of cohorts from one age group to the next.

If only one could rely on that being true, there could be no substance to scientific publications regarding the probability of a gerontocracy of pensioners made possible under a system of universal suffrage, and the

long-prevailing theory of political science would remain valid. As the politically minded cohorts of the war and post-war years died out, it might also be expected that the ability of the older generation to organize themselves would decline. Admittedly, long-term forecasts in the field of social sciences are always risky. Unforeseen events and developments can have unforeseen consequences for the behavior of voters.

A CAUSAL RELATIONSHIP THAT IS ALSO REVERSIBLE

The politics of democratically elected governments follow the preferences of their voters. But, as is so often the case in the social world, this causal relationship is also reversible. Once again, the consequences are not easily predicted. The effects of a particular policy number among the conditions under which it is likely to be continued or brought to an end. Therefore, dismantling the welfare state is subject to different laws than those that regulated its establishment. It is a question of overcoming the resistance, not only of its original supporters, but also of its subsequent clientele.

For a long time, the power of organizations that represent the older generation was, at best, of a defensive nature – but nevertheless insufficient “to prevent reforms that have been perceived to be adverse to the interests of an artificially homogenized constituency of ‘the elderly;’” according to Binstock. However, things would appear to have changed in recent years.

Still, whether and to what end the elderly can or will make use of their acquired ability to mobilize themselves cannot be predicted with certainty. One example is provided by J.W. Button’s study of referenda on the financing of local education budgets in the US state of Florida, which has a particularly

large elderly population. As expected, voter turnout among older people was high relative to that among younger voters.

In districts in which large numbers of elderly people live and vote, the study identified a particularly strong rejection of bonds and tax hikes to fund schools. In Button’s view, this is indicative of a generational conflict in which a growing number of old folks in relatively comfortable economic circumstances are facing off against a younger generation that is at relatively high risk of poverty. However, there is also evidence that the aversion to education spending declines as affluence increases. Moreover, women are more likely to vote for expenditure on education than men, and blacks more so than whites.

Comparisons with studies in the 1960s and 1970s would appear to prove that voting patterns also depend on level of education, social status and prevailing general political circumstances. Even in the United States, where the rational pursuit of material interests is practically regarded as the ontological essence of human behavior, it is not necessarily a foregone conclusion that older citizens will refuse to approve tax increases to pay for better schools.

EGOISM VERSUS THE MORAL ECONOMY?

To say that people become more egoistical as they grow older and cease to feel any responsibility for the world after they are gone is a generalization that lacks any empirical basis. Both old and young have an embedded place in the moral economy of society and share in the social interaction thus regulated. What they choose and what they do not choose to perceive as being in their interests is also influenced by the moral perceptions that prevail in society. The fact that material support handed

down from an older to a younger generation is frequently conditional upon the latter modeling their behavior in accordance with certain social standards can be interpreted as an expression of an active moral interest in the future extending beyond one’s own life expectancy.

Especially in Europe, participation in politics includes not just voting but also membership in lobbies and political parties. The growth in participation among the older generation would appear for all parties (see table on page 56) to



Trade unions want the support of retirees, while at the same time limiting their powers of co-determination.

be the consequence of the progression through society’s age structure of a specific age cohort which, at the lower end of the age scale, is no longer being replenished with new members – the group born between 1930 and 1960.

What significance does the fact that the membership of the major political organizations is becoming over-aged, or under-young, hold for their politics and thus for the politics of an aging society? The already apparent problems that are being felt by trade unions offer a preview. It accords with the tradition of the trade unions that their members should not resign their membership after they retire – not just for sentimental reasons or to keep the flag flying, but because the trade unions have been reluctant to relinquish the

CHART: CHRISTOPH SCHNEIDER – SOURCE: O. NIEDERMAYER: PARTY MEMBERSHIPS IN 2004. ZEITSCHRIFT FÜR PARLAMENTARISCHEN, No. 2 (2005), 382-389

representation of retired employees' interests to other organizations.

