



The European Older People's Platform
La Plate-forme européenne des Personnes âgées

To: The European Commission

Re: Consultation on the future “EU 2020” Strategy

Brussels, 16 December 2009

AGE member organisations represent over 28 million citizens aged 50+ across the EU and they would like to share their views on the proposal on the EU 2020 Strategy. In this contribution they submit to EU policy-makers some recommendations on how best to turn demographic ageing into opportunities for all and to make it one of the main driving forces for economic, social and environmental development over the next ten years and beyond.

The European Union is preparing its next ten-year strategy in a difficult economic, social and demographic context. The crisis has shown that neither banks nor governments can prevent stock market instability and collapse, with its harmful effects on public finances, social protection systems, the labour market and, eventually, on the lives of EU citizens of all ages. However, the crisis provides both national and EU policy makers with an opportunity to review their long-term strategic goals. AGE members believes that this is the right moment to have a broad based discussion on how best boost economic growth to promote the well-being of all in the EU.

The overall aim of the EU 2020 Strategy should be to strengthen solidarity between citizens, regions and Member States and to promote greater social cohesion and a more sustainable environment.

We hope that the consultation on Europe 2020 is just a first step in this open debate and that during 2010 all relevant stakeholders, including civil society, will be able to contribute to the development of the new policy agenda. Coinciding with the 2010 European Year for Combating Poverty and Social Exclusion, the coming year must be used to make an in-depth assessment of the Lisbon Strategy and to set a new policy agenda with a firm commitment to building a more cohesive Europe for all by 2020.

Growth paradigm

AGE welcomes the recognition that a sustainable future for the EU must “*put people and responsibility first*” and that “*new policies must demonstrably contribute to social cohesion*”. However, after such a promising introduction, the document then focuses exclusively on economic growth, innovation, dynamism and competitiveness without specifying whether these objectives aim at promoting the well-being of citizens. While innovation has brought us numerous benefits from successful breast cancer treatment and modern family planning to technical devices such as mobile phones or the internet, it was also ‘smart’, ‘dynamic’ and ‘competitive’ practices in investment banking that developed financial products with unquantifiable risk and contributed to the ongoing global crisis which has now such a dramatic impact on citizens across the EU, in particular on the most vulnerable, i.e. older people on low incomes, single parents, the unemployed, etc.

Similarly, competitiveness, while enhancing individual and collective vitality or encouraging higher productivity and efficiency, also led to wasteful activity and suboptimal cooperation in research and development, for example in green technology and medical treatments. Moreover, the competitive pursuit of profit alone has led to increasing income and health inequalities, social exclusion, worrying social unrest in some Member States and a general lack of trust in the future and in political institutions (cf recent Eurobarometer¹). This is why AGE members believe it is important for the EU 2020 Strategy to aim for the kind of growth that will help respond to people’s needs and expectations and reflects a strong political commitment to put citizens’ well-being at the centre of the decision-making process.

AGE recommendations

- Develop alternative indicators to measure overall progress across economic, social and environmental areas e.g. the Genuine Progress Indicator (GPI) encompassing a broader spectrum of factors such as personal well-being, professional fulfilment, social contacts, civic participation etc.
- Reorient the long-term objective for the EU’s development and focus on promoting people’s quality of life, solidarity and cooperation within societies and between Member States, and an egalitarian ethos where growth, innovation and competitiveness are supportive factors rather than objectives per se.

¹ Special Eurobarometer 317, Discrimination in the EU in 2009 (November 2009): http://ec.europa.eu/public_opinion/archives/ebs/ebs_317_en.pdf

Demography

The EU 2020 Strategy consultation document makes reference to the need for *“Recognising constraints and facing new challenges”* among which demography is included. AGE regrets the negative way in which demographic ageing is presented and the assumption made that it will lead to a decrease in potential growth by 2020 as result of a lower proportion of younger people in the overall population. We believe that with such a starting statement it will be impossible to develop a *“new vision and direction for EU policy”* and we would like to remind the Commission that in 2006 it issued a Communication entitled: *“The demographic future of Europe: from challenge to opportunity”*. It is important that the EU 2020 Strategy adopts a more positive attitude toward older people and the ageing phenomenon. The EU 2020 Strategy will only succeed if it empowers all its citizens, regardless of their age, to participate in and contribute to the recovery of our economy and improve our social cohesion.

