

Reforming the Welfare State in Times of Grey Majorities

The Myth of an Opposition between Younger and Older Voters in Germany

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Abstract:

Is there an antagonism between young and old in the electoral arena that could lead to the obstruction of welfare-state reforms? This article argues that this notion is a myth and lacks empirical evidence for the case of Germany. It is true that (a) there are imminent majorities of voters aged 50 and older; (b) older voters benefit from many welfare state programs and (c) life-cycle interests shape some attitudes towards single public policies. However, these facts alone do not represent an antagonism between young and old in the electoral arena. Firstly, differences in party preferences between age groups are due to generational effects associated with early political socialization. Secondly, life-cycle interests do not shape the German party competition because age is not a political division line (cleavage). Young age/ old age is only a transitional boundary that all of us aspire to cross, meaning that material old-age interests are important to everyone. Finally, grey interests parties are notoriously weak and try to become parties for the interests of all age groups.

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Deutscher Titel: Ist der Wohlfahrtsstaat in Zeiten 'grauer' Mehrheiten reformierbar? Der Mythos eines Konfliktes zwischen jüngeren und älteren Wählern in der Wahlarena

Abstract:

Gibt es bei Wahlen einen Interessensgegensatz zwischen jung und alt, der wohlfahrtsstaatliche Reformen erschweren könnte? Dieser Artikel verneint die Frage und entlarvt den ihr zugrundeliegenden Mythos für Deutschland. Es ist richtig, (a) dass es in Deutschland bald Mehrheiten von Wählerinnen und Wählern geben wird, die 50

Jahre und älter sind, (b) dass ältere Wähler von vielen wohlfahrtsstaatlichen Programmen profitieren und (c) dass durch den Lebenszyklus gesteuerte Interessen die Einstellungen zu einzelnen *Policies* formen. Doch diese Ergebnisse stellen noch keinen Gegensatz zwischen jung und alt in der Wahlarena dar. Erstens gehen die unterschiedlichen Wahlergebnisse für einzelne Altersgruppen auf Gegensätze zwischen Generationen zurück, die in früher politischer Sozialisation begründet sind. Zweitens beeinflussen die durch den Lebenszyklus definierten Interessen nicht den deutschen Parteienwettbewerb, weil Alter nicht das Potential für eine politische Konfliktlinie (Cleavage) hat. Die Kategorien jung und alt sind nur durch eine durchlässige Grenze voneinander getrennt, die alle Individuen zu überschreiten hoffen. Somit sind auch die materiellen Interessen älterer Menschen für alle wichtig. Endlich sind alle Seniorenparteien schwach und versuchen sich als Parteien aller Altersgruppen neu zu profilieren.

“Those who want to further burden 20 million pensioners with pension cuts, must be brave enough to say this before the national election. Then, pensioners will know what to do when they are going to cast their vote.”

Walter Hirrlinger, president of the German pensioners' organization VdK, in June 2005 during the run-up to the national election (VdK 2006).

This article deals with the electoral dynamics of ageing democracies with a special emphasis on Germany. It is the attempt to uncover a myth and to offer a more balanced perspective on the issue. The majority of all votes are cast by citizens aged 50 and older, and the imbalance continues to grow in favor of older voters. Older voters – so the assumption goes – have different material interests than younger voters and will vote accordingly. Therefore, welfare state reforms that change the level of senior entitlements become difficult to put through. The quotation given above is an example of that myth being put to instrumental use. The president of the VdK, a German social interest organization representing many pensioners, threatened the government with the electoral power of his constituency in order to prevent changes to the pension system considered too harmful to this constituency. This myth is also accepted as a basic assumption in a growing body of alarmist literature (Kotlikoff and

Burns 2004; Wallace 1999). In economic writings, the assumption is so widespread that full-scale projections are being calculated as to when the last opportunity will be for pension reforms (International Monetary Fund 2004; Sinn and Uebelmesser 2002: 165). According to Sinn/Uebelmesser, Germany's pension system will become impossible to reform in 2016. According to the International Monetary Fund, the year "when the last train departs for pension reform" will be 2010. In contrast to that line of research, this article rejects the simplistic notion that changing material situations over the life cycle determine voting choices.

