



## European Minimum Income Network

# What should an adequate old-age income entail to live in dignity?

## Learnings from France, Ireland and Poland

*Employment,  
Social Affairs and  
Inclusion*

The **European Minimum Income Network (EMIN)** was a two year project (2013-2014) sponsored by the **European Parliament**, funded by the **European Commission**, under contract no Tender N° VT/2011/100 Pilot project – Social solidarity for social integration and promoted by the **European Anti-Poverty Network (EAPN)**.

<http://emin-eu.net/what-is-emin/>

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**AGE Platform Europe** is a European network of more than 150 organisations of and for people aged 50+ representing directly over 40 million older people in Europe.



Our work focuses on a wide range of policy areas that impact on older and retired people. These include issues of anti-discrimination, employment of older workers and active ageing, social protection, pension reforms, social inclusion, health, elder abuse, intergenerational solidarity, research, accessibility of public transport and of the build environment, and new technologies (ICT). For more information, please see: [www.age-platform.eu](http://www.age-platform.eu)

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# Executive Summary

AGE carried out thematic research on the **adequacy of old-age minimum income schemes in France, Ireland and Poland** as part of the **European Minimum Income Network (EMIN)** programme coordinated by the European Anti-Poverty Network. The issue of income adequacy is particularly relevant for older people, who rely more than any other age groups on the payments from the state or public social security systems through both contributory (pensions) and non-contributory (social assistance) schemes.

Notwithstanding the positive impact of the pensions and social assistance provisions on poverty reduction during the last years, one should neither underestimate the specificity of old-age poverty (**erosion of income for the 'oldest old'**), nor overlook the persisting inequalities among people aged 65+ (**concentration of poverty among women, older migrants or people with disabilities**). A combination of factors such as low income, poor health, age and/or gender-based discrimination, reduced physical or mental capacity, unemployment, isolation, abuse, and limited access to services can all play a part in increasing the risk of poverty and social exclusion as people age. However, when older people are asked about their unmet needs, **it is the lack of adequate income that comes in first place**.

The project looked at the adequacy of **minimum income protection for older people from a participatory point of view**. Older people in the three countries were actively involved in discussing what an adequate minimum income should entail to enable full social participation of older people. The study indicates the **same definition of social participation across** the three pilot countries. In addition, many **commonalities were observed in the identification of essential goods and services**. This was also the case with the respective underlying needs identified in the

three countries as being necessary for full social participation. Despite these commonalities, significant differences were observed regarding the adequacy of old-age minimum income protection and the validity of the 60% poverty line in the respective national contexts. This suggests a question about the relevance of measuring poverty with income-based tools only, such as the 60% threshold of the median income.

The project also discussed '**reference budgets**', in particular the role they can play in defining and assessing the adequacy of a minimum income. The goal was not to develop (monetise) reference budgets for older people per se, but rather **to define what an adequate old-age minimum income should entail in a given national context** i.e. including essential physical and social needs that enable older people to participate fully in society. Reference budgets have a clear normative interpretation. Every item (good or service) included in the basket has a **societal function, describing precisely the roles the person able to afford this item may be able to satisfy**. Therefore, reference budgets are illustrative and contextualising tools for assessing the adequacy of social protection policies. They should not however be used in a prescriptive way, imposing what people should or should not do..

The EU has a particular responsibility with regard to the promotion of an adequate income across the life span. Through the relevant policy actions and process, such as the Europe 2020 Strategy, Active Inclusion Strategy, European Platform against Poverty, the Charter of Fundamental Rights or other equality-related provisions, the **EU should focus more on the respective needs of different age and population groups**.

We hope that the EMIN project has initiated a continuing policy focus and debate on income adequacy across the whole life span at both national and EU levels, as older people's well-being and dignity are at stake.

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# 1. Introduction

## 1.1 EMIN project in the EU context:

Funded by the European Commission, the European Minimum Income Network (EMIN) project run between 2013 and 2014 with the aim of building consensus to take the necessary steps towards the progressive realisation of adequate and accessible minimum income schemes in EU Member States. This common reflection – gathering national member-organisations of the European Anti-Poverty Network (EAPN) plus two other European NGOs, AGE Platform Europe (AGE) and FEANTSA (the European Federation of National Organisations Working with the Homeless) – was carried out in line with the European Commission's Active Inclusion Recommendation of 2008<sup>1</sup>, the Europe 2020 strategy<sup>2</sup> and in the context of

the European Platform against Poverty and Social Exclusion<sup>3</sup>.

As part of the EMIN project coordinated by (EAPN), AGE carried out a thematic research study on the adequacy of old-age minimum income in three pilot countries. AGE work aimed to assess whether and to what extent minimum income schemes in France,

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about more than just overcoming the crisis from which our economies are now gradually recovering. It is also about addressing the shortcomings of our growth model and creating the conditions for a smart, sustainable and inclusive growth. For more information, please see: [http://ec.europa.eu/europe2020/europe-2020-in-a-nutshell/index\\_en.htm](http://ec.europa.eu/europe2020/europe-2020-in-a-nutshell/index_en.htm)

<sup>3</sup> The European platform against poverty and social exclusion is one of seven flagship initiatives of the Europe 2020 strategy for smart, sustainable and inclusive growth. It is designed to help EU countries reach the headline target of lifting 20 million people out of poverty and social exclusion. The platform was launched in 2010 and will remain active until 2020.

<sup>1</sup> Commission Recommendation 2008/867/EC of 3 October 2008 on the active inclusion of people excluded from the labour market

<sup>2</sup> Europe 2020 is the European Union's ten-year growth and jobs strategy that was launched in 2010. It is

Ireland and Poland<sup>4</sup> guarantee older people a dignified life. The issue of adequacy of minimum income is particularly relevant for pensioners, who rely more than any other age groups on the payments from the state or public social security systems – through both contributory (pensions) and non-contributory (social assistance) schemes. Part of AGE involvement in EMIN project consisted of analysing the ‘reference budgets’, in particular the role they can play in defining and assessing adequacy of minimum income.

The European Parliament (2010) and the European Commission (2013) recognised the instrumental role reference budgets (RBs) could play for helping Member States to meet the objectives of adequate minimum income protection and effective social inclusion in the European Union. In particular, within the Social Investment Package<sup>5</sup> that was adopted in February 2013, the Commission proposed the reference budgets as an instrument that, on the one hand, can help Member States to design efficient and adequate income support (European Commission, 2013, p. 11) and, on the other hand, facilitates the Commission in its task to monitor the adequacy of income support in Europe (European Commission, 2013, p. 12).

Reference budgets are priced baskets of goods and services that represent a given living standard (Bradshaw, 1993). They are

widespread and still spreading across European countries. Almost all EU Member States have currently RBs in use or under construction (Storms, et al. 2014). Nevertheless, there are great differences in the way RBs are constructed and implemented across different countries. The goal of this project was not to develop reference budgets for older people, but rather to define what an adequate old-age minimum income should entail in France, Ireland and Poland. Based on the existing literature and on discussions with older people in participatory discussion groups, our aim is to identify the essential physical and social needs that enable older people to participate fully in society. The project used the resulting needs to evaluate the adequacy of minimum old age income provisions in the three pilot countries.

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4 The following member organisations of AGE Platform Europe were involved in the project: Petits frères des Pauvres (France), Age&Opportunity (Ireland) and Uniwersytet Jagielloński, Krakow (Poland).

