

# Future Europe: Ageing in the EU Record of event

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## Executive Summary

This document has been produced as a record of the conversation that took place around ageing in the EU at Europe House, 12th June 2014.

Comments are as we summarised them at the time, and although participants have had the opportunity to check that they reflect the general tenor of what was said, they are not verbatim and we do not vouch for their accuracy.

### Chair:

- Sonia Mangan, Age UK South Lakeland

### Speakers:

- Eppu Mikkonen-Jeanneret, HelpAge International
- Jean Lambert MEP, Green Party
- Prof. Jose Iparraguirre, University of Morón, Buenos Aires, Argentina, and Age UK's Chief Economist
- Peter Moorey, Which?

### Participants:

- Chris Terry, Electoral Reform Society
- Cllr. Colin Noble, Suffolk County Council and member of the Community Wellbeing Board on the Local Government Association (LGA)
- Danita Jackson, NVisage
- Emily Georghiou, Age UK
- Harris Fitch, the Democratic Society
- Husain Shafiei, Lobbi
- Janet Robb, LIFT
- Josie Zhang, University of London
- Kate Horstead, Age International
- Marie-madeleine Kanellopoulou, European Commission
- Matilda Murday, The Democratic Society
- Mike Bojczuk, Older People's Council
- Ruth Harper, Onyx Media and Communications

## Opening Statement Chair, Sonia Mangan

Ageing is variable and there is no homogenous experience, whilst some older people will be too frightened to go out and become involved in their society, others will have no fear and want to go hang gliding.

This evening is an opportunity for us to stretch our mind a little. We have been talking about an ageing population in the EU for a long time now, we should know what it means, but we don't.

As we are in a period of ushering in a new EU Parliament, and a new Commission President, this is the time to stimulate debate. What are the opportunities and challenges? What can EU institutions do to ensure that governments harness the opportunities of an older population?

Professor Jose Iparraguirre

There are three main points to cover:

1. How different we all are and the contrasts of how people are being portrayed by politicians and media
2. Trends in population demographics are not irreversible, they can be altered
3. An ageing population will not hamper economic growth

There is a large variability between different countries and their average age of retirement, there is an 8.8-year difference between Poland and Belgium for men (7.7 for women).

There is also a large difference between the amounts spent on pensions (as a percentage of pre-retirement earnings) across nations. In the UK we have the lowest net pensions (as a percentage of pre-retirement earnings) at 47%, the Netherlands has the highest at 103.8%.

The projected expenditure on pensions, health care and long-term care for the elderly in the UK is 3% of GDP in 2010-2060. On average, across Europe it is projected to increase by 6%-8%. Even 8% is manageable but the number of people aged over 85 is set to increase and this has not necessarily been factored into the projection of expected change. This leaves a risk of people aged over 85 falling into poverty.

The risk of falling in to poverty varies depending on factors like gender and size of household to which they belong. Single women who are over 65 are more likely to fall in to poverty than single men of the same age bracket and both are more likely than those living in a two-person household.

In a study carried out by Age UK on 50-64 year olds in English there were huge variations in education, mortgage, renting or ownership of houses, these people will soon be older people and their circumstances now will impact on their situation in years to come.

In 1980 countries with higher female fertility had lower levels of female employment, but demographic trends are not irreversible natural forces, and can be reversed. Over the last 30 years, female employment rates have gone up over all European countries and fertility has gone down and, even more interestingly, those countries with higher fertility rates now have higher rates of female employment.

Mortality rates in Germany have decreased so drastically that 65 really is the new 55, a 65 year old now has the same mortality as a 55 year in 1970. What is even more interesting is the obvious effect we can see policy has on mortality, since the reunification of Germany women in East and West Germany have converged so that, by the year 2000 East and West German women had roughly the same annual probability of death. Good policies make a huge impact on elderly people

living longer.

Finally, the smaller share of the population that is of working age will bring growth rates down, but it is a very marginal figure, less than 1%. Ageing is far from significantly affecting economic growth

Jean Lambert MEP

A lot has been said about the shift in the balance of those of working age and those of pension age and there is a strong risk that we may see the pulling apart of different age groups rather than solidarity. Questions like: 'Who will pay pensions?', and 'what will the burden be on those in work?' can encourage young people to feel resentful of 'subsidising the elderly'.

There is a jobs issue: there are huge rates of youth unemployment and a feeling of desperation to get into work from youth. Young people are harmed by casual low pay work but the question they are asking is "why don't these older people get out of the labour market?" This is also the perception of many EU nations, encouraging older people out of work because they believe it will fix the issue of youth unemployment. Problems experienced by young people are often linked to elderly people and inter-generational tensions stoked up by EU member states.