Methodologically, this article has a modest objective. I will primarily use evidence from the German context to refute a deterministic hypothesis that "growing numbers of older people lead to electoral antagonism between younger and older voters." Germany may be seen as a representative case of populous countries with a large number of older people and an advanced welfare state. Subsequently, I suggest arguments and evidence why the hypothesis does not hold.¹

I argue that electorates are ageing, but that there is little evidence for contrasting political preferences of younger and older people in electoral politics. There is no antagonism between young and old that is being played out in the party arena. At most, I find different preferences on specific policy bundles that are rarely subject to a popular vote. These findings do not mean that reforming the German welfare state is not difficult in times of demographic change. Costly programs have to provide for more and more citizens. Still, the reforms will not be more difficult because of an electoral antagonism between young and old.

Section 1 gives an overview of the arguments that welfare politics in "older" democracies are more difficult than politics in other contexts. Sections 2 and 3 present evidence to the contrary. Section 2 demonstrates that the differences in voting behaviors between young and old in Germany are due to generational differences and not to life-cycle interests. Section 3 argues why age is unlikely to cause a political cleavage, meaning a

¹ This procedure is slightly unfair to such a hypothesis because it could easily be stated in probabilistic terms, meaning that the irregular pattern of one case, Germany, could just be due to random circumstances.

politicized conflict line, in any context. Section 4 concludes the article.

1. The potential for electoral blockades by older voters

There is a seemingly simple argument floating around in the discussion about welfare states and their reforms in ageing democracies. Older democracies have more older voters, and these voters are very likely to vote. Thus, the “older” a democracy gets, i.e. the more older voters there are, the more difficult it becomes to reform any policy system in a way that would be detrimental to older people. The simple assumption behind this thesis is that all “older voters” want the same things and behave in a self-interested manner to vote against any changes of policies that do not benefit them – with self-interest being defined in the material sense. According to this notion, policies that lead to more disposable income are preferred over policies that lead to lower levels of disposable income. What voters want is important for policymakers who intend to reform the welfare state. Voters tend to be mobilized more by the threat of losing things that they are entitled to than by the possibility of gaining something if they actively fought for it (Campbell 2003b; Weaver 1986). Therefore, the electoral arena is important for welfare-state policies and politics. The argument certainly has some credibility. There are a number of factors that are conducive to believing that an ageing electorate will pose a problem to welfare-state reforms in Germany: (1) the relatively large numbers of older voters, (2) older voters as beneficiaries of the welfare state, (3) evidence for life-cycle interests manifesting themselves in political preferences.

The relative number of older voters is on the increase in Germany. Between 1990 and 2005, the number of voters aged 50 and older who actually cast their vote rose from about 21.7 million to 24.1 million. In relative terms, the proportion of total numbers of votes cast by voters aged 50 and older went from 46.2 percent in 1990 to 49.7 percent in 2005 (own calculations with data in Namislo, Schorn, and von Schwartzenberg 2006; Werner 2003). We are thus currently very close to having a “grey majority,” i.e., a majority of older voters.

The International Monetary Fund (2004: 166) projected the year in which some advanced industrial economies will reach their respective grey majorities. It pointedly highlighted these calculation results by entitling them with “the last train for pension reform departs in...” According to these projections, Finland and Switzerland will be the first to reach that point in about 2010. Germany, France, and the USA will follow in 2015. The last country to cross that line will be the United Kingdom in 2040. According to another projection, Germany’s last chance for pension reforms will be in 2016 (Sinn/ Uebelmesser 2002). Thus, older voters – if they behaved in a uniform manner – could indeed soon skew the political process in their favor in many advanced welfare states.

European welfare states support older people. Many welfare states target their programs and the taxes/contributions to residents (or citizens) by age. For example in Germany, state subsidies for children are paid until they turn eighteen or finish their education (with a maximum of 25 years of age). Retirees who are in the public health system get the same quality of medical aid, but only pay a contribution to the state health system that is proportionate to their income from pensions, which are lower than wages. Also, many public services are cheaper for senior citizens who are older than 60.

Germany has a relatively generous welfare system for older people compared with other OECD countries. Its public spending on older people, defined as those aged 65 and older, is 70.7 percent of GDP per capita, compared to 91.4 percent in Austria and 37.0 percent in Australia. The ratio of public health spending between older and younger people is comparatively balanced. In 1994, it was 2.7, compared with 8.9 in the United States (1987) and 1.7 in Portugal (1993) (Lynch 2006: chap. 2).

