



*Older people
also suffer
because of the crisis*

November 2012



Foreword: “My life in a time of crises”



Personal testimony by Ms. Maryse Martin

I am 67 years old and have been retired since the age of 60. I have been a widow for 14 years. My life has changed. My total monthly resources amount to 600 euros. I live near the city centre and a housing allowance covers my rent.

My resources do not allow me to do what I want, but thanks to the volunteers, like me, of the Association ‘petits frères des Pauvres’ I am able to partake in many activities such as swimming and painting. I receive convivial meals on the weekend and on holiday, all for free or for a small fee.

Living within the city provides me with access to free transportation (bus, metro, tramway and regional train) because I do not pay tax on my income. Nevertheless, my social life is limited because of inadequate financial resources.

I have three children who do not live nearby. My second son, who is severely autistic, was kept at home until his 14th birthday. Upon which I then had to find a solution for him in a facility not that close to home. I am recognized as his guardian and take care of administrative matters. He receives an allowance that covers the accommodation costs. To visit my son, I have to find the most practical transportation.

With the Association ‘petits frères des Pauvres,’ I look to welcome and comfort people who are in risky situations. I talk to them, giving them the occasional advice, but most importantly I listen a lot. I find that this gradually helps them out. Sometimes I am a bit taken aback to be a “big sister.”

In the neighbourhood, I am a member of two associations, which allow me to go on outings and take part in activities. This allows me to introduce the area to new residents. I also participate in a group of philosophical reflection on a subject that we submit, allowing everyone to speak.

On a personal note, I’m a mother of three sons and have two grandsons. I care for the grandchildren when their parents have to attend to certain matters. I find it is very important to have a good understanding within the family. It is also a way to give back to the community what it has given us since our birth.

I also desire to leave only when my family will be strong enough to do without me. I know that my youngest son and his wife will make arrangements for my autistic son.

I stay well at my age by taking walks and making things with my hands which helps me both physically and mentally.

I want to live my old age feeling useful. Gradually, when everything goes forever (youth, strength, family, friends), we all need support in one way or another.

Lille, June 2012

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Introduction

Whether becoming unemployed and struggling to find a new job; losing their life-time savings that vanished in financial and real estate markets; paying more for basic goods and vital services; or simply dropping out of social or cultural participation, millions of older Europeans have been experiencing on a daily basis the impact of the financial and economic crisis. Other population or age groups may be also facing similar or other difficulties or be exposed even more severely to the risk of poverty and social exclusion. However, no one should underestimate the growing vulnerability amongst people aged 50 and over and in this time of crisis neither deny the specificity of poverty and social exclusion in old age.

This publication builds on the work in the field of social inclusion and social protection carried out by AGE Platform Europe and its member organisations since the beginning of the financial crisis in 2008. They have been regularly monitoring the impact of the financial and economic crisis, as well as the austerity measures introduced in response to it, on social realities of older people across the EU, in particular amongst the most vulnerable.

The document also presents recommendations from the seminar AGE co-organised with the Committee of the Regions on the impact of the crisis on older people on 19 June 2012 in Brussels. The seminar enabled AGE members together with other actors active in the social field to better understand the evidence from the grass root level on the impact the current crisis on older people. Participants formulated proposals on how public authorities can better meet the needs of the most vulnerable older people and safeguard their dignity and quality of life and, ultimately, to facilitate their genuine participation in society.

Finally, the June seminar contributed to the broader reflection AGE is pursuing on how to address demographic ageing more effectively through a comprehensive and coordinated approach, by involving all relevant policy makers and stakeholders at all levels. The objective is to meet the specific needs of our older populations and the most vulnerable amongst them. This, in turn, will contribute to the creation of age-friendly environments across the EU based on fairness and solidarity within and between generations.

The publication will be widely disseminated as AGE and its members' contribution to the European Year 2012 in view of promoting a far-reaching change in policy making and creating a more age-friendly European Union by 2020.

Statistics on poverty in old age – Are older people really doing better?

There is a lack of precision and confusion when interpreting figures on poverty in old age. According to the OECD, on average, “13.5% of over 65s in OECD countries live in income poverty, defined as an income below half the national median. Poverty rates are higher for older people than for the population as whole, which averages 10.6%.”¹ These overall figures hide important differentials between countries, but also within the older population at national level. “There is large variation between countries, from two with practically no old-age poverty to four with poverty rates double the OECD average. A greater proportion of older women live in poverty than older men and old-age poverty rates increase with age.”¹

Also the EU defines poverty as ‘relative’ signifying that the benchmark against which resources should be compared is national i.e. a household equivalent income below 60 per cent of the median of the concerned country. This choice has direct consequences for EU-wide comparison of poverty levels since “...poor countries (defined in terms of their national average income) do not necessarily have a large number of poor people (defined in relation to their national average).”

According to Eurostat, “the elderly faced a lower risk of poverty or social exclusion in 2010 than the overall population both at EU-27 level (19.8 % as opposed to 23.4 %) and in the majority of countries. At the same time, differences in poverty risks among member states remain striking i.e. “...the risk of poverty or social exclusion faced by people aged 65 or more in 2010 ranged from about 6 % in Luxembourg to about 56 % in Bulgaria.”² Moreover the poverty risk among people aged 65 and over in 10 out of the EU27 still exceeds the figures for the working population 18-64, whilst in 8 out of 27 countries, the older people are poorer than all population groups put together.

Important differences are hidden when one looks at sub-groups of older people such as older

women, single older persons, and older people in urban/rural areas or older migrants/ethnic minorities. Indeed older women and the very old tend to face much higher poverty risk rate than the average figure in most of the countries. Therefore, any interpretation of poverty in old-age must be age and gender-proofed, given the fact that overall older population is not homogenous and very significant differences in poverty risk exist among its sub-groups.

Another important difference in the poverty risk among older people concerns the differences between some of the ‘youngest’ member states and the rest of the EU. For example, the poverty rates remain high or extremely high for all population groups in Bulgaria or Romania, while in Poland, Slovakia or Hungary, the poverty figures indicate, at first glance, a relatively better financial situation for the population aged 65 and over versus the rest of population. This is partly due to the fact that older people’s income is stable and guaranteed by the state (i.e. still coming predominantly through state regulated pay-as-you-go pension schemes), in contrast to the income of working-age population exposed at the risk of unemployment or simply having difficulties in entering the labour market (i.e. the youngest cohorts).

Moreover, the lower poverty figures for people aged 65 and over in some Eastern Europe may be also the result of the methodology employed to measure the poverty risk. As mentioned above, the 60 per cent poverty threshold is linked to the standard of living within the respective national context. This picture is radically different when instead of relative poverty rate one looks at the disposable income (i.e. taking account of purchasing power parity)³. The situation of a relatively well-off older person in one of the Eastern European member states is significantly worse when compared with an older person living in the West, whose purchasing power is more than three times higher than in Eastern Europe.

1 Pensions at a glance 2011: Retirement-income systems in OECD 148 AND G20 courtiers, OECD 2011, p. 148

2 9/2012 — Statistics in focus, EUROSTAT

3 P. Kubicki, ‘Ubóstwo i wykluczenie społeczne osób starszych’, „EAPN Polska – razem na rzecz Europy Socjalnej” 2010

When analysing poverty levels it is also important to follow their evolution over time. Situation of a particular population group can significantly deteriorate in absence of adequate policy response i.e. which does not take into account the changing economic context, in particular in time of a crisis. For example, one can observe a very substantial increase in the level of relative poverty risk among older people in Poland over the last four years. According to the latest estimates from Eurostat, the relative poverty figure for people aged 65 and over has increased from 7.8 per cent in 2006 up to 14.7 per cent in 2011 and from 6.1 up to 11.8 for people over 75 years old. The increases in poverty level for older women are even higher. This may indicate that with the unchanged social policy, failing to assess the social situation of older population against the current economic outlook and proposed reforms, the situation of older people will further worsen in Poland

and will negatively impact on their living conditions.

For this reason, AGE regrets that older people in Eastern and Central member states are not always and directly targeted by national social inclusion strategies. Significant improvement in social situation of all population groups will occur only when governments recognise the specificity of poverty risks for each age and population group, supported by tailor-made social policy measures.

