10. The generational welfare contract on the agenda

Throughout the history of the welfare state, priorities have shifted in terms of policy objectives and choice of policy instruments. Different strategies in the development of social citizenship can be interpreted as expressions of variation in both traditions and values, as well as differences in the relative strength of various interests in society. In the late nineteenth century, the first steps towards a rudimentary welfare state were taken in response to severe poverty and economic destitution among elderly people, and political unrest that accompanied an emerging working class. However, the century-long expansion of modern welfare states of the Western hemisphere that followed these first laws on social insurance was increasingly associated with more ambitious aims. Redistribution to the poor was complemented by social insurance for the working population. Gradually, social policy objectives were broadened beyond mere poverty alleviation, making it possible for families to combine paid work on the labor market and caring responsibilities. Nowadays, social policy is also portrayed as a means of savings for the future, not least when it contains an investment component in human capital that may play a vital role in supporting future generations to sustain a decent livelihood.

The development of welfare states and social policy is intimately linked to interest mediation and attempts to build coalitions between different groups in society (e.g. between rich and poor; young and old; employed and unemployed; sick and healthy; men and women; and so forth). These interest coalitions ultimately have the potential to help sustain political support for different kinds of redistribution, thus contributing to the resilience of welfare states and social policy in periods of economic turmoil and structural change. The expansion of social policy in the twentieth century has also been followed by significant social improvements and more widespread opportunities to lead rich and fulfilling lives, as reflected in a large set of welfare-related outcomes of importance to social justice. However, the ageing of populations is currently challenging both the sustainability of welfare states and many of their achievements.

Against the backdrop of demographic change, we have in this book returned to the old but topical question about justice between age groups
and generations, and placed it in the perspective of how countries have organized their welfare states in relation to age-related needs. Our approach to questions about generational equity rests firmly on the recognition that welfare states are largely structured around social risks that appear in distinct phases of human life, including those related to childhood, working age and old age. These age-related structures of welfare states can be conceptualized as involving implicit agreements between groups in society that are subject to different social risks – a generational welfare contract.

Ideals of social justice can be seen as an ideational force behind the emergence, expansion and subsequent reforms of social policy. While social policy has always been associated with different ideas of social justice, evaluations of links between ideals and policies are seldom informed by empirical investigations of institutions and their outcomes. Previous research shows that social policy can be pursued through a great diversity of means and goals, and that this variety of welfare state institutional designs is relevant for the distribution of welfare and quality of life. These insights have guided the analyses of generational welfare contracts in this book, where we brought together philosophical and comparative social policy perspectives for a more holistic investigation of age-related social citizenship rights, their outcomes and drivers.

In this final chapter we will return to the issues raised in the first three chapters of the book, and situate our theoretical expectations in light of our empirical results. Population ageing raises concerns about the feasibility of adequately responding to different goals and standards of well-being and social justice. One reason is of course that changes in the age structure will strongly increase demands for intergenerational redistribution. What does a welfare-enhancing, equitable and sustainable generational welfare state contract look like in this context? How can the welfare state serve generational justice over time, and how should different strategies in the development of social policy be evaluated? We begin by reiterating our analytical framework and briefly summarize our main findings. Thereafter, we discuss the possibilities of establishing and sustaining a just generational welfare contract. Finally, we address ventures for further research.

WHAT TO “WRITE HOME ABOUT”

It is not only population ageing that warrants closer attention to the generational structures of welfare states. Increasing inequalities are also raising concerns about the role of welfare states in strategies for equality, especially in view of the ideological challenges raised by the neo-liberal paradigm that have characterized social policymaking in several Western
countries. Our ambition to study social policy and redistributive institutions in a generational perspective requires not only that we address how age-related inequalities and sustainability of welfare states matter to social justice. We also need to develop an analytical framework for studying social policy that distinguishes between different age-related risks.

In Chapter 2, we provided a normative foundation for our analysis of the generational welfare contract, highlighting insights from theories of justice central to evaluating age-related social citizenship rights and their distribution. We started out from Daniels’s (1988, 2008) “prudential lifespan account” of justice between age groups and its emphasis on how intergenerational cooperation can be designed to enhance life prospects of all citizens, as they move through the different stages of life. The success of intergenerational cooperation is likely to depend importantly on how welfare states organize social citizenship to mediate interests among age groups, and thus we argued that it is crucial to combine Daniels’s (1988, 2008) normative agenda with an outcome-oriented analysis of different kinds of generational welfare contracts.