The underlying life-cycle logic of welfare states draws on ideas of intergenerational solidarity and a rigid assumption about distinct stages along the life cycle. First, there is the education phase, then a phase of work and taxpaying, and finally the phase of retirement and economic inactivity. One receives more from the system during times of relative economic need (young age and old age) and pays into the system when one is relatively more capable of doing so (middle-age, working age).

This logic is founded on a stable balance between age groups across time. A cohort, a group of individuals born in the same period, should go through all three phases in their lives as welfare state citizens and experience the same burden and levels of benefits as preceding cohorts. In an ageing society, this set-up can no longer work. Many older individuals receive benefits from the welfare state, while at the same time fewer working-age citizens can contribute into the system and fewer younger individuals are on the receiving end. In order to maintain the soundness of state finances, governments in advanced welfare states have to alter public policy programs in order to adapt the system to changing demographic profiles. The main areas that have to be reformed are pensions, health, social care and taxation. Simply speaking, the changes demand some or all of the following from older people: to work longer, to pay taxes longer, and to tolerate lower levels of support.

From the perspective of material self-interest, it seems thus plausible to assume that older people do not want to support changes to welfare-state programs, but would rather have the high and expensive standards that benefit old age maintained. This would follow from the idea of economic self-interest: if a welfare-state program is part of one's personal portfolio of insurances (such as long-term care insurance) and assets (such as occupational pension after taxation) and one's net expected value is foreseen to decrease after the reform, one is likely to oppose the reform. Thus, since Germany needs to reform some of its programs that benefit older people, the likelihood of political opposition by older people should rise.

Not only is the time ripe for politically sensitive reforms, but there is also evidence that life-cycle interests are shaping political preferences. In some circumstances, older people tend to be more in favor of certain policy bundles than younger people because their position in the life cycle (higher risk of illness, low probability of exposure to further education, higher dependence on pension levels) demands different optimal policies than, for example, younger adults with children. Concretely, there is evidence that older citizens (a) defend old-age programs in the United States, (b) have age-specific preferences on pension policy in several European countries, (c) display an age-

specific voting behavior in Swiss social-policy referenda, and (d) affect the level of expenditure on high schools in the United States. In the USA, citizens aged 65 and older were mobilized to oppose reforms to Social Security (the public pension system) and Medicare (a health entitlement program for older people) (Campbell 2003a). We could expect the same in Germany, although Germany does not have a large-scale old-age organization like the American Association of Retired People (AARP) that could organize protests. The VDK Deutschland is the social interest organization that looks after the interests of the chronically ill, pensioners, and health patients, and has 1.4 million members.² So far, there have been few actions initiated or supported by the VDK, although it did co-organize some protests in 2006 against plans to raise the official retirement age and repeatedly issues statements such as the one quoted at the beginning of this article.

Boeri et al. (2001) conducted a survey of four European countries (France, Germany, Italy, Spain) about attitudes towards welfare-state reforms. They found a pattern of conflict between young and old. In general, individuals want to maintain the level and scope of welfare-state benefits in an era of ageing, i.e., they want contributions to be adjusted to the larger expenses of the state to maintain the same levels of benefits. Within the group of those who want to maintain the size of the welfare state, older people were clearly more in favor of shifting resources from the young to the old. However, there is also evidence to the contrary. Lynch (2007) finds no difference in the demands for pension reforms by individuals depending on public pensions than by other people in Europe. Generally, the attitudes towards the welfare state of older people are not different from those of younger people. When asked whether the state has responsibility to secure income for those in a risk situation, retirees in Germany answer very similarly to younger age groups with approval rates being well beyond 85 percent (Roller 2002).

Bonoli and Häusermann (2007) analyzed a series of surveys of Swiss social policy referenda, among which there were ten referenda on public pensions. They found

² According to their website (Vdk 2007).

a consistent age effect with older age groups favoring the policy outcome that benefited the elderly most. In contrast to pure public opinion data, this data reflects actual behavior patterns or at least the respondents' report thereof. It seems that – given policy alternatives that favor age groups differently – older people take that bundle according to their material self-interest.

