For older people, active ageing means growing older in good health and as a full member of society, feeling more fulfilled in jobs and in social engagements, more independent in their daily lives and more engaged as citizens. But this can't happen successfully without help from governments – and at national as well as at local community level. This involves policy measures such as increasing financial security, age-friendly infrastructures and weaving these into the social fabric. Which countries are doing best?

At the University of Southampton we've been working on the Active Ageing Index (AAI), a tool that monitors progress across European countries. We use it to assess the untapped potential among older people using 22 indicators that are grouped in four domains: employment, social participation, independent living and capacity for active ageing.

The latest AAI report shows how far healthy and active life during old age has become a reality for many in the current generation of older Europeans. The affluent Nordic and western European countries come out at the top of the AAI ranking. Sweden tops the table, while UK comes fourth. These high positions are in large part because of policies that sustain employment levels among older workers who are reaching retirement and also the provision for income security in their retired population.

Using the AAI we can see where policies and institutions that have been introduced have started to ensure that older people enjoy an active and healthy life. For example, the pension systems in Nordic countries provide strong incentives for older workers to extend their careers. Good access to healthcare and financial security also facilitate independent, healthy and secure living for older people in these countries.

The pro-family culture of Italy promotes care provision for grandchildren, while the Fit2Work initiative in Austria helps to maintain and improve the employability of employees and avoid premature withdrawal from the labour market due to sickness and work-related illness. Zero-hours contracts in the UK have come under criticism, but they have contributed to the kind of labour market flexibility that employers prefer in hiring older workers.

We can also break down this information separately for men and women to see what progress could be achieved simply by closing gender gaps. And, using the AAI toolkit, we can define the goalposts for countries to aspire for.

The AAI data shows that active ageing also has an important non-financial component. There are examples that show this: the UK and Denmark are 7th and 10th in the ranking for social participation (though they could learn from Ireland and Italy which have much higher scores).

Conversely, lower-income central and eastern European countries as well as Greece have faced a greater challenge and need to address how they can make their policies supportive and sustainable. Within the low scores for the overall AAI, some countries nevertheless

achieved employment scores above the EU average of 28 (Portugal with 33 points and Latvia with 32 points). In contrast Greece (20), Spain (23) and Hungary (19) are all much lower than the EU average of 28.

The fact that very few countries, however, score consistently at the very top in each individual indicator, suggests there might be trade-offs and different priorities when it comes to active ageing across these countries.

No country tops everything. AAI Unexpected scores

Unexpected AAI scores provide some interesting lessons. For example, Estonia achieves a very high employment score for older people despite having a relatively low GDP per capita. Its employment score for women (40 points) is of special note.

Malta scores well across most domains, especially for men, but its overall score is pulled down because of its lowest score for women's employment (four points only). Germany is unexpectedly low in terms of social participation.

The AAI framework provides policymakers with convincing data in key areas to enable them to assess their country's relative position — what is already effective and where there needs to be further development. It also allows countries to move away from thinking about ageing from a one-sided concern about affordability where older people are viewed as a burden to something beneficial to society.

Concerns are also often expressed that adopting and implementing comprehensive policies for active and healthy ageing will be expensive – and too expensive for poorer countries to implement in the current times of economic crisis and against the backdrop of a fragile recovery. In fact, this is not the case – and people making these remarks rarely do the sums correctly.

Active ageing strategies based on social investment principles prevent the loss of valuable expertise, preserve the wisdom of older people and strengthen society's human and structural resilience. The cost for managing ageing actively is also cheaper than the passive management of older people left marginalised and dependent fully on the state or family.