The further the number of young members declined, the more valuable the voluntary contribution would become of those members who were no longer in employment but who were still active in trade unionism, for example as distributors of leaflets or organizers of strike pickets. On the other hand, some contribute not just unpaid labor, but also radical political convictions that, to many of today's responsible trade union functionaries,



PHOTO: DPA - PICTURE ALLIANCE

Although it may seem that way, it is not empirically proven that people become more egotistical as they grow older.

are out of step with the times and, when it comes to recruitment, are even counterproductive.

The specific economic interests of retirees also appear to be becoming an increasing problem. As long as pensions are linked to actual earnings, those who are no longer in employment are every bit as interested in high wage increases as their working counterparts. The same does not, however, apply to pension insurance contributions: whereas retirees look on contribution increases designed to safeguard the level of pensions as a self-evident part of the contract between generations, those who suffer the ever-increasing burden of such charges cannot necessarily be expected to agree.

For that reason in particular, trade unions across Europe are consider-

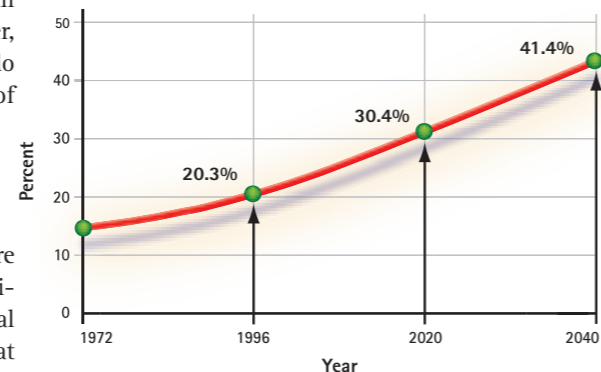
ing changes to their constitutions, with the aim of limiting the influence of retired members over trade union policy. Nevertheless, we have not reached the point at which trade unions are dominated by their pensioners. It is more a case of strategic maneuvering on the part of union management vis-à-vis a group of members whose support is well needed, but without conceding too much in the way of co-determination in return.

It is to be expected that, in an aging society, the age of elected political representatives will also increase. However, this has nothing to do with an assumption of political power by an elderly generation exercising control over the party system, as parties are subject to regular discipline via the electoral process. The fact that no major party has come out openly against the interests of pension-

ers has more to do with the structure of the electorate than with the composition of party membership. It is true that older people dominate the inner workings of the political parties – no doubt they will do so even more in the future than they do today – but the parties themselves are learning, with steadily improving effect, to place a buffer between their politics and the motives of their memberships by taking advantage of outsourced services during election campaigns, rather than relying on the voluntary efforts of the party faithful.

The more “Americanized” election campaigns and party machines become in the world of plebiscitary media democracy, the less it matters who joins and becomes an active party member. The aging members of the civic generation (Putnam) are

likely to remain true to the end of their lives to the organizations through which they once, when they were young, defined their own political identities. Since there is no one to follow them, they have only themselves for company. This does not, however, put them in a position of power. On the contrary, as memberships become over-aged, their political irrelevance is finally confirmed. The demise of these aged and no longer self-renewing memberships will mark the end of an era in which social integration took place – was



Votes cast by over-65-year-olds as a proportion of all votes cast in US elections.

CHART: CHRISTOPH SCHNEIDER - SOURCE: ROBERT H. BINSTOCK: OLDER PEOPLE AND VOTING PARTICIPATION, PAST AND FUTURE. IN: THE GERONTOLOGIST 40 (1), 18-31

possible, even – through political organization. It also marks the end of a party-based democracy founded not only on elections, but also on organizational participation.

NO GREAT LEAP FORWARD

The complexity of the social world and the peculiarities of human behavior as a cause of social effect render it impossible to use deterministic models of causality to predict future developments in society on the basis of currently observed circumstances. Changing demographics cannot be simply converted into new political majorities. New factors can exert an influence at any time.