In Poland, the study was carried out and coordinated by the Centre for Evaluation and the Analysis of Public Policies at the Jagiellonian University (led by dr. Jolanta Perek-Białas in cooperation with Dorota Pawluś and Małgorzata Borysławska), in collaboration with the Institute of Sociology of the Jagiellonian University, Jagiellonian University of the Third Age (Ewa Piłat), Municipal Social Aid Center and Academy ‘Pełnia Życia’ (member of the Forum 50+). The study also involved other organisations and institutions working on behalf of and for older people Krakow.

5 Commission Communication, COM(2013) 83, “Towards Social Investment for Growth and Cohesion – including implementing the European Social Fund 2014-2020”

## 1.2 Adequate minimum income in old age - what for?

The issue of adequacy of minimum income schemes has been often raised at EU level in policy debates over the last years, such as the annual European meetings of people experiencing poverty or Annual Convention on the European Platform against Poverty. It has been also the subject of a campaign led by EAPN for a framework directive on minimum income (see [www.adequateincome.eu](http://www.adequateincome.eu)) and supported by AGE. For people experiencing poverty, including older people, minimum income schemes are a vital support for survival. For society as a whole, minimum income schemes provide an indispensable safety net to protect the most vulnerable from falling into poverty. For AGE, adequate minimum income is the indispensable guarantee to build inclusive societies where people of all ages can live in dignity.

In 2008, the European Commission adopted a Recommendation on the active inclusion of people most excluded from the labour market<sup>6</sup>, meant to promote a comprehen-

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6 Commission Recommendation on the active inclusion of people excluded from the labour market, (2008/867/EC)

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

An adequate income is indispensable throughout the entire life cycle including older age. Social protection measures should focus on the adequacy of their pension systems. Moreover, innovative tools are necessary to assess effectively whether and to what extent minimum income schemes including contributory and non-contributory old-age income schemes guarantee a decent and dignified life. AGE believes that the right to an adequate income, including minimum income schemes for older people, is fundamental to everyone's dignity and independence.

## 1.3 Poverty in figures in Europe

Poverty figures based on commonly agreed EU poverty indicators show that the right to an adequate minimum income is not guaranteed for a large group of older people in the EU.

The EU headline indicator 'people at risk of poverty or social exclusion' – as introduced in the framework of the Europe 2020 strategy – counts the number of people affected by at least one of three forms of poverty: monetary poverty, material deprivation or low work intensity. The 'at-risk-of-poverty-rate' (ARPR) estimates monetary poverty on the

basis of 60% of the median net equivalised<sup>7</sup> disposable household income. 'Severe material deprivation' is measured by an index of nine items that are considered to be necessary or desirable in Europe, namely: having arrears on mortgage or rent payments, utility bills, hire purchase instalments or other

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7 In order to take account of economies of scale, income is equivalised using the modified OECD equivalence scale. This scale assumes that for obtaining the same living standard as a single adult person, households consisting of additional persons aged 14 and over need 50 per cent of income extra in order to achieve the same living standard. Children aged less than 14 would need only 30 per cent of income extra.



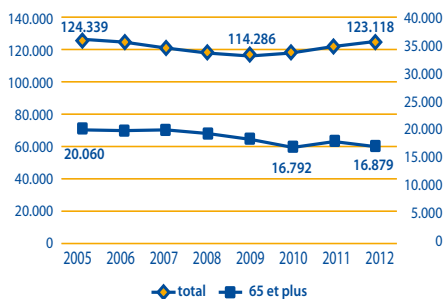
loan payments; not being able to afford one week's annual holiday away from home; not being able to afford a meal with meat, chicken, fish (or vegetarian equivalent) every second day; not being able to face unexpected financial expenses; not being able to buy a telephone (including mobile phone); not being able to buy a colour television; not being able to buy a washing machine; not being able to buy a car; or not being able to afford heating to keep the house warm. All persons living in a household which lacks at least 4 out of 9 items are considered severely materially deprived (cf. Guio, 2009). The third dimension of poverty and social exclusions relates to the lack of access to labour income. Europeans between 0 and 59 years old are living in households with 'very low work intensity' if the working age members of the household worked less than 20% of their potential during the previous year.

### 1.3.1 Poverty and social exclusion of different age groups

The number of people at risk of poverty or social exclusion had been decreasing before the economic crisis. The indicator reached its lowest level in 2009 with 114 million people at risk of poverty or social exclusion in the EU. Afterwards, together with the economic crisis, poverty grew again. By 2012, 123 million people (one in four of the EU population) experienced at least one of the three forms of poverty or social exclusion. 20 out of the 28 EU Member States have experienced an increase in the number of people at risk of poverty or social exclusion since 2009. In Germany, Latvia, the Netherlands, Poland, Romania, Finland and Sweden the number of people affected by poverty did not increase. Figure 1 shows that older people aged 65 years and over (+10% between 2005 and 2013) were not affected by an increase in poverty. The average number of poor Europeans above 64 decreased slightly between 2005 and 2008. Later on, in 2009 and 2010 there a sharp decrease can be

noticed, which was followed by a small increase in 2011 and almost the same decrease in 2012.

**Figure 1: People at risk of poverty or social exclusion, EU-27, 2005–2012 (million people)**



Source: Eurostat, 2014

Young people aged 18 to 24 are the most likely to be at risk of poverty or social exclusion (Table 1). More than 30% were at risk in 2013. The situation of young people and people on active age deteriorated between 2009 and 2013.

In contrast, older people aged 65 or over showed the lowest poverty rates in 2012. This is due to the steady decrease in the poverty risk of older people since 2005 that occurred in mostly all EU Member States. Except for Austria, Germany and especially in Sweden, where the poverty ratios for people above the age of 64 increased since 2005. In 21 EU countries, 'at risk of poverty or social exclusion' figures of Europeans above 64 are below the overall poverty figures. However, in Bulgaria, Croatia, Cyprus, Lithuania, Finland and Sweden older people face higher poverty risks in 2012.

**Table 1: Percentage of people at risk of poverty or social exclusion by age, EU-27, 2005–2012**

	2005	2009	2012
-18	28	26,3	28,1
18-24	29,8	27,7	31,6
25-54	23,1	20,8	23,9
55-64	28,8	25,8	26,1
65-74	23,3	19,9	17,9
75-	28,5	24	20,6
<b>Total</b>	25,7	23,2	24,8

Source: Eurostat, 2014

### 1.3.2 The three dimensions of poverty and social exclusion

*Monetary poverty*, measured by the above-mentioned 60% poverty line has not only been the most prevailing form of poverty (94.095 people are affected); it has also shown the highest growth since 2005 (+4.789 people). More than half of this growth occurred in 2011 and 2012. In relative terms, the ARPR in the 27 EU Member States fluctuated around 16,5% between 2005 and 2010. In 2011 and 2012 16,9% of the Europeans were at risk of monetary poverty.

While the indicator of monetary poverty rose steadily for all age groups since 2005, it has decreased gradually for Europeans in old age. For this group one can notice (see table 2) a decrease from 18,8% to 14,4% (a decline of 2.105 people). However, behind the overall decrease in monetary poverty, important disparities exist among the 27 EU Member States. In eight Member States, the ARPR (at risk of poverty rate) increased. This is the case for Bulgaria, Czech Republic, Germany, The Netherlands, Austria, Poland and Slovakia. Especially in Bulgaria and Poland poverty figures among older people raised sharply

since 2005. In contrast, in Ireland, Greece, Spain, France, Cyprus, Latvia and Portugal, old-age poverty dropped substantially, more than in other EU countries.