Last but not least, when analysing poverty across the whole society, one should also look at wealth and income inequalities which affect older people i.e. some of the wealthiest may be also older people. This is why strengthening solidarity both among and within generations will be crucial to tackle effectively income inequalities and therefore prevent the most vulnerable groups from slipping into poverty.

1. Need to understand the impact of the crisis on older people

The vulnerability of older people is first of all related to the lack of financial resources. In today's context when governments are reducing public spending in all sectors, the disposable income of older people is decreasing as they have to spend more money "out of their pocket" on services (e.g. health or long-term care, transport, etc.) that used to be provided for free or as special allowances. With the persistence of the crisis, living conditions are worsening also for a growing number of older people with incomes just above the poverty threshold who are consequently no longer eligible for any available social transfers.

The crisis negatively affects older people not only in financial terms nor in their difficulties in accessing needed health or social services. Many older people confronted unexpectedly with these new forms of vulnerability, are affected also by deep helplessness or distress, withdrawing gradually from family life and social activities. Due to the crisis and the overall gloomy socio-economic climate – more and more older people together with other vulnerable groups – withdraw from active participation in society and show symptoms of an increased disinterest in political life resulting in feelings of further isolation from the mainstream

society. It is, therefore, older people's well-being and dignity which are at stake!

Severe budgetary cuts are preventing older people from enjoying their human rights

Although the European Charter of Fundamental Rights declares the rights of older people to live a life of dignity and independence, changing demographics combined with the pressure on public budgets are increasing the risk of human rights violations against older persons. Many EU countries – faced by the challenge of the current economic climate – are paying less attention to the fulfilment of the rights older people hold as human beings and are instead pursuing purely economic objectives.

For instance, in France, where a 2005 decree called for the abolition of the age barrier that prevents people over the age of 60 to be protected against loss of autonomy under the same and more generous scheme as younger people with disabilities. Financial considerations are impeding any progress. So, under the current French system – a country which ratified the Convention on the

Rights of Persons with Disabilities – people are better off if they become incapacitated before the age of 60, because at 60 years old and a day, one is considered just an older person and not a human being with rights equal to others. The targeted allowance is considerably reduced and older people have to contribute to their long-term care costs up to 90%.

According to UK case law, care provision may be limited in the context of limited resources, even if in practice this means restricting the autonomy of the older adult or even causing inhumane and degrading treatment, as well as the deterioration of the quality of life and health of the person in question. In a 2010 case⁴, an older woman who suffered from reduced mobility due to a stroke was forced against her wishes, to use incontinence pads and absorbent sheets at night, because it was considered more cost-efficient than having a carer to help her use the bathroom.

The Netherlands is another illustrative example of this situation, as the Dutch report for the implementation of the Madrid International Plan of Action on Ageing (MIPAA)⁵ affirms: *“The care system is under pressure. Costs are rising and staff shortfalls are growing... Individual patients must be able to exercise their rights but, at the same time, there need to be guarantees that the fulfilment of individual rights will be reasonable and fair”*. At a time when governments are considering policies to cut down on costs⁶, without measuring the impact on the enjoyment of human rights, there is a chance that our societies will limit themselves to a *‘reasonable fulfilment of rights’*, with an inherent risk of eroding the inviolable and universal character of human rights.

4 In the case, R (McDonald) v Royal Borough of Kensington and Chelsea (2010) EWCA Civ 1109

5 http://www.unecp.org/fileadmin/DAM/pau/age/country_rpts/NLD_report.pdf

6 Dutch minister of Health announced that the government is considering a policy under which not only situations that cause a minor discomfort, but also more serious conditions will not be covered by public health insurance, something obviously adversely affecting older persons as the majority of annual health care costs are made by people over the age of 65. <http://www.zorgvisie.nl/Financien/14198/Schippers-wil-toch-bezuinigen-op-lage-ziekteelast.htm>

Growing difficulties in accessing and affording health services and long-term care

The trend in a growing number of countries is to re-individualise part of health and dependency risks, even though complementary health insurance is often too expensive for older people. Therefore, the crisis is further amplifying the problem of growing inequalities in access to and affordability of health and long-term care, which, in most cases, is due to fewer financial resources, loss of health insurance due to sudden unemployment and austerity cuts in free or subsidised public health care services.

More and more older people – in particular those living on minimum income or whose income gets simply eroded due to lack of adequate indexation – can no longer afford adequate prevention and primary healthcare, with immediate consequences for healthy ageing. For instance, effective withdrawal of the right to free or subsidised medication, means that older people with chronic conditions are being forced to abandon essential treatment regimes, or stop expensive drugs, or rely on the availability of voluntary free drug programmes run by philanthropic organisations, thus negating the achievements of the past 30 years in ensuring that all population groups had access to health care and treatment as a right.

At the same time, recent European research work reveals increasing rates of loss of autonomy and “dependency” among older people, due to population ageing, leading to higher needs for long-term care and support⁷. The provision of long-term care services at home, as well as residential care, varies widely across Europe, with some of the countries most affected by the crisis already having the lowest access to these formal services and resorting to the use of migrant carers⁸. But in all EU countries informal family care is the main form of

7 Ricardo Rodrigues and Andrea Schmidt, (2010) Paying for Long-term Care, European Centre for Social Welfare Policy and Research, Vienna; Socialdepartementet, Government Offices of Sweden, (2011) Closing the gap – in search of ways to deal with expanding care needs and limited resources

8 Di Santo, P and Cerruzzi F (2010) Migrant Care Workers in Italy: a Case Study. Rome http://interlinks.euro.centre.org/sites/default/files/WP5_MigrantCarers_FLNAL.pdf

long-term care, with many countries now acknowledging the need to support family carers and even “re-discovering” informal care as an essential resource for care provision. This raises questions of maintaining universal access to both health and long-term care for older people, in particular low-income pensioners or/and their families and of how best to support informal carers, both as co-care providers and as individuals with their own needs for support⁹.

The equal access to quality health and long-term care is threatened not only from the individual perspective, but also in a broader sense of territorial availability of services. For instance, the access to health care can depend on the place one lives i.e. in most countries general doctors but also geriatricians in rural areas are becoming scarce. Evidence from grass root level indicates general shortages in health services provision in rural areas (doctors, hospitals, rehabilitation services) in addition to remaining challenges e.g. decrease of informal care within family. Another factor that can influence the availability of healthcare, but also long-term care services is mobility and transport infrastructure. A growing number of patients are declining to follow their specialty treatment delivered in a hospital due to the lack of transport from home to the hospital.

Taking the example of residential care, in countries, where this is partly or fully financed by families, it is reported that many older persons have been withdrawn to informal care at home or transferred into less costly homes (municipal homes), resulting in more residential homes with empty beds, while in other countries there are waiting lists (even up to 2 years). Another growing concern in this time of crisis is a surreptitious form of financial abuse “within family abuse”. Direct feedback from many older people across EU confirms that because of economic crisis their family members often lose jobs and, therefore, have problems to continue participating in paying the costs of LTC (at home or in residential setting). Instead the contribution of the children stays in the family budget and consequent-

ly the older person is denied the care services.

Shortage of adequate housing to support dignified life in old age

A choice of quality housing options that effectively meet the needs of older people is regarded as an important feature to strengthen people’s well-being and quality of life in old age. However, there is a general shortage of adaptable housing facilities for older people across the EU and, more recently public funding to address this demand is less available.

The crisis has impacted the affordability and accessibility even further. Due to budgetary cuts, in most countries there is a tendency to shift from nursing and residential care services towards independent living at home. Although this trend reflects people’s preferences, its final success depends on the extent to which the living conditions in private environments are adapted to the needs of ageing population i.e. availability of health care, proximity of local transport or shops, accessibility of building for people with disabilities, security devices etc. Allowing older people to live at home also increases the burden on informal carers, mostly family members and women in particular. This additional constraint is often underestimated by social policy where support to informal care is either inadequate or simply missing.