Finally, there is evidence at the ecological level for life-cycle voting on school spending. Schools are expensive public provisions that benefit children or young adults. Education exists for higher age groups, especially in the form of further education, but it is only marginal. Thus, if the material self-interest of older people matters for public spending, raising levels of older people in a geographic area should lead to lower levels of school spending per student. In the United States, the level of spending in schools partially depends on the local district. A few studies (see Button 1992) show the dependence of district school spending on the demographic profile of the district. The newest study of them shows that populations of long-time, older residents are an asset for local schools because they raise educational spending; populations of newly arrived, older people, however, decrease it (Berkman and Plutzer 2004). For Germany, there is a slightly lower spending level in states with more older people, but the evidence is mixed for local districts (Baum and Seitz 2003).

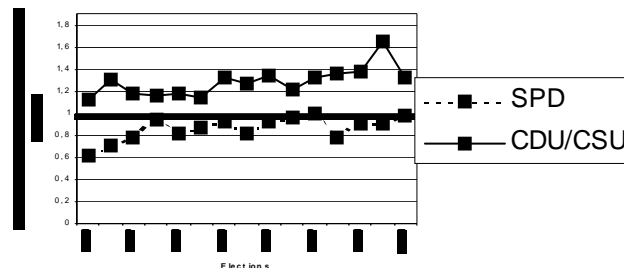
In sum, the numbers highlight the potential power of grey voters, i.e., the majority of older voters in Germany. Also, older people – especially retirees – benefit from welfare programs that are coupled with age or the status of retirement. This means that older people have a lot to defend. Finally, there is evidence primarily from other countries that some political interests are indeed shaped by the stage of the life cycle. However, since Germany does not have powerful instruments of direct democracy at the national level where social policy decisions are taken, these narrowly defined life-cycle interests are unlikely to matter. In other words, if referenda were the instruments through which welfare policy reforms were decided, one could potentially expect the differences between young and old to matter more for policy outcomes.

2. The myth of the grey vote: why older voters are not that much different from younger voters

So far, I have discussed arguments supporting the idea that political reforms in ageing Germany might be electorally difficult. In this section, I show that the potential cleavage – or political line of conflict – of “young versus old” does not matter in German electoral politics even in the widest sense (nor in any other European democracy). I demonstrate that some German parties fared better among older voters, but that this is due to generational effects that have nothing to do with an old-versus-young cleavage.

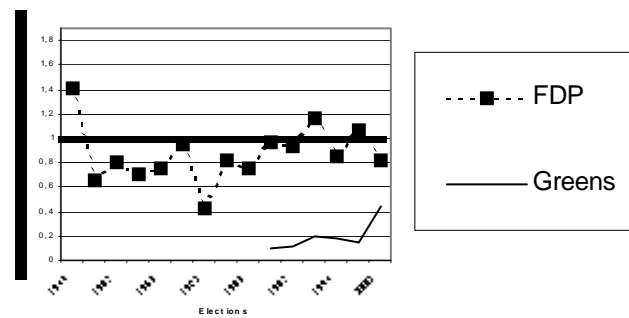
The fortunes of parties in West Germany among younger and older voters

Figure 1: West German party ratios (vote share of voters aged 60 and older by vote share of those younger than 60) – SPD and CDU/CSU 1949 - 2002



Source: Goerres (2006: 184)

Figure 2: West German party ratios (vote share of voters aged 60 and older by vote share of those younger than 60) – FDP, Greens and other parties 1949 - 2002



Source: Goerres (2006: 185).

A political cleavage is a line of conflict along which parties mobilize their constituents, meaning that that conflict becomes politically decisive. There are three stages in the development of a cleavage: (1) social groups can differentiate among each other by a set of social characteristics that are somehow socially constructed and accepted; (2) political parties exist that use these social features to frame their messages; (3) voters of a given social group use their own social definition as a shortcut to vote for the party representing their group, thereby politically reinforcing the division line. If age was a political cleavage, we would need to see at least one party popular among the old and another party popular among the young.

