1. Introduction

The demographic transition and what it means for the future development of intergenerational relationships has increasingly become a subject of public debate. Many authors think that society will be shaped in the future by conflicts between the generations. Our study demonstrates what we know empirically about the living conditions and patterns of relationships between various age groups in differently constituted welfare states. Our central question is how the state and the family shape generational living conditions, and how this interaction affects the attitudes of age groups towards social policy in four strategically selected countries: Germany, France, Italy and Sweden. A comparison of these countries is intended to provide information about how differently intergenerational relations can be organized, and which strategies hold out promise for the future of rapidly ageing societies.

The coupling of falling birthrates with rising life expectancy has led to a significant ageing of society nearly everywhere in Europe (United Nations 1956; Grundy 1996; Kaufmann 2005). As of 2001, women in the EU were bearing only 1.5 children on average,1 while newborns today have 78-year life expectancies. Both trends alter the intergenerational structure, so that by 2030 the share of those over 65 relative to the share of the working-age population will increase to about 38 per cent, as compared to 24 per cent today.

These trends pose new challenges for European societies. They include the need to find sustainable financing for social security and to adapt public policies to the structural changes in the family. The ageing of the population has far-reaching consequences for the future shape of intergenerational relations within the family. A low birthrate leads to a reduction in the number of collateral kin, and the generations themselves live together for long time periods. As a result, families become 'longer and thinner'. The prolonged phase of shared co-existence and the reduced number of kin to relate to make an intensification of intergenerational relations within the family rather more likely (Hondrich 1999; Bengtson 2001).

From a social policy point of view, the key problem is to find a sustainable balance between contributions and benefits. The increasing proportion of older persons and the decreasing proportion of the working-age
population put both pension and public care systems under strain. The quantitative relationship between contributors and beneficiaries has shifted dramatically (Myles 2002; Bäcker and Koch 2003; Holzmann et al. 2003). For every person over 65 in Europe, there were about eight persons of working age in 1950; by 2000 the ratio was one to five, and by 2030 it will be one to three.2 The demographic shift will be most noticeable in the realm of long-term care, since it is expected that the largest increase will be among the most aged. Even if older persons remain healthy for longer periods, the current assumption is that increased longevity will lead to a growing need for care (McGlone and Cronin 1994; Garg 1995; Schulz et al. 2001).

The measures needed to cope with the demographic transition are not limited to reforming the system of public care or pension policies. Family, education and labour market policies could all strengthen the sustainability of social security by supporting an increase in the birthrate, improving employment prospects and productivity in the labour market, or supporting the compatibility of family and career (Esping-Andersen 2002; European Council 2002; OECD 2007).

Two dimensions need to be taken into account in assessing intergenerational relations in the welfare state: the family and the state. However, two different definitions of ‘generation’ are associated with these dimensions. The familial concept refers to the co-existence of children, parents and grandparents within the family. By contrast, generation as constituted through the state refers to an institutionally defined differentiation between age groups to whom differing social rights and obligations are assigned. In the following, we wish to draw on a distinction Lutz Leisering (1992: 45) has made and separate Generationenbeziehungen, meaning the co-existence of and relationships between generations in the family, from Generationenverhältnis, meaning the institutional differentiation between age cohorts. In English, these are ‘intergenerational relationships’ as opposed to ‘cohort relationships’.

It is primarily the latter that are of concern in policy discussions in ageing societies. This is expressed either as the threat gerontocracy poses (Dychtwald 1999; Sinn and Uebelmesser 2002) or as continental European welfare states being particularly hostile toward the future (European Commission 1999c; Esping-Andersen and Sarasa 2002). The first asserts that the growing electoral power of retirees leads to less and less latitude for reforms that might run counter to the interests of the pensioner generation. The second argues that the need for reform is particularly large in continental European welfare states because two tendencies are converging. On the benefit side, too many payments are going to older persons and too few go to children and families, while at the same time social services are being neglected in favour of cash payments, thereby overweighting
pensions and transfers. On the financing side, the system is employment-unfriendly and growth-unfriendly owing to the heavy weight accorded to labour in social insurance contributions. An increasing inequality in power and distribution is derived from both aspects, which supposedly serves as the basis for a looming conflict between the generations.

