

## **Aging Strategies in the United States.**

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## **Introduction**

The vast majority of industrialized countries are facing the prospect of population ageing, here defined as an increasing proportion of individuals aged 65 and above, which has been caused primarily by lower fertility rates and higher life expectancy. This transformation of the population structure is occurring at a time where economic growth rates have been fairly modest in many industrialized countries. While the potential impact of this demographic change has been the source of constant debate among scholars in multiple disciplines as diverse as psychology, health, and political science, there is a growing international consensus that states ought to be adopting policy reform and/or elaborate a strategic plan to prepare for this transition (Economic Policy Committee, 2006, OECD, 2000, World Bank, 1994). Already in the field of pensions, the vast majority of industrialized countries have introduced reforms in the past 25 years aimed at ensuring the long term sustainability and viability of public pensions (OECD, 2007).

The aim of this paper is to analyse and compare the adoption and implementation of ageing strategies across the 50 American states. More precisely, it stresses two important dimensions that are often ignored in contributions devoted to ageing. First, it focuses on the policy implications concerning how ageing is defined as a policy issue. The responses initiated by authorities will vary strongly depending on whether ageing is perceived as a narrow problem, such as health, or whether it is conceived in broader terms, such as being highly interdependent across multiple policy fields. This has tremendous theoretical and practical implications since the conceptualization of the problem defines the key policy actors involved in providing solutions. Second, this paper addresses how the organization of ageing shapes the elaboration and implementation of ageing strategies. Three hypotheses are introduced to this effect: 1) strategies aimed at enhancing co-ordination, such as the creation of an executive agency devoted to ageing, are likely to produce a broad and comprehensive response to issues related to population ageing; 2) the creation of a “Senior Department” are likely to generate a narrow focus on issues related to population ageing since such department will devote its energy to a specific clientele. As such, an overarching ageing strategy may be absent; 3) the status quo is unlikely to generate a comprehensive response to issues related to ageing. In this case, multiple departments will

produce their own individual responses, which may result in potential 'turf conflict' with other departments and disjointed policy output.

This paper is divided into four parts. The first section reviews how the welfare state literature has addressed issues related to population ageing. The second introduces organizational variables into the debate. The third section presents three organizational hypotheses followed by an empirical evaluation based on the ageing strategies developed in the fifty American states.

## **Theoretical Review**

The increasing importance of elderly has long been a source of debate within the literature on the welfare state. In an early study on welfare state spending, Wilensky (1974) claims that the proportion of old people in the population was the most powerful source of expenditure (47). Their political power as beneficiaries was already theorized in the early 1980s when Hogwood and Peters (1982) analyzed the administrative and political difficulties associated with policy succession. The presence of client groups and the defensiveness associated with organizations implementing public programs represent substantial hurdles for politicians seeking to adopt alternative policies (235).

The inherent difficulties to alter the welfare state, partly as a result of the political importance of the elderly, have been the object of ongoing debates in the aftermath of Pierson's (1994) *Dismantling the Welfare State* where he emphasizes the importance of blame avoidance strategies and the power of highly influential groups, such as the AARP, created by the introduction of policy programs. This results in policies where the core elements of the welfare state are akin to an "immovable object" (Pierson, 1998). A discussion on the theoretical and empirical challenges brought forth against Pierson would be beyond the scope of this contribution (for a review see Green-Pederson and Haverland, 2002), however for the purpose of this paper, its empirical conclusions on maintaining existing programs and policies present a rather pessimistic view on the potential of devising and implementing ageing strategies. Rather than seeking innovative programs and

policies, the 'new politics of the welfare state' assumes that politicians are on the defensive, aiming instead, at retrenching or reducing the costs of existing programs. Political leadership and the introduction of visionary measures for the long-run are lacking. Critics have not seriously challenged the foundation of this basis assumption focusing predominantly at re-establishing the importance of parties (Levy, 1999, Korpi and Palme, 2003), unions (Béland, 2001, Natali and Rhodes, 2004, Bonoli, 2000), political leadership (Cox, 2001, Bashevkin, 2002), and an interesting debate on the dependent variable (Green-Pedersen, 2004, Lindbom, 2007) to explain the locus and extent of retrenchment outcomes in industrialized countries. Even a recent contribution that focused on the temporal dimension of retrenchment (Jacobs, 2008), key variables such as political institutions and interest groups are analysed with regards to whether reform costs are introduced immediately or later in the future.