Low pensions combined with increasingly high rents, especially in big cities, increases the risk of housing exclusion. National policies allocate only occasionally small grants to support older people to access decent housing. In some countries, such as France, Spain, and Italy or Greece, the current crisis has caused even more inequalities for pensioners living on moderate or low income, widening their poverty gap with regard to the rest of society. In this context, older people and the most vulnerable amongst them in particular risk being further ‘penalised’. The growing numbers of them now need support from public authorities, whilst the budgetary cuts undermine further the role of state in alleviating poverty and exclusion risks, including also housing.

Growing rising renting costs is a common problem in most member states and, therefore, the need for safety-net mechanisms and financial

9 Triantafyllou J., Naiditch, M., Repkova, K., Stiehr, K., Carretero. S., Emillson, T., Di Santo, P., Bednarik, R., Brichtova, L., Ceruzzi, F., Cordero, L., Mastroyianakis, T., Ferrando, M., Mingot, K., Ritter, J. and D. Vlantoni (2010) The role of informal care in long-term care. European Overview Report, Athens and Vienna.

http://interlinks.euro.centre.org/sites/default/files/WP5%20Informal%20care_ExecutiveSummary_FINAL_1.pdf

support for pensioners is underlined by many AGE members. Yet, the existing housing or rent supplements, in the form of allowances, are further reduced or removed in countries, such as the Czech Republic, Poland, Ireland, Italy and Sweden. The issue around rented levels and rising services charges for older people on low to moderate incomes is also common in most countries. The shrinking financial and/or in-kind support measures – which before the crisis were already not enough to help all vulnerable older people – has worsened the situation of older people even further. The insufficient support will further affect older people and increase their difficulties in access to quality accommodation.

In the UK, Ireland, France and Germany, there are a range of benefits that help older people with housing costs e.g. housing benefit, council tax benefit, winter heating allowance. But in time of the crisis, more rigid eligibility conditions or means-testing considerably limit the number of beneficiaries who can and do claim respective country's financial support.

Energy poverty is a concern for a growing number of older people

More and more European households, including those of older people, are no longer able to keep their homes adequately warm at reasonable cost. There is a mixture of various factors that can lead to energy poverty, such as: inadequate income, in particular among the most vulnerable people; increasing fuel prices, including the use of relatively expensive fuel sources such as electricity; lack of appropriate home insulation and/or inefficient heating systems; and/or under-occupancy of homes, leading to a higher average surface to be heated.

Feedback from age organisations in the UK reports that each year in England and Wales, many thousands of people aged 65 and over die needlessly in the winter months. This is often because older people can't afford to heat their homes and they are more susceptible to illnesses caused by cold and damp. The latest figures show that last winter (2010-11) there were almost 22,000 additional deaths among people over the age of 65 in England and Wales.¹⁰

¹⁰ <http://www.ageuk.org.uk/get-involved/campaign/preventing-winter-deaths/>

An important aspect of fuel poverty among older people is the requirements that people go without other essentials in order to keep warm. The most vulnerable older people living on low or minimum income are now at an even higher risk of energy poverty, as their disposable income has been shrinking and they have to choose between spending on various services at the same time. In the on-going context of increasing energy prices, the issue of heating has become crucial for many older people.

Everybody should have the right to be able to heat their homes to an adequate level, as recognized by the EU climate and energy package. But this is fast becoming a "luxury" for many people including the most vulnerable older people. Rising energy prices and deteriorating services are leaving many people close to the poverty line with the choice between heating and eating, or being cut-off from essential services because they are not able to pay the bills.

Older people change their lifestyle behaviour due to the crisis

The crisis affects both the psychological and physical condition of older people. At an age when they should be able to enjoy their retirement, many older people today have to deal with excessive responsibilities, such as continuing care of other older people, for example as with their own parents, or permanently looking after grandchildren in order to support their working children. For example in Spain, there is the highest number of older people in Europe who are caregivers of their children. And this is not only due to cultural aspect, but to a large extent because of the difficulties on the labour market. Consequently, the income of these older family cares is negatively affected due to the additional financial burden they have to carry i.e. cover new expenses such as child support.

A similar phenomenon is also observed in other EU countries. In Central and Eastern Europe for example, where high unemployment rates persist, in particular in rural and remote areas, active cohorts emigrate abroad to find job, leaving their children to their grand-parents for periods often exceeding six or more months.

Another recent trend concerns the 'return'

of older people to live together with their children and grandchildren. This is either due to the fact that these older people cannot any longer pay for their own housing or because their families need them at home provide informal carer. One can consider this process as a new form of solidarity established in time of the crisis. However positive may be the impact of such spontaneous family arrangements to cope collectively at micro level with unexpected life circumstances, this trend also may hamper older people's independence or quality of life¹¹. Solidarity within and between generations is in principle based on voluntary basis and, therefore, must not be imposed. Otherwise, the crisis will endanger the social progress achieved over the last decades.

In recent months, older people's organisations have been also reporting about a sharp increase in demand for free food/meal distribution among older people. Despite the crisis, food prices have not fallen, so that people with low and reduced income may be forced to economise on what they consume, or those with minimum or no income turn to the free meals programmes. The steep rise over the past year in requests for daily free meals provided by voluntary programmes confirms additional difficulties older people, not only the most vulnerable, are facing today.

Sudden pauperisation among older people including the middle-class

A phenomenon directly linked to the crisis is the growing vulnerability of older workers in the pre-retirement age. The persisting gloomy economic outlook, consecutive losses of their life-earnings and savings through real estate investments or in financial products, has exposed this growing population group at a higher risk of poverty. Most of these people represent the lower middle-class which until recently was not confronted with such risk.

One does neither have to live in Greece to face an on-going decline of the coverage for cost of medicines. It happens in other countries also and every year the list of non-reimbursed drugs gets longer. Many older people can no longer pay for their private insurance fund or complementary

coverage of health care. According to a report issued in spring 2012 in Portugal¹², a number of doctors spoke up to say that older people during the last winter – when there was an extended period of freezing weather – were no longer in the capacity to have reasonable meals and get the health care they needed which, in turn, resulted in a high level of mortality. This situation is best illustrated by an older person in Portugal who said *"We can buy either food or medications, but not both"*¹³.

Older people also report they are confronted more often with the incapacity to take the number of visits prescribed for physiotherapy or rehabilitation due to the increasing amount of the price to be covered individually by themselves. A study in Germany "Dignity and Incontinence"¹⁴ highlighted the burden on the extra payments of protections not covered by the incontinence allowance. The reduction in the frequency of changes can compromise dignity of the person and could enhance infectious complications.

Suicide has sharply increased among the older population

Financial difficulties also push older people to distress and depression accordingly and, in the most extreme cases, to suicide. In Greece, data from an emergency suicide prevention help-line 1018 showed that in 2010 46% of calls were from people aged 50 years and over, with an estimated 25-30% increase in people seeking help from psychiatric services during the crisis. In 2008, data for completed suicides showed a very low overall rate of 2.8 per 100 000 population, whereas rates for 2007-2009 showed an 18% increase, with figures for January-May 2011 showing a 40% rise over the same period in 2010. Suicide rates for men are consistently very much higher than for women and cause specific mortality rates for suicide by age group are highest in >80 year olds for both men and women.

Also in other countries, not necessarily touched so severely by the economic crisis, the suicide phenomenon of older people is recorded. Ac-

11 Mercè Pérez Salanova, Psychologist on ageing and social welfare, Barcelona City Council; Presentation "Vieillessement actif et place des seniors dans un contexte de crise", 18 October 2012, Créteil, France

12 <http://www.rue89.com/2012/04/10/les-personnes-agees-premieres-victimes-de-la-crise-au-portugal-231029>

13 <http://www.cmjournal.xl.pt/>

14 Prof. Dr. W. Schlüter, Dignity and Incontinence, www.ede-eu.org

ording to a recent survey conducted in Poland¹⁵, the age limit for persons who have committed suicide due to financial reasons, moved to the range of 50-54 years. There are more and more people in their 50s and over, mainly men, who want to commit suicide, because they have been made redundant, cannot find alternative job and, consequently, become excluded from mainstream society. The largest percentage of suicides is visible in small towns, where finding a job is the hardest.

