



AGE Platform Europe Policy Statement

AGE assessment of the 2015 National Reform Programmes and the Commission's Country-Specific Recommendations

September 2015



Executive Summary

Only 40% of people between 50 and 64 are working, but pension reforms mean that they have to work longer. Despite the promise, made in 2010, of reducing the risk of poverty by 20 million people, poverty has actually increased, while specific groups of older persons, such as older women, older migrants or persons older than 80 are particularly vulnerable.

AGE Platform Europe, Europe's largest network of organisations of and for older persons, is following the European Semester process since its inception to make sure that the fundamental right of older persons to live a life in dignity and independence is respected and promoted during the process. AGE is particularly vigilant to ensure the fulfilment of the Europe 2020 strategy and its social targets on the reduction of poverty and the promotion of employment, which includes the promotion of the employment of older persons.

AGE has assessed the 2015 European Semester together with its member organisations, resulting in this report that echoes the national situation in nine member States. AGE flags up a number of issues that have got insufficient attention in this year's semester

- The re-focussing of the European Semester on the Commission's priorities on fiscal consolidation, structural reforms and modernising social protection should not lose out of sight the targets of the Europe 2020 strategy
- Pension reforms, to be sustainable and adequate, need to be accompanied by policies promoting the employment and supporting employability of older workers, and take into account the difficulties of the oldest pensioners, older women and older migrants
- While healthy life expectancy is decreasing, budgets for health care are reduced – more investment in health is needed to promote healthy living and ageing
- Poverty is a denial of rights and a drag on growth. The specificity of old-age poverty should be acknowledged and better understood and the European Semester should propose solutions
- Gender equality is a crucial issue also for older persons: the gender pension gap stands at almost 40% and risks rising due to current pension reforms – action is urgently needed on this in the form of supporting women, including older women, in the labour market and guaranteeing adequate minimum incomes for current pensioners



Content:

- **Part I** presents an overview of the main findings and AGE recommendations by topic:
1) employment, 2) pensions, 3) poverty risk, 4) health and long-term care and 5) governance.
- **Part II** presents the main issues received from some of our members on the inclusiveness of the Semester process.
- **Part III** contains a country-by-country analysis of government socio-economic policies, National Reform Programmes, and Country-Specific Recommendations. This part also showcases some examples of disproportionate impact of the proposed policy reforms on older persons.

Part I – Overview and recommendations

The 2015 European Semester is not a usual one. This time the Semester takes place under a new European Commission and follows the signposts of the EU Commission President, Jean-Claude Juncker, and his proposal for an investment plan for Europe.

In the 2015 Annual Growth Survey, the Commission has taken an innovative approach to focus not only on budgetary measures, but also on the three additional priorities of fiscal responsibility, investment and modernising social protection systems. In consequence, this year's Country-Specific Recommendations (CSRs) were reduced in numbers, focussing only on the most pressing issues according to the Commission's own initiatives roadmap, while the National Reform Programmes (NRPs) by and large focussed on the implementation of the recommendations from previous years.

It seems however that the new Commission's approach has resulted in reducing the visibility of Europe 2020 Strategy's headline targets, in particular its inclusive growth objective which appears to be lost.

This is why when First Vice-President Timmermans organised on 7 July 2015 a meeting with some social NGOs to discuss the impact of the European Semester on fundamental rights, AGE Platform Europe insisted that while reforms of social protection systems are the sole responsibility of Member States, the European Commission should remind Member states that they should respect fully the Charter of Fundamental rights when they are implementing the Country Specific Recommendation to avoid regression on social rights and prevent further discrimination.

1. Age-friendly employment and working conditions are needed to support longer working lives

While unemployment remains high, current policy measures often focus on activating job-seekers only, rather than on providing tailor-made trainings, counselling on career development over the whole working life span or on adapting employment systems to deal with the challenges faced by the long-term unemployed. Many of them are older persons whose skills have become obsolete¹, or older women with scattered employment histories who had and still

¹ According to Eurostat, 61.1% of unemployed between 50 and 64 years-old are long-term unemployed (2014). However, unemployment in this age group is estimated at only 7.5%, while almost 40% do not work – these figures

bear the responsibility of caring for dependent relatives. The capacity of these specific groups of older workers to find work is dependent on the availability of flexible working conditions and of opportunities to update/upgrade their professional skills. Pervasive age discrimination is another widespread barrier to older workers' employment especially for older unemployed.

In the time of the crisis, employers pay less attention to retaining people at the end of their working careers, even though job vacancies for positions requiring experience exist and they sometimes struggle to find the right profiles. This is a waste of the tremendous contribution that older workers could still bring to the labour market and society in terms of skills, knowledge and experience. It is also contradiction with the ongoing pension reforms which require prolonging working life. Most of Member States lack comprehensive age-friendly employment policies. They should include the adaptation of working environments to the needs of the ageing workforce together with the promotion of healthy ageing and prevention and rehabilitation measures. Such measures have all demonstrated benefits to workers' health and consequently their capacity to remain active in the labour market. Eventually, these measures also reduce overall public healthcare expenditures and employment costs within companies.

AGE recommendations to the European Commission:

Include the following recommendations to Member States in the next Country Specific Recommendations:

- Adopt targeted labour market policies that will encourage employers to offer quality job opportunities for older workers in line with their skills and experience and provide them with easy access to training to increase their chance of finding a new job in case they are made redundant, face long-term unemployment or have been inactive on the labour market and wish to return to work.
- Encourage employers to introduce age-friendly working conditions and reasonable accommodation in the workplace to allow workers to remain at work for longer.
- Ensure that structural reforms in labour markets protect older workers against age-based discrimination, in-work poverty, economic exploitation, precarious work contracts or abusive working conditions.
- Develop-stimulating, innovative ways to help senior people create their own activity or contribute to new local projects (tourism, support for young people, for examples).

highlight the great number of older workers who have not yet reached pension age but have given up on finding employment.