This state of affairs portrayed by the literature on retrenchment is even more problematic once we consider the politics and public administration literature. While politicians are primarily concerned with short-term (electoral) considerations, bureaucrats have substantial non-partisan political powers when it comes to handling long-term activities such as planning and budgeting (Peters, 2001). As a result, bureaucrats should play an important role in developing strategies to tackle the policy consequences associated with population ageing. Their omission may be related to their perceived decline. The past twenty-five years have generated a host of managerial reforms aimed at emulating private sector practices (Pollitt and Bouckaert, 2004), but reforms have also sought to increase significantly the political input within the civil service (Aucoin, 1990, Savoie, 1999). In spite of these reforms, the evidence of a 'bureaucratic demise' remains weak due to the interdependence between bureaucrats and politicians (Svara, 2001) and the importance of the bureaucracy as a key institution within the policy-making process subsists (Olsen, 2006). Therefore, a theoretical and empirical focus on the development of long-term strategies should still involve senior bureaucrats.

In light of recent socio-economic changes, a growing body of welfare state literature has been engaged on the emergence of new risks and the importance of social investments to tackle upcoming socio-economic challenges. As stated by Talyor-Gooby (2004b), the new

risks involve the changing gender and family roles resulting from an increasing participation of women in the labour market combined with a decreased male labour market participation, an increasing number of elderly, labour market changes, and the rise of private services to tackle these new risks (3-5). The solutions presented to face these new challenges have included investing in measures to eradicate child poverty (Esping-Andersen and Sarasa, 2002) and the provision of social services and 'active' measures to facilitate labour market participation and, other desirable social outcomes, such as education (Taylor-Gooby, 2004a, Jenson and Saint-Martin, 2006). Interestingly, in spite of the long-term dimension of such undertakings, bureaucrats are also ignored in these discussions.

### *Public Organizations and Ageing Policies*

The primary advantage of bureaucrats is that they can be involved in all stages of the policy process (Roberts, 1992). As such, they can play a crucial role in identifying policy problems, proposing solutions, and implementing them. While multiple dimensions, such as departmental culture and the composition of the civil service, can play an influential role in determining how policies are addressed, this contribution focuses on the policy impact resulting from the 'organization of ageing'. Inspired by Gulick's (1937) early contribution to the field of public administration, Egeberg (1999) emphasises that there are very few contributions dealing with "the *implications* of various structural configurations" (155) although strong empirical evidence suggests that can have a substantial impact on policy outcomes. For example, in the field of environment, jurisdictions that have established a ministry or department of environment have been far more successful in reducing pollution than those who have added environmental responsibilities to existing administrative structures ([see for example, Niemeyer and Kellow, 1999](#)).

The emergence of new policy problems, such as those resulting from population ageing, creates challenges to existing administrative structure. Authorities can opt to create a new department, establish a division within an existing department, distribute the responsibility among multiple departments opting instead to strengthen co-ordination, or

simply maintain the status quo. Based on Gulick's (1937) assumptions surrounding organizational boundaries, the selection of one type of solution over another will result in a very different policy-making process, and, ultimately, policy outcome.

Prior to introducing the hypotheses, it is important to stress that the organization of ageing faces few important hurdles that may explain differences across jurisdictions. First, never before has the developed world witnessed such a growing proportion of the population over the age of 65. As a result, policy makers have no previous models or experiences on which to base their decisions and cannot really learn from other jurisdictions since they are currently facing similar difficulties for the first time. More importantly, the literature has often stressed the strength of existing practices (Lindblom, 1959, Lindblom, 1979), the resistance of the bureaucracy in accepting managerial change (Pollitt and Bouckaert, 2004, Peters and Savoie, 1996, Saint-Martin, 2000) and the political difficulties of moving away from existing policies (Hogwood and Peters, 1982, Pierson, 1993). There are also organizational barriers that facilitate learning on how to improve current policies as opposed to learning about alternatives resulting in a "competency trap" (March, 1991). Applied to the public sector, the implication is that once civil servants become familiar with a policy, it is far easier to learn how to perfect the techniques and tools associated with this policy as opposed to learning new tools and techniques. Without added incentives, organizations are unlikely to deviate from current practices. Thus, the ease within which a jurisdiction can innovate or alter its public administration

Second, a key element often understated in the study of public policy is how policy problem are defined (Peters, 2005). In the case of population ageing, this is a challenging and controversial task. It involves multiple actors such as economists, gerontologists, health and elderly care workers, and human resource managers and each of these groups defines the problem of population ageing in a different manner. Complicating matters further, the debate has focused primarily on the expected implication it will have on society in general. As with any debate focused on future prospects, it is filled with uncertainties. This implies that although a particular group may agree on how to define the policy challenges associated with population ageing, they do not agree on its consequences. For example, even economists are divided on whether population ageing will have strong

negative consequences on economic growth (see for example Bloom et al, 2008) or whether its impact will be negligible (Mérette, 2002, Castles, 2004). Overall, the complexity of a policy problem makes finding a solution all the more difficult, which in case may cause authorities to opt for the status quo when it comes to its public administration.