15 http://praca.gazetaprawna.pl/artykuly/623797,bardzo_wrazliwi_piecdziesieciolatowie_kiedy_traca_prace_traca_chec_do_zycia.html

These various changes in daily habits and lifestyle of older people illustrate the negative impact of the crisis on specific parameters related to ageing – such as adequate income or access to services – translated in fine in the overall deterioration of quality life in for all age groups. Even if the worsening of social realities is uneven among different population or age groups, one can notice that the response to the crisis adopted so far across the EU – focused exclusively on the return to growth – is undermining the respect of fundamental human rights.

II. How to prevent old-age poverty and promote social inclusion

Guarantee adequate income for all in old age

As illustrated by the feedback from grassroots level in the previous sections, a combination of factors such as low income, poor health, age and/or gender-based discrimination, reduced physical or mental capacity, unemployment, isolation, abuse, and limited access to services can all play a part in increasing the risk of poverty and social exclusion as people age.

However, when older people are asked about their unmet needs, it is the lack of adequate income that comes in first place. The purchasing power of pensioners, as of other population groups, has been gradually eroding in recent years. As a result, not only are the poor getting poorer, but also a considerable number of middle-class older people, including older workers, are 'pushed down' towards or below the poverty line.

At the same time, the trend of reforming pension schemes through a gradual shift of responsibility from the state to individual citizens has left the pension savings of many older people at the mercy of economic fluctuations and speculation in the financial markets, reducing the adequacy of their income in old age, and creating 'new poor' older people. Therefore, both adequate pensions and a guarantee of people's savings must remain the key objective of any current and future social protection reforms.

AGE recommends:

- **Whenever provided through pensions or other minimum income schemes, the old-age income must remain adequate** – in order to fulfil older people's needs in terms of what they consider being essential to preserve decent standards of living and personal dignity.
- **Preserve the adequacy of pensions at national level and put in place an efficient European supervision and regulatory system for financial markets and institutions** – to provide adequate protection of investment, supplementary pensions systems and individual savings.
- **Guarantee an adequate minimum income in old age to fight poverty and prevent social exclusion** – the right to minimum income schemes, including minimum pension, should be recognised as a fundamental right to ensure everyone's dignity and independence i.e. in line with the Article 1 of the European Charter of Fundamental Rights.

Prevent feminisation of poverty in old age through equality in access to social protection

The majority of older people in all member states are women and the highest poverty rates are concentrated amongst very old women. Both older women and men suffer from inequalities in terms of social protection. For example, the opportunity to build adequate pension rights is related to the type of employment or career and years in the labour market.

However, today most women are still additionally affected by their maternity history, as well as by informal caring responsibilities which restrict their access to good quality employment. On-going pension reforms introduce a closer link between pension income and contributions. This means that if pension benefits and old-age income depend on people's contributions, while the level of contributions depend on wages and career work paths, most women will continue to get low or very low benefits when retired.

Women generally retire before men, partly because of discriminatory mandatory retirement ages but also because they have to carry most of the burden of family care responsibilities. In consequence they receive lower pensions and, as they often live longer than men, their income progressively erodes. The current crisis has made this worse due to the increasing costs of living and the individualisation of protection against the risk of dependency in old age in an increasing number of member states. Without adequate compensation measures, affordable health and long-term care, as well as deeper consideration of the existing social roles of women and men in society, the poverty risk among older women will only increase further.

Policy makers should also build a better understanding and public support for the importance of adequate individual pension rights given the decline of lifelong marriage and the increasing number of single parent families. At the same time, for women with no rights to access a contributory social security system – through individual or spousal rights – it is necessary to provide a non-contributory income safety net in order to keep these women out of poverty.

AGE recommends:

- **Guarantee individual and adequate pension rights for all to ensure a dignified life in old age** – including those with justified career breaks, mainly women.
- **When private funded schemes are encouraged or imposed, ensure compensation in pension schemes for time spent on family caring** i.e. contribute on behalf of women caring for children and older dependants.
- **Enforce gender equality in employment to ensure an adequate retirement income for women** – it is through the life-cycle approach that social protection based on equal gender opportunities in earlier life can prevent poverty in old age.
- **For women coming into or already in retirement with inadequate social protection rights as result of gender inequalities in their past work (career breaks, low paid jobs)** – other compensation measures are crucial e.g. survivor benefits, pension indexation or adequate minimum income schemes.

Tackle growing poverty among the 'oldest old'

Many who retired with an adequate pension slip gradually into poverty as a result of a lack of adequate pension indexation. The erosion of old-age income accumulates over time and becomes particularly problematic in very old age when dependency may arise, since the goods and services needed to live a decent life are more expensive i.e. long-term care for very old people is labour intensive.

The crisis has further hampered the quality of life of the so-called 'oldest old' who have to cope with less money 'in their pocket' as they age due to the increasing numbers of services that are now at the individual expense of older people, in particular long-term care, but also other services, such as transport or housing. Some older people face currently the dramatic dilemma of having to choose between eating a proper meal, heating their home or having the dental care they need.

The analysis of measures to prevent old-age poverty should not be limited to the capacity of social protection schemes to cover only very basic goods or requirements. The aim is rather to take into account the fact that adequacy must apply to a longer period of the life span as retirement can spread over 30 years. This old-life cycle will be marked by diverse factors, such as health, dependency, the death of partners, kin and friends, family and social changes, moving from private home to care home. This concerns not only those who have worked and contributed regularly to pension schemes but also those with few or no contributions and, therefore, entitled only to non-contributory social benefits.

AGE recommends:

- **Ensure an adequate indexation of pensions** – to allow pensioners to keep up with society’s progress as they age and not fall gradually into the poverty trap.
- **Develop budget standards for an adequate income in old age based on a basket of goods and services for different old age sub-groups** – to guarantee a decent life and personal dignity for all and at different life stages in old age.
- **Define adequacy of old-age income on the basis of a broad consensus among older people and validated by experts on what one needs to live a decent life in old age** – this should include non-monetary aspects such as access to quality health and social care, decent housing, leisure and social activities or civic participation.

Empower and support older carers at risk of poverty

As the population ages, care responsibilities will fall on an increasing number of older women and will pose financial challenges for an even greater number of women due to lost salary and reduced pension entitlements. Little attention has been paid to the huge amount of care for elderly dependents which lies mostly on the shoulders of women aged 45 and over. Informal caregiving, predominantly provided by these women, enhances

short and long-term risks of poverty for both working and non-working carers¹⁶.

AGE considers that there is room for social innovation in this field and that member states should make greater efforts to address the increasing challenges that informal older carers face to remain in employment in a context of shrinking or inadequate long-term care services which place increasing responsibilities for the care of the dependent elderly back on to families. This impacts in particular women aged 45-60 years who are withdrawing from the labour market to care for their grandchildren in order to allow their children or other family members to work.

The EUROFAMCARE study found that the cost of medications, extra travel, out of pocket payments for health care, adaptations to the home and special food, feature among the additional costs of care¹⁷. In some countries these costs are already rising due to cuts in benefits and support measures for disabled and older people, as well as increasing inequalities in access to free or subsidised public health care services and medications. Last but not least, intensive informal caregiving also increases the risk of carers developing physical and mental health problems, notably depression, whereas appropriate support for carers e.g. respite care, training, information and opportunities for social interaction, can reduce these risks.

AGE recommends:

- **The recognition of the value of informal caregiving through acknowledgement of carers’ rights** i.e. take better account of the gender dimension in labour market policies and develop more flexible care leave provisions to accommodate the needs of those workers - in particular older women – who care for dependent relatives.
- **Develop EU ‘carer’s leave’ including the care of relatives such as children, young, dependent relatives and elderly parents and**

¹⁶ OECD (2011) Help wanted: Providing and paying for LTC in Europe. Paris, OECD.

¹⁷ Tjadens, F., Visser, G. and Sangers, S. (2008) Family Care in Europe. The contribution of carers to long-term care especially for older people, Eurocarers, Utrecht.

protect the social rights of informal carers, including pension rights.