Another stepping stone of our analysis was provided by the ideal of relational equality, which places greater emphasis on the relative position of individuals in society, and people’s capacity to interact across age groups as equals at all times (Bidadanure, 2016; see also McKerlie, 2013). We took the prudential lifespan approach as a basis for focusing on how intergenerational cooperation can improve overall life prospects by promoting higher levels of well-being in all age groups. In contrast, relational equality offers a complementary perspective by directing our attention to socio-economic inequalities between different age groups. From this standpoint, it becomes crucial to address the impact of welfare states on age-related inequalities because of its relevance for promoting opportunities of all age groups to participate in social and political life on an equal footing (Anderson, 1999; Pettit, 2012). The generational structure of social citizenship is likely to have repercussions on power relations, trust and social cohesion across age groups, and is therefore important to ideals of relational equality in general and equitable relations between age groups in particular.

Finally, we discussed the requirements of justice between non-contemporaries and the idea of “just savings” (Rawls, 1971, p. 286), including how to support the economic and social preconditions of just institutions from one generation to the next. This perspective adds further backing to the importance of examining how generational welfare contracts can support opportunities to participate as equals through all the stages of life, but also how we may advance the long-term sustainability of intergenerational collaboration for such purposes.

In Chapter 3, we turned to the configuration of social citizenship rights
The generational welfare contract

for different age groups to approach questions about how ideals of generational justice are mirrored in the institutional structures of welfare states. We theoretically outlined four fundamentally different ideal-typical generational welfare contracts, reflecting how social citizenship rights are distributed across age-related risk categories (childhood, working age and old age). Three contract types are tilted in favor of protecting the needs of one particular age-related risk (pro-child, pro-work and pro-old), and a fourth contract type is balanced and provides more evenly distributed protection against age-related social risks. Based on these ideal-typical configurations of generational welfare contracts we formulated two basic hypotheses: (1) that balanced generational welfare contracts provide more extensive social citizenship rights for all age groups and thus encourage positive-sum solutions in generational politics; and (2) that more extensive social citizenship rights contribute positively to various outcomes that we have reason to value, including lower poverty, higher levels of subjective well-being and trust in others. Balanced generational welfare contracts may thereby support key requirements of generational justice here and now, but also improve the long-term sustainability of welfare states. Hence, generational balance was identified as a potential key factor for explaining the capacity of welfare states to promote well-being and equitable relations between age groups over time.

In Chapter 4, we empirically analysed the generational structure of social citizenship in a cross-national and longitudinal perspective, based on levels of income replacement in major age-related social insurance schemes. For childhood risks we focused on various types of family benefits. For working-age risks we concentrated on sickness and unemployment benefits, while for old-age risks we included pension benefits. Three of the four theoretically derived generational welfare contracts could be observed in our data: the balanced contract, the pro-work contract and the pro-old contract. As expected, positive-sum solutions in generational politics are more likely to be supported by the balanced contract. The welfare state is here fairly equally responsive to different age-related social risks, and public commitments in areas of family policy, sickness and unemployment benefits, as well as old-age pensions tend to exceed those of countries with other contract types. In countries with balanced generational welfare contracts, the welfare state seems to advance the greater benefit of all citizens, as no age group is losing out on income replacement for their particular age-related social risk.

Unbalanced generational welfare contracts are less likely to promote mutually supporting generational relations, irrespective of whether policies are tilted in favor of working-age or old-age risks. To the extent that family policy, sickness and unemployment benefits, and old-age pensions
vary in generosity, pro-work and pro-old contracts clearly differentiate between government responsibilities of providing security against particular age-related social risks. In pro-old contracts, welfare states provide more extensive protection against old-age risks, supposedly at the expense of families with children and the elderly. Despite this relatively favorable treatment of old-age risks in pro-old systems, pensions tend to be lower than in countries with balanced generational welfare contracts. A corresponding pattern characterizes pro-work contracts, although here working-age risks are relatively better protected than those of childhood and old age. However, public commitments in areas of sickness and unemployment benefits still fail to reach levels observed in countries that have followed more balanced strategies in the generational patterning of social citizenship.