Questions around pensions and how states can have adequate pension provisions has been looked at for the last 15 years. There is some co-operation between EU member states, trying to find solutions together. The EU is not all-powerful and with a mix of different sorts of pensions (state and private) there is a question around who should be carrying the risk. This is a long and on-going piece of work.

Life expectancy varies within single member-states between different groups, so retirement age based on an average life expectancy is not fair, and not the answer.

Long-term care is an unanswered question and there is an element of truth that older people have larger percentage of health spending spent on them. There is also a question as to the people who are doing the caring, the role of informal carers across the EU and how the economic crisis has affected these people.

The EU needs to look at what needs to be done to improve carers' wages and conditions, and whether anyone can be a carer or if training and support is necessary. Professional carers are largely coming from migrant workforces and we need to look at how to recruit, train and retain these workforces. The EU can play a role by bringing in legislation that tackles discrimination or helps with recruiting and training.

Older people are less likely to receive training than their younger counterparts. The EU has brought in a report to legislate on carers' leave; this could be useful for everyone. Also, a Basic Income Guarantee could seriously improve the situation. The EU Social Fund helps with keeping elderly people healthy, with an aim to increase the number of healthy years a person lives to 2 years.

Peter Moorey

Which? carries out a poll on 2,000 UK citizens every month and from that poll it would initially appear that UK consumers aged 65 and over have fared well during the recession, partly due to the fact that pensions have been protected. Digging deeper, however, it is clear that many people aged over 65 have been at risk of higher financial vulnerability, particularly those who rely on a state pension or don't own their own homes.

Seven out of every ten 50-64 year olds are worried about the value of their pension and the same number doesn't think they have enough money for retirement. They are also the group most likely to dip into their savings. This is concerning as it can negatively impact on their ability to build up savings for retirement.

Italy, Hungary and Lithuania (among others) are seeing similar issues to older UK consumers; for example energy costs are a big issue when it comes to financial vulnerability. There are, however, differences in the way that national governments have tackled financial vulnerability among older people. For example, Greece has seen pensions cut by more than 5% and in Italy there is a big drive to push people in to private pensions.

47% of Greek consumers who are 65 years old and over and 51% of Italians of the same group are unable to face an unexpected financial expense, compared to 33% in the UK.

Is it possible to have a consistent approach across EU? Not in some policy issue areas - such as pensions. However, in other areas of EU policy making a more consistent approach would benefit an ageing population. For example, take the drive to complete the single market – particularly in digital. Here's an area where consumers generally – and older consumers in particular – need to be well-represented.

From a consumer perspective, given that older consumers have been identified as a key group with regard to internet scams, it will be important that measures are taken to ensure that they have an understanding of how their data can be used. When we look at EU activity on services – such as the growth of mobile and online banking – clearly decision makers must listen to and respond to the wishes and needs of older consumers.

ONS data suggests that spending on essentials like energy and food has become a larger part of household budgets in the UK over the last ten years, and there are more pressures to come, with hundreds of billions of pounds of infrastructure investment and policy decisions being pushed through onto consumer bills.

As a result many older consumers that this will hit hardest. But the question is whether the UK or the EU can rise to this challenge.

Eppu Mikkonen Jeanneret

There is a rapidly ageing population in the EU. We seem to only be looking at this as a problem, but this is a product of success. The growth in the elderly population is a product of growth in living standards and a drop in female fertility thanks to greater equality and education for women. This change is happening particularly rapidly in lower income EU countries.

Many countries ignore violence and abuse carried out against older people and witchcraft accusations are an extreme but huge issue for elderly people in some countries. We lack the data sets on violence against older people and statistics about violence against women and girls tend to stop at 49 years old – they are statistics about violence carried out against fertile women only.

There is a large piece of work to be carried out by national governments around human rights for older people and the UN is currently working on the UN Convention On Rights Of Older People, although this will not definitely be completed.

Youth movements have been looking at developing a framework of inter-generational solidarity that is inclusive of all ages and will tackle issues that are facing older people.

The next step will be the European Year for Development, national governments and organisations will be in a very powerful position to tackle some of these issues but it will be a challenge to build links between national organisations and make them more visible on the continental stage.

## Discussion: Inter-generational Tensions

Matilda Murday:

There seems to be a lot of deliberate separation of generations. Organisations encouraging young people to vote are focusing on attacking older people as more right wing and only voting for their pensions etc at the expense of younger people.