There is an increasing number of older workers who wish and/or need to continue to work in paid employment. But at the same time older workers, together with young people, are among the first ones to be laid off in this period of heavy business and industry reorganisation. National governments and the European Commission put pressure on citizens to extend their working lives but little is done to help older workers remain at work. Employers find it increasingly difficult to find a skilled workforce but, at the same time, they continue to discriminate against older workers and rely heavily on early retirement schemes. Older people are blamed in the media everyday for presenting too high a cost to social security schemes but no viable alternative is offered to them to remain actively involved in the labour market. Failure to adequately recognise the valuable resource which older workers represent greatly limits the potential for the EU to be competitive and to achieve sustained growth. Furthermore, when people age in better health, they also remain more active, independent and consequently cost less to society in terms of public finances and provision of social welfare. Some of the above issues are addressed in the *“Empowering people in inclusive societies”* section of the proposed strategy, but the document remains inconsistent overall.

AGE recommendations

- A break from the pervasive ageism and a new vision of population ageing as an economic and social opportunity that should be an integral part of the EU 2020 Strategy.
- Empower people in all stages of life so that they participate and contribute to society in their old age both in the formal economy and informally within their families and communities.

Global context and sustainable environment

On the positive side, the announcement of “*setting EU 2020 in a global context*” is the right approach. AGE agrees that solutions on how to deal with economic and social development and exit from the crisis need to be proposed in a global perspective and translate cross-cutting actions to common challenges such as climate change, demography versus migration, global market competition etc.

However, the document - apart from urging for a “*smarter, greener economy*” - fails to mention local and informal initiatives promoting sustainability such as the use of locally grown food or local jobs which will reduce the need for transport and hence save a lot on carbon emissions. Neither does the strategy mention how to encourage better waste policies including re-use and recycling, encouraging the ‘throw-away’ society to deal more wisely with our limited and finite resources.

AGE recommendation

- Use the knowledge of today’s older generation in dealing with both local and global challenges. For example, older people can and want to contribute their experience of consuming only what they need, conserving resources and limiting waste, learnt from years prior to the arrival of the consumer society.

Social protection

AGE fears that the objective to “*modernise*” social protection systems announces the cutting back of social security schemes and the promotion of privately funded pensions with all the drawbacks for the lower paid and women and the risks linked to the unreliability of the financial markets that this entails. We call on Member States to adopt national standards on pensions to ensure pension adequacy of all citizens regardless of the kind of job and/or professional path they have followed.

Any strategy looking into mid- and long-term perspectives, such as EU 2020, should reflect the ongoing changes in life expectancy and people’s attitude towards what they consider as ‘old age’. The restrained administrative definitions of ‘elderly’ should not prevent people from ageing actively. With the increase both in the overall life expectancy and the number of years during which people remain in good health, the transition towards retirement (beyond pensionable age) should be more progressive, tailor-made and based on adequate income (through both contributory pensions and minimum income schemes). In turn, older people will subsequently gain in self confidence and have a more positive perception of their role and responsibility within society. At the same time, younger cohorts will adopt less discriminatory approaches towards older generations and involve them more easily in mainstream society.

AGE recommendations

- Opt for strong mandatory state regulated pensions systems (the so-called 1st pillar) as the best way to ensure an adequate old age pension for all including those who have taken career breaks. This is of utmost importance to prevent the gender gap in income from increasing in old age.
- Ensure adequate pensions indexation to allow pensioners to keep up with society's progress and not fall gradually into a poverty trap.
- Put in place an efficient European supervision and regulatory system for financial markets and institutions to provide adequate protection of supplementary pensions systems and individual savings.
- Strengthen the adequacy of pension provision in respect to the supplementary pension schemes by adopting an EU directive on full portability of supplementary pension rights across a country's industry sectors and between Member States.

Social inclusion

The importance placed in the Commission's consultation paper on competitiveness and innovation seems to imply that these two factors will result automatically in higher growth and more social cohesion. AGE questions this approach and recalls that a cohesive society is first about supporting people in need. The Europe 2020 Strategy should reiterate the objective on eradication of poverty and social exclusion and learn from the shortcomings of the previous Lisbon Strategy by setting mechanisms to ensure that its growth objectives will support social cohesion. This will only be the case if Member States and the EU agree a set of quantitative targets per population groups to monitor progress. The new policy framework should also mainstream the principle of solidarity between generations in all policy development across the economic, social and environmental areas to ensure that solutions adopted will remain financially, environmentally and socially sustainable in the long term.