Among the various social outcomes that we studied in Chapters 5–8, poverty is perhaps of greatest and most self-evident significance, at least in relation to the role of redistributive policies. The results in Chapter 5 are clear. Balanced generational welfare contracts promote high levels of income replacement in social insurance, which in turn reduce poverty, both in total and in each age-related risk group. While effects on subjective well-being are not necessarily intended by policymakers, the results in Chapter 6 are equally consistent and in line with our hypotheses. High levels of income replacement in age-related social insurance increase both life satisfaction and happiness. In addition, they reduce some of the generational gradients that characterize subjective well-being at the individual level. Taken together, our evidence suggests that generational balance in social citizenship supports an enhanced and more equally shared quality of life across age groups, irrespective of whether objective (income poverty) or subjective (happiness/life satisfaction) conditions are in focus. In Chapter 7, the corresponding empirical results follow a similar pattern, showing that balanced income replacement in age-related social insurance is associated with higher levels of trust, both in government (political trust) and fellow citizens (social trust). Political trust is also more equally distributed across age-related risk groups in countries with balanced generational welfare contracts. The results summarized above clearly indicate that the generational structure of social citizenship and income replacement in major age-related social insurance schemes are key factors in promoting well-being and generational equity in social outcomes.

From a theoretical point of view, the relationship between social insurance and employment is ambiguous and effects could go in both negative and positive directions. However, according to our empirical evidence the overall effects are in fact supportive of welfare state sustainability. The results presented in Chapter 8 show that generational balance in the
structure of social citizenship and levels of income replacement in major age-related social insurance schemes are positively associated with labor force participation, while there is no association with unemployment. Differences in family policy and their impact on female employment are critical components for the positive relationship with labor force participation.

It should be noted that there still remain uncertainties about the causality of our findings. Although the triangulation of descriptive data analysis and statistical regressions applied in this book is promising, there may still be underlying unobserved factors affecting the observed relationships, particularly in our analyses on subjective well-being and trust where we only use multilevel data for a single year. Nonetheless, the consistency of our findings is striking and should inspire more research on the exact causal mechanisms underpinning positive-sum solutions in generational politics.

After having analysed the generational structure and outcomes of social citizenship based on income replacement data in social insurance, we turned to driving forces in Chapter 9. We found that generational balance in social citizenship rights and levels of income replacement in age-related social insurance are closely linked to party politics. Left party strength particularly stands out as a key factor for the degree of generational balance in social citizenship. Yet, developments towards more balanced contracts in Western countries point to the possibility of emerging policy diffusion across the “old” unbalanced regimes and political party lines, implying that generational welfare contracts can be “defrosted”, to paraphrase Palier (2007).

CONTRACTS FOR SUSTAINABILITY?

The ways in which countries have organized social citizenship and arranged their generational welfare contracts not only have important distributional consequences affecting citizens’ welfare and how countries manage questions of social justice. The character of the generational welfare contract is also likely to have repercussions for multiple and partly interrelated forms of sustainability. There are obvious reasons to fear that the ageing of society may be harmful to the economic and political sustainability of welfare states. Many assertions and testimonials of generational conflict in social policy are based on observations that welfare states in an era of population ageing spend more money on pensioners than they do on the young, and that demographic imbalances in national accounts are growing as unprecedented numbers of citizens are entering retirement. It is true that many countries are moving in this direction, building up
a generational deficit in social spending to the extent that necessary and desirable investments in the future tax base are not made. Nonetheless, for other countries we have presented empirical evidence that tells an entirely different story, where potential trade-offs in generational politics seemingly have been avoided.