Husain Shafiei:

Young people should be voting because policies are geared towards them as well as elderly people. They should not be encouraged to vote in spite of elderly people and should not feel resentment towards policies designed to help elderly people.

There should be positive reasons for young people to vote. Bite the Ballot tells young people to vote to have their say, rather than because older people will vote and disadvantage them.

Jean Lambert:

I agree with the original statement from Matilda. There should be positive reasons for young people to vote as well.

Eppu Mikkonen Jeanneret:

A decent employment policy can lead to high employment of all ages. A study in the Netherlands showed that where good employment policy was in place there would be high employment for youth and people aged over 50.

Professor Jose Iparraguirre:

There is not a question of younger people voting to influence agendas and it is impossible to tell which demographics voted and for which party.

However, Harvard University has created a system that can infer who and how demographics voted. This however is not strictly academic and relies on inferring. This method was used to look at age rather than other variations and used on the 2010 General Election.

Using this technique there was no relation between population ages and voting. Ultimately it is not a question of older or younger people voting because this will not define or influence the agenda, it's who is in Government that matters most and has the most influence.

## Carers

Cllr. Colin Noble:

Has there been much thought about informal family carers? In Suffolk some 78,000 people out of a total population of 730,000 are identified as unpaid carers for vulnerable people, we do not know the economic impact it would have if they stopped providing care as it has effectively stopped them working.

Sonia Mangan:

Through working with 18000 older people there is visible evidence that there are a lot of informal carers. There is a difficult issue of carers having to do their job without experience, training or support.

Jean Lambert MEP:

There are EU funded projects that support informal carers to stay in work alongside their caring duties. However the EU does not easily deal with this issue as national governments have more of a say on this kind of policy. The EU is not some huge overarching power that can force national governments to adopt legislation on everything.

Professor Jose Iparraguirre:

There are a great many people who are inactive in the economy and not yet retired and the main reason for this is that they have caring responsibilities.

This is a large problem and substantial amounts of people suffer from a lack of policy in this area. Many grandparents fall into this category because they look after their grandchildren to help with child caring costs.

This enables women to be able to go to work rather than having to stay at home and look after their children, which benefits the family and the economy.

Peter Moorey:

Which? is pushing for simplicity in the energy sector to make it easier for people to understand energy tariffs. The fear is that people will be trapped in a poor deal due to a lack of understanding. And it is often the most vulnerable consumers who suffer as a result. We also need to ensure that the EU does not get in the way of countries taking appropriate action in their own consumer markets. For example, the EU 3rd Energy Package states that there is not a place for price regulation in energy.

Eppu Mikkonen Jeanneret:

The concept of family in policies towards elderly people is completely disjointed and disunited across the EU. Many countries have legislation that obliges their children to look after their parents, such as China. Economic situations have changed the reality of this, as many people will migrate due to globalisation and better economic options abroad. Many elderly people cannot receive state support or benefits until they have proven that they have taken their children to court first to force them in to supporting them in their old age.

## Tech

Husain Shafiei:

What can be done on a European level to help elderly people with secure apps and technology to improve the quality of life without putting them at risk of scammers because elderly people are much more at risk of being conned through insufficient knowledge of technology.

Peter Moorey:

One of the main issues with smart tech and elderly people is that cost is a massive issue. There are clear benefits of having technology but all technology is reliant on consumers utilising it effectively. Users must learn to understand their technology and link it to their everyday lives. If people cannot afford to replace their out of date appliances it is questionable whether they will benefit from the "Smart Revolution".

## Media representation of older people

Emily Georghiou:

With the economic crisis still hanging over, elderly people are being targeted as a burden, although living longer is something we should celebrate. The media helps play up this negative image of older people by using headlines such as “It is a terrible shame that older people are blocking beds in the NHS”. This is unacceptable and elderly people need to be empowered rather than treated as a burden. EU institutions are sometimes powerless to stop this due to massive regional differences in particular on austerity. However the majority of people think that older people contribute more than they take and the media is hyping this issue out of proportion. We must all work together to stop a negative image forming of elderly people.

Jean Lambert MEP:

It is impossible to stop the media running a negative image of elderly people without restricting the free speech of the media. The Year of Intergenerational Solidarity tried to help with the negative image by encouraging solidarity between the different ages. There is an EU strategy on media to help older people that will be implemented in 2020. The EU cannot solve all problems associated with the ageing population but it is seeking to examine individual EU member states to try and help them get their economies moving faster which should lead to better investment in elderly people.