**Table 2: Monetary poverty by age groups, EU-27, 2005–2012 (percentage of people)**

	2005	2009	2012
-18	20	20,1	20,7
18-24	19,5	20,2	23,2
25-54	13,9	14	14,6
55-64	13,6	14	14,9
65-	18,8	17,8	14,4
<b>Total</b>	16,4	16,4	16,9

Source: Eurostat, 2014

Although the poverty risk of older Europeans is relatively low nowadays, some old-age subgroups are affected by high poverty rates. Single older persons, for example, face a relatively high risk of monetary poverty, being almost twice as high as the poverty risk for older couples. In Czech Republic, Estonia, Lithuania, Romania, Slovenia, Slovakia, Finland and Sweden the poverty risk of one-person older households is three or more times higher than the poverty risk of couple households.

Similarly, old-age tenants are affected by higher poverty rates. Especially in Bulgaria, Germany, Ireland, Spain, Luxembourg, Hungary, Slovenia, Finland and Sweden, the risk of monetary poverty for older people is 50% higher for tenants compared to homeowners. In seven EU countries the opposite is true: older people who own their dwellings face a higher risk than tenants in Denmark, Estonia, Greece, Cyprus, the Netherlands, Poland and the UK.

A third group of older people that face high a poverty risk are older women. On average, the risk of income poverty is 35% higher compared to men. In Czech Republic, Romania, Slovenia, Finland and Sweden women of 65

years and over face a poverty risk more than double of that of older men. The monetary poverty among older women ranges from 5.4% in the Netherlands to 34.3% in Bulgaria. In 7 out of 27 member States, more than 20% older women aged 65 and over were exposed at the monetary poverty in 2012. The situation was even more striking when looking at the situation of older women aged 75 (13 out of 27-EU), with the highest poverty levels registered in Finland (33.5%), Bulgaria (42%) and Cyprus (47.7).

In contrast to monetary poverty, the figures for material deprivation fell over the period 2005 to 2012 for the total population and its various sub-groups. For severe material deprivation (table 3), a sharp decline can be observed between 2005 and 2009. Afterwards the indicator rose again, especially for the European youngsters and people on active age. Behind the evolution of the overall figure for the 27 EU Member States, one can observe a divergence in the evolution of severe material deprivation between the 12 New Member States and the 15 others. Especially for Czech Republic, Latvia, Lithuania, Poland and Slovakia we notice a sharp decrease of the indicator between 2005 and 2012, while for countries as Ireland, Greece, Spain, Italy, Malta and the UK a sharp increase can be observed.

One of the reasons for the divergence in the evolution of monetary poverty on the one hand and material deprivation on the other is the different structure of the indicators. While monetary poverty is measured in relative terms (what can be considered as a minimum acceptable living standard in a country evolves proportionally to the median household income), material deprivation is an absolute indicator (it puts the poverty threshold at the same level in all years and for all countries).

**Table 3: Severe material deprivation by age groups, EU-27, 2005–2012 (percentage of people)**

	2005	2009	2012
<b>-18</b>	<b>12,1</b>	<b>9,5</b>	<b>11,7</b>
<b>18-24</b>	<b>13,2</b>	<b>7</b>	<b>9,2</b>
<b>25-54</b>	<b>10,3</b>	<b>7,9</b>	<b>9,9</b>
<b>55-64</b>	<b>9,4</b>	<b>7,4</b>	<b>8,9</b>
<b>65-74</b>	<b>9,8</b>	<b>6,5</b>	<b>7,3</b>
<b>75-</b>	<b>10</b>	<b>6,6</b>	<b>7,5</b>
<b>Total</b>	<b>10,8</b>	<b>8,4</b>	<b>9,9</b>

Source: Eurostat, 2014

The divergent trend for the old and new Member States – observed for the total population – is also visible in the group of people 65+. Especially in Italy, the increase in material deprivation among older people in the period 2005-2012 was very high. On the other side, severe material deprivation felt with more than half for older people in Poland, Estonia, Slovakia and Sweden. Countries with relatively high rates of material deprivation among older people are Latvia, Lithuania and Slovenia where one in four, and Bulgaria where one in two people over 64 are affected by severe material deprivation.

*Very low work intensity* describes the number of people aged 0 to 59 living in households where the adults worked less than 20% of their work potential during the past year. Table 4 shows that the indicator increased between 2009 and 2012 before declining between 2006 and 2009.

Since 2005 Europeans between 18 and 55 reported an increase and for persons between 55 and 60 a sharp decrease of the indicator can be noticed.

**Table 4: Very low work intensity by age groups, EU-27, 2005–2012 (percentage of people)**

	2005	2009	2012
-18	9,1	8,1	9
18-24	9,5	8,2	10,6
25-54	8,8	7,7	9,2
55-60	27,3	23,3	22
<b>Total</b>	9,1	8,1	9

Source: Eurostat, 2014

One can conclude that when compared with younger cohorts, the population aged

65 years old and over was better protected against the consequences of the economic crisis between 2008 and 2012. However, the positive role played by pension provision or social assistance should neither hide the specificity of old-age poverty, nor overlook the persisting inequalities within the group 65+ itself (inadequate income as consequence of socio-economic handicaps in previous stages of life, such as gender pay and career gaps or long-term unemployment). In sum, when analysing poverty among older persons, one should look both at average figures and those reflecting the social realities among sub-groups. The population of 65+ is not homogeneous and very considerable differences remain within this group.

## **1.4 Philosophy of participation in debate on income adequacy**

Successful policies that bring people out of situations of poverty/social exclusion and prevent others from falling into such situations require policy-makers to understand the complexities of such situations and the experiences of the individuals directly affected. Individuals living in poverty/social exclusion have direct experience and thus expertise on the issues affecting their situation. These voices need to be heard as part of the policy debate both to avoid policy mistakes in this field and to encourage more emphasis on human dignity and human rights in every age.

Active involvement of ordinary people in policy-making also reinforces participative democracy by facilitating partnership among all interested parties to organise and govern the society. A transparent and inclusive civil dialogue based on stakeholders' mutual knowledge regarding their respective rights, responsibilities and expectations is needed. The debate on what is necessary to live in dignity in old age is part of such civil dialogue and the current project provided

tangible arguments in favour of actively involving older people, including those who experience poverty and social exclusion, in policy debate and of using their knowledge when designing and implementing policy measures, such as minimum income schemes.

Openness and transparency throughout the entire policy-making with regard to social inclusion policy – from its design, approval, implementation, monitoring to assessment and eventual reformulation – not only facilitates the development of new law, implementation of policy measures or the improvement of their quality, it also reinforces the democratic system. In the debate on adequacy of old-age income, the ultimate objective should be to ensure that pensions provision or social assistance will best meet the needs of older people at risk of poverty and who have weak representation in the mainstream policy and/or society sphere.



# 2. How can an adequate minimum be defined for older people: objectives and methodology

## 2.1 Objectives

The goal of this project is to identify what an acceptable minimum income should require in France, Ireland and Poland. We also discussed with older people whether the existing national old-age minimum income

schemes in their countries provide older people with income enabling them to live in dignity i.e. participate in society as equal citizen.

## 2.2 Adequate income and social participation: some theoretical background

Speaking about *income adequacy*, we refer to a level of *income that is sufficiently high to enable people full participation in society and social inclusion*. Although both concepts are frequently used in the social and political discourse of the past twenty years, they are rarely translated into real terms i.e. level of income. In the scientific literature on disability on the contrary, these concepts are clearly embedded in the paradigm of citizenship: as full citizens, people (with disabilities) should be able to develop and to build up their own identity. They should be able to enjoy the necessary support so that they fully flourish (Cardol, De Jong, & Ward, 2002; De Jaegere, DeSmet, De Coster, & Van Auden-

hove, 2010; Van Gennep, 1997; Van Weeghel et al., 2005). In the ICIDH-2 (International Classification of Functioning and Disability), the WHO (2001) defines participation from a social point of view as 'the involvement of an individual in life situations' or 'social participation in basic areas and roles of social life' (WHO, 2002, p. 10).