### *Hypotheses*

Population ageing is expected to have an impact on multiple policy sectors such as health, pensions, labour market, education, and taxation. As such, the problem of population ageing suffers from a form of *programmatic complexity* (Peters, 2005); that is there are currently many disagreements concerning the impact of ageing on socio-economic outcomes and the effects of policy interventions to resolve them. This results in competing approaches addressing the consequences of population ageing, such as intergenerational accounting and the Musgrave law approach. Each of these approaches has very different assumption concerning the importance and the effect of population ageing. Similar concerns are raised by various organizational approaches to population ageing. This section emphasizes three key hypotheses related to organizational choices made to tackle the changing demographic composition of the population: 1) enhancing co-ordination across departments and agencies; 2) the creation of a department of ageing (or senior department); 3) the creation of an ageing division within an existing department. Following the discussion of these four elements is a hypothesis stating the type of policy outcomes expected from these organizational choices.

First, stressing the importance of a high degree of interdependence among various policy sectors, international organizations such as the Organisation for Economic and Co-operative Development (OECD) have been advocating the adoption of national strategic frameworks to co-ordinate ageing related reforms (OECD, 1998). The key behind the OECD recommendation is the enhancement of co-ordination across departments to ensure the coherence of public policies. This has also been referred to as improving horizontal specialization. This can take multiple forms ranging from the creation of a central agency reporting directly to the political executive to the enactment of new procedures to

encourage dialogues among senior civil servants in various departments. For example, the UK under Tony Blair, launched joined-up government, an initiative to resolve complex policy problems. Joined-up government may be understood as the aspiration to achieve horizontally and vertically coordinated thinking and action in order to eliminate duplication, achieve an efficient use of resources, benefit from shared information and offer seamless access of services to citizens (Pollit, 2003: 35). This type of government has been advocated strongly to circumvent the traditional culture of departmentalism (Bogdanor, 2005), which constrains intervention capacities in policy issues that cannot be easily assigned to a single department.

A similar approach has been to introduce aging mainstreaming (UN, 2002) to enhance the voices of the elderly who are underrepresented in policy debates. The application of such strategy has been enacted in New Zealand in 2001. The key aim of the *Positive Ageing Strategy* is “to improve opportunities for older people to participate in the community in the ways that they choose” (Dalziel, 2001). The document stresses that the removal of barriers limiting the participation of older people should also meet the need of younger and future generations. Its implementation involves more than 20 departments and the strategy is co-ordinated primarily by civil servants in the Ministry of Social Affairs in conjunction with the Ministry of Health and the Department of Prime Minister and Cabinet. Recently in Sweden, a group of civil servants have sought and obtained permission to devise a co-operation strategy among various departments and agencies to deal with issues related to elderly support (Socialstyrelsen, 2004). A key challenge is to provide sufficient incentives for officials in various departments to co-operate and, as importantly, maintain the status of the issue as vital within their respective department.

This enhancement of co-ordination represents a comprehensive approach to policy issues related to population ageing. However, this approach faces at least two key difficulties. First, substantial power must be granted to a central agency (or a department) to ensure the enactment of ageing strategies. This can be utilised as a mean to increase further the power of the political executive to enhance its control and oversight of departments (see, for example, Savoie, 1999). Moreover, their implementation requires a strong monitoring and evaluation system, which is sorely lacking in the case of the UN



strategy (Sidorenko and Walker, 2004). A key difficulty with joined-up government has been avoiding conflict between task forces and traditional departments who do not usually welcome new policy actors. Second, granting a stronger voice to elderly groups may result in marginalizing other groups. Ironically, based on recent studies, political scientists would probably advocate the opposite since multiple contributions stresses how successful various elderly groups have been at protecting existing benefits, sometimes at the expense of younger generations (Bonoli, 2000, Pierson, 1994, Béland, 2001, Feltenius, 2004, Campbell, 2002, Powell et al., 1996).