- Include older people in the target groups of their active inclusion strategies both in and outside employment and guarantee adequate income support for those for whom return to employment is no longer an option for justified reasons (e.g. care responsibilities, health condition or disability...).
- Link statutory retirement ages to the Healthy Life Years (HLY) indicator rather than to life expectancy to better reflect the average age until which one can be expected to be fit to work and to create an incentive for policies that promote healthy living. The automatic adjustment mechanisms linking statutory retirement ages to life expectancy at birth do not take account of the fact that while we live longer, the disability-free life expectancy is not increasing in parallel with life expectancy and is even decreasing in some countries. As mentioned in DG SANTE website, Healthy Life Years is a solid indicator to monitor health as a productivity/economic factor.

2. Further pension reforms must ensure income adequacy for all

Although we understand the need to reform pension systems to ensure their long-term sustainability, too little consideration is given to the adequacy of current and future pensions. The 2015 Ageing Report predicts that while pension systems are now financially sustainable, pension levels will drop to replacement rates of 20 or 30 % in some member states.² In Member States, such as Greece or Spain, pensions have already dropped dramatically. Even in Member States where the pension levels have remained rather stable, cuts in the public funding of health and long-term care result in higher income needs for older persons.

Also, while governments attempt to reduce gender pension inequalities through measures on female employment and child care, the gender pension gap has further increased and stands at almost 40 % on average for EU28. This requires urgent policy response since the poverty risk touches today's older women more than any other age and population groups, especially when they live alone and/or are very old. The Council has called upon the Commission and Member States to address this gap³, therefore the 2016 Annual Growth Survey should include this issue in its priority objectives.

² European Commission, 'The 2015 Ageing Report. Economic and budgetary projections for the 28 EU Member States (2013-2060)' In: *European Economy* Nr. 3, 2015. pp 91-94.

³ Council of the European Union, *Equal income opportunities for women and men: Closing the gender gap in pensions*. 9302/15, 4 June 2015.

AGE recommendations to the European Commission:

- Monitor progress made by Member States in ensuring adequate pensions to all i.e. indexation of state-regulated statutory pensions to allow all older people to keep up with progress in society and to prevent old-age poverty as a result of the erosion of their old age income over time.
- Table a directive on carer's leave including compensation mechanisms in pension schemes for time spent on family caring i.e. to contribute on behalf of informal carers when privately funded schemes are mandatory.
- In the next Country Specific Recommendations ask Member States to:
 - Enforce gender pay and career equality through employment-related measures recommended to Member States – in order to ensure an adequate retirement income for women in the future and introduce transitional measures to address the unacceptable gender pension gap affecting currently older women, in particular the very old.
 - Enhance the equalities in access to pension rights for all, by monitoring the implementation of the EU Directives 2000/78 and 2006/54 and through the Europe 2020 framework to combat more effectively age and gender discrimination in employment and in old age.

3. Poverty among older people exists and needs policy response

The problem of old age poverty and the right to an adequate standard of living has not been addressed in several NRPs. On the positive side, some of the measures introduced as part of the Semester - for instance the introduction of flat-rate social insurance to cover long-term care needs - have had a greater impact on the most vulnerable older people, such as low-income pensioners and older women.

In general, the lack of focus on old-age poverty in the NRPs is “justified” by the low level of at-risk-of-poverty rate among population aged 65+. Notwithstanding the positive impact of pensions and social assistance provisions on poverty reduction since the beginning of the crisis, national governments often underestimate the specificity of old-age poverty (gender pension gap, old age pension erosion), and overlook the increasing inequalities among people aged 65+ (concentration of poverty among women, older migrants or older people with disabilities).

Moreover, the decrease of relative poverty among older people registered between 2009 and 2013 in Southern European countries “...may be an incomplete estimate, given that it does not

consider the increased costs of health and social care services incurred by elderly people due to the drastic funding cuts and the rolling back of public provision.”⁴ The past European Semesters neither recognised the complexity of the problem of poverty and social exclusion in old age, nor addressed the specificity of old-age income and its concentration among some sub groups of older persons.

AGE recommendations to the European Commission:

- Include the right to an adequate minimum pension in the list of issues to be covered by a possible future EU floor of social rights.
- Help Member States develop reference budgets for an adequate income in old age based on a basket of goods and services for different old age profiles – to guarantee a decent life and personal dignity to all including women, the very old and dependent.
- In the next Country Specific Recommendations ask Member States to:
 - Respect Articles 1 and 25 of the European Charter of Fundamental Rights on human dignity and the rights of older people when implementing their CSRs in the field of pensions and health and long-term care reform.
 - Develop an old-age minimum pension (contributory and non-contributory schemes) that is sufficient to everyone’s right to dignity and independence, addressing the needs of the most vulnerable groups, in particular older women with no or limited own pension rights, older people who have experienced long-term unemployment, older migrants or those of ethnic minorities.
 - Refer with caution to the relative poverty threshold – this measure provides information about income distribution within society, but does not reflect the needs that different population groups, in particular the most vulnerable persons may have and to which extend these needs are covered (for ex. in many countries, the average pension is not enough to cover nursing home care, let alone the minimum pension. This is even worth for older women).

⁴ Economic crisis and austerity in Southern Europe: threat or opportunity for a sustainable welfare state?, Maria Petmesidou and Ana Guillén, Observatoire social européen, Nr. 18 / January 2015

4. Universal access to quality and affordable health and long-term care must be preserved

The Commission's recommendation to several Member States to reduce public spending seems to underestimate the growing inequalities that result from national social protection reforms in access to health and long-term care. More and more older people with low and even medium pensions who suffer from chronic diseases can no longer afford adequate health and long-term care, with immediate consequences for their health as exemplified by the recent drop of the HLY (healthy life years) indicator by 1.1 years for women and 0.4 years for men since 2010 on average for the EU28. A sensible choice to guarantee older persons' right to health would be to invest in health and long-term care for our ageing population to enable persons with specific needs to continue living in relative good health and autonomously in their homes. The approach of age-friendly environments, promoted by the World Health Organisation, should be an integral part of member States' response to demographic ageing.