One of the important lessons of our analysis is that the economic and political sustainability of welfare states appears closely related to social sustainability. Social sustainability is here perhaps most directly addressed in our analyses on poverty, subjective well-being and social trust. In this context, it is also relevant to stress the positive relationship between balance in the generational structure of social citizenship and political trust in Chapter 7, and its implications for long-term political sustainability, not only of balanced generational welfare contracts but also of resilient and well-functioning welfare states more generally. Balanced generational welfare contracts seem to yield outcomes of importance for sustainable social relations by contributing to conditions where people are empowered to relate to each other from a non-subordinate position in a context of societal relations characterized by trust and cohesion across groups. These outcomes are closely linked to the values of relational equality discussed in Chapter 2, for example, as conceptualized by Pettit (2012) in terms of being able to “walk tall” and the political undertaking of counteracting sources of domination in social relationships.

An important remaining challenge for future research is to explore how generational welfare contracts are related to environmental sustainability, including climate change, which occupies a central role in discussions of intergenerational justice. While we have not directly analysed environmental sustainability in this book, which depends strongly on measures in other policy areas, a few reflections are nonetheless warranted. One reason is that the prospects of welfare states to effectively serve environmental sustainability are not unrelated to questions about generational balance in social citizenship and social sustainability, although the ways in which welfare states relate to environmental concerns are complex and insufficiently researched (Gough, 2016; Gough et al., 2008).

The economic transitions demanded by environmental sustainability may not be politically feasible unless complemented by adequate income protection and an extensive social investment package that enable people to welcome labor market changes rather than holding on to outdated technologies out of fear that a greener economy will jeopardize their livelihoods. Relatedly, green taxes are likely to be more politically viable where income differences are small. Thus, Sommestad (2012) recently argued that in less egalitarian societies, an increase in carbon taxes is – all other things being equal – likely to cause “energy poverty” and
may therefore be unsustainable in social as well as political terms. This empirical generalization is based on the international diffusion of green taxes, which have been most widely used in more egalitarian societies. More broadly, mechanisms of status anxiety, and an environmentally destructive competition for social esteem where luxury goods are markers of status (i.e. to keep up with the material standards of the better off) are more pronounced in unequal societies (Frank, 2007; Wilkinson and Pickett, 2009). These results suggest that there are potentially fruitful complementarities between balanced generational welfare contracts and an environmentally friendly policy agenda.

By bringing normative issues on generational politics and social justice into the theoretical framework of social policy reform, we cast new light on a policy process where welfare states are subject to continuous negotiation. The ways in which redistributive institutions promote enhanced overall life prospects, relational equality and sustainable generational relations over time are unremittingly changing. Our positive-sum solution hypothesis in generational politics, supported in many of the book’s empirical analyses, clearly suggests that increased generational balance in social citizenship rights can support virtuous cycles in policymaking to the benefit of all age groups. When these invisible handshakes between successive generations are established, they are a great social asset for reinforcing desirable outcomes for society at large.

CONTRACTS FOR THE FUTURE?

How can our analysis of the generational welfare contract be used to inform discussions about possible future scenarios? We have in this book defined and analysed the generational welfare contract in terms of balance and levels of age-related social citizenship rights. By focusing on how generational politics foster interest mediation and encourage coalition-building for mutual benefit, our arguments on the balanced generational welfare contract are intrinsically linked to questions about welfare state sustainability in periods of population ageing and structural change. The possibilities of sustaining egalitarian principles and promoting generational equity in an ageing society appear to be more promising in countries with balanced generational welfare contracts, where the overall system of social citizenship works to support comprehensive protection against social risks of all age groups. Generational balance is, of course, to some extent a result of a series of historically specific demographic and economic circumstances that have affected cohorts differently (Esping-Andersen, 2002). However, some welfare states are evidently better equipped to level
out such period and cohort interactions. Not least, developments in family policy have been utterly important in this process.

The balanced generational welfare contract is largely a product of nation-specific priorities of bringing family policy higher up political agendas, while preserving extensive commitments in out-of-work benefits and pensions serving working-age and old-age risks. The remarkable expansion of family policy in many countries since the 1970s is therefore important for the ways in which issues of generational conflict and welfare state sustainability are played out in politics. It is difficult to imagine how this child-oriented shift in distributive priorities could appear in the absence of broad positive-sum solutions in policymaking. In unbalanced generational welfare contracts of the pro-work and pro-old types, social citizenship for families with children is clearly lagging behind developments in sickness and unemployment benefits, or old-age pensions. It is precisely this character of unbalanced generational welfare contracts that could be expected to provide for less optimistic future scenarios, that is, unless reforms are made to provide more balanced age-related social citizenship rights, hence promoting virtuous circles in policymaking that increase possibilities of well-developed social protection through all the stages of life.