Based on the previous discussion, the first hypothesis is the following:

*H1: strategies aimed at enhancing co-ordination, such as the creation of an executive agency devoted to ageing, are likely to produce a broad and comprehensive response to issues related to population ageing.*

Second, multiple jurisdictions have responded to the increasing number of older people in the population by creating a department for senior. It is important to stress that this is far more substantial than creating a ministerial position, which can be mostly symbolic if the minister is not responsible for a department. In most cases, these posts are junior ministers. For example, the Canadian government recently created the position of Secretary of State for Seniors in 2007.

The creation of a line department devoted primarily to service the needs of seniors has at least two broad implications. First, this organizational structure focuses on a specific clientele, rather than on the problems caused by population ageing. This could create other long-term problem since organization by clientele may result into an “organization for clientele” where the clients, in this case senior’s groups, succeed in “capturing” the organization (Peters, 2001: 61) in ways similar to farmers’ interest within departments of agriculture.

Second, as a result of the vertical integration of ageing, as opposed to the horizontal strategy described above, is more likely to present a narrow definition of the policy problems associated with population ageing. The departmentalization of a policy issue

results in less political control from above and it is likely to have stark preferences concerning the type of issues to engage and which ones to exclude (see Egeberg, 1999: 158). Rather than cooperating with other departments and agencies to introduce broad measures to deal with the consequences of population ageing, the creation of a department is likely to be unwelcomed by others since it results in a potential loss of responsibilities for some departments and the addition of a competitor in the allocation of resources.

The way in which its professionalization occurs can also have important repercussions. If the senior department is dominated by health issues, health professionals will likely populate the department resulting in the introduction of medical solutions with a bias for a specific type of policy instruments at the expense of alternatives. This could take the form of focusing on granting medical services, as opposed to introducing regulatory measures.

*H2: The creation of an ageing or senior department is likely to generate a narrow focus on issues related to population ageing privileging older individuals and policy solutions promulgated by the dominant profession within the department.*

Third, the least ambitious organizational effort, beyond the status quo, is the creation of a division within an existing department. For multiple jurisdictions, this is often the case where an ageing division is integrated within a larger department. In most cases, ageing divisions are found within health and/or social affairs departments. Currently, with the promotion of active labour market policies, there has been a push to create an older workers' division within employment departments. Theoretically, there could be multiple divisions devoted to population ageing across diverse departments, which could facilitate co-ordination activities, as described in H1. However, the norm is to have a single ageing division that is attached to a department. As such, they operate as a junior department within a department.

This type of organizational structure limits significantly the current and prospective activities related to addressing the policy challenges surrounding ageing. First, the primary focus will be strongly embedded within the activities of the host department. For example, if the ageing division exists within the health department, its activities will be devoted

primarily towards health. Second, its expansion, both in terms of mandates and resources, will be severely constrained by the broader activities of the department. This has the effect of seriously limiting the visibility and predominance of ageing issues.

*H3: The creation of an ageing division is likely to generate a focus on issues related to the primary activities of the host department privileging the policy instruments and of the latter.*

## **The Implementation and Expansion of Ageing Programs into the 50 American States.**

### *The Crucial Role played by the Older Americans Act*

Enacted during an expanding era of social legislation aimed at creating the *Great Society*, the Older Americans Act was very ambitious with multiple objectives such as securing adequate retirement income, providing adequate housing, ensuring the best physical and mental health, and establishing comprehensive long-term care services. The legislation stressed that all programs financed by the OAA should be universal to avoid the stigma associated with programs targeted at the poor (Binstock, 1991). By its very nature, the OAA involves multiple federal, state, and local partnerships. State and local authorities generate 3\$ in funds for every 1\$ granted by the OAA (Administration on Aging, 2008: 54).

To facilitate the enactment of these programs, the Administration on Aging (AoA) was created within the Department of Health, Education, and Welfare (DHEW) following a political battle between the DHEW, which wanted simply to create a division within its department, and the Senate, who wanted to create an independent agency with high visibility in order to reap political benefits. A compromise position was selected by making the AoA an agency within the DHEW (Powell et al., 1996: 147-8).

Contrary to Medicare and Social Security, the OAA has not featured predominantly in social science debates surrounding population ageing and its multiple consequences in spite of a much broader mandate. There are two key reasons behind this state of affairs. First, the budget allocated to OAA is clearly inadequate to fulfill its mandate. With a budget of only \$1.4 billion for the 2007 fiscal year (Administration on Aging, 2008: 52), this