Finally, in many countries the lack of adequate care facilities affects in particular women aged 50+, who are bearing the main burden of caring for both their grandchildren and dependent parents and cannot continue participating fully in the labour market. While the demand for care infrastructures is rising, Member States are withdrawing from investing in what is necessary to create sustainable quality facilities that are both accessible and affordable for people requiring care and their informal carers.

AGE recommendations to the European Commission:

- The Joint European Commission-SPC report on adequate social protection for long-term care needs should be followed up on and its recommendations implemented by member states, with facilitation and coordination by the European Commission
- Encourage Member States to keep the principle of sharing the old age dependency risk with the wider community through mandatory social protection for long-term care;
- In the next Country Specific Recommendations ask Member States to:
 - Strengthen well-being and quality of life in old age through universal access to and quality standards for health and long-term care services;
 - Increase public investment in care services for dependent older persons and consider its positive role as support to employment of workers with informal caring duties (as are childcare provisions) and not merely as a cost to the public budget;

- Invest in public health and age-friendly environments to support longer lives and enhance active and healthy ageing. This will help improve the dependency ratio and lower the pressure on public health and long-term care spending.
- Support informal carers by trainings, skills recognition and validation, respite facilities and a comprehensive set of social rights during periods of care leaves.

5. There is a need for more transparent governance to ensure a genuinely participatory Semester

The European Commission has made an effort to support greater inclusiveness of the European Semester process at national level, by organising some stakeholder conferences on the Country Reports, which were published earlier this year. This is a welcome change to the previous practice. However, many of our members were not included or not aware of consultations on the NRPs with their government. AGE remains strongly convinced that in the current context of demographic ageing, a broad participation by older people and their organisations will help reflect more accurately the needs and expectations of the rapidly growing ageing population. By giving a voice to those who are directly affected by policy-making, policy makers at both national and EU levels will not only benefit from the input and expertise of civil society but this will also help strengthen the effectiveness and acceptance of their policy response. Also, innovative solutions arise often from civil society actors and therefore it would be a lost chance to not involve them.

AGE recommendations to the European Commission:

- Respect and promote the principle of civil society's involvement in the Semester at both national and EU levels. It is crucial to improve the involvement of civil society's organisations, including those representing older people, to increase the ownership and effectiveness of the implemented reforms and policies;
- Ensure through the Semester a comprehensive Member States' input to cover all three strands of the Social OMC i.e. strengthen synergies between social inclusion, pensions and health and long-term care, on one hand side, and other policies under Europe 2020 on the other hand;
- Proceed with Jean-Claude Juncker's engagement to provide ex-ante and ex-post assessments of the Semester in order to measure Member States' progress in achieving social targets fixed in Europe 2020 Strategy; findings from the current Semester, including feedback from civil society should feed the upcoming Europe 2020 review and new EU social agenda;
- Monitor the implementation of the Lisbon Treaty's provisions in relation to the social field, in particular to ensure that the EU and national budgets together with fiscal measures comply with Article 9 and its requirements to guarantee adequate social protection for all and fight against social exclusion.

Part II - NGO involvement in the European Semester

- **Belgium:** The Flemish Council of the Elderly has published a policy paper in December 2014 and sent it to all relevant ministries. Two cabinets have replied without adding any comment. Member organisations of the Flanders-Europe Liaison Agency were briefed on the contents of the NRP and asked for examples of policy measures replying to past CSRs. However, this does not amount to a structured dialogue or to actual involvement of older people's organisations in the elaboration of the NRP.
- **France:** AGE France (the informal coordination of AGE members in France) has been able to submit proposals for the National Reform Programme ahead of the process and could submit a statement on the 2015 NRP in time to be included as an annex to the official NRP alongside the contribution of social partners. This is the second year that French AGE organisations have had the opportunity to express their concerns and recommendations and to present them as an annex to the government report. This is a positive example of an open and inclusive governance of the European semester and AGE French members welcome such opportunity. Looking forward, they would like the national authorities responsible for the Semester to go a step further and exchange also at later stages of the process, namely during the implementation phase and eventually when policy priorities are revised for the next round.
- **Italy:** the government did not consult social actors on the documents concerning the European Semester. Some AGE members (ANAP Confartigianato) have voiced their opinions on the National Reform Programme via press releases and proposals.
- **Malta:** The Maltese Anti-Poverty Forum contacted the government in early March to engage with the elaboration of the NRP. In its response the government explained that the programme was still under construction with consultative government committees, but not open for public comments – which should have been handed in by 3 April. This left no time for other civil society organisations to contribute to the NRP.
- **Netherlands:** AGE member OVN-NL contacted the Ministry of Social Welfare to ask for a draft of the National Reform Programme. This draft was obtained, but there was very little time left to react. Civil society organisations have to express their wish to be consulted, no active consultation process is organised. The leader of the process is the Ministry of Economic Affairs; the role of the Ministry of Social Welfare in the process is unclear.
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- **Poland:** There is very little information about the elaboration of the National Reform Programme available for civil society; therefore the involvement of civil society in the European Semester has been so far insignificant. The EU representation in Warsaw held a conference on the Europe 2020 Strategy, but this is the only initiative and it did not encourage the national government to adopt a more open approach. In the past, before the introduction of the Semester, Polish AGE members were consulted by the Ministry of Social Affairs and Employment on the national strategies on social inclusion (in the framework of the Open Method of Coordination). The current supervision of the Semester by the Ministry of Finance makes civil society's access to policy making significantly more difficult.
- **Sweden:** AGE member 'Christian-Democratic Senior's Association' was admitted for an interview in the ministry responsible for the National Reform Programme. However, no content was revealed. No Swedish senior citizen's organisation has been consulted. However, social partners and the local authorities' association were consulted.