The document rightly mentions the need to provide an *“adequate level of income support and coverage to those temporarily out of work”*. We feel however that an adequate income support and coverage is not only necessary for those temporarily out of work but also for those who are excluded from the labour market in the long term and those who have passed retirement age. AGE would like the new social protection and social inclusion strategy to be built on the existing EU's Active Inclusion Strategy, calling explicitly for the provision of resources which are sufficient to live in dignity together with support for social participation for those for whom employment is not or no longer an option. For example, older people with low income and, in particular, older women who have taken time out of the workplace to raise families or care for other dependent relatives (or who have perhaps never worked due to family caring

responsibilities), long-term unemployed older workers and workers sent on early retirement as a result of firm or company reorganisation and older migrants who face huge barriers which prevent them from finding employment.

Education and training are key factors in preventing poverty and inequality at all ages. The strategy insists in several places on the role that education, research, innovation and creativity can play in fostering growth. AGE supports this approach as an improved access to education for young people effectively increases their chances for a fulfilled professional and personal life. Older people also have to be retrained to update their skills and to keep up with the pace of society's progress. But a better access to long-life learning, training and education must also be accompanied by better age management of the workforce by employers. Training alone will not suffice to help older workers remain at work. Ageist attitudes of employers toward older workers should be actively combated through a variety of means (including both incentives and disincentives).

Active ageing after retirement should also be actively encouraged. To prepare a smooth transition from employment towards active retirement, it is absolutely essential to empower older people and teach them how they can best take an active part in society after they have retired. Measures such as phased retirement should be actively promoted.

AGE recommendations

- Develop minimum income schemes based on a human rights approach i.e. recognising the right to adequate minimum income as fundamental and necessary for everyone's dignity, autonomy and independence.
- When guaranteeing a minimum pension at national level, ensure that the provided income responds to older people's expectations in terms of what **they** consider to be essential in preserving a decent standard of living and personal dignity i.e. non-monetary aspects such as access to quality health and long-term services, decent housing and social participation need to be considered.
- Provide a better assessment of the impact of the Lisbon Strategy on social realities in all Member States and population groups.
- Agree specific objectives for poverty reduction per target group broken down by sex.
- Promote individual well-being and quality of life at all ages through universal access to essential services such as decent housing, quality health and long-term care, public transport, communication, etc.
- Ensure high quality social services and set quality standards which must be adhered to by public authorities.

Employment

AGE warns about the over-reliance on self-employment as a “*real option for those who may have recently lost their job*”. Although the document places a condition on this by the removal of the existing disincentives, we believe that the EU 2020 Strategy should not be used to re-individualise the risk of unemployment as is the case in most countries for the self-employed. Older workers who have lost their job due to the crisis should not be left alone to cope with the consequences and should receive adequate support to find quality employment as quickly as possible. Self-employment cannot be a panacea for the groups hit most severely by the crisis such as youth and older workers. We also recall that in terms of adequacy of pensions and coverage of health and long-term care, self-employed status provides the least security in old age.

Overall, the measures to increase the employment rate of older workers that were beginning to deliver results before the crisis are no longer effective. People aged 45+ are more vulnerable than ever on the labour market. In the new strategy, Member States should develop innovative solutions including access to continuing education and training, phased retirement, job-shares and intergenerational mentoring schemes to help older workers remain active and employable so as to be able to remain in employment as long as they wish and need to work or to be able to re-enter the labour market quickly when the current recession ends.

The proposed EU 2020 vision does not place sufficient emphasis on the ongoing changes in family patterns nor on the respective responsibilities of public authorities to deal with the ageing population. AGE would like public investment in care services for the dependent elderly be seen as an investment in support of employment (as are childcare provisions) and not merely as a cost to the public budget. Parental leave provisions should be extended to enable all informal carers responsible for dependent relatives to remain in quality employment and enjoy an adequate protection of their social rights including pension rights.

AGE recommendations

- Adapt labour market provisions to older workers’ needs and the difficulties they face in today’s crisis context.
- Propose legislation to provide for carer’s leave - including grandparent leave - to support informal carers faced with caring duties and improve the division of such responsibilities between the genders at all ages.
- Member States should put a ban on mandatory retirement ages (not the age at which one becomes eligible for a pension) and eradicate those barriers which prevent individuals from freely exercising their choice to continue to work or to phase their retirement when they have reached pensionable age.

- Address age discrimination in access to employment. Much of the reason why people aged 45+ are more vulnerable on the labour market is due to perceptions that are linked directly to ageism which result in age discrimination. It is worth recalling that the Commission has already acknowledged this problem with the Employment Equality Directive (2000/78/EC) and is continuing to address wider issues of age discrimination through its proposal in 2008 for a directive implementing the principle of equal treatment between persons irrespective of religion or belief, disability, age or sexual orientation.