amount is clearly insufficient to achieve most of the goals stated in the original act. As emphasised by Binstock (1991), this was a current practice during this period when multiple policy initiatives were introduced. “Congress dealt with an overload of demands by creating thinly funded programs that demonstrated congressional responsiveness to social issues. The funds made available were essentially symbolic because their magnitude bore no realistic relationship to the dramatic policy objectives proclaimed in legislation” (14). Estes (1979) argues that the OAA goals were mostly inflated political rhetoric (cited from Powell et al., 1996: 149). This results in the quality of their benefits, and their budgetary importance being marginal vis-à-vis Medicare and Social Security. In 2007, \$585 billion was given in benefits (Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, 2008), which represents more than 400 times the amount allocated to OAA programs. As a result of this limited funding, which has not kept pace with the growing size of its target population, the programs supported by the AoA are targeted at the most vulnerable seniors. Moreover, the AoA has focused on a limited number of initiatives. Most of the funds managed by the AoA are utilised to finance home & community based supportive services (25%), nutrition services (18%), and Caregiver services (18%) (Administration on Aging, 2008: 52). The later is becoming increasingly predominant following a legislation mandating the establishment of a national family caregiver support program within the OAA in 2000.

Second, the structure of the programs associated with the OAA involves a complex governance with multiple partners across many policy fields and jurisdictions. In fact, the AoA leads the National Network on Aging consisting of multiple organizations such as 56 State Units on Aging (SUA),<sup>1</sup> 655 Area Agencies on Aging (AAA) and 29 000 service providers ([www.aoa.org](http://www.aoa.org)). This network operates alongside many programs targeting the aged at the state and local level, which are not under the control of the AoA. Moreover, the declining resources of the AoA accentuates the difficulty faced by an agency organized on clientele, but that operates within a bureaucratic structure organized along functional lines (Gelfand, 2006: 240). An evaluation performed by the Government Accountability Office in

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<sup>1</sup> This comprises the fifty states, the District of Columbia, Guam, Puerto Rico, American Samoa, Mariana Islands, Northern Mariana Islands, and the Virgin Islands.

1991 stressed that the AoA does not have sufficient staff and resources to co-ordinate the OAA programs efficiently. As a result, the AoA lacks knowledge and information about the implementation of programs by state and local authorities (GAO, 1991). In closing, it is worth mentioning that in line with the third hypothesis, AoA's activities have focused predominantly on policy activities related to its host department, the Department of Health and Human Services (DHSS).

### *State Policies for the Elderly*

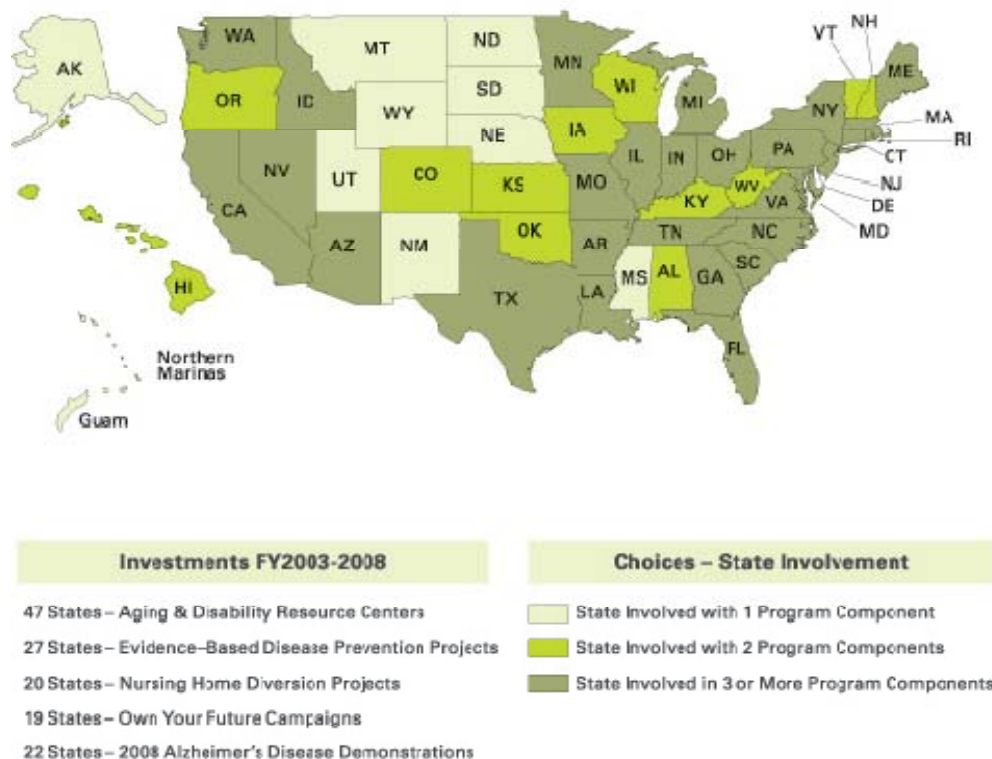
Although the OAA has provided much needed funding to expand pre-existing programs and create new ones, states have the liberty to pursue their own goals and objectives. In fact, at least five states (Alabama, Minnesota, New Jersey, New York, and Tennessee) had already established a department devoted to the elderly before the adoption of the OAA in 1965. The demographic structure of states does not seem to explain the timing behind their creation with the "oldest" state, Florida, having created its Department of Elder Affairs in 1991.