- **Increase public investment in care services for dependent elderly and consider its positive role** as a support to employment (as are childcare provisions) and not merely as a cost to the public budget.
- **Development of appropriate policies and measures for the support of informal carers** that allow them choice in caring, whilst protecting them from the potential negative consequences of poverty, poor health and social exclusion.¹⁸

Combat age discrimination in employment and the growing poverty risk among older workers

With the economic and sovereign debt crisis, policy makers are now reinforcing their call for longer working lives to help reduce the demographic pressure on public budgets. Yet little is done to adapt labour markets and workplaces to the ageing workforce and to create a more supportive environment for both young and older workers. The inclusiveness of the labour market has been increasingly challenged by the economic crisis. Younger and older workers are the first ones to be made redundant in case of restructuration. In 2012 just above two-third of Europeans (67%) believe the economic crisis is contributing to more discrimination against “older” workers (those aged over 55)¹⁹. This prevalence of age discrimination is also an area where member states appear to be devoting least efforts. Having a high education or many years of experience is no longer a passport for a good job, when at the same time employers struggle to find the necessary skilled workforce they need to remain competitive.

The crisis has therefore resulted in increased poverty among older workers. They are part of the emerging so-called ‘working-poor’ population whose incomes fall below the poverty line. Social inclusion

strategies need to ensure that these workers are protected against age discrimination and in-work poverty, guaranteed adequate wages, are not subject to economic exploitation, precarious employment or age-unfriendly working conditions. Opportunities should also be provided to enable them to attain skills that allow them to increase their financial autonomy and to overcome individual economic difficulties.

Several national governments have also introduced changes which aim to restrict eligibility to unemployment benefits, reducing the amount payable and/or limiting their scope. Such measures subsequently harm another group of older people i.e. those who have to wait longer to reach the increasing retirement age while being unable to find employment due to the lack of adapted working conditions for older workers or adequately remunerated jobs. This is therefore a new and growing group of older people who face poverty. Feedback from the grass-roots level in recent months shows that these groups of older people – the ‘working poor’ and unemployed – are increasingly obliged to seek ad-hoc social support such as the provision of hot meals and handouts from food banks.

AGE recommends:

- **Fight age discrimination in the work place and ensure protection against in-work poverty among older workers** – enhance equality in employment for all age groups; guarantee adequate wages; avoid economic exploitation, precarious employment and unacceptable working conditions.
- **Provide opportunities to attain skills that allow older workers** – to reduce the risk of being dismissed or made redundant and to escape personal and financial difficulties; older people should be able to increase their economic ability to manage their lives.
- **Create age-friendly workplaces** – to allow older workers to continue to participate in paid employment as they grow older and as their working health or ergonomic needs evolve.

18 Glendinning, C., Tjadens, F., Arksey, H., Moree, M., Moran, N. and H. Nies (2009) Care provision within families and its socio-economic impact on care providers. Report for the European Commission DG EMPL Negotiated Procedure VT/2007/114, York/Utrecht, SPRU/University of York/Vilans Centre of Expertise for Long-term Care.

19 Special Eurobarometer 393, Discrimination in the UE in 2012

Prevent social isolation as people age and tackle elder abuse

The transition from active life to retirement for many older people represents a sudden rupture with their previous professional environment and related social networks. Once retired, older people become further isolated as they have less opportunity to 'rejuvenate' their social lives or 'connect' both within their own age group and outside it. Recent surveys carried out in Europe show that *"in two thirds of the countries, over 1 in 10 persons aged 65 or more have no friends or never meet them. The relative disadvantage of those aged 65 or more is three or more times higher in many countries compared to the total population..."* The same survey reveals that *"...family and relatives play a major role in preventing isolation in old age: significantly fewer people claim to have no relatives or no contact with them than in the case of friends."*²⁰

The risk of isolation and social exclusion is due to various reasons, such as family situation, socio-economic background or ethnicity. However, the issue of the societal roles of men and women is often ignored in debate on social exclusion and poverty although these can also have a significant impact on the way women and men deal with various challenges in old age, such as social integration, becoming a widow or coping with financial difficulties. Feedback from the AGE organisations supporting isolated or single older people, show that men more often than women deny the evidence of their financial or social difficulties, refusing to claim necessary support or assistance. On the other hand, older men are more likely to find a companion and/or get married again when they become widowed. Whatever may be explanations for these phenomena, such significant divergences in women's and men's perception of and experience of isolation, social exclusion or poverty need to be addressed through policy measures. Social inclusion policy must take account of economic; societal and psychological factors in order to meet the objective of strengthening overall social cohesion.

When old-age dependency increases, older people due to reduced physical or mental capacities are also more at risk of elder abuse or neglect. As one grows older and may come to depend on

others for support and care, she/he must continue to have the right to respect for ones' human dignity, physical and mental well-being, freedom and security. One of the most common problems occurs when their age cohort partners or close relatives die. This can amplify the degree of older people's dependency on external support which, in turn, may increase exposure to potential abuse. Dependent older people are often invisible and, therefore, powerless to claim their rights. Moreover in the current context of the economic crisis – when harsh economic circumstances hamper social relationships including those in the family – there are heightened risks of financial elder abuse. Older people's organisations from several countries have been raising this problem in recent months.

AGE recommends:

- **Promote right to dignity, physical and mental well-being, freedom and security** – through quality standards for health and long-term care services should be introduced and adhered to by public authorities i.e. European Charter of the rights and responsibilities of older people in need of long-term care and assistance.²¹
- **Reach out, inform and help the most vulnerable amongst older people who are unable to claim their rights** – in particular the very old, disabled and/or isolated older people, older migrants and people from ethnic minorities and empower them to participate actively in their communities and in wider society.
- **Promote a voice of the most vulnerable older people in decision-making processes** – through empowerment, education and training to express their demands and reinforce their rights to participate, as well as by setting permanent structures for consulting older people at local level.

²⁰ Social participation statistics, Data from 2010, EUROSTAT http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Social_participation_statistics#Social_isolation_increases_with_age

²¹ http://www.age-platform.eu/images/stories/22204_AGE_charte_europeenne_EN_v4.pdf

Enhance rights of older Roma

Roma and Sinti are among the most marginalised minorities in Europe. The current economic crisis has even led to increasing resentment against the Roma in recent years. As yet, far too little attention has been paid to identifying how the needs of this growing group of older Roma can be met.

According to the numerous testimonies gathered by AGE organisations, there is not only a general lack of awareness of their rights among older Roma but they often experience unequal treatment including by public authorities, health and service providers. Unacceptable levels of poverty, exclusion and discrimination further contribute to excluding a considerable part of older Roma from integration into mainstream society. Most of them also suffer from a lack of social contacts which are limited to their family members and to a broader network of members of the Roma community. When the majority describe their life situation, social exclusion is perceived as a specific 'ethnic' feature or even as something 'natural' for the Roma. Even Roma who are not affected by social exclusion are repeatedly confronted with this myth which aggravates their social status and hampers their chance to become a fully integrated member of society.

Social exclusion is linked to many factors including lack of work, quality housing and social status. From the research carried out by AGE and ERIO²², it appears to be a common problem among all older Roma who were interviewed. Many of the respondents indicated that they suffer from loneliness, despite living with their family, and felt a lack

²² http://www.age-platform.eu/images/stories/EN/executive_summary-older_roma_interviews_summer_2010%20final.pdf

of respect or value towards them as older Roma. Their living conditions and lifestyles are often not conducive to having a social and organised community life and notions of civil, cultural and social participation often mean little to them. Since they have lived in conditions of poverty for so long, they do not have the mind-set of wanting to be engaged in society or they lack the motivation to seek out a social and cultural life beyond their immediate family.

AGE recommends:

- **Implement national Roma integration strategies** and ensure that they contribute effectively to the fight against racial discrimination which affects older Roma and that they are afforded protection against such discrimination in education, in employment, housing and healthcare.
- **Provide regular and updated information for older Roma** on changes in national social systems, health care services and other policies or measures that impact on their lives.
- **Ensure that national, local and regional authorities have the necessary tools** and effective structures to be able to effectively develop, implement and monitor social inclusion initiatives addressed to older Roma.
- **Raise awareness within Member States about the EU structural funds** and simplify the application process and access to it during the upcoming funding period 2013-2020 to facilitate and improve the use of these resources for measures in support of older Roma.