Sociologically, social roles can be defined as a common set of expectations (formal and informal rules, behaviours and beliefs) linked to peoples positions in society (e.g. parent, employer, neighbour, citizen). With regard to social participation, it is important that people have the ability to play their various social roles so that other people accept

them, and they are not excluded. Moreover, one can also expect that people participate in the realisation of essential societal functions and in the process of improving societal institutions<sup>8</sup> (Barca, 2009). Therefore, social participation has an essentially recursive character (Giddens, 1984) and implies elements of belonging as well as contributing. 'Social inclusion' refers to the (result of the) actions that a society must take (has taken) to enable social participation of vulnerable people (older people, people in poverty, people with disabilities or chronic illness) Atkinson, Cantillon, Marlier, & Nolan, 2002; European Commission, 2008, European Commission, 2010; Frazer, Marlier, & Nicaise, 2010; Földesi, 2010; Kröber, 2008; Maes et al, 1997; Nussbaum, 2009; van Campen, 2007).

To assess the adequacy of old age minimum income with regard to social participation, one should not start only from an absolute income benchmark. Referring to the capability approach (Sen, 1980, 1983, 1985a, 1985c, 2006), a relative definition of the adequate income concept is the only way to go forward: speaking about well-being, one should not look at what a person has or how he/she feels; what counts is what a person can be or do. "Functionings represent parts of the state of a person – in particular the various things that he/she manages to do or be in leading life" (Sen, 1993, p. 31). These functionings can range from basic things like eating, laughing and being healthy, to very complex, interrelated actions and emotions, such as playing different social roles and having self-respect. According to Sen, when evaluating people's standard of living, one should not rely on these functionings, but on 'capabilities'.

For instance, starving and fasting are both functionings. Although they have the same result, they greatly differ from each other. People, who are fasting, volunteer to eat less. By contrast, poor starving people do not have any choice at all (Sen, 1985c). In other

words, fasting people may have the capability of eating, but choose not to, whereas starving people do not have this capability. The strength of the capability approach is that it takes into account the parametric variability in the relation between the means/income and actual opportunities (Sen, 1990, 2005). People having the same or similar personal resources can have different abilities to achieve certain functionings. This may be due to a variety of reasons: physical or mental heterogeneities among persons (e.g. disability, disease-proneness); disparities in social capital (e.g. whether or not one can rely on informal care) or cultural capital (e.g. one's level of literacy); environmental diversities (e.g. climatic or geographic); distinctive societal positions (e.g. professional activity vs. retirement) and unequal access to public goods and services (e.g. education).

In order to determine an adequate living standard for older people in a cross-country comparable way it would be helpful if we could rely on a list of "basic capabilities", dealing with essential physical and social needs or including those capabilities that are essential to live the kind of life that is 'worthy of the dignity of the human being' (Nussbaum, 2000).

While Sen himself never proposed such a list, the lists formulated by Martha Nussbaum (2000) and the hierarchical model of human needs developed by Len Doyal and Ian Gough (1991), among others are promising examples, that can be used in the operationalization of a benchmark against which an adequate minimum income can be assessed. To give older people the ability to fully participate in society (Doyal & Gough) or to live a flourishing life (Nussbaum), both put forward the same 'universal needs' or 'basic capabilities' namely physical health ('bodily integrity') and autonomy of agency ('practical reason'). Furthermore, both authors formulate a list of central capabilities or universal 'intermediate needs'. Both stress that these lists may be non-exhaustive.

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8 We refer here to social institutions as socially constructed formal and informal rules about the way essential societal functions should be regulated.

## 2.3 Methodology and sampling

In this project, we relied on the above-mentioned lists when discussing the essential needs an older person should be able to fulfil fully in order to participate in society. First, we used a deliberative approach to reveal these necessities. A deliberative research technique can be used to uncover the public's informed, considered, and collective view on normative questions. In a social science context, this approach is often used in the research on poverty, well-being and inequality. Deliberation should be characterized as an approach rather than as a specific research technique because of the wide varying methods used (numbers of participants, recruitment procedures, duration of involvement, structure and content of the process, and types of analysis) (Burchardt, 2012). Below we describe the way we designed the research process in the three partner countries. Successively, we agreed the number of discussion-groups and participants, the eligibility criteria for recruitment process and the organisation of the discussion groups.

### 2.3.1 Design

#### Number of participatory discussion groups and participants

In each country, participatory discussion-groups were organised: three groups with active and healthy older people beneath the age of 75 who are in a good health and do not need any special medical or social care and, three other groups covering older people with health problems and needs for extra care. The desired group size during discussion groups varied from 4 till 12 respondents, depending on the desired participant involvement. As we intend to have a high participant involvement, the targeted number of participants was set at 4 to 8 participants.

Eligibility criteria and recruitment procedure

As people's personal characteristics and the institutional context in which they live are determinant factors for the resources they need for full participation in society, it was important to standardize these characteristics as much as possible, so that cross-national comparability of the results could be assured. In the first discussion-group, we invited people with following characteristics: singles or people that are part of a couple between 60 and 75 years old, who live in Dublin, Marseille or Kraków, and who are in a good health or do not have important physical limitations. The second group consisted of older people above 75 years, single or part of a couple, who live in the same cities and who are not in a good health or have important physical limitations<sup>9</sup>. Both groups were composed of people living in different income situations<sup>10</sup> because interactions between people of different income groups were necessary to create a more founded discussion (Devuyt, Storms & Penne, 2014). Researchers ensured that at least two participants experiencing poverty were involved in each discussion-group in order to facilitate their participation through mutual support.

To recruit the participants meeting the above eligibility criteria, the following three overlapping strategies were proposed: recruitment via own social network, snowball sampling and recruitment via AGE member organisations. This means that extrapolation of the results to all older people living in comparable living situations in the three

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9 On the basis of a questionnaire (see annex 1) people are asked for their health condition. Those who say to have a longstanding illness or health problem or those whose health condition is bad or very bad or who experience limitations in activities people are defined not to be not in a good health. Peers that are accompanying participants are not supposed to take part in the discussion groups. They should be offered an alternative program in another room.

10 People were categorized in three income groups on the basis of a subjective income question asking for the burden (a heavy, somewhat of a burden, no burden at all) that they experience to pay their costs.



countries is not possible because participants were not selected on the basis of a random representative sample.

## 2.3.2 Organization of the discussions and discussion content

### Organisation of discussions

The discussion-groups were run by a moderator and a rapporteur. The moderator facilitated the discussion and the rapporteur took notes and recorded discussions. The moderator had also to ensure that all the issues from the topic list were discussed. S/ he involved and encouraged every participant to express its opinion. In case of long or complex answers, its task was to summarise individual interventions to ensure that participants agreed on the conclusions and the rapporteur took adequately record of them. A back-up system was ensured by the rapporteur in case the recorder would fail. S/ he also noted participants' body language if relevant. To ensure that the notes from different discussion-groups are cross-nationally comparable, the rapporteurs used the same template prepared in advance by the research coordinator.

To ensure that all discussion-groups follow comparable course, the project partners received the same guidelines regarding the preparatory work. This included the 'consent form', incentives, introduction of the research and the explanation of the research goals, its key topics and the way the discussions should be organised. All moderators participated in a face-to-face meeting with the research coordinator where the whole concept and how the meetings should be organised were in a detailed way explained to them.