The OAA has led to the creation (or expansion) of SUAs to implement the programs administered by the AoA. It is important to stress, however, that the limited budget associated with the OAA implies that state activities for the aged include other programs developed and implemented at the state and local levels. Moreover, the implementation of OAA programs will be different depending on the additional resources granted by state governments. As a result, SUAs are actually integrated within various types of offices (boards, bureaus, commissions, executive offices, departments, and divisions) across all fifty states.

State priorities differ significantly with regards to OAA partnerships. As demonstrated by table 1, state participation in programs varies. 9 States participate in one program components, 12 in two, and 29 in three. There are also strong variations in their bureaucratic capacity, which has had important consequences in the implementation of social policy programs such as Medicaid (Schneider et al., 1997, Miller, 2006, Barrilleaux

and Miller, 1988). This variance extends beyond social services since the literature emphasises different state policy priorities (Jacoby and Schneider, 2001) and preferences (Klingman and Lammers, 1984).

### Table 1 State Participation in OAA Programs Modernizing Older Americans Act Programs



Source: Administration on Aging (2008). Modernizing Older Americans Act Programs: Laying the Foundations for Dignity and Independence for Older Adults.

It is important to note that the role of the state with regards to policies targeting the aged has been increasing substantially in recent years due to a lack of proper indexation of OAA and the lack of compensation for a growing older population. Most states have abandoned *de facto* the universal aims of the OAA. In fact, most success stories associated with the OAA are related to programs aimed at the most vulnerable population (poor, disable, and/or impaired) (see Justice, 1995).

## *Method and Data.*

The analysis of the three hypotheses relies on a variety of sources and indicators. Two primary sources were utilised as dependent variable. First, an analysis of states' Plan on Aging, which is required by the AoA to obtain financial support, was undertaken to determine whether a state's policy provides programs beyond those supported by the OAA. We also utilised other official documents such as AoA annual reports.<sup>2</sup> This is, unfortunately, the only good source of information we have to answer the first hypothesis. Second, we have compared states' spending efforts by analysing the percentage of spending that does not originate from the OAA, which was also obtained from the Plans on Aging.<sup>3</sup> Non OAA spending indicate a stronger commitment to service the elderly than the minimum programs and services promoted by the OAA. This measure is used to provide a partial answer to the second and third hypothesis.

The first independent variable, the organization of aging within states, originates from the states' Plan on Aging, which is required by the AoA to obtain financial support. Based on the information provided, we were able to identify which states had department on aging (or often called seniors' department), central agencies, and divisions within a department. To test the second hypothesis, a dummy variable was created to identify departments of aging. Its presence should trigger a noticeable increase in the share of state spending that does not include an OAA component. Based on earlier literature, we have included the following control variables (per capita income, the institutional power of governors, and the percentage of the population above 65). Per capita income data originates the U.S. Bureau of Economic Analysis (2008 figures).<sup>4</sup> States with higher state per capita income should be spending more on non-OAA programs because they have a

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<sup>2</sup> This includes: annual reports from the various state organizations devoted to aging (including their State Plan on Aging), annual reports of the AoA, and documents from key members of the National Network on Aging. We are also currently categorizing the additional programs into two groups (substantive vs. limited) to differentiate between comprehensive programs (such as drug coverage) and limited scope projects (like a tv show targeting the elderly).

<sup>3</sup> Third, while data on the percentage of seniors served by the OAA are available, we are still seeking similar data for state programs.

<sup>4</sup> Data available at: <http://www.bea.gov/regional/index.htm#gsp>

higher fiscal capacity to do so. The institutional power of governors should also play an important role in determining the level of state expenditure that does not originate from the OAA. As such, a strong Governor can mitigate the impact of having a strong independent department devote entirely to seniors (and can enhance central agencies responsible to deal with population ageing). To capture this concept, we utilised the Governors' Institutional Powers index developed by Beyle,<sup>5</sup> which includes multiple dimensions such as potential tenure, appointment powers, and veto power. We expect this relationship to be positive since a strong Governor is likely to be more sympathetic to interest groups such as the AARP, which represent a large segment of the population. Finally, we control for the proportion of elderly within each state. This is particularly important in this case because OAA funding is determined in large part by the number of individuals above the age of 60.