Part III - Country-Specific review of the European Semester by AGE members

Belgium

Priorities for older persons

- The first-pillar pension system should be strengthened and modernised to ensure sustainable and adequate old-age incomes. Reforms have focussed on smaller pensions, but the overall replacement rate should be raised to guarantee an adequate standard of living.
- The government should develop a comprehensive framework to improve participation of older people in the labour market, including job-creation, education, life-long learning, targeted measures to fight age discrimination and create age-friendly workplaces.
- The government should guarantee access to high-quality and sustainable health and long-term care for all with priorities for vulnerable population groups; increase capacities of (semi-)residential and home care; and strengthen the position of informal carers.
- The government should also take measures to reduce the non-take-up of social rights by older people, by automatic allocation of rights and providing more information.
- Ensure the transfer of competences between government levels does not hamper the quality of public services and social support.

Governmental policies on older persons

Pensions

- Age and career requirements for early retirement will be increased by 2019, legal pension age will be raised to 66 in 2025 and 67 in 2030.
- The pension bonus, inciting people to postpone retirement, has been abolished.
- Income limits for pensioners have been abolished to encourage retired persons to continue also in paid work.
- Increase of 1-2% for certain pensions (lowest and oldest pensions)
- In the French-speaking part of Belgium, the government is considering to raise the degree of private capital in the sector of nursing homes. This raises the concern whether access to residential care will remain affordable.

Employment

- The Flemish employment service will focus on the activation of older workers and use tax incentives for employer to hire older persons.
- Mandatory availability for the labour market has been extended to 65 years for those receiving unemployment benefits.

Long-term care

- Competences have been transferred to regional governments.
- In Flanders, there has been a horizontal budget cut of 5% in operational resources in residential care.
- The time credit for providing care has been increased.
- In the French-speaking part of Belgium, mandatory long-term care insurance will be introduced; however this will be a variation of an existing allowance that also covers residents of senior's homes. The new model would finance only long-term care patients who are *not* living in a senior's home, as the latter already benefit from subsidised housing. AGE members are therefore concerned that this in fact means a regression of benefits.

Poverty

- Some pensions, most notably the lowest pensions, have been slightly increased.
- Indexation of wages and income benefits has been suspended.
- Some measures of the Flemish government hit people living in poverty harder, such as the doubling of the contribution to the mandatory Flemish care insurance.

Assessment of the National Reform Programme

- Considering that women still spend less time in paid employment than men, raising age and career requirements for retirement disproportionately affects them.
- The budget consolidation measures limit the room for substantial poverty reduction measures.
- Labour market reforms focus on the punitive side and seek to 'force' people to work longer and lack the emphasis on enabling people to do so.
- There is a lack of transparency on the future budget and investment in long-term care. Many measures are lacking in this domain: age-independent support for persons with disabilities, minimum staff requirements for residential care institutions, structural support and rights for informal carers, objective assessment instrument for people with care needs.

Country-Specific Recommendations with an impact on older persons



Pensions

No new recommendations, only to continue pension reforms, linking statutory pension age to life expectancy.

Employment

The European Commission mentions that pension reforms have to be accompanied by appropriate employment opportunities for older persons. It notes that the incentives for the employability of older workers are few and that employment-support measures and labour market reforms conducive to active ageing are necessary. Furthermore, the EC points out that structural problems of the Belgian labour market, like the weak link between wages and productivity, the financial disincentives to work, the lack of highly skilled workers and the skills mismatches, have a pronounced impact on specific groups in the labour market, among which older unemployed.

Health and long-term care

In 2014 the European Commission recommended to Belgium to improve the cost-effectiveness of public spending in long-term care. But even though the Belgian Country Report of March 2015 states that in “the increased devolution of responsibilities to the regions and communities still needs to yield cost-effectiveness benefits” regarding long-term care, the new recommendations make no reference to long-term care, nor to any other health issues.

Poverty:

The Recommendations do not address poverty. The only recommendation remotely related to poverty is the recommendation to reduce financial disincentives to work.

Assessment of the Country-Specific Recommendations 2015

Poverty:

- The Belgian recommendations have narrowed down on issues dealing with pensions and employment from a costs perspective. The social targets of the Europe 2020 Strategy and the fight against poverty and social exclusion have been left aside. The lack of attention to poverty target is deplorable, as no progress in reducing poverty has been achieved, 15% of people being at risk of poverty with older people and other vulnerable groups facing a higher and increasing risks.
- Measures have been taken to raise minimum pensions, but replacement rates are still inadequate. To remedy this imbalance, the pensions should be exempted from the

decision to suspend wage indexation, to raise social assistance and taxation thresholds in line with inflation and to raise the replacement rate.

Employment

- In employment, there is a welcome shift away from the raising of retirement age and the phasing out of early retirement towards the promotion of employability and supporting workers to find jobs
- However, bringing older workers into the labour market needs more and more targeted measures. Reforms should aim at:
 - giving older people equal opportunities on the labour market;
 - reducing labour costs for older workers;
 - combatting age discrimination in the labour market;
 - stimulating adjustments of the work environment to the needs and capacities of older employees;
 - improving the possibilities for combining work and family life for those with caring duties (not only parents with young children), without disadvantages in pension rights;
 - supporting lifelong learning and vocational training at every age;
 - reintroducing a pension bonus, in order to ensure that working longer has a significant impact on pension income;
 - maintaining early exit possibilities.

Pensions

- The Commission continues to promote the link between statutory retirement age and life expectancy, ignoring the social differences in healthy life years, and the age of entry into the labour market.

Germany

Country-Specific Recommendations with an impact on older persons



The only recommendation having a direct impact on older persons is to increase incentives for later retirement

Assessment of the Country-Specific Recommendation

- The absence of any recommendation to tackle age discrimination in the labour market and the situation of older workers are regrettable.
- Also, the European Commission stays silent on the important need to fight against poverty.
- BAGSO acknowledges the importance of a common reference age for accessing pensions. However, BAGSO advocates for a flexible and individualised labour market exit on a voluntary basis. BAGSO calls for a stronger inclusion of the existing legal possibilities for flexible exit ages in collective agreements and on company-level. However, there need to be additional policy measures to achieve this:
 - Possibilities for exit pathways for workers who can no longer work because of health reasons
 - Ongoing life-long learning opportunities inside and outside companies
 - Company-level health management and a much stronger focus on prevention
 - Legislative changes to prevent the paradox that healthy and highly educated older persons can continue to work beyond retirement age on a voluntary basis, while persons with health problems might have to exit the labour market early on, losing not only out on income from work, but also on the last contribution years to acquire full pension rights.
 - The establishment of age-friendly working environments that benefit all categories of older workers, including older women, older migrants, older persons with disabilities and older workers with low qualification levels
 - Better advice services specifically targeted on older workers in sectors with a typically higher rate of short-term contracts
 - Support for older jobseekers to find employment, eventually subsidised employment, in order to have the possibility to build up full pension rights

Denmark

Country-Specific Recommendations with an impact on older persons

None

Assessment

Last year the government decided to define poverty a disposable income of less than 50% of the median income and a net worth of less than approximately DKK 105.000 (14.075 €). This is less than the national old age pension, therefore it is virtually impossible to be a “poor” pensioner.