III. Policy tools and processes to assess older people's social realities and enhance their quality of life

Active Inclusion Strategy

In 2008, the European Commission adopted a Recommendation on the active inclusion of people most excluded from the labour market²³, meant to promote a comprehensive strategy based on the in-

²³ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:307:0011:0014:EN:PDF>

tegration of three social policy pillars: adequate income support; inclusive labour markets, and access to quality services. This recommendation did not refer directly to older people as a separate target group, but rather dealt with the issues of employment, adequacy of minimum income schemes and access to services from the perspective of the economically active population. However, because all the issues

above are relevant to older workers and also have direct impact on the situation of pensioners, older people's organisations and AGE have been following the policy developments within on active inclusion.

The feedback from civil society gives rather disappointing evidence of the active inclusion policy on older workers. Whilst governments continue introducing budgetary austerity measures, the strategy fails to assess their impact on daily lives of population groups most at risk of poverty – amongst them a growing number of older workers. Due to the crisis, they are more often redundant, and encounter further obstacles to remaining in or having access to quality employment. In turn, they lose these crucial last years of contributions to social protection, whilst pension reforms link the level of pension income to individual contributions even more closely.

According to AGE member organisations, national active inclusion strategies are also too often reduced to issues of employment. Although AGE supports measures combating age discrimination by employers (e.g. practices targeting those in their 50s when redundancies are planned) or those enabling pensioners who wish to continue in employment, the vulnerability of today's older people is most often related to their lack of financial resources. Even though there is a link between minimum income support and labour 'activation' measures to bring excluded people back to the labour market, this should not be the key factor underpinning the overall strategy.

Since 2008 national active inclusion strategies have been inefficient in addressing the needs of people who hold little prospect of finding employment and who remain at high risk of falling into poverty and social exclusion. For instance, the French minimum income support known as the *Revenu de Solidarité Active* (RSA) –designed to motivate job seekers to accept a job paid below the level of unemployment allowance by offering in exchange an additional financial support to close up the income gap – did not fulfil its objective as regards older workers. The incentive proposed by the RSA is ineffective in facilitating older workers to get back into sustainable employment, while leaving them with inadequate income. In the current harsh economic context, finding a quality job or any job is most often impossible for an older worker.

To be an effective tool to provide support to the most vulnerable older people, the active inclusion strategy cannot refer exclusively to employment and financial resource. Non-material notions such as human dignity, respect to difference, participation in civic duties, involvement in social and cultural activities, access to long life learning etc. should also be addressed. All above are essential elements to ensuring that older people can actively participate in society.

AGE recommends:

- **Provide those who cannot build an adequate pension for justified reasons with adequate safety nets – active inclusion must target these groups to strengthen their dignity and support social participation.**
- **Active inclusion to break down the barriers to employment faced by older workers, in particular those suffering from long-term unemployment – in order to help them to remain active through job search assistance and guidance, lifelong learning, vocational training, volunteer activities etc.**
- **Active inclusion has to address the specific issue of the transition period between a full professional career and retirement – as this can be accompanied by a rupture with one's social network and, consequently, social exclusion and deterioration in people's dignity and self-esteem.**
- **Tackle gender inequalities when promoting employment activation [see above!] in order to contribute to preventing poverty among older women – through eliminating gender pay and career gaps, and to ensure that time spent caring for children, the elderly etc. gives adequate pension entitlement.**

Measuring and redressing poverty among older people

EU countries differ considerably in terms of poverty risks among older people – see the above section 'Poverty in old age in statistics – Are older people really doing better?'. When comparing the level of poverty across the EU27, "the most strik-

ing result is that many of the Eastern European EU member states stand out as more often materially deprived than the EU15 bloc of countries²⁴. This pledges in favour of the ‘material deprivation rate’ – defined according to the EU-SILC as the enforced inability (rather than the choice not to do so) to pay unexpected expenses, afford a one-week annual holiday away from home, a meal involving meat, chicken or fish every second day, the adequate heating of a dwelling, durable goods like a washing machine, colour television, telephone or car, being confronted with payment arrears (mortgage or rent, utility bills, hire purchase instalments or other loan payments).

Measuring the capacity to afford goods and services which most people consider necessary to have an adequate living standard, the material deprivation rate is a reliable complementary indicator to the monetary measures, such as the commonly used relative ‘at-risk-of-poverty rate’ – considering poor people as those living with a disposable income below 60% of the national median income. It is crucial to use different methods of poverty measurement in order to capture different faces of poverty and social exclusion among older people at national levels. Therefore, the choice of material deprivation as one of the three sub-indicators for the EU headline poverty (cf. as set by the Europe 2020 flagship initiative on poverty) target provides a useful approach.

Moreover, although material deprivation indicators help to capture social reality, they need to be seen in national economic, social and cultural contexts. Older people’s organisations highlight the importance of other factors such as isolation and the consequences of solitude (i.e. in terms of suffering) to also be taken into account when studying poverty and social exclusion in old age. Similarly, the dramatic episodes of the “heat waves” in Europe some years ago also raise the question of today’s society lifestyles, solidarity between age groups, forms of mutual aid, etc.

AGE considers that the agreed EU poverty reduction target (c.f. Europe 2020 strategy) is not just symbolic, but rather the expression of member states’ firm commitment to ambitious inclusive growth strategies at national levels. Regard-

ing poverty in old age, AGE has been calling on national governments to translate this overall EU target into national sub-targets and supported by actions which will take full account of the old-age dimension and address the specific aspects of poverty and social exclusion faced by older people. Including these sub-targets will help to measure the overall progress in reducing poverty.

AGE recommends:

- **The analysis of measures to prevent old-age poverty should not be limited to the capacity of social protection schemes to cover exclusively basic goods or requirements** – *the aim is rather to take into account the fact that adequacy must apply to a longer period of life as a pensioner i.e. living sometimes more than 40 years.*
- **Member states need to translate the overall EU headline target on poverty reduction at national level and break it down by age and gender** – *in order to focus social inclusion policies on combating old-age poverty among specific sub-groups, such as older women, single older people or those living in rural areas, people from ethnic minorities or older migrants etc.*
- **Use reliable poverty measures at national and EU levels combining all existing methods and approaches**, such as relative income poverty and material deprivation indicators – *in order to provide the most accurate picture of the social realities and specific risks faced by all population groups including older people*

Multi-level governance and participatory approach to social inclusion policy

Over the last ten years, most of member states have worked together through the Social Open Method of Coordination on social protection and social inclusion (Social OMC) and shared experiences on the functioning and the reforms of their pension systems, health and long-term care services and social inclusion policy. One of the main objectives of the Social OMC was also good governance, transparency and the involvement of stakeholders in the design, implementation and monitoring of policy at all levels.

²⁴ Asghar Zaidi, Poverty Risks for Older People in EU Countries, European Centre for Social Welfare Policy and Research Vienna, Policy Brief January 2010

The European Platform against Poverty and Social Exclusion was set up to build on this experience of stakeholder involvement and multi-level governance, in order to ensure further consistency between measures implemented under the Social OMC. However, almost two years after the introduction of the Europe 2020 strategy and its flagship initiative to fight poverty and social exclusion, civil society organisations, including those of older people, blame national governments for a widening gap between the voice of the most vulnerable groups and proposed policy response. The Social OMC process has further weakened with less engagement from the member states in achieving the commonly agreed objectives at EU level. The process officially remains valid, but so far has not been explicitly linked to the European semester in 2012.

In order to deal with this deficit in addressing the social issues through EU coordination, the Commission and member states introduced in 2012 the so-called National Social Reports (NSRs) – designed to cover in principle the thematic policy focus of the Social OM. The objective is to better link the structural and budgetary reforms to the social inclusion agenda. Even though it is too early to make an in-depth analysis of this new policy process, it is however evident that it fails to mainstream the social dimension into the economic policy strand. Very few member states submitted the NSRs – as required – in April and the expected closer link between social and economic issues was not achieved. The policy coordination of national reforms to exit from the crisis – as it stands for the moment – does not contribute to the realisation of the social objectives of the Europe 2020 Strategy.

The European Platform against Poverty and Social Exclusion, as a policy agenda on social inclusion, should therefore build on the past experience of stakeholder involvement and multi-level governance through the Social OMC. This will ensure further consistency between measures implemented, on the one hand on social inclusion, pensions and health and long-term care and, on the other hand, proposals to enhance growth and employment. The Social OMC is a policy making process that brings best national and European levels together in order to contribute to the realisation of the social objectives of the Europe 2020 Strategy.