Non-discrimination

Quite strangely, given that the new Lisbon Treaty includes a legally binding Charter of Fundamental Rights, the EU 2020 Strategy does not refer to fundamental rights nor to the need to promote non-discrimination in the EU. AGE would like this policy area to be explicitly included in the EU 2020 Strategy as a key objective and to build on the ongoing discussions on the principle of equal treatment at national and EU level. People facing discrimination in employment and in access to goods and services are prevented from participating fully in the labour market and in society. The barriers they face are costly both to society and the economy. We feel also that it is important for the EU 2020 Strategy to demonstrate more clearly that it will put the well-being of citizens at the core of the process.

AGE recommendations

- Mainstream fundamental rights and non-discrimination in all EU 2020 Strategy objectives.
- Monitor and report back on progress achieved on non-discrimination and social inclusion using concrete indicators per population groups broken down by sex.

Process and governance

The Lisbon Strategy has not achieved some of its initial objectives and this is not due only to the recent crisis, as presumed in the consultation document. Some of them were simply unrealistic while others were not followed and/or were significantly downsized in the course of their implementation. The presented strategy underestimates the role that the Open Method of Coordination (OMC) on social protection and social inclusion can play in setting clear objectives across the strands on pensions, health and long-term care and social inclusion as part of the overall economic, social and environmental architecture.

The EU 2020 Strategy therefore needs to be based on an accountability mechanism. Given the importance that is placed on social inclusion in the

proposed strategy, the Commission should recognise the OMC explicitly as one of the mechanisms whereby it can achieve the strategy's objectives.

AGE recommendations

- Introduce enough flexibility in the strategy to take on board the outcome of an in-depth assessment of the period 2000-2010 to facilitate the setting up of new priorities and/or adjustment of those that were not achieved during that period.
- Underpin the EU 2020 Strategy by an evidence-based approach to monitor progress, using indicators measuring both the quantitative and qualitative impact of policy-making broken down by population groups and by sex.
- Use the OMC framework to measure progress on social protection and inclusion on an annual basis and join it to the broader assessment of how and to what extent the objectives on growth and sustainable greener economy are being reached to ensure that the EU 2020 Strategy and the OMC feed into each other.
- Involve all stakeholders effectively, including civil society - at national and EU levels - in all stages of the process: from policy agenda setting, drafting strategies and plans, implementation, monitoring and reformulation of objectives and assessment of progress made. This will help bring the whole process closer to citizens.

Conclusion

AGE welcomes the opportunity to provide input to this consultation as we consider that this represents a valuable means through which the Commission can gather useful contributions from the key stakeholders who will be affected by the EU 2020 Strategy, such as older people - including more vulnerable groups such as older women, older migrants and older Roma.

AGE would like to reiterate that the current Lisbon Strategy holds valid until the end of 2010 and we therefore call on the future Belgian Presidency to conclude these discussions so that a comprehensive EU 2020 Strategy can be adopted for the new ten-year period which will take effect from 1 January 2011. Over the coming 12 months, all opportunities should be taken to engage stakeholders in more extensive reflections. The next decade will see many changes and a different social, economic and political period will emerge. It is therefore essential that sufficient time is taken for reflection and development of the EU 2020 Strategy to ensure that the well-being of all people in the EU becomes the overall objective of the Strategy and citizens develop ownership with the process.

AGE - the European Older People's Platform is a European network of around 150 organisations of people aged 50+ representing directly over 28 million older people in Europe. AGE aims to voice and promote the interests of the 150 million inhabitants aged 50+ in the European Union and to raise awareness of the issues that concern them most. AGE aims to give a voice to older and retired people in the EU policy debates through the active participation of their representative organisations at EU, national, regional and local levels so as to inform EU policy development. AGE's work focuses on a wide range of policy areas that impact on older and retired people. These include issues of anti-discrimination, active ageing, social protection, pension reform, social inclusion, health, research, accessibility of public transport and of the build environment and new technologies.

Contact persons:

Anne-Sophie Parent, Director, annesophie.parent@age-platform.org

Maciej Kucharczyk, Senior Policy Officer, maciej.kucharczyk@age-platform.org

Rachel Buchanan, Senior Policy Officer, rachel.buchanan@age-platform.org

AGE - the European Older People's Platform

111 rue Froissart, B – 1040 Brussels

Tel: +32.2.280.14.70

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