Greece

National Reform Programme 2015 provisions with an impact on older persons

Poverty

The new government has issued statements on social policy, announcing measures to combat poverty, guaranteeing the current pension levels and ensuring universal access to healthcare provision. However, given the budgetary constraints, it is not possible to predict the extent of implementation of these measures

Assessment of the provisions (50plus Hellas)

- The National Reform Programme does not pay sufficient attention to the ageing of the population.

Employment

- There is a need to tackle age-based discrimination at work, to create age-friendly environments in the workplace and to upgrade and strengthen skills of older workers. These issues are not debated as part of the discussion on raising retirement ages. Employment rates of older workers (55-64) have dropped from 42.8% in 2008 to 35.6% in 2013.

Health

- The healthy life expectancy at age 65 has dropped by 2.9 years for women (10.7 to 7.8 years) 1.1 years for men (10.2 to 9.1) between 2001 and 2011.
- Welfare reforms produced some improvements, but most budget cuts are horizontal and disrupt health and social services
- Unemployed persons are covered by health insurance only for two years. In September 2013, Greece introduced health vouchers to target long-term unemployed without

coverage. Since June 2014, uninsured persons can access medicine and hospital care if the medical need is established.

- There is no policy on long-term care, for the moment long-term care is almost exclusively provided by families. The National Action Plan on Ageing, however, does not include any measure to support informal carers.

Poverty

- One in four persons over 65 is at risk of poverty, with the situation being worse for persons older than 75.
- Provisions for vulnerable groups have no specific focus on older persons.
- The pilot phase of the guaranteed minimum income scheme is a good development and should be continued in order to tackle the problem of growing extreme poverty. Efforts should be concentrated on the extension of the scheme to the whole country and focus on high-priority groups. Sufficient budgetary allocations should be earmarked for this, including financing from the European Social Fund, and a coherent and integrated mechanism should be created to manage the implementation of the scheme.

Pensions

- Pension reforms are focussing on the extension of working lives, while the pension levels have been reduced between 14% and 47% (2014, Study by AGSSE)

Alternative Country-Specific Recommendations (50plus Hellas)

General options

- Implement fully the employment and social protection related measures in the Economic Adjustment programme, as reformulated by the new government.
- Develop an integrated National Action Plan on Ageing 2020, focussing on the most urgent issues relating to ageing

Employment

- Develop a human capital strategy 2020 for all age cohorts
- Promote tailor-made vocational training and life-long learning opportunities, including for people over 50.

Poverty

- Evaluate and review the guaranteed minimum income scheme in view of extending it to the whole country.

- Establish a coherent and integrated mechanism – such as a Social Solidarity Fund Against Poverty, to manage the implementation of the minimum income scheme
- Strengthen the actions to address the humanitarian crisis through the provision of food, electricity, hearing, housing, transport and medicine.

Health and Long-term Care

- Take steps for meeting the fast-growing demand for effective, responsive and good-quality primary health and long-term care
- Develop a comprehensive strategy to support those in need of long-term care, and focus on better primary care, prevention, health promotion and e-health support
- Increase formal care and improve the quality of care-provision by training and certification of care providers
- Support informal and family carers in the provision of long-term care

France

National Reform Programme 2015 provisions with an impact on older persons

Assessment of National Reform Programme (AGE France)

The National Reform Programme stays silent on these pressing issues:

Pensions

- The National Reform Programme paints a overly optimistic picture of the financial perspectives of the French pension system, especially in light of the analysis of the Court of Auditors. The supplementary pension schemes ARRCO/AGRIC are still in a worrying situation. AGE France still recommends the creation of a universal pension system, treating all professional categories in the same manner

Poverty

- Some positive steps were taken by the extension of universal health insurance coverage, the indexation of low pensions and a national plan to fight isolation of older persons.
- However, the situation remains worrying as, 45% of older persons' households struggle with daily needs when compared to the reference budget elaborated by the ONPES.
- The housing situation remains worrying for many of the most vulnerable older persons, a plan to adapt homes for the needs of older persons is important
- The hike in energy prices is a negative development, which will be partly counterbalanced by the introduction of 'energy vouchers'.

Health care

- Health insurance providers should stop applying age discrimination in their pricing practices. There are age barriers in the access to services which aggravate social exclusion

The National Reform Programme takes insufficiently into account:

Health and Long-Term Care

- There has been an effort in creating a 'draft law on ageing', to foresee the necessary development of policies in favour of autonomy and dependency on care, which the NRP does hardly mention. AGE France proposes:
 - Create a comprehensive and coordinated policy on prevention and abolish the legal distinction between disability and dependency on care
 - Keep the question of the cost-sharing of long-term care services on the table; include the risk of care-dependency into the risks covered by social security.
 - Guarantee a maximum amount of expenses that have to be borne by the beneficiary, leaving enough resources for a dignified life.
 - Improve the financial contributions to the solidarity contribution for autonomy (CASA) and take measures that this contribution actually serves its aim.

Employment

- The employment rate of 55-64-year-olds needs to be improved, as it is much lower than in other, comparable countries. This should be a national priority and is a necessary measure to tackle the problem of unemployment. The sustainability of the pension system and the adequacy of future pension rights depend on this. For the moment, older workers' unemployment is worryingly high, even if some supplementary means are provided to accompany them.
- Increasing the employment rate of 55-64-year-olds is also necessary to launch the 'silver economy', which needs persons who understand older persons' needs to develop products.