AGE recommends:

- **Use the potential of the Social Open Method of Coordination and its instruments to reach the Platform's objective on poverty reduction** – and to guide the action to guaranteeing adequate and sustainable pensions, as well as universal and quality health and long-term services i.e. make the three areas an integral part of the Europe 2020 strategy's goal on 'inclusive growth'.
- **Involve all stakeholders effectively, including civil society at national and EU levels** – *in all stages of the social policy making process: from policy agenda setting, drafting strategies and plans, implementation, monitoring and reformulation of objectives and assessment of progress made.*

Conclusions

The current crisis has put at risk the European social model based on solidarity, a fair redistribution of resources and principles of social cohesion. Also older people, who are often pictured as 'privileged', suffer directly because of the crisis. In many member states high poverty rates among older people persist, in particular among older single women, very old persons or those of ethnic minorities. Yet, the specificity of poverty and social exclusion in old age, as described in this publication, is often misread in the public and political discourse.

National strategies to exit from the crisis have been so far overwhelmingly driven by public finance austerity measures, often to the detriment of social objectives. Consecutive cuts have been introduced in programmes fighting against poverty and for social care services provision, which are central concerns for the 150 million Europeans in later life. A similar approach is also reflected in the EU common policy response to the crisis that ignores the horizontal social clauses of the Lisbon Treaty and contradicts the Europe 2020 flagship objectives on poverty reduction and employment growth.

AGE members believe that discipline in public finances, sustainable economic growth and adequate social protection systems are not contradictory, but mutually reinforcing objectives – all necessary to achieve sustainable and inclusive progress in society in the long term. Any further economic or structural reforms should, therefore, be based on a genuine social impact assessment, taking full account of increasing precariousness of people of all ages. This, in turn, should enable member states propose a comprehensive strategy for sustainable and inclusive growth, whilst protecting more effectively the most vulnerable population groups and meet the overall challenge of demographic ageing.

The 2012 European Year on Active Ageing and Solidarity between Generations also creates a momentum to strengthen the national strategies on combating poverty and social inequalities among older people. Inviting and empowering older people to age in good physical and mental health and to contribute more actively to the labour market and to their communities should help our societies to better cope with our demographic challenge. In today's context of sovereign debt crisis, it is even more urgent to review the way our societies, labour markets and social protection systems are organised to preserve the solidarity and cooperation within and between generations in ways that are fair as well as socially and economically sustainable for all generations.

Column articles

The following articles were submitted by both external speakers and AGE member organisations who participated in the seminar on the impact of the crisis on older people on 19 June 2012. They present country-specific evidence regarding the changes in situation of older people and the consequences of the crisis on their social realities in recent years. They also analyse the efficiency of national social inclusion and social protection-related policies in responding to this impact. These articles do not necessarily reflect AGE Platform Europe's position, but are rather meant as contribution to AGE internal reflection on how best to address the needs of vulnerable older people and support them in this time of crisis and what should be the response from all relevant stakeholders to population ageing.

“The Impact Of The Crisis On Older People – Greek experience”

by Judy Triantafillou and Diamantoula Vlantoni, 50+ Hellas NGO, Athens

The full paper of the Report by 50+ Hellas is available on www.age-platform.eu

The paper aims to give a current picture of the impact of the financial crisis on older people in Greece, based mainly on the impressions of health and social care workers in the field of services for older people, as well as on the experiences of members of 50+ Hellas.

The effects on older people arise mainly from:

- 1 Direct reductions in their financial resources
- 2 Cuts in essential services due to the resulting austerity measures
- 3 Indirect consequences from strikes and negative reactions of public service workers and other service providers in protest against the measures.

Whilst some of the problems reported are more long-standing, all have been exacerbated during the crisis and more importantly, some improving trends

e.g. in poverty rates and healthy life expectancy, are recently being reversed.

- 1 Direct reductions in their financial resources
 - Pension cuts have been made across ALL levels of pension
 - Disability and other benefits for older people with needs for long-term care and support have been reduced
 - New taxes on property and goods further reduce the available income of home-owning older people (the majority).
 - For those who were able to supplement their income by renting out property, falling rent levels, inability of occupiers to pay and /or increasing inability to rent out premises particularly in central Athens, all contribute to a fall in income.
 - Basic food prices have not been reduced and indeed have risen during the past few months.

2-3 Cuts in essential services due to the austerity measures and resulting strikes

- Access to free primary care services has been effectively limited during the process of re-organisation and integration of the many health insurance funds into a single body EOPYY; doctors and pharmacists, who have been unpaid for months by the state, are conducting on-going strikes with the consequence that patients now have to pay both for their visit to the physician and full costs for their medicines, and then have to apply for a refund from their social security funds after a lengthy bureaucratic process.
- Public Hospitals are experiencing an increasing workload due to the reduced use of the private sector as well as to increased use of free emergency services by those unable to access primary care, or with no health insurance due to unemployment. There are increased waiting times reported for non-emergency surgery; at the same time basic hospital supplies are being withheld due to accumulated debts.

- Despite rising levels of psychological distress reflected in increasing suicides and numbers of calls to emergency help-lines, mental health services are being reduced and previously free or subsidised medication now has to be paid for.
- Philanthropic solutions are being increasingly used for basic problems of survival; NGOs and other bodies together with the Orthodox Church NGO “Apostoli”, have an extensive system of free food collection and free meals distribution which is growing daily. They have now instituted a similar scheme for pharmaceutical collection and distribution to those unable to pay for essential medication; this situation reflects that of 30 years ago, when many older people had no effective health insurance or access to free primary health care, with these numbers having been gradually eliminated until the present time, when the numbers are again rising.

“The crisis requires urgently common action to help vulnerable older people”

by Jean-François Serres, Secretary General of *petits frères des Pauvres*

Older people remain active both professionally and socially as long as their physical capacities allow. They can also remain integrated and be part of society or their communities even when they suffer from chronic diseases or and/or other physical dysfunctions. However, they need long-term care and support to maintain their participation in daily life.

But the majority of older people, when their physical capacities gradually diminish with age, are isolated. They are ‘invisible’ and absent in the mainstream society due to the lack of adequate support and assistance. It is in this period of pre-fragility that people who have lost their stimulating social environment and who receive little financial, social and/or culturally resources are at risk. This is a risk of loss of autonomy, social isolation and inability to enjoy their rights and/or receive the care they need. It was only in the aftermath of the heat wave tragedy in 2003, with 70,000 extra deaths in Europe, including 20,000 in France, that public opinion got conscious about the problem of progressive isolation of older people. These vulnerable older people may be at risk of dying in time of unusual circumstances, such as extreme weather conditions during summer or winter, but also in case of a pan-

dem. The social inclusion of the most vulnerable is at stake, as well as of the middle-class older people who have been hit severely by the current crisis.

The above tendency seems to be progressing. The risk of social isolation for people aged 75 years and over went up from 16% to 21% according the recent update (2012) of the 2010 study on social isolation and solitude in France issued by the *Foundation de France*. In times of crisis people are experiencing even further the fragility of social links, which becomes a major threat to national cohesion. It is this isolation that makes more frequent individual situations very difficult, leading to abandonment, solitude and extreme poverty associated with a profound loss of self-esteem. The older people who contact us for support had often already experienced a long process of isolation. It requires then a long time to improve their situation and help them regain acceptable living conditions and a place in a broader community and society.

Therefore, it is urgent to support the ‘primary’ solidarities, rebuild people’s social networks through strengthening neighbourhoods and rebuilding the quality relationships between people. It is equally crucial to support carers by providing them with necessary adjustments of their working conditions; in particular those who have reconcile informal work and professional work. We must also launch an ambitious program to mobilise local volunteers associations to promote age-friendly environments for older persons at community or neighbourhood level. It is the purpose of a movement of civil society associations established recently in France to “combat loneliness in old age”.

Public policies must find complementarities between social protection and citizens’ involvement, as well as empower people in order to reconcile the individual needs with the insertion into local, neighbourhood or family networks. Renewed cooperation between associations and national government will deploy a mobilisation necessary to meet all the above challenges, which the current crisis has even further amplified.