The possibilities of generational trade-offs in social policymaking emerging from the ageing phase of the demographic transition should not be downplayed. Welfare states that have failed to respond adequately to the falling birth rates during the twentieth century may be caught in a vicious circle of extensive fertility traps. Birth rates that fall below a certain level here might get stuck far below population replacement fertility levels, subsequently contributing further to population decline with increasing difficulties to sustain an adequate system of generational redistribution (Lindh and Palme, 2006). How can we break such vicious circles of generational politics in countries that keep hanging on to an unbalanced contract?

The expansion of social citizenship has generated a discussion about the consequences of welfare states for power relations in society, especially among gender oriented researchers, of importance to the aims of preventing market vulnerability and supporting a social foundation of non-domination. The expansion of modern family policy is related to processes in welfare states that also make it possible for women to form a household of their own, even when they have young children (Orloff, 1993). This may facilitate equitable and socially sustainable relations by affecting citizens’ level of independence and power in relation to other family members (Fraser, 1994; Lister, 1994). It has been suggested that this and other factors associated with the changing economic role of women (Becker, 1981), as well as increased individualism, will erode family ties
The generational welfare contract

and solidarity resulting in increased divorce rates and fertility decline (Lesthaeghe, 2010; Van de Kaa, 2001). While developments in many countries for some time have followed these predictions, more recent changes appear to challenge these views. Among others, Esping-Andersen (2016) shows that developments in countries with more generationally balanced welfare states appear to be accompanied by processes of “re-familization”, manifested not only in reversed fertility decline but also decreased divorce rates. Taken together, such a comprehensive welfare state strategy for enabling citizens to “walk tall” on the labor market and in the family sphere through all the stages of life may thus be one way forward, not only for enabling socially sustainable relations on an equitable foundation, but also for economically sustaining the generational welfare contract.

In the presence of population ageing and budgetary restrictions caused by major industrial restructuring and recurrent economic crises, prospects seem gloomy for additional taxation to financially uphold extensive social policy commitments. The balanced generational welfare contract could provide an escape route out of this dilemma, not only by encouraging cooperation between age groups for the common good of all citizens, but also by means of a broadening of the tax base. Countries may pursue an investment approach aimed at improving human capital in all age-related social risk groups. Three issues in particular seem to characterize effective social investment in this regard: human capital formation, work and family reconciliation, and employment (Hemerijck, 2012). To the extent that generational welfare contracts promote high levels of income replacement for all major age-related social risks, they carry great possibilities to deliver on all three accounts of an effective social investment. Thus, social policy can be designed to become part of the solution, rather than being part of the problem, in line with the positive-sum solution hypothesis formulated in this book.

What is not done now, our societies will in one way or another have to pay for later. The effects of the global financial crisis in 2008 brutally illustrate the relevance of a well-functioning redistributive system that effectively cushions citizens from the impacts of external financial shocks, and thus prevents rising poverty and inequality. Not only did the collapse of financial systems and labor markets hit those at the bottom of the income distribution harder than those in the middle or at the top. The crisis also had a clear generational gradient and affected incomes of families with children more than it did the elderly (OECD, 2015), something that is also observable in our analyses of poverty in Chapter 5. The reasons for these changes in poverty risks between families with children and the elderly are quite evident as inequality during the crisis was largely a consequence of losses in employment, rather than falling wages or cutbacks in social pro-
tection. However, the effects of the crisis show substantial cross-national variation, as do poverty risks more generally. In this context, the empirical analyses in this book clearly indicate the many virtuous aspects of a balanced generational welfare contract that effectively may reduce age-related differences in poverty risks.