### Discussion content

The topic list consisted of three parts. First, participants discussed the meaning of social participation and agreed on a common understanding of this concept. Later on, they

were asked to sum up concrete goods and services, which an older person should be able to buy in order to participate fully in society. Next, they looked at the intermediate needs underlying these essential goods and services. Third topic of discussion was the adequacy of national minimum income for older people schemes in the respective three countries. Participants took the European monetary poverty threshold as a benchmark against which an adequate income should be assessed. Participants were not expected to discuss their own economic, social or family situation, neither their preferences. During discussions, the moderator referred to a reference type-household with well-described characteristics and living situations<sup>11</sup>. In their discussions on essential physical and social needs, participants referred to this type-household profile.

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11 Reference household 1: couple (man, 70 years and woman 68 years) with two children and five grandchildren (between four and eleven years old). Both children live within a radius of four kilometers. The couple lives in an apartment with two bedrooms in the city of Krakow/ Dublin/Marseille. They are both in good health and do not need help with their daily activities. They can walk, ride a bike, cook, go shopping, etcetera.

Reference household 2: couple (man, 85 years and woman 82 years) with two children and five grandchildren (between four and eleven years old). Both children live within a radius of four kilometers. The couple lives in an apartment with two bedrooms in the city of Krakow/ Dublin/Marseille. The man suffers from increasing memory problems over the past year (probably vascular dementia). The woman, who is very anxious to leave her husband alone also has health problems. Her legs aren't still young and she needs a walking aid. Cooking and cleaning the house is not possible anymore.

Reference households 3 and 4 are the same as the two households described above, but in these households the man died and the woman widower lives alone in the house.

# 3. Findings from pilot countries

This chapter presents main findings and results from the project. In the first part, we give a brief description of the way the moderators and rapporteurs evaluated the group

discussions in the three countries. In the second part, we highlight the main outcomes from these discussions. In the last section, some conclusions are drawn.

## 3.1 Evaluation of the group-discussions

Three participatory group-discussions with older people were organised in each project country: France, Ireland<sup>12</sup> and Poland between December 2013 and June 2014. In total, 107 participants took part in the discussions in the three countries. Out of this group, 47 were less than 75 years old and had good health and 60 participants were older than 75 and experienced either health problems and/or important physical limitations. The minimum number of participants per discussion group was 4, the maximum number was 10.

**Table 5: Number of participants in discussion groups**

	Dublin	Kraków	Marseille	Total
60-75 years	12	21	14	47
75+	23	22	15	60
<b>Total</b>	<b>35</b>	<b>43</b>	<b>29</b>	<b>107</b>

In all three countries, the rapporteurs mentioned a high degree of interaction among

the participants; the groups were easy to facilitate and the discussions took place in a friendly atmosphere. Most participants took part in the discussion with open minds and proactive attitudes; they understood the purpose of the discussion and, afterwards, several participants reported good levels of satisfaction from their participation in discussions.

Although the group-discussions went very well, rapporteurs mentioned that in seven groups one or two persons were less involved because they had hearing problems, felt shy or had difficulties with expressing themselves. In one group, some participants dominated the discussion and because of their negative comments about people living in poverty, it was not easy for the moderator to involve those participants who experienced poverty and/or social exclusion themselves in the discussion. In several groups, the discussions on adequacy of old-age minimum incomes were repetitive when debating the various income thresholds for both reference household types (single and couples). In Ireland the moderator reported that there was not enough time to fully discuss the adequacy of old age minimum income for the single household in every group.

<sup>12</sup> In Ireland three discussion groups were organized with older people above 75 and only two discussion groups with people below 75.

## **3.2 Results of the participatory group discussions**

### **3.2.1 What does social participation mean for older people?**

The first part of the discussions focused on the meaning of social participation for older people. Participants were asked, firstly, to present their understanding of social participation and, secondly, to assess whether older people with in the reference households could participate fully in society. The moderators explained that the question was not about the needs that should be fulfilled to enable social participation, but rather about the concept itself. Participants spoke about the notion of 'being active' and 'being involved' in community life. They mentioned various 'functionings' of social participation, for example, taking part in cultural life, having a hobby, meeting other people, participating in family reunions, as well as helping others, being a volunteer, paying taxes, giving advice and passing experience on to the next generation. In most discussions, the participants literally said that social participation is about being a member of society, as well as about contributing to society. No differences were observed between the discussion groups with the younger and healthy participants and the discussion-groups with the older participants presenting health problems and/or experiencing physical limitations. Except for Poland, where participants in the latter group (over 75 years old) had difficulties recognising the concept of social participation for older people with such constraints. In their view, the concept of active social participation did not fit with the passive life they imagined as being the reality of an older person with health problems and/or physical limitations.

A second discussion was about the social roles that older members of society should be able to play when speaking about full social participation. Social roles most often mentioned in the three countries were: relatives

(grandparents, parents, husband and wife), gardener, neighbour, member of an organisation or church, client, student, consumer, volunteer and citizen. Although small differences were observed between the two types of discussion-groups, older participants in all three countries mentioned that social roles tend to be more concentrated around the family as people become older. Especially in Poland, more passive social roles, such as being with others or being clients of the health care sector were mentioned.

### **3.2.2 What do older people need to participate fully in society?**

In the second part of the discussion, a brainstorming exercise was organised during which participants were asked sum up all goods and services that they considered as essential to adequately enable the above-mentioned social roles in the reference households. In the first instance, these roles were written down by the moderator or rapporteur on flipcharts and, after the initial feedback from the group, the moderator asked participants to cross-out all items that were not perceived as essential for adequately fulfilling the various social roles, i.e. they were regarded as desirable or a luxury.

Strikingly, there were lots of commonalities in the essential goods and services identified in the three countries, as well as in the two types of discussion groups. They all mentioned many goods and services that people need in order to satisfy physical and social needs. Not surprisingly, the participants in the discussion groups with older and disabled people mentioned goods and services that older people need in order to live independently such as rehabilitation equipment, hearing aids, cleaning, nursing and cooking services or stair lifts and bath rails more often. No remarkable differences were ob-

served between the three countries. While participants in Poland found it difficult to discuss the concept of social participation for older people with severe limitations, they brought up the same goods and services for these people as for the younger and healthier older people. Nevertheless, more items were summed up by participants in the groups of healthier older people.

Secondly, the participants were asked to cluster the essential goods and services with similar underlying characteristics<sup>13</sup>. In all groups there was a remarkable consensus on the following intermediate needs: healthy and tasty food, suitable clothing, protective housing, adequate health and personal care, rest and leisure, being socially connected, security, mobility, lifelong learning and savings or money for managing unforeseen events. Frequently, participants noticed that a lot of items serve more than one need. For example, a computer was often mentioned as indispensable for entertaining social networking and lifelong learning and/or can be used as a cheap way to spend leisure time.

Beside these essential needs, freedom of choice, self-esteem, independence and self-reliance were mentioned in some groups as important personal characteristics and crucial conditions for personal autonomy. Also the availability and accessibility (including affordability) of public goods and services and the access to information were seen as essential social conditions for full social participation of older people.

### **3.2.3 Do minimum income schemes enable older people to fully participate in society?**

After discussing the concept of social participation and the underlying intermediate needs, a third task asked of participants was the evaluation of the national old-age minimum income schemes. The moderators

wrote down the net<sup>14</sup> monthly or weekly<sup>15</sup> amount of the minimum (non-contributory) social assistance income and the minimum (contributory) pension income that the reference households could receive in their respective country. Then participants were asked to write down how they thought the households would spend their money and whether they thought the national old-age minimum income schemes were sufficient to cover all the previously discussed intermediate needs. Each time the national old-age minimum income scheme's level was considered insufficient, the participants had to discuss the individual and societal consequences of this inadequacy.