Figures 1 and 2 show the fortunes of the major West German parties across time. Each curve represents the relative showings of each party. One data point is the ratio of the probability of that party being voted for by older voters (60 and older) divided by the probability of the younger age group voting for that party (59 and younger). If the data point is above 1, it means that the party did relatively better among the group of older voters. If it lies below 1, it stands for that party having been more popular among younger voters in that particular election. The CDU/CSU was more likely to be voted for by older voters in all election years.

However, the difference between older and younger voters varied between 10 percent in 1949 and more than 60 percent in 1998. The Social-Democratic party ratio stood below 1 in most, but not all elections. However, for them the differences between age groups are much smaller, compared with the CDU/CSU. The highest advantage for younger voters was in 1949 with 40 percent and the smallest in 1987 with 0 percent.

The FDP fared better among younger voters with the exceptions of 1949, 1990, and 1998. The party ratios of other parties are constantly below 1 after 1976, but show a zigzag pattern before. From 1980 on, the Greens enter into the picture. They were heavily over-represented among younger voters, but the ratio exhibits a decreasing trend. In sum, we discover two parties that do generally well among older (CDU/CSU) or younger voters (Greens) in recent West German elections.

In terms of their popularity, the CDU/CSU is certainly an older voters' party, and the Greens a younger voters' party. So potentially, the two parties could – according to this evidence – mobilize voters by their age. If this was true, the two parties would need to represent the interests of young or old voters respectively. Is the Green party a party that wants to change the welfare state in a way that is more suitable to younger people? Are the Christian democrats a party that wants to maintain a welfare state in the interest of older people? If these assumptions were true, ageing voters should increasingly vote for the CDU/CSU and decreasingly for the Greens. In a systematic study of all West German parties (Goerres forthcoming [2008]), I conduct a full-blown analysis of these questions. I come to the conclusion that West German parties are not becoming more or less popular along the life cycle in the sense that changing life-cycle interests could explain voting behaviors. Instead, the popularity of the Christian democrats among older voters is due to generational preferences. The cohorts that are currently retired in West Germany belong to the Adenauer Generation that first went to the polls in the era of Adenauer, Erhard and Kiesinger. They gain their preference for the Christian democratic party from being socialized in this long reign of that party's dominance, which coincided with the economic boom immediately after the war. These voters associate the CDU/CSU with the era of long-term economic growth

and political stability. Being first-time voters, they were more impressionable than more experienced voters after World War II. In contrast, the Greens are much more popular among younger cohorts. This popularity stems from socialization effects of first going to the polls when the Greens entered the parliamentary arena. The young voters at the time were much more influenced by the new party that grew out of the peace and environmentalist movements. In addition, more recent generation of voters are more postmaterialist (Inglehart 1990), i.e., they favor certain values that are immaterial, such as environmental protection, and are promoted by the Green party. These findings imply that the popularity of the CDU/CSU and the Greens has nothing to do with them standing more for the interests of older or younger individuals, i.e., groups defined by their position in the life cycle. They are just more favored among older and younger generations, i.e., groups that are defined by their birth years. We can expect the Greens to do increasingly well among older voters in the future because the cohorts with postmaterialist interests are becoming older.

The analysis in that article also rejects the notion of growing conservatism with age that might be reflected in how citizens vote. One of the simplistic assumptions about older voters is that they become more conservative with age. For potential reform of the welfare state, this would mean that reforms would have to succumb to that conservative bias. However, there is no evidence for such conservatism (neither in West Germany, nor in Britain, the other country analyzed).

The lack of life-cycle findings and the prevalence of generational differences also mean that age is not a party-political cleavage. Although we can clearly see that the Greens and the CDU/CSU did particularly well in a specific age group, the other parties did not. Thus, we miss one characteristic if age was a cleavage in German politics: all parties would need to have an age-based constituency. In a detailed analysis of this particular question, Falter and Gehring (1998) also came to the conclusion that age is not a cleavage in Germany.³

³ It is potentially possible for a party in a cleavage-based party competition to try to gain votes explicitly across cleavages. An example is the Alliance Party of Northern Ireland, a country where

What about senior interest parties then? A senior interest party is a party that targets older voters on the basis of older people's interest. It could be that such parties become very strong in a context of societal ageing. They could block or mitigate welfare state reforms in a way that benefits older voters only. Germany has witnessed the undertakings of such a party for a long time: The Greys (Die Grauen). It was founded in 1989 and has taken part in all federal elections ever since. It polled 0.4 percent at the 2005 general election. Considering that Germany has so many older voters, one has to admit that this party did very poorly. Even if primarily retirees are voting for the Greys (which we cannot measure well), the party is not doing a good job at recruiting many older voters, given the large pool of older voters available to them. Also, the party changed its program. Although it still carries an old-age label, it now calls itself an intergenerational party and tries to tackle issues related to old age, such as the level of pensions, by looking for answers that address the roots of any problem in young age.