To complete these analyses, it does not seem clear how the territorial reorganisation is impacting on taxpayers and the will to bring the pension system into equilibrium in 2020 is confirmed. Major concerns regard older job-seekers who are not provided with means of job-orientation and training, as well as pensioners living on small pensions. The law on ageing can only be a first step that should be completed by the adaptation of environments for all ages.

Country-Specific Recommendations with an impact on older persons



- Identify savings opportunities across all sub-sectors of general government, including on social security [...].
- Take additional measures by March 2016 to bring the pension system into balance, in particular ensuring that the financial situation of complementary pension schemes is sustainable over the long term.

Italy

National developments

- The National Reform Programme does not contain any provision on older people or on the fight against poverty.
- Health care services are to be rationalised in order to compensate for budget cuts, but the ability to achieve savings by improving the functioning of health institutions is not guaranteed.
- The Renzi government has allocated more resources to social assistance; long-term care services, care for dependent older people, but means are still insufficient to cover the needs.
- The government portrays the tax cuts of 80 euros for low-wage earners as a measure to fight poverty, but pensioners and unemployed are excluded from this measure
- The Constitutional court has undone the decision to block the indexation of pensions above 1,500 euros, taken by the Monti government in 2012. Consequently, 10 billion euros will have to be paid to middle-to-high income pensioners, rather than to the poorest.

Priorities of older persons

Pensions

Italy needs a mechanism of automatic revaluation of pensions that is oriented to the specific consumption of the elderly population (pharmaceutical expenses or specific medical treatments which are not paid by the National Health Service) and that has to be linked to wages.

Poverty

It is necessary to extend the benefit of 80 € (mentioned above) to the poorer pensioners in order to alleviate their poverty conditions and improve their living conditions. It is also necessary to increase the economic resources dedicated to the "social card" and to revise the criteria for its

distribution. Only in this way the social card can represent an effective tool to help families in poverty.

Taxation

Italian retirees pay higher taxes than other pensioners living in other European member states, both on housing and income taxes. This is why it is necessary to extend the amount of non-taxable income, to provide for deductions for payment of the IMU (property tax) for the elderly who live alone in their own house and have incomes lower than two times the minimum pension, or three times if they live with a partner.

Health and long-term care

The National Health Service must keep its public and universalistic features but at the same time it is necessary to facilitate supplementary private tools (e.g. supplementary health fund). Health expenditure can and should be rationalized in the interests of citizens. The spending review should be done without reducing quality standards of healthcare services and without loading the cost of healthcare on ill people.

The challenge of long-term care provision needs to be dealt with *ad hoc* policies and adequate resources, to enable older people to live in dignity and at the same time to ease the burden on families. More generally, it is necessary to review in depth the system of social care interventions, Italy is among the last in Europe in terms of resources allocated to the assistance to disabled, people in need of long-term care and people discharged from hospitals. More focus should be put on health care at home.

Country-Specific Recommendations with an impact on older persons



Employment

The recommendations focus on the reform of the labour market, but without any specific focus on the ageing of the population. The Country Report notes however that activity rates of older persons and women have increased despite of the crisis.

Poverty

The Country Report notes that the share of pensions in GDP is the second highest in the EU with 16.6%, claiming that this limits the scope for policies addressing the poverty of other income groups. The Country Report calls for the creation of a national database on services and benefit recipients and a shift from cash benefits to the provision of services.

Health and Long-term Care



The Country Report notes that no improvements have been made in the domain of long-term care and that there is a focus on the provision of cash rather than services. It recommends redirecting funding to services. The Country report also notes that there is a lack of institutional care and that care provision is very fragmented across institutions.

Assessment of the Country-Specific Recommendations

- Italy cannot afford to postpone the preparation of the country's policy framework to the ageing of society, therefore the lack of ageing-related recommendations in the Country-Specific Recommendations has to be seen negatively.

Employment

- The recommendation to promote measures to increase labour market participation of older workers and women is however very positive.

Poverty

- The recommendations to create a national database of services and benefits in view of assessing the efficiency of the social protection system has to be seen positively.

Pensions

- It does not seem sensible to redirect pensions to other forms of support, as the pensions reflect acquired pension rights and pay an important role in safeguarding pensioners from the risk of poverty. Moreover, the formulation of the Country Report suggests a trade-off between reducing poverty amongst older persons and amongst other groups, which goes against the principle of solidarity between generations.

Long-term care

- The recommendations to redirect cash benefits to the creation of long-term care services and to overcome the wide variation of funding levels and structures of services has to be seen positively.
- Increasing residential care does not seem to be the most sensible choice when taken in isolation from the development and support of community-based care. There has been an effort to establish a coherent system of integrated care in the community, with differentiated levels of health and social care, including end-of-life care. There has also been an effort on overcoming regional variation in service provision by the *Commissioni Livelli essenziali di assistenza*.
- Instead, an additional effort in creating community-based integrated health care and social services for older people and disabled people is necessary.

Malta

Priorities for older persons

Pensions

The NRP explains that plans for a pension reform and the introduction of third-pillar pensions has been submitted to the government and is up for consultation by civil society.

Employment

Older workers can now continue working in paid employment without lowering their pension rights. However, the ability to work in old age brings the problem of precarious work, and especially older female workers are not adequately paid and made to work long hours. Other vulnerable groups are older migrants and older workers with low educational levels.

Health and long-term care

Residential care is very expensive and many older persons suffering from chronic illnesses have to sell their assets, including their homes, to pay for residential care. Government-owned care homes have high-quality service at a reasonable price, but there are very long waiting lists to get admission. A positive development is that the government wants to introduce minimum standards for residential care.

In the past, medication was often out of stock in Malta's largest hospital, 'Mater Dei', but this has reduced recently. There are plans to increase the number of beds and to open a dedicated wing for oncology and to re-open parts of another hospital, increasing the availability of health care, meanwhile the capacity is extremely overused at this time as many patients have been admitted for surgery. This is a situation of concern.