Table 6 presents the level of national old-age minimum income in the three countries. The lowest nominal level is in Poland, far beneath the minimum income older people receive in Ireland and France. Moreover, there exists a big gap between the minimum level of contributory and non-contributory income schemes in Poland, which is not the case in Ireland and France. In France there is only one national minimum income scheme for people above 65 years old, in Ireland there are two schemes, but there are only small differences between the minimum amounts guaranteed.

Besides the level of minimum pensions and social assistance, the equivalent scales are different between the three countries. In Ireland couples are certainly better off than singles. The level of both old-age minimum schemes is two times higher for couples than for singles while couples need less income because a lot of costs can be shared. Similarly in Poland the contributory pension for couples is double or almost double the amount for singles. The non-contributory pension however provides 50% extra for a second adult. This is also the case for France.

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13 In annex 2 we give an overview of this clustering exercise.

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14 All benefits included

15 In Dublin

**Table 6: Minimum old age income in France, Ireland and Poland, monthly amounts in euro (2014)**

		<b>Below 75</b>		<b>Above 75</b>	
		<b>Single</b>	<b>Couple</b>	<b>Single</b>	<b>Couple</b>
<b>Ireland</b>	<b>Non-contributory minimum pension</b>	949	1898	992	1984
	<b>Contributory minimum pension</b>	998	1996*	998	1996
<b>France</b>	<b>Minimum pension**</b>	1037	1520	1037	1520
<b>Poland***</b>	<b>Non-contributory minimum pension</b>	131	220	180	269
	<b>Contributory minimum pension</b>	204	408	253	475

\* where both adults have paid sufficient contributions

\*\* includes maximum amounts of housing allowances for families renting an apartment

\*\*\* In case of Poland, it is minimum level of income which could be obtained by a person at certain situation and a certain age (difference is for people below 75 and 75+, as additional allowance is given as universal benefit for all after 75). The non-contributory minimum pension is the level of social assistance income, independent on age. In case of housing allowances which are as well possible to obtain in Poland via social assistance system, it was not possible to include them in these amounts due to various eligible criteria and individual situations.

When asking about the adequacy of these amounts in the light of full social participation, answers greatly differed between participants in Poland and those in France and Ireland. The Polish participants agreed that the level of old-age social assistance income is far too low. None of the intermediate needs discussed above can be fully satisfied taking account of the given housing costs (50 euro<sup>16</sup>) in Kraków. Besides housing, older people who have to rely on minimum social assistance can only buy the cheapest food and clothes during sales or at second-hand sales. Other intermediate needs cannot be fulfilled at all. These living conditions were considered as ‘terrible’ and far lower than a degree of dignity. The situation is perceived as even worse for singles who cannot rely on their children. For them it is impossible to

survive with this level of income. Participants speak about ‘vegetation’, ‘bread and butter’ or ‘dead when still alive’.

People who are living on such a low income are at significant risk of ill-health. They may suffer from a range of physical and psychological conditions and may die much earlier. They are fully dependent on others and have to borrow money in order to survive or perhaps may have to steal or “cheat” the system. While the situation is better for families relying on minimum contributory pensions, it is still perceived as problematic because people must plan their budgets very carefully in order to manage their finances. Most intermediate needs are unlikely to be satisfied (social connectedness, mobility, lifelong learning, savings for unexpected costs) or only partly (health, clothing, leisure time). However, there was consensus among the participants in Poland, and in particular Kraków or other big cities, that people can take part in various cultural, entertainment, leisure or education activities for free or at preferential prices.

<sup>16</sup> 50 euro was presented as an example of the possible housing cost and at once many said that it is definitely too low for Kraków and this cost is much higher. However, it was explained that it should be seen as just housing/renting costs, without utilities (water, sewage, electricity, heating) which are usually treated jointly when discussion about housing takes place.

The only problem is that many older people are not aware of such options due to lack of information. In conclusion, the societal consequences of the inadequate income level mentioned by the participants were: a rise of criminality, increased ill-health and treatment costs, poor family relations, and little social cohesion.

In France and Ireland national old-age minimum income schemes were considered to be much more adequate than in Poland. Participants in the French discussion groups reported that most intermediate needs could be largely fulfilled for older people with average housing costs (rent of 400 euro for single and 600 euro for couples). According to them the amount of the minimum pension allowance is sufficiently high to buy healthy food, suitable clothing and personal care products; however this was dependent on people receiving housing allowance, complementary health insurance and being offered social tariffs for energy. The other intermediate needs could mainly, but not completely, be fulfilled, and having savings for unexpected situations was not possible at all. There was very strong agreement in the discussion groups that older people living at this level of minimum income have little autonomy, especially as their freedom of choice is limited. The situation is worse for single people than for couples as fixed costs are relatively higher for them. They risk being isolated since participation in leisure activities is not possible. Because intermediate needs cannot be completely fulfilled, participants mentioned that many older people relying on a minimum pension in France cannot afford adequate housing. Other individual consequences of inadequate income are health problems, loneliness and/or dependency on family members. The perceived societal consequences were: rising healthcare and other welfare expenses, as well as a weakening of social cohesion.

Ireland the national old-age minimum income protection was also perceived as sufficient for a basic quality of life when hous-

ing costs are low (as in the case of out-right ownership or social housing). With the exception of having savings, most needs can be fully or largely fulfilled (mobility, entertaining social relations, leisure). A second important additional condition mentioned was having access to free-of-charge health and social care services. Similar individual and societal consequences as in France were mentioned: isolation, poor health, lack of independence and an increased need for community based services. In Ireland, the outlook was also bleaker for a single older person, in particular, due to fewer opportunities to socialise.

### **3.2.4 Does the European income poverty line provide an adequate benchmark against an adequate old-age minimum income?**

Besides the national pension income, participants in the three countries were also asked to evaluate the at-risk-of-poverty-threshold (ARTP) as a benchmark against which an adequate minimum income can be assessed. The ARPT is calculated as a percentage (60%) of median equivalent household income (see above). The at-risk-of-poverty indicator has some important advantages: it is easy to compute and understand, relatively robust, it is cross-nationally comparable as a low income proportion, and data requirements are limited (cf. Atkinson, et al., 2002). Critics argue that this European headline indicator to measure income poverty is relativistic because it is unrelated to criteria of need and deprivation (e.g. Sen, 1983; Beblavy & Mizsei, 2006; Juhász, 2006; Whelan & Maître, 2009). It assumes that what can be considered the minimum acceptable living standard in society evolves proportionally to the average (median) living standard. The method ignores that the opportunities to fully participate in society are also determined by other structural and individual factors, such as the availability and accessibility of public goods

and services and the extent to which human of health and autonomy are fulfilled

Table 7 presents the most recently published poverty thresholds in the three pilot countries. One can notice that for France the level of the poverty line equals the level of national old-age minimum income, including housing allowance. Therefore, it is not surprising that the same conclusions were drawn regarding the perceived level of adequacy.

**Table 7: At-risk-of-poverty-thresholds in France, Ireland and Poland, monthly amounts in euro (2012)**

	<i>Single</i>	<i>Couple</i>
<i>Ireland</i>	1064	1596
<i>France</i>	1023	1534
<i>Poland</i>	266	401

In Ireland old-age minimum pensions for singles are situated approximately 10% under the European poverty threshold, while the guaranteed incomes for older people living as a couple are 30% higher than the ARPT. Especially for singles, the threshold was perceived as too low to participate fully in society. There was a strong agreement among the Irish participants that people would not be in a position to pay rent and that they would experience social isolation and poor health if they had to rely on the level of income corresponding to the poverty threshold.