The politics of an aging society will thus not differ radically from the politics of today. The new politics of

the welfare state – of its restriction and curtailment – will take place in a context of increasingly volatile voter behavior, but also of an increased capacity and enhanced conditions for mobilizing the beneficiaries of the public pension insurance systems that are becoming increasingly difficult to finance.

As the recipients of these benefits have become more aware of where their interests lie, so their willingness has increased to withdraw their support from parties for which they have voted, sometimes even for decades. When majorities are slim and party loyalties weak, this can be enough to decide an election. Or it may at least appear so to the parties, even if other issues are anything but insignificant.

Attempts by traditional critics of the welfare state to undermine the system by arousing awareness on the part of the younger generation that their interests may run counter to those of the elderly have thus far always ended in failure. The key to the politics of an aging society and the answer to the question of whether a political polarization will take place between the generations are less likely to be found among the elderly than among young people who must make up their minds whether the desire to relieve state budgets of the need to make up pension fund shortfalls is important enough to demand that parties and governments make drastic cuts in the benefit entitlements of present and future generations of retirees.

Clever politics can forestall conflicts over the distribution of resources through institutional reforms. Promising options include a gradual increase in the retirement age and a partial reorganization of the welfare state to encourage people to save money to provide for their own retirement. On the other hand, even if politics has a hand in decid-

ing whether the new demography mires the welfare state in a conflict between generations, it is not all-powerful. If, as in the social state pioneered by Bismarck, a pension is conceived as the repayment of contributions made, in the process of legal development, the claim to a pension can be structured as a proprietary right. Once this point has been reached, it becomes all the more difficult to interfere with pension entitlements.

A VALUE HORIZON FOR OLD AND YOUNG

Renegotiating the contract between generations as a balance of interests between old and young under changed demographic conditions may prove to be the finest hour of a political system that, admittedly, has yet to demonstrate whether it is up to the task. If the growing burden of benefits is to be brought into line with the conditions necessary to safeguard the future of society without impairing social cohesion, the process must form part of a comprehensive, age-friendly restructuring of both public services and the work realm. In principle, this could benefit every citizen, since all of us will grow old sooner or later.

It is only by discovering and highlighting common interests that politics can hope to defuse the potential conflicts between generations in such a way as to address the twin issues of a society that is simultaneously age-friendly and future-proof without coming up against a wall of polarized opinion.

The decisive factor will be whether the politics and the public of an aging society can implement a new definition of the rights and duties of old and young that will advance the welfare state consensus regarding the moral necessity of abolishing poverty in old age. It is primarily a question of the value horizon within

which the members of society choose to demarcate their individual and collective interests.

Interests, including those of a material nature, need to be clearly defined in conjunction with socially sanctioned values and norms. How the parties perceive their political interests also depends on the moral rhetoric to which they are exposed. A cultural stylization of human behavior as a process of morally indifferent rational choice can nullify the ability of politics to overcome conflicts over the distribution of resources.

Ultimately, the elderly must be persuaded to accept responsibility for the future of society even after their demise. This is fundamentally a moral issue. There is a future for the aging society, provided that it can succeed in binding its elderly members so tightly into the warp and weft of its moral economy that they perceive themselves to be not only entitled, but also obligated. That may require no more than the cautious preservation and cultivation of existing ties and the willingness to accept these. But in an age of individualism and market rationality, this may be the hardest task of all.

ANTONIA RÖTGER



PHOTO: MPI FOR THE STUDY OF SOCIETIES

PROF. WOLFGANG STREECK, born in 1946, conducts research in such areas as political economics and economic sociology. He is particularly interested in the role of lobbies, such as trade unions, and European integration. Prof.

Streeck has taught at the University of Wisconsin in Madison since 1988 and was made a Fellow of the Wissenschaftskolleg Berlin in 1993. He was also a visiting professor at various international universities before accepting the post of Director at the Max Planck Institute for the Study of Societies in 1995. His current work centers on the deregulation of the democratic capitalist economic and social system as it exists in Germany, as well as the dynamic of institutional change.