The good news for the coming decades is that at least some countries have moved in a more promising direction by balancing their generational welfare contracts, typically by making more extensive child protection go hand in hand with encompassing sickness, unemployment and pension benefits. The modernization of family policy, including amongst other things extensive paid parental leave programs, is breaking a very strong path dependency in the generational structure of social citizenship. The story that we are telling in this book thus clearly diverges from the narrative of an unavoidable generational war in social policymaking. This shift towards greater generational balance in welfare states and social policies is difficult to identify in levels of social expenditures, which are heavily influenced by demographic trends. By shifting our analytical focus from expenditures to social citizenship rights in major age-related social insurance schemes, the general movement in many countries towards more balanced generational welfare contracts becomes visible.

As evidenced by the results in this book, there is nothing deterministic about social policy developments in generational politics. Policies can change and thus the generational welfare contract can move in different directions. However, in order to reveal the causes of these institutional changes to social policy we need to pay greater attention to the possibilities of politics to mediate distributional conflicts. Our analyses clearly show that it is indeed too early to discard class politics from our explanations in policymaking, which may also provide a powerful source for interest mediation in matters of generational justice.

Can balanced countries become more unbalanced? Lack of determinism in social policymaking and processes of retrenchment in parts of the system of social protection suggest that welfare states may in the future move in a more unbalanced direction. In Chapter 4, we noticed a slight tendency of such developments in a few countries with balanced generational welfare contracts, partly as a consequence of strengthened family policies coupled with cutbacks in income replacement for working-age and old-age risks. We do not know how stable these new patterns in the generational structure of social citizenship are or whether developments will continue in a more unbalanced direction, thus ultimately forcing changes also in the classification of contract types. Attempts to forecast future developments are beyond the scope of our study. What this book has offered are new concepts and perspectives, as well as innovative empirical analyses that
we hope will inspire future research to further improve our understanding of path dependency and alternative policy strategies for modern welfare states.

CHALLENGES ON THE AGENDA

In this book we have used replacement rates in age-related social insurance programs to analyse how the generational welfare contract is manifested in social policy legislation. The motivation for our decision to focus closely on income replacement was as theoretical as it was practical. The development of social citizenship in the twentieth century has always been strongly associated with the introduction and subsequent expansion of social insurance as a means for nation states to protect labor by providing income security in periods of financial hardship. Social policy is of course more than social insurance. Nonetheless, insurances for age-related social risks constitute an essential part of every mature welfare state. It is also a policy area where extant data allows us to empirically analyse long-term policy changes in a large number of countries. For future research, there are nonetheless good reasons to broaden the institutional focus and also include other areas of welfare states, including those related to public services and in-kind benefits. The analytical framework with theoretical principles underlying the generational welfare contract and ideas about positive-sum solutions in generational politics formulated in this book provide fertile ground for an expansion of research to cover wider welfare state structures.

We have analysed social policy in a very condensed and, we readily admit, stylized way when it comes to capturing the full complexities of modern welfare states. There are thus great opportunities to extend the policy scope of our analysis. The analytical framework developed in this book, linking welfare state institutional structures to a broad range of outcomes and driving forces can fruitfully be applied to age-related public service provisions relating to care, education and health. The research frontier in terms of comparative analyses of in-kind benefits is slowly moving, and there is a great need of investments in comparative and longitudinal data to facilitate large-scale cross-national analyses that include more than a handful of countries. In some respects, age-related social insurance may function as a proxy for public service provision, but the extent to which this is accurate across a larger number of countries and over extended periods in time is an issue that calls for closer empirical scrutiny.

Another topic that needs to be addressed in future research on the generational structures of welfare states is the duties associated with social citizenship, in terms of welfare state financing and designs of fiscal
The generational welfare contract on the agenda

systems. Is age-related balance in social citizenship rights mirrored in the fiscal duties attached to different life stages? Because substantial parts of the generational welfare contract are derived from social citizenship rights where eligibility and entitlements are closely related to labor market position and past work histories of beneficiaries, employment protection legislation becomes central. Rights (and obligations) of elderly persons to work become highly relevant for generational justice as legislated retirement is being pushed up the ages in many mature welfare states. Moreover, rights of adolescents to participate in paid work or education are also highly relevant in this regard. Not least, active labor market policies that facilitate labor market (re-)entry should be considered here, as well as education.