In Poland, the social assistance income for older people is far beneath the poverty line (between 33% and 50%) for all age reference groups (under and above 75 years old). The level of contributory pensions fluctuates around the poverty line for couples under 75 and for single older people aged 75 and over. On the contrary, for singles under 75 the pension level is still relatively far below the ARPT (23% below the poverty line), as

it is for couples above 75 (13% below the poverty line). In conclusion, the Polish participants unanimously agreed that the ARPT level is low and incomes on this level only allow for basic needs: housing rent, utilities and food. Full participation in social life is not possible with income corresponding to the ARTP or below this level.



# 4. Conclusions and recommendations

## ***Main findings from the cross-country comparison between France (FR), Ireland (IE) and Poland (PL)***

### **What should an adequate old-age minimum income entail?**

The study indicates the same definition of social participation across the three pilot countries i.e. belonging and contributing to community and society – irrespectively of health conditions:

Social roles tend to focus more on family and the home when people are older or ill, however social life in a broader sense remains important for all older people;

Respondents in Poland had difficulties in engaging with the concept of social participation in older age or for people with disabilities i.e. a negative perception of place in society for people with physical limitations, for example among the oldest old (85+).

There was the same assessment of intermediate needs:

Intermediate needs are similar to those mentioned in the adapted list of Doyal and Gough that is used for the construction of reference budgets in the European Reference Budget Network Project;

There was a more restricted sum up of essential commodities by older people in Po-

land – this can change with younger cohorts having experienced free market economy and, therefore, having similar consumption patterns to their western peers.

### **Do minimum income schemes enable older people to participate fully in society?**

PL: social assistance:

Income is much too low and, consequently, needs are not at all or only barely fulfilled.

PL: minimum pension:

Physical needs are largely fulfilled

Other needs: not at all or barely possible

Situation is better for couples than for singles

FR: minimum pension:

Needs are largely or totally fulfilled, especially for couples - rather difficult for singles

IE: minimum pension:

Needs are largely or totally fulfilled, when housing costs are minimised, due to outright ownership or social housing. The situation is better for couples than for singles



## **Does the European poverty threshold provide an adequate benchmark against which an adequate old-age minimum can be assessed**

PL: much too low for full participation

FR: minimum for social participation, but

Too low for single people

IE: minimum for social participation, but

Too low for single people

Problem with European poverty line as an indicator of an adequate minimum income

Unrelated to criteria of need and deprivation. It assumes that what can be considered the minimum acceptable living standard in society evolves proportionally to the average (median) living standard. This leads to counter-intuitive results.

Biased against providing benefits in kind for free or for a reduced price, and in favour of money benefits Rigid equivalence scale that lacks groundedness

## **Reference budgets: promising practice to evaluate adequacy of minimum incomes:**

Reference budgets are priced baskets of goods and services that represent a given living standard for a number of well-described family types. In practice, they are mainly used to define a decent income

Reference budgets are not relativistic and have a clear normative interpretation. Every item (good or service) included in the basket has a societal function, describing precisely the roles the person able to afford this item may be able to satisfy

Reference budgets are not meant to be used in a prescriptive way i.e. imposing what people should or should not do; they provide information about the financial conditions necessary to ensure full social participation of a person

They are very useful for evaluating adequacy of minimum income benefits and for guiding policy choice in social protection and social inclusion policies

## ***Steps towards the identification of an adequate minimum income for older people***

### **Strengthen awareness raising**

There is a need for further awareness raising among both policy-makers and general public regarding older people's needs and social realities they face. When analysing the situation of the most vulnerable older persons, the focus should be not only on those living in poverty and/or experiencing social exclusion, but also on people with income just

under the relative poverty threshold.

Moreover, because older people are not a homogenous group, their needs may vary considerably depending on their age (e.g. 66 older vs. 85+), sex, ethnic origin, education, place of living, family networks and welfare system as such etc. Looking at different age sub-groups, the pattern of consumption changes e.g. health and long-term related

expenses become more important with age.

When designing and implementing minimum income schemes, it is crucial to mainstream needs, particularly for the most vulnerable groups of older people whose perspectives on social inclusion policy are often missing:

- Older women and widows living on a husband's pension;
- Older people with disabilities;
- Older people with dementia;
- Abused and neglected older people;
- Homeless older people;
- Older migrants and ethnic minorities;
- Older people living in rural areas.

Awareness raising should be further supported by projects aimed at assessing income adequacy in concrete regional, local and community context. Analysing older-people households' financial capacity is most effective at micro scale. Peoples' needs can be better compared against the disposal income level when in local/ community context, i.e. taking into consideration overall economic and social infrastructure, the provision and affordability of services.

## **Diversify tools to measure poverty and living conditions**

A monetary-based definition of poverty does not refer to other multi-dimensional aspects of poverty. Notions of 'social participation', 'social inclusion' or 'quality of life', which have an indisputably positive meaning, help those people confronted with poverty and/or social exclusion to be certain that their concerns are taken into account in the policy-making process without risk of stigmatisation.

For example, using different methods to measure the risk of poverty provides evidence against the often-shared opinion that older people in new member states face low

poverty risk levels. The material deprivation rate, a method to measure the capacity to afford goods and services considered as necessary by most people to have an adequate living standard is a reliable complementary alternative to the commonly used "at-risk-of-poverty rate (which considers as poor people those living with a disposable income below 60% of the national median income).

Debates on income adequacy in old age should reflect on a broader definition and understanding of the notion of a 'decent life'. A 'decent life', 'social participation' and 'social inclusion' are concepts that capture better people's individual situation and guarantee that they receive necessary support regarding:

- Financial resources;
- Social networks;
- Adequate and easily accessible services;
- Good quality and affordable, if not free, health, social services and long-term care;
- Right to dignity.

## **EU role in promoting adequate minimum income for a dignified life in old age**

In social inclusion policies, EU action does not refer directly to older people as a focus group, but rather proposes various solutions and policy initiatives across the key challenges, such as:

- breaking the vicious circle of intergenerational inheritance of poverty;
- promoting of inclusive labour markets;
- ensuring decent housing;
- overcoming various forms of discrimination;
- tackling financial exclusion and over indebtedness etc.

When referring to income adequacy, the

EU – through its relevant policy actions and process, such as the Europe 2020 Strategy and the underpinning European Semester process, Active Inclusion Strategy, European Platform against Poverty and the Charter of Fundamental Rights or other equality provisions – should focus more on the needs of different age and population groups.

Income adequacy is what allows each person or a family to have a positive response to their needs. These needs should be based on various kinds of evidence, including informative discussions through participatory groups bringing a representative sample of participants and reflecting beyond participants' individual situations. The EU common methodology on reference budgets should address the request for involvement of older citizens and their organisations in social inclusion policy making. The EU can and should take a lead in promoting such approach and devote further financing to projects which can build on the existing work in this field.

Finally, the EU should re-orientate the Active Inclusion Strategy to reflect the needs of older workers. Introduced 2008, the Commission's Recommendation on the active inclusion of people most excluded from the labour market – including adequate income support inclusive labour markets and access to quality services – did not directly refer to older people as a separate target group. Rather, it dealt with the issues of employment, adequacy of minimum income schemes and access to services from the perspective of the economically active population.

In order to strengthen the efficiency of the strategy, it should:

- Provide those who cannot build an adequate pension for justified reasons with adequate safety nets – active inclusion must target these groups to strengthen their dignity and support social participation.
- Remove barriers to employment faced by

older workers, in particular those suffering from long-term unemployment – in order to help them to remain active through job search assistance and guidance, lifelong learning, vocational training, volunteer activities etc.;

- Address the specific issue of the transition period between a full professional career and retirement – as this can be accompanied by a rupture with one's social network and, consequently, lead to social exclusion and deterioration in people's dignity and self-esteem.