## Discussion and Conclusion

*(NOTE – Some Statistics for H2 and H3 Are Very Preliminary with complete data for Only 19 States)*

This section reviews the three hypotheses and applies them in the context of the elaboration and implementation of policies aimed at alleviating the consequences of population ageing. Interestingly, the primary attention has been given to service the elderly population. State plans rarely mention issues such as intergenerational justice or the consequences of population aging on economic growth.

*H1: strategies aimed at enhancing co-ordination, such as the creation of an executive agency devoted to ageing, are likely to produce a broad and comprehensive response to issues related to population ageing.*

We have precise information for all 50 states, and eight of them employ this type of bureaucratic structure (Hawaii, Idaho, Louisiana, Massachusetts, Minnesota, New York,

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<sup>5</sup> Data available at: <http://www.unc.edu/~beyle/gubnewpwr.html>



Tennessee and South Carolina).<sup>6</sup> Contrary to our expectations, there are three main groupings. First, Louisiana and South Carolina have members of the executive appointed directly to oversee elder affairs. Their mandate is focused on this client group and the issue is strongly politicised. There is no evidence of a strong independent administrative output. Second, three states (Idaho, Minnesota, and Tennessee) rely on boards or commissions that have the mandate to co-ordinate programs aimed at the aged. Their primary function is to allocate OAA funds to local authorities. They report directly to the Governor, who appoint all (or the vast majority) of board/commission members. The administrative support granted to these entities is very thin. For example, the Idaho Commission on Aging was created in the aftermath of a reduction in the number of state agencies and moved under the Executive Office of the Governor (Idaho Commission on Aging, 2008). Third, Massachusetts and New York have built executive offices devoted to aging. This implies that aging is now a strong policy priority since an executive office usually oversees a number of departments. For example, there are currently nine executive offices in Massachusetts overseeing multiple departments. Health and Human Service currently supervises seven departments and three commissions. Elder affairs became recently an executive office (it was previously a department within Health and Human Service) and it remains unclear what its role will be beyond having a direct link to the Governor's office. The New York Office for the Aging has one of the most comprehensive approaches to aging including concerns going beyond those of the aged in its discourse and a very wide range of programs. Thus, only New York seems to comply with H1.

*H2: The creation of an ageing or senior department is likely to generate a narrow focus on issues related to population ageing privileging older individuals and policy solutions promulgated by the dominant profession within the department.*

The current data collected allows a partial answer to this hypothesis; to what extent the presence of a department devoted to aging results in higher spending targeted at the

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<sup>6</sup> Please note that another four rely on standing commissions. However, since we do not have sufficient information to confirm or deny that they are reporting directly to the Governor, we have coded them as missing for now.

client group. A standard OLS regression was performed using the percentage of state expenditure that does not originate from OAA to assess the extent to which a department of aging results in a more active engagement in this policy area at the state level. The results are presented in Table 2 and they support this hypothesis. In fact, the dummy variable representing the presence of a department of aging was the only one that was statistically significant. Moreover, the effect is quite strong. Having a department of aging (as opposed to a central agency or a unit within another department) increases the share of non-federal spending by 24% marginalizing further the importance of OAA.

**Table 2: Explaining the share of non-OAA funding devoted to Aging with the presence of a department devoted to aging.**

Dependent Variable: % Non OAA Funding	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	85.328	35.858		2.380	.032
% of population age 65 and older 2000	-1.822	2.001	-.225	-.911	.378
Governors' Institutional Power - 5 point scale	4.010	7.425	.107	.540	.598
Per Capital Personal Income	.000	.001	-.169	-.874	.397
<b>Represent a Department of Aging</b>	<b>24.297</b>	<b>7.809</b>	<b>.771</b>	<b>3.112</b>	<b>.008</b>

N = 19. Adj. R<sup>2</sup>: .347

There are two key limitations with the data gathered. First, the number of cases is fairly limited (19) because states are not required to provide information about the extent to which they contribute to the programs. Second, non-OAA funding includes multiple sources of funding beyond state financing such as charities, other federal programs, and even local funds. Therefore, to strengthen the evidence to support this hypothesis, a similar exercise was undertaken with the data gathered by the ombudsman office as part of its annual assessment of the Long Term Care Ombudsmen Program (LTCOP) (Table 3). The LTCOP was instituted in 1978 and it was incorporated as the title VII in the OAA. The key advantage of the Ombudsman data is the availability of spending data by state authorities

on the LTCOP. Contrary to most OAA data, this one excludes other federal programs and third sector organizations. One drawback is the relative importance of the LTCOP within the OAA programs, with an annual budget slightly above \$50 millions in 1999 (Estes et al., 2004). This is a fraction of the \$1.4 billion spent on OAA activities. However, the LTCOP is highly representative of OAA programs when it comes to its operating procedures and financing.