Poverty

A reference budget that includes the needs and expenses of older persons, including for healthcare, should be drawn up. Despite Malta's Europe 2020 target to bring 6,560 persons out of poverty from 81,000 persons at risk of poverty, the poverty rate now represents 25% of the population, standing at 99,000.

Country-Specific Recommendations with an impact on older persons



Only one recommendation addresses ageing specifically: to accelerate egalisation of retirement ages for men and for women as well as to link retirement age to life expectancy.

Assessment of Country-Specific Recommendations

Pensions

- Recent changes to the social security act are sufficient, as retirement ages will be equalised by 2027, and statutory retirement age raised to 65 years. It should be noted that labour market participation of women is the lowest in Europe, this should be more an area of concern than their retirement age.
- Retirement age should be linked to healthy life years rather than life expectancy

Poverty

- In Malta, poverty and social exclusion are on the rise, from 81,000 to 99,000, reaching 24% of the population. Yet, no recommendation is made on poverty.

Health and Long-term care

- There is an insufficient number of hospital beds and very long waiting lists for older people who want to access retirement homes. The reason is that older patients are often held in the hospital for too long, as doctors take a long time to discharge patients after an operation, and often people are kept in hospital until a residential care home is found for them. This lack of infrastructure is not addressed by the Country-Specific Recommendations

Netherlands

Assessment of the National Reform Programme

Housing:

The government claims that the housing market has been reformed and that it is improving. The planned efforts will not lead to the desired outcomes. Younger households are often locked into their inadequate property because they have more debt than purchasing power; lower incomes face very long waiting times to access social housing and lower middle-classes can neither aspire to get a mortgage nor is there rental housing available for them. Tenants are pushed into buying housing because of the attractiveness of tax deductibility of mortgages. However, in the context of dropping house prices, the risk of subscribing to mortgages with a much higher price than the property is high – the so-called ‘underwater mortgages’. For older persons who want to sell their house and move to a smaller flat, the situation is unclear. As medicalised housing is not sufficiently available and policy aims at keeping older persons in their

homes as long as possible, their housing does not become available on the market. Moreover, rising rents in social housing are hitting many older persons with low pensions, despite the increased housing allowance: many of them spend over 1/3 of their income on housing.

Pensions

- The government states that statutory retirement age both for state pensions and supplementary pensions will be increased at an accelerated rate, to reach 67 years in 2021 and be automatically linked to life expectancy, while the maximum deductibility of payments to supplementary pension insurance will be reduced.
- The employability, especially for older women working in the care sector, is not guaranteed, thus the reform of pension age is likely to push them into social benefits rather than work. The raise of retirement ages will have disproportionate effects on women's old-age income, as women leave the labour market earlier than men. These reforms also hit migrant women harder than other women, because they spent a smaller part of their careers in the Netherlands, and thus have had less time to cumulate pension rights and savings.
- The government has cancelled a state subsidy that financed state pensions for persons who are entitled to state pensions and have lived outside of the Netherlands for some time. This lowers pensions for older migrants and Dutch nationals who have spent time abroad.
- Closing the gender pension gap does not seem to be a priority in the National Reform Programme

Employment

- The government details its 'Action Plan 50plus works' to activate employers and employees to work longer. Unfortunately, the measures are not targeted towards specific vulnerable groups, such as older women or older migrants.
- The law on labour market participation seeks to create careers for persons at the bottom of the labour market; however, this law focusses mainly on new sectors with new growth opportunities. It therefore fails to catch older workers or older women, who are less likely to change sectors. Similar to the ambassador for the fight against youth unemployment there should be one for the fight against the unemployment of older workers. The gender aspect of the programme focusses almost exclusively on younger women and migrant women.
- Long-term unemployment of over-45s is still high, as this group is not reached by the policies increasing incentives to work.

Health and long-term care

- Contrary to what the government states, the decentralisation of the responsibility for long-term care has meant an erosion of rights of clients. The fragmentation of the long-term care system and the added bureaucracy deriving from the efforts of municipalities to subcontract long-term care duties create new costs in the system.
- In the domain of health, there are many hidden costs due to the functioning of private health insurance, who work with many subcontractors and spend considerable amounts for marketing purposes. The ambition of the government, to lower healthcare spending by raising franchise rates of health insurances does lead to the contrary, as modest households will not buy important medicine or postpone visits to a specialist and, in consequence do not adhere to treatment.

Poverty

- The numbers advanced by the government focus on the population between 0 and 65, but no number is given for over-66-year-olds.
- While it is stated that the Netherlands have the second lowest at-risk-of-poverty rate, the trends do not go into the direction of the Europe 2020-poverty target: poverty of married couples over 65 has increased from 1.5% to 2.6%, and from 3.4% to 6.4% for single persons over 65.
- Older persons have a higher loss of purchasing power, as pensions were not indexed; costs for rental housing have increased, more risks are borne by the citizen for long-term care, the loss of the spouse supplement in state pensions, the raise of retirement age that leaves more persons on state pensions and the scrapping of the benefit for older taxpayers.
- For women at the age of 60, poverty rates are still higher than men's, standing at 9.5% relative to 8.7%. Older migrants also have a higher risk of poverty.

Country-Specific Recommendations with an impact on older persons



- The Country-Specific Recommendations call for a reduction of contributions in the second pillar of the Dutch pension system.
- They recommend to the Dutch government that the rents in the social housing sector should further relate to household income.

Assessment of Country-Specific Recommendations (OVN)

- There should be calls for reaching socio-economic targets for specific groups, such as older women or migrants

Pensions

- The recommendation to reduce contributions to second-pillar pensions cannot be accepted, as contributions are already too low to ensure an adequate old-age income and a sustainable pension system. Benefits have already been reduced by foregone indexations, increase in health costs borne by users and increases in taxation. The government should, on the contrary, do its utmost to guarantee the adequacy and safety of the second pillar for current and future beneficiaries.