Seniors and economic crisis in Slovakia

By Ľubica Gáliková, President of Fórum pre pomoc starším

Frum pre pomoc starším organises in Slovakia a whole range of actions - particularly meetings with older citizens in certain regions where the forum discusses with them problems revolving around their life, current situation and their experiences concerning services and attitudes of the public toward this group. Prices are still rising and inflation is high. Inflation mostly concerns basic living needs, food, pharmaceuticals, health care, services and accommodation, which mostly affects older people, their quality of life and access to different services which they often cannot afford. There are cases when an older person doesn't go to pharmacy for the prescribed medications because of high prices. Old age pensions are very low in Slovakia therefore rising prices seriously affect the lives and position of this group. Inflation concerns all goods and services (also those which are not being bought by older people like furniture, cars and electronics whose price is often rather decreasing or increasing minimally) and for this reason there is no recorded inflation that concerns just older people.

Older people also report that the crisis led to increased age discrimination. People often perceive older people as those who adversely affect economic development in the country as they need expensive services such as long-term care for instance. They are portrayed as a burden to society and as a passive group of population that doesn't 'need anything anymore'. This situation is getting worse in the context of the economic crisis and the consequent lack of public money to meet the needs of different population groups. Salaries in Slovakia are very low; there is high unemployment that concerns all population groups. Therefore due to this situation in overall society there is a prevailing opinion that older people should not work anymore and it is difficult for them to remain or find employment.

With the high unemployment in some families, older people may be the only ones with steady financial income. This increases the risk of financial abuse of older people. Family members take money from their older relatives, pressure them to sign their property over to someone else and limit their contact

with their friends and neighbourhood. Older people do not have the possibility to defend their own rights. The legislation also fails to protect adequately against elder abuse. Potential proceeding at court can take a long time, sometimes several years, and older people cannot afford this due to their income. Older people often do not have enough energy to manage with the legal proceeding which will ultimately affect their psychical and mental health. Currently the charges at courts have increased.

Other form of financial abuse which has recently increased is related to door-to-door commerce i.e. sale of goods or services at unfavourable conditions. It often happens that older people after signing an unfavourable or even fraudulent contracts end up losing their money or, in the most extreme case, even entire housing property. Older persons are a particularly easy target for swindlers proposing financial services because they have otherwise very limited access to regular bank products (age-based discrimination persists in access to financial services). Products or services are proposed at abusive fees and charges which older people do not realise or simply cannot perceive as they are obliged to sign contracts in hurry without possibility to get first necessary information and advice.

It is necessary to make necessary actions to strengthen protection against all these various forms of elder abuse. Further modifications in national legislation on protection of older people are necessary as age-based discrimination and elder abuse are infringement to human rights of older population. Finally, it is also necessary to support organisations promoting older people's rights, monitoring the situation at the grass-root level and preventing elder abuse and violence.

“Crisis as opportunity? A view from municipal care services for older people”

by Stephen Barnett, Policy Director of European Social Network

ESN is the European network for social services in local and regional government, a sector with a particular responsibility for vulnerable older people. Public authorities not only provide, plan and regulate services, but typically financially support those on a low income who are not covered by insurance or do not have sufficient private means to pay for care and assistance. Social protection overall is the second biggest expenditure item for sub-national government in the EU.²⁵

Over the period of the crisis, things appear to have changed for the better for older people on a low income: the share of over-75s at risk of poverty decreased from 27.6% in 2007 to 22.2% in 2010²⁶ - still a significant number. We cannot tell very much about the specific situation of older people with care needs (or their carers) from the ‘at-risk-of-poverty’ statistics. However, we do know that “poor people are ... at higher risk of developing chronic disease and/or require long-term care and support from health services, social care services or both.”²⁷ There is therefore a significant population of older people on a low income who will rely on financial support for social care from the State.

Although the situation is not universal, many municipalities are simultaneously facing rising demand for social services and pressure to limit budget rises, freeze or even cut spending. Typical short-term cost control measures might be in the areas of salaries and recruitment, user co-payments for care, staff training, capital spending or even closure of ‘non-essential’ services. However, ESN members also see this as an opportunity to redesign services to enhance efficiency and improve quality of life for service users. Such measures might include:

- Asking people what help they need: clients might need less than professionals have traditionally thought

- Transforming services to focus more on prevention, short-term rehabilitation and independent living than on long-term care in hospitals or nursing homes.

- Enhancing coordination across services to avoid duplication of tasks and offer users a seamless service.

Based on existing case studies from ESN members, a local strategy that includes some of these measures might produce savings in the order of 10%.

Given current demographic trends, it is likely that policy-makers would have had to look carefully at age-related expenditure even without the crisis. Local and regional government can take decisions on smart service (re)design at local level, but needs adequate public funding to ensure that vulnerable older people get the help they need, when they need it. Alongside pensions reform and active & healthy ageing policies, (‘informal’ family-based) care, social services and long-term care have a significant contribution to make to the response to Europe’s demographic challenge.

Find out more about ESN’s work on long-term care systems at www.esn-eu.org/commissioning-for-quality/ and on the crisis at www.esn-eu.org/leadership-performance-innovation

25 Dexia local government finances report (2010)

26 Eurostat online, accessed June 2012

27 SPC (2011) ‘The social impact of the economic crisis’ report

“Ageing of the population: a challenge for Europe”

by Professor Dr. G.I.J.M. Kempen, Maastricht University, the Netherlands,

The proportion of older people increases rapidly in Europe. As 17.2 % of the population in the EU-27 countries was 65 years of age or older in 2009, this percentage is expected to rise to 23.7% in 2030 (www.populationeurope.org). Related to this, the life expectancy in all European countries is increasing as well. For example, in The Netherlands, the life expectancy in 1998 was 75.1 years for males and 80.6 years for females. It is expected that these figures will rise to 85.5 years and 87.3 years, respectively, in 2050 (Actuariel Genootschap, 2010: www.ag-ai.nl). More specifically, this means that men gain 10 weeks life expectancy every year and women gain 6 weeks life expectancy each year. A substantial part of the rising life expectancy will be life in rather good health. Although substantial differences may exist between countries, these ageing patterns are more or less similar in many countries. Actually, we may consider this as success story as this is something that many of us wanted. But this development has substantial consequences and challenges for different parts of society.

First of all, the old age dependency ratio 65+/15-64 will rise strongly. For the EU-27 this ratio was on average 25.7 in 2009 but will go up till 38.7 in 2030 (www.populationeurope.org). This indicates that in 2009 there was one older person for every four persons in the working population, but that in 2030 we expect only 2.5 persons in the working population for every person in the older age group. Again, huge variations may exist in different countries: the ratio is highest for Germany (30.9 in 2009 en 47.5 in 2030) and lowest for Ireland (16.2 in 2009 and 26.6 in 2030).

Secondly, although productivity may rise, a substantial lower proportion of persons have to care for an older generation from both a financial (pensions) and a care (labour shortage) perspective. For example, in the Netherlands we expect that the costs for health care will rise from 61 billion Euros in 2012 to nearly 80 billion Euros in 2017 – an increase of 31% (www.skipr.nl/actueel/id11310-zorgkosten-stijgen-met-20-miljard-euro.html). In addition, we expect a shortage of 300.000 persons in 2020 - particularly in

health care - within the working population mainly due to ageing of the society.

The big challenge for the next two decades is to balance the risks and consequences of ageing across diverse groups in society to preserve an acceptable level of intergenerational solidarity. Otherwise, this may become at risk. One option could be that the pensionable age becomes much more flexible but rises substantially. A second option could be that citizens of all ages should spend more time and money to health care including the care for older people. Both options require a much more age-friendly human resources management to combine work and care at all ages; governments should force societal groupings including employers to facilitate this.

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2001-2011: AGE is 10 years old!

AGE Platform Europe is a European network of around 167 organisations of and for people aged 50+ which aims to voice and promote the interests of the 30 million senior citizens in the European Union and to raise awareness on the issues that concern them most.

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Image on coverage page:
'Pogniciony' Olej na plotnie ('Hurt' Oil on canvas), 2002, Maciej Paukztello, Poland - www.paukztello.pl



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