**Table 3: Explaining the share of state funding for the LTCOP (Title IIV of the OAA) devoted to Aging with the presence of a department devoted to aging.**

Dependent Variable: % State funding NORS	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-17.553	27.388		-.641	.525
% of population age 65 and older 2000	.368	1.268	.040	.291	.773
Represent a Department of Aging	13.741	5.530	.357	2.485	.017
Governors' Institutional Power - 5 point scale	-.179	5.239	-.005	-.034	.973
Per Capital Personal Income	.001	.000	.354	2.622	.012
Pop2006	-2.99E-007	.000	-.113	-.814	.420

N = 50. Adj. R<sup>2</sup>: .247

The results confirm the results presented in Table 2 that having a department of aging is conducive to higher spending on elderly by individual states. In the case of state spending within the LTCOP, having a department of aging (as opposed to a central agency or a unit within another department) increases the share of state spending by 13.7% marginalizing further the importance of federal funds provided by the OAA.

*H3: The creation of an ageing division is likely to generate a focus on issues related to the primary activities of the host department privileging the policy instruments and of the latter.*

As in the case with the previous analysis of H2, the data available result in a partial analysis of H3. A regression was performed to assess whether the integration of aging within a department reduces the expansion of state funding given to programs devoted to the aged. A negative relationship is expected since the primary activities of the department and its subsequent competition with other department for resources should result in a stronger reliance on OAA funds to finance programs. Similar outcome is expected with the use of data from the LTCOP. The results are presented in Table 4 and 5. However, none of the independent variables is statistically significant and the R-squared is very low.

**Table 4: Explaining the share of non-OAA funding devoted to Aging with the presence of an aging division.**

Dependent Variable: % Non OAA Funding	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	59.078	40.865		1.446	.170
% of population age 65 and older 2000	.331	2.148	.041	.154	.880
Governors' Institutional Power - 5 point scale	6.663	8.784	.178	.759	.461
Per Capital Personal Income	.000	.001	-.112	-.474	.643
Aging Division within a Department	-13.394	8.266	-.430	-1.620	.127

N = 19. Adj. R<sup>2</sup>: .070

**Table 5: Explaining the share of state funding for the LTCOP (Title IIV of the OAA) devoted to Aging with the presence of an aging division.**

Dependent Variable: % State funding NORS	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-31.352	29.990		-1.045	.302
% of population age 65 and older 2000	1.300	1.329	.142	.978	.333

Governors' Institutional Power - 5 point scale	1.704	5.539	.044	.308	.760
Per Capital Personal Income	.001	.000	.341	2.366	.022
Pop2006	-5.50E-008	.000	-.021	-.142	.888
UNITDEPT	-.814	5.182	-.023	-.157	.876

N = 50. Adj. R<sup>2</sup>: .142

### *Conclusion - Improving the Findings*

In spite of multiple calls for the development of aging strategies that go beyond servicing the age, this study demonstrates that such undertaking is very rare among the US fifty states. As such, there was very limited support for the first hypothesis, which stated that the creation of an executive agency devoted to aging could result in a comprehensive strategy. The policy legacy of OAA has created a state infrastructure devoted to aging policies, which may counterbalance efforts to adopt a broader perspective on this issue, even though the financial support by the OAA continues to remain abysmal compared to its policy goals. Thus, there is some evidence to support the old adage that departments work in silo. Beyond the control of public spending, a function performed by the Treasury, the elaboration of comprehensive plans remains an elusive objective.

Although there is good support for the second hypotheses, with the presence of a department of aging associated with an increased share in state financing for programs targeting the aged, caution is required. The data utilized currently rely on 19 states for all OAA spending and data originating from the LTCOP, which is a minor (albeit representative) program within OAA. Nonetheless, if this hypothesis holds with additional data, this would represent another set of evidence demonstrating that attention ought to be given to other factors than the median age of the population (see Tepe and Vanhuysse, 2009).

The next step for this research is to improve the quality and quantity of data available. This is a daunting task considering the variance in the ways in which states operate their program and, as importantly, collect data.

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