The generational structure of citizenship carries far-reaching implications for other facets of inequality besides age. As we have repeatedly emphasized, several of our empirical analyses show that the development of balanced generational welfare contracts in part derives from the intersection of gender and social class in social policymaking. These intersections warrant further theoretical and empirical investigation, including a closer, in-depth analysis of how age-related social citizenship rights are divided by class and gender.

Although the welfare state is sometimes portrayed as an attempt of nation states to deal with adverse consequences of capitalist societies, presumably by reducing the worst forms of inequalities, social policies also act as a system of direct and indirect stratification in their own right (Esping-Andersen, 1990). One example is the state-corporatist welfare state model, which directly organizes separate systems of social insurance for different occupational groups on the labor market. Another example is more liberally oriented welfare states that stratify indirectly by placing greater emphasis on private providers in areas of social policy. These direct and indirect forms of stratification should not only be analysed in terms of social class and gender. Stratification based on generational belonging and differences in social protection for a greater variety of age-related social risks should also be considered. Our analyses in this book have charted this latter and largely unknown terrain in social policymaking, mapping not only institutional variation across time and space, but also exposing interesting developments of modernization towards more balanced generational welfare contracts among countries in the Western hemisphere.

What we have neither analysed nor discussed in this book is how generational relations are influenced by migration, something that opens up a black box with a number of questions for further research. While migration may be riddled with social and political tensions, it tends to reduce problems of population ageing since migrants are predominantly young. Regardless of the way the welfare state is organized with regard
to the public-private mix, migrants are disproportionally represented in the workforce of elderly care services. However, migration flows are also related to the way the welfare state is organized in generational terms and here the family, the state and the market play very different roles for the migrant labor force (Da Roit and Weicht, 2013). For example, migrants are likely to be more dependent on non-family solutions since they have often experienced disruptions of close family ties, not least in terms of geographical distance.

How migration is related to the generational welfare contract is an important issue for future research on the welfare state as a system of direct and indirect stratification. Does migration distort our conclusions about positive-sum solutions in generational politics? Are migration flows undermining or reinforcing balance in generational welfare contracts? A few preliminary remarks are warranted. In the past, the most extensive welfare states have also been most accepting in terms of allowing forced migrants to enter the country (Boräng, 2015). In terms of economic sustainability, one pressing issue concerns successful integration of migrants on domestic labor markets. For social sustainability, it is essential that inclusive welfare states provide high levels of protection for the most vulnerable groups, of which many are migrants.

Not only migration illustrates the need to broaden our analyses on generational welfare contracts. Trade and foreign investments are other critical issues in an ongoing global economic integration that also have political implications and possible repercussions on social policymaking. How dependent are we on developments in other countries, beyond consequences of migratory flows? It is clear that ideas travel across national borders and may serve as triggers for policy change. The importance of such processes of diffusion remains understudied. The role of international organizations, such as the World Bank, has been focused in a number of studies, not least in Central and Eastern European countries (Deacon et al., 1997). The European Union (EU) has been active in normative debates about policy reforms in the Member States. In the late 1990s, ideas about the modernization of social protection had obvious relevance for family policy reforms that contributed to increased balance of generational welfare contracts in some Member States. Another example is the emphasis on social inclusion and equality of opportunity in the European Social Model – launched by José Manuel Barroso (former President of the European Commission) – but which does not fully correspond with our approach to intergenerational justice (i.e. our emphasis on positive-sum solutions and social sustainability in generational politics).

Social cohesion has been somewhat of an ultimate goal in European policy discourse since the Lisbon Agenda was established in 2000, although
the overall strategy for continued European integration remains conceptually diffuse and hence difficult to attain. The Lisbon Agenda was replaced by the EU 2020 Growth Strategy in 2010, which is the new steering wheel for European social and economic development. The EU 2020 Growth Strategy places emphasis not only on smart, but also sustainable (green) and inclusive growth, thus moving perspectives on European integration closer to issues of policy designs and sustainability concerns. The United Nation’s 2030 Agenda for Sustainable Development Goals (SDG) is formulated in the same vein.

By defining more clearly concepts and objectives of fundamental importance for generational politics, inclusion and cohesion in this book, and anchoring them in policy-relevant indicators across a broad range of countries and social policy programs, we have contributed with new insights about the preconditions for designing sustainable and just generational welfare contracts in more than one dimension.