- Tackle gender inequalities when promoting employment activation in order to contribute to preventing poverty among older women – through eliminating gender pay and career gaps, and to ensure that time spent caring for children, the elderly etc. gives adequate pension entitlement.

## **AGE Recommendations to policy makers**

- **Refer to the Article 1 of the European Charter of Fundamental Rights on human dignity when developing old-age minimum income** (contributory and non-contributory schemes) – the right to an adequate income in old age should be recognised as fundamental and necessary for everyone’s dignity and independence.
- **When defining the adequate level of old-age minimum income, refer with cautiousness to the relative poverty threshold** – this measure provides information about income distribution within society, but does not address the question of needs different population groups or the most vulnerable persons may have.
- **Develop reference budgets for an adequate old-age income using baskets of goods and services adapted to specific sub-groups** – break down population 65+ by gender and by cohorts (65-75, 75-85 and over 85 years old) – in order to reflect the evolving needs older people have as they age e.g. higher cost of long-term care for the oldest old
- **Calculate reference budgets, if possible, also at regional or local level** – differences in costs of living in the same country can vary considerable according to the place of living
- **Reference budgets should also take account of non-monetary aspects**, such as access to quality health and long-term care services, education and long life learning, decent housing, leisure and social activities or civic participation – to show the way autonomy and individual competences can be strengthened.
- **The reference budgets should encourage policy makers at all levels to reflect on the role of public services** – as a response to the needs expressed by citizens through the participatory methodology i.e. focused on the societal capabilities which correspond to the ten intermediate needs identified through the project’s methodology.
- **Consult concerned citizens when defining what social participation means;** direct involvement of citizens and an informed discussion among them on what is necessary to fully participate in society should be an intrinsic part national methodologies defining reference budgets specific for different age and population groups.
- **Ensure that old-age minimum income schemes address older people’s expectations in terms of what they consider essential** to preserve decent standards of living, personal dignity and their participation in society as equal citizens.
- **When defining minimum income for a life in dignity, address the needs of the most vulnerable groups**, in particular older women without own pension rights; older people who had experienced long-term unemployment, older migrants or those of ethnic minorities.

# 5. Annexes

## 5.1 Annex 1 : questionnaire for recruitment

Participatory discussion groups on the adequacy of old age minimum income in France/ Ireland/Poland (discussion group x)		
Name:		
Address:		
Telephone number:		
Email address:		
1. What is your day of birth?	...../...../.....	
2. What is your household situation?	<input type="checkbox"/>	I live alone
	<input type="checkbox"/>	I do not live alone
3. Do you or your partner have any longstanding illness or longstanding health problem?	<input type="checkbox"/>	No
	<input type="checkbox"/>	Yes
4. How is your health in general?	<input type="checkbox"/>	Very Good
	<input type="checkbox"/>	Good
	<input type="checkbox"/>	Fair
	<input type="checkbox"/>	Bad
	<input type="checkbox"/>	Very Bad
5. Are you been limited in activities people usually do, because of a health problem?	<input type="checkbox"/>	Yes, strongly limited
	<input type="checkbox"/>	Yes, limited
	<input type="checkbox"/>	Not limited
6. Do you own or rent your dwelling	<input type="checkbox"/>	Social rent
	<input type="checkbox"/>	Private rent
	<input type="checkbox"/>	Outright owner
	<input type="checkbox"/>	Owner with mortgage
	<input type="checkbox"/>	Accommodation is for free
7. When you think of your household's total daily and housing costs, including payments on mortgage or rent, insurance and service charges), would you say they are	<input type="checkbox"/>	A heavy burden
	<input type="checkbox"/>	Somewhat of a burden
	<input type="checkbox"/>	No burden at all

## 5.2 Annex 2: Essential goods and services for full social participation as conceived by participants

### France

	under 75	plus 75
Food	food, dinner ware, kitchen ware	tasty food, healthy food
Clothing	cloths	cloths
Personal Care	personal hygiene	
Health	visits to the doctor	Glasses if needed / dental care/ hearing aids, medicines; an adequate insurance for paying back hospital costs, medical costs
Housing, decoration	adequate housing (in a quiet neigh- bourhood), cleaning products, furniture, water gas, electricity, rent, adapted housing (lift, W.C., douche	Services for the very elderly which are losing their empowerment (cleaning, nursing, cooking). Adapted housing, gas, electricity, water. Adequate housing (accessible shops and services), furniture, housekeeping, alarm system
Rest & leisure	cigarettes, beer, visit to a bar, cul- tural activities, holidays (little trips, weekends)	leisure activities, cultural activities, TV, holidays
Mobility	transport	adapted common transport, mobil- ity means
social relations & citizenship	computer courses, gifts for grand- children, phone, internet	participation to social activities, phone, social activities with youngsters
LLL	newspaper, TV, radio	internet
Security		

## Ireland

	under 75	plus 75
Food		Meals on Wheels, Healthy food, fridge, community meals
Clothing		Decent shoes for walking, washing machine
Personal Care	shower, hair dresser	
Health	hospital transport, good medical services	Stair lifts and rails and bath rails, accessible health care
Housing, decoration	heating, local community	good neighbourhood, adequate housing, home help, stair lift if needed, physical assistance equipment, community services for people with dementia and their carers, heating, residential care options
Rest & leisure	swimming activities, art, go to a bar, bridging, dancing	socialising in local pub
Mobility	accessible public transport, trolley	
social relations & citizenship	email access, accessible local shops were you can meet people, warm local community, mixed neighbourhood	access to ICT, phone, local pub
LLL	internet and computer, radio	radio, TV, library, A good book, computer courses.
Security	Alarms/Safety, Visible police, Good lighting (street and home), savings	neighbourhood watch

## Poland

	under 75	plus 75
Food	food, supplements gardening materials, seeds	food,
Clothing	Cloths & shoes, washing machine, laundry, shoe repair	
Personal Care	Hairdresser, cosmetics	personal hygiene, watch, hair- dresser, cosmetics, body care, jewellery
Health	Medicines & healthcare services, glasses, pedicure, hearing aids, vita- mins, optician, dentist	adequate level of healthcare services, nurse visit, doctor, den- tist and ophthalmologist, equipment for massage, reha- bilitation equipment, hearing aids, glasses, pedicure, test
Housing, deco- ration	Suitable flat, rent, heating, clean- ing products, water, gas, rubbish, heating	flat, furniture, housing equip- ment, cleaning, adequate furnishings in the bathroom, a flat with a lift, adequate equipment in the house, good location, a non-slip mat
Rest & leisure	Fees for membership organizations, Hobby, sport equip- ment, cinema & theatre, TV, radio, computer, sport equipment	hobby related equipment, Nordic walking sticks, cinema, theatre, mattress, bed
Mobility	Trolley, transport expenditures, pub- lic transport, car	transportation, shopping, car, walker, trolley, car services
social relations & citizenship	Paying taxes, Telephone & Internet, Occasional gifts, Donations for church, charity, Celebrations, ingre- dients for baking cakes, cup of tea, computer, fees for the dog	phone, gifts, presents, com- puter, flowers
LLL	computer, language courses, News- papers, books and magazines, TV, TV payment, radio, computer	senior education: internet, books, magazines, TV, memory courses, DVD,
Security	Expenses for unforeseen situations; preserves for winter, pay back debts, house insurance, premiums	





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