Taking account of the position of young and old in the welfare state is only one side of the coin. It ignores the fact that younger and older persons also are connected through familial relations, which limits the exertion of one-sided political influence on the part of older persons (Baltes and Mittelstraß 1992; Künemund 2004). These relations also are characterized by a redistribution of resources from the old to the young (Attias-Donfut and Wolff 2000b). To be sure, some authors emphasize that relations between parents and children may have become more brittle due to changing value orientations (Etzioni 1993; Saraceno 1997), but there is consensus nonetheless that younger and older generations remain close despite an increasing autonomy of lifestyles (Attias-Donfut 1995; Lye 1996; Kohli 1999; Szydlik 2000; Lowenstein et al. 2004; Silverstein 2004).

The literature on the exchange relations between generations is highly specialized yet only partly empirically validated. A promising newer approach consists in working out how different welfare state regulations actually play out in the living conditions of specific social groups (Hedström and Ringen 1990; Goodin et al. 1999; Smeeding and Rainwater 2001). In research on intergenerational relationships in the family, in addition, research has begun to focus on the interaction between state benefits and family-provided services (Kohli et al. 1999; Attias-Donfut and Wolff 2000a; Daatland and Herlofson 2004).

In light of this literature, we therefore work toward a dual synthesis in our study:

1. We investigate what form the co-existence of generations takes in various welfare state contexts by linking institutional macrodata with microdata on the living situation and attitudes of individuals. In so doing, we are interested both in a cross-sectional comparison of countries that reflect different institutional contexts and in the longitudinal development within a specific country under the altered welfare state parameters that have existed since the 1990s.

2. We augment the analysis of welfare state benefits by taking the assistance and transfers provided between family members into account. Here the question is about the specific interaction between state and family: do they enhance one another, or is there a trade-off in terms of support or assistance? Which redistributive mechanisms exist in both areas?
In Chapter 2, we first develop a conceptual framework that encompasses the interactions between family and state and the impact this has on the living conditions of the generations. In so doing, we can address the intergenerational exchange between younger and older persons as well as between parents and children.

Chapter 3 describes the research design, formulates the research questions more precisely, and justifies the selection of countries examined as well as the social policy realms investigated. There is also a discussion of the nature of available data and the methods that were used.

Chapter 4 provides an overview of the central characteristics of the four welfare states selected for study, discussing their commonalities and differences. Based on central indicators of the role of the state and the family, the four countries are also compared and situated within the broader European context.

Chapters 5 to 8 contain our analyses of the policies with respect to pensions, care for the elderly, family benefits and childcare. They all follow the same pattern. The first section describes the respective institutional rules and regulations and provides a catalogue of welfare state benefits. The living situation of the addressed groups is investigated in the second section. In this, the question is to what extent the institutionally granted benefits affect the living situation of the beneficiaries. A description is also provided of the extent to which the family augments or replaces the palette of state benefits.

In Chapter 9, we examine to what extent age-specific welfare state benefits are associated with differences in attitudes towards the welfare state between age groups. This is intended to reveal to what extent the role of the state, with respect to providing benefits for various age groups, is reflected in cohort-specific attitudes. Chapter 10, the final chapter, summarizes the results of the investigation and discusses them in the context of debates about reforming the welfare state and debates about conflicts between generations.

NOTES

1. Mean value of the EU member states in 2001. The values vary from 1.2 in Slovenia and Slovakia to 2.0 in Ireland and Iceland (European Data Service 2007).
2. This value was calculated on the basis of the UN’s World Population Prospects databank.