The German senior party is not the only older citizens' party doing poorly. Every European country has a pensioners' or an older people's party. None of them fare particularly well (Goerres 2006: chap. 7). One reason might just be the general problem that all small parties have in gaining ground in electoral systems that favor the established parties. Even in the Netherlands, a country with the lowest institutional threshold for small parties to gain representation, pensioner parties never did particularly well. The highest result they achieved was 4.5 percent in the 1994 parliamentary election (3.6 percent AOV; 0.9 percent U55+); they currently hold no seats in parliament. The only "pensioner parties" doing well repeatedly might still carry labels that suggest a pensioner constituency, but they tend to have shifted their policies in a way that no longer make them a senior-interest party anymore. An example would be the Luxembourg Action Committee for Democracy and Pensions Justice that received 9.9 percent of the vote in the last parliamentary election. It changed into a national-conservative party and dropped the "pensions justice" add-on to its label in 2006.

denomination matters. Thus, it could be that some German parties have an age-based constituency and others do not.

In conclusion, we must acknowledge that there is absolutely no evidence for an antagonism between young and old in the German party system. The visible differences that exist with regard to party fortunes in different age groups are due to generational differences, i.e., older voters vote differently from younger voters because they were socialized in a different period than young voters, and not because they have developed differences in interests at old age. This is also the reason why grey interest parties are notoriously unsuccessful, not only in Germany, but also in the rest of Europe. There is just no market for people voting on the grounds of old-age policies.

3. Why is age not a political cleavage?

It seems peculiar that age is not a political cleavage. Long-term party allegiances are waning; voters nowadays decide in a much more individualized way, meaning that parties should find it increasingly easier to attract new groups of voters when important old-age issues, such as the reform of health and pension system, are at stake. I suggest four reasons why age is not a line of political conflict in Germany and other advanced industrial democracies and present the existing evidence: (1) age is only transitional and cannot be a permanent cleavage because it is cross-cut by other lines of conflict, especially social class; (2) old-age issues are important to everyone because all of us aspire to become old; (3) older people are not only interested in their material benefit, but also in the good of other age groups due to intergenerational solidarity.

Age is not a good category for individuals to align themselves along politically. Summarizing the lack of findings in one of the seminal studies of voting, Campbell et al. (1960: 473) wrote in *The American Voter*:

“Though an individual of a certain age is likely to associate intimately with people of the same age and be influenced by these associations, common age is not the focus of their relationship. It is not considered the reason for association, nor is there a sense of unity with unknown individuals of the same age in other parts of the country.”

Age is only a transitional boundary. Even if a cleavage between young and old existed in a society, young individuals would age and would automatically cross the boundary. This is also the reason why younger people accept the idea of cross-subsidizing disproportional wages to older workers that are above the productivity levels of the latter. The younger workers know that they themselves will benefit from the system automatically in later life. Some authors therefore speak of an intergenerational equilibrium in game-theory terminology (Shepsle and Dickson 2001). One could counter this idea by arguing that the very young, i.e. the 30-year olds, are unwilling to finance the *current* older generation's benefit levels because the former have such a long stretch ahead of time ahead of them that they cannot be sure the system will not have changed many times before their own retirement.