Poland

Assessment of the National Reform Programme 2015

Employment

- The National Reform Programme mentions the aim to increase the share of people between 55 and 64 to engage in different forms of education – however, participation of this population in training is very low. The issue therefore needs more attention, especially to better attract people over 50 who are long-term unemployed and living in rural areas. The National Training Fund, which has been created recently, aims to address this challenge but too little is done to mobilise sufficient resources. The National Training Fund managed to provide training to 10,000 persons so far.

Country-Specific Recommendations and provisions of the Country Report with an impact on older persons



Pensions

- CSR to start the process to align pension arrangements for farmers and miners with the general system.
- The Country Report highlights that the reversal of the systemic pension reform of 1999 did not improve the long-term sustainability of public finances.

Employment

- CSR to reduce the excessive use of civil law contracts and improve the rate of transitions from short-term to open-ended contracts
- The Country Report analyses the agricultural sector, where many older workers are active, without engaging in life-long learning activities.
- The Country Report highlights the lack of uptake of the measures to enhance employability of adults via the National Training Fund. The Report

recommends increasing the rate of participants in life-long learning activities.

- The Country Report states that ‘more efforts should be made to improve labour market participation of older workers’.

Health

- The Country Report states that health expenditure was the lowest among the EU in 2012 and that Poland has the lowest number of practising doctors per capita, and highlights inefficiencies in providing care for older people.

Poverty

- According to the Country Report, older women have a much higher risk of poverty than men (27.1% vs 17.4%) due to the inequalities in the pension system. Poland’s social protection spending is below EU average.

Assessment of the Country-Specific Recommendations

Pensions

- The alignment of the pension provisions for farmers and miners with those valid for all other workers is crucial for building a sustainable and fair pension system, but given the political agenda (upcoming legislative elections in autumn 2015), it is unrealistic that the government will move on this recommendation.

Employment

- Given the challenges, the recommendations do not put enough attention to the necessity to improve life-long learning among older people, especially among older workers.

Health and Long-term Care

- The government has started the Senior-WIGOR programme: activation and support for the seniors to encourage the development of day-care centres for older persons, which is a positive change. Senior-WIGOR daily care homes will be created where older persons will be provided with the offer of an active way of spending their spare time, the possibility to follow their hobbies and receive professional care tailored to their needs. This initiative fits into AGE-promoted creation of age-friendly environments.

Sweden

Government policies in relation to older people

- The government has used budget available to train the workforce in the field of long-term care, spending it for unskilled young jobseekers only to spend time with older persons – no real training or qualification was connected to the use of these funds.
- While demographic ageing is an urging trend, requiring action from the government, the latter does not seem to have embraced ageing as a priority in its work plan.
- The special care needs of older persons in need of long-term care are often not met – it is supposed that they are more autonomous than they are and therefore not followed.

Country-Specific Recommendations with an impact on older persons

None

Slovenia

National Reform Programme 2015 provisions with an impact on older persons

- More attention to ageing policies than in the previous NRP, but some painful decisions have been postponed.

Pensions

- The idea of the Slovenian Federation of Pensioner's Organisations (ZDUS) were addressed, the establishment of a Demographic Fund to provide supplementary, non-budgetary funding for the future increase in pension demand.

Health and Long-Term Care

- The NRP provides for the establishment of a long-term-care system, noting that costs for long-term care have risen since 2012, while the share of costs borne by public authorities has slightly decreased. 35% of recipients of long-term care are in institutions, a reason why the ministry of health tries to develop community care and to deinstitutionalise. A working group on the interconnections of care and health has been founded in 2014 to prepare legislation for providing integrated services at local level and to strengthen the role of the user.

Assessment of the National Reform Programme

Pensions

- While the establishment of the Demographic Fund is welcome, the future rise of pension expenditure is still an unresolved issue. Slovenia's creditors ask for an increase of private savings in the pension system, but with a lower-than-average GDP per capita, this would not provide a sustainable solution for future pension adequacy.
- An avenue to be explored is to abolish mandatory retirement age, as many older workers are forced to go on retirement, while they may wish or need to stay in employment.

Health and Long-term Care

- Slovenia needs a sustainable long-term care system, that tackles the problems of today's system: inadequate financing, lack of integration of services, lack of coordination between social and health service providers; inadequate regional distribution of long-term care services, lack of services for the home environment and lack of prevention, rehabilitative care and eHealth.

Country-Specific Recommendations with an impact on older persons

	<p>Employment</p> <ul style="list-style-type: none"> • Increase the employability of low-skilled and older workers, address long-term unemployment and provide incentives to extend working lives
	<p>Health</p> <ul style="list-style-type: none"> • Slovenia is asked to adopt a health care reform before the end of 2015, a provision supported by the National reform Programme.

United Kingdom

Priorities for older persons

- While default retirement age has been removed and over 1.1 million people work past the age of 65, there are still barriers in the access to work and training. Age discrimination still exists and 40% of workers over 50 believe they have been disadvantaged at work because of their age. The Government programme *Fuller working lives* is welcome, but just one part of the jigsaw. Policies needed are:
 - Promoting the case against age discrimination



- Flexible working to combine work and care responsibilities: promote the right to request flexible working to employers and employees
- As part of the Fit for work Programme, promote good age-management practices, including health management and flexible working, as well as skills and re-training.
- Provide benefits and support to older jobseekers from day one at Jobcentre Plus, recognise the barriers to returning to work. Train Jobcentre Plus advisers to address these barriers.
- Reform the Work Programme to better meet the needs of older participants, in particular by granting an extra payment for lacing people over 50 in sustainable employment. Refer disadvantaged jobseekers after six months instead of twelve.
- Repeal the introduction of a 250 GBP fee for persons bringing a claim for age discrimination, augmented by 950 GBP if the claim goes to a hearing – victims of age discrimination are therefore discouraged to file any claim
- Promote a culture of life-long learning and training
- Extend mid-life career reviews not only to older jobseekers, but to everyone
- Address the challenges of hardness and severity of working conditions, as this is key to enable people to work longer.

Country-Specific Recommendations with an impact on older persons

None