Other cleavages – most importantly social class – still exist. Some authors argue that the influence of social class in politics is on the wane, but it is far from oblivious (Evans 1999). Social class cross-cuts with age: people of lower socioeconomic background age as much as those of higher socioeconomic status. Differences between social classes persist as people get older – despite some upward and downward social mobility. This is not to say that the social experience of ageing is the same across classes. But individuals of a certain socioeconomic background are more likely to identify politically with individuals of the same socioeconomic status who are in a different age group than with people of other socioeconomic backgrounds in the same age group. There is little evidence that even the transition into retirement makes retirees politically more alike. A retired person, who used to be self-employed and lives of a meager pension but large revenues from capital and property assets, is in a very different position than a person, who has paid into the occupational pension system and is going to live off that pension as a main source of income in retirement. Individuals from a wealthier socioeconomic class want little or no state pension provisions that are financed by taxpayers, while those from a class less well off want to insure themselves against old-age poverty by supporting a tax-financed pension that guarantees a certain minimum for everyone. As the review of the attitudes towards pensions has shown above, pensioners

obviously share interests in that specific policy program. Apart from that, there is little sign for common political grounds. However, old-age interests group, such as the VdK quoted in the introduction, could make policymakers *believe* that the current cohort of older people is united in their efforts.

Finally, old-age interests are of importance to people of all ages whereas young-age interests are only important to younger people. The difference is that all of us aspire to become old. Welfare state governments are currently reforming old-age programs, such as public pension systems. These are of interest to everyone, because we want to be well-protected in retirement. If age was a cleavage, the political interests of social group A (older people) should be detrimental or of no importance to the interests of social group B (younger people). Because of the transitional state of being of a certain age, this is not the case. However, it is well true that young-age political interests are not per se – in the material sense – interesting to everyone. For example, school education is of direct material interest to under-age students (who cannot vote) and their parents. Even if a good school system benefits society because of the long-term economic benefits, it is difficult to argue that voters other than parents should see a direct, material benefit from state-funded school education. Parents of older progeny do not have any direct material interest in school education any longer. This nature of school education and other young-age programs is, however, mitigated by the existence of intergenerational solidarity. Older people are usually not socially isolated individuals without any contact and allegiances to younger people. Indeed, empirical studies show that parents of grown-up children still give and receive sizeable material and instrumental transactions from and to their children and their grandchildren (Kohli 1999). It would thus not be consistent to give private resources for younger age groups and at the same time not care about their political interests. There is some evidence – cited above – from the United States on local school spending: higher numbers of older people who recently migrated to a certain school district correlate with lower school spending whereas higher numbers of older, long-term residents correlate with higher school spending. The explanation of this pattern could lie in the presence of intergenerational solidarity:

recently migrated older people are likely to know fewer people from young-age groups in the new neighborhoods because their families live elsewhere and their new friends are more likely to be the same age they are. This line of argument also resonates with social capital theory. Interaction among networks with other age groups could be labeled as “bridging social capital” meaning that such interaction bridges the differences between the social group of the “elderly” and that of “younger” people (see Putnam 2000).

The evidence that we have suggests the following: age is not a political cleavage along which German political competition is organized. Firstly, age is not a division line because it is only a transitional boundary. All of us age, and thus there might at most be opposition between older and younger people in young-age issues. Secondly, age is cross-cut by other social division lines, most importantly social class. Finally, cross-age allegiances exist between younger and older individuals that spill over into political interests, such as between parents and children.

4. Conclusions

German parties do not benefit from strong preferences of a specific age group across time. On balance, the evidence speaks against any electoral conflict between young and old that could inhibit welfare state reforms in Germany. It is true that (a) there are imminent majorities of voters aged 50 and older, (b) older voters benefit from many welfare state programs, and (c) there is some evidence for life-cycle interests shaping attitudes towards single policies. Yet these facts alone do not represent an antagonism between young and old in the party arena.

Differences in party preferences between age groups are due to generational effects that have to do with circumstances of early political socialization. Life-cycle interests do not shape the German party competition because age is not a political cleavage. Grey interests parties are notoriously weak and try to become parties for the interests of all age groups. Young age/old age is only a transitional boundary that all of us aspire to cross. Therefore, old-age interests are important to everyone. Also, division lines defined by age are cross-cut by other social divisions, most importantly social

class. Finally, Cross-age allegiances exist between younger and older individuals that spill over into political interests, such as between parents and children.

If Germany had more procedures of direct democracy at the national level, it might be that the life-cycle differences on some very narrowly defined policy bundles, such as pension reforms would be characterized by an antagonism between young and old. However, in the party political arena, no such divide is in sight. These findings do not mean that reforming the German welfare state is not difficult in times of demographic change. Costly programs have to provide for more and more senior citizens. Still, the reforms will not be more difficult because of an electoral antagonism between young and old.

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