



## Contribution of AGE Platform Europe to the UN Special Rapporteur on Extreme Poverty and Human Rights' official visit to the European Union

### 1. The protection of social rights in the constitutional architecture of the European Union / role of socio-economic governance

The Europe 2020 Strategy has ended in 2020 without any review of its achievement and shortcomings, above all the target of reducing the people exposed to poverty and social exclusion by 20 million from the 2008 baseline. In 2019, before the pandemic severely affected unemployment and income prospects of large shares of EU residents, one in five persons in the EU were at risk of poverty and social exclusion.

**Poverty risks hit some groups of older persons particularly:** women over 75 and between 55 and 64 have higher risks of poverty and social exclusion than average in the EU-28 in 2019. Particularly high poverty and social exclusion rates can be found in Bulgaria (42% for 65-74, 54% for over 75+), Latvia (41% and 59%), Estonia (36% and 54%), Lithuania (33% and 41%), Croatia (30% and 38%), Malta (30% and 28%) and Romania (29% and 41%). Poverty and social exclusion is shockingly high for women over 75 in Latvia (62%) and Lithuania (50%). **It is worrying that the situation of poverty and social exclusion of older persons is worsening over a longer time frame.** AGE has further elaborated on the situation of older persons at risk of poverty and social exclusion in the [2019 AGE Barometer](#).

The European Union has introduced the European Pillar of Social Rights (EPSR) in 2017, a non-binding document with 20 'principles' relating to social and economic rights, on top of some social rights being enshrined in the EU Charter of Fundamental Rights ('solidarity' chapter) in a legally binding form, but only where EU competences are relevant or EU policies are implemented.

AGE has observed the European Semester process over the years and published annual positions on the Semester, the latest referring [to the 2020 cycle](#). The Semester was meant to implement the Europe 2020 Strategy, itself containing targets that are relevant to the fight against poverty (poverty reduction and employment promotion). However, the EU failed both targets, despite a strong emphasis on employment policies in the European Semester. Poverty policies were only sporadically part of the EU Semester, and many reforms in the 2010-2015 cycles put a strong accent on austerity with an effect of poverty among older persons, such as reducing pension entitlements or pension indexation, raising retirement ages without ensuring employment policies are sufficiently supporting older workers and unemployed to remain in the labour market until higher pension ages. The European Semester has progressively taken a more social stance, since the introduction of the European Pillar of Social Rights and a Social Scoreboard reflecting some of its principles. Yet, the Semester does not reflect all rights proclaimed in the EPSR. The





change of the Semester process introduced by the streamlining of the Recovery and Resilience Facility risks diverting attention away from the social objectives and indicators of the EPSR to the more limited set of crisis-related priorities.

AGE put forward in its [contribution to the consultation on reinforcing social Europe](#) ways to reform the European Semester in line with the EPSR and the UN Sustainable Development Goals. In particular, an ambitious anti-poverty target should be set with a stronger link to the European Semester in a follow-up Strategy to Europe 2020. Secondly, the follow-up strategy should aim to increase the hours worked in quality jobs for men and women of age groups (of working age).

## 2. Potential of the various social protection tools under present or future EU competence to address poverty, inequality, and social exclusion.

### 2.1. Minimum income

The EPSR introduces a principle on minimum income which has the potential to be used as a policy tool to reduce poverty and social exclusion of older persons. Minimum incomes have key roles to play to guarantee life in dignity across the life-cycle. If designed accessible and adequate, they reduce the exposure to precarious situations, including for those who often fall through the cracks of social protection systems, such as informal carers. Often, minimum incomes are seen as minimum protection tools for working-age persons only, however they provide a benchmark against which the adequacy of minimum pensions (which also are a form of minimum incomes) are measured.

**AGE put forward recommendations for EU action on minimum income:**

- Take forward the [Council conclusions of 2020](#) to **come up with a Framework Directive on minimum income**, defining minimum standards for access, adequacy and enabling services; fully monitor the situation of minimum pensions inside this framework as well
- **Work on measurements of adequacy** that would combine the protection from relative poverty, material deprivation, and comparison with reference budgets which mirror what is needed to live in dignity at different ages, household compositions, care needs, housing status and geographical location
- **Revise the statistical framework** in light of demographic change and collect data on poverty and social exclusion for the group of 85+ rather than only the 75+.

### 2.2. Pension adequacy

The EU is monitoring pension adequacy through its regular Pension Adequacy Reports, published every three years. Over the different editions, this publication became more relevant as it started to reflect the impact of shorter careers (early labour market exit and late entry), different genders, income levels, and life events such as career breaks for child- and long-term care, unemployment or disabilities. The EPSR principle on Adequate Pensions calls for ensuring old-age income to live





in dignity, thus protecting from poverty. Still, pensions can be very low in some member states (cf. our [AGE Barometer 2019](#)). Problems of access to pension rights exist for low-income workers and workers in precarious employment relationships and new forms of work. Older migrants, informal carers or persons with disabilities are also at heightened risk of inadequate pensions. Underindexation of pensions leads to risk of poverty and social exclusion for the 'oldest old', in particular older women living alone.

### **AGE recommends the following actions on EU level:**

- Create a framework for **universal access to the accrual of pension rights**, including for self-employed, persons in new forms of employment.
- Start a reflection process about different systems to introduce and finance care credits in pension systems, starting with a peer review between member states and identify elements for an EU-level recommendation on care credits in pensions.
- Continue the regular exercise of **Pension Adequacy Reports**, looking especially at the situation of the oldest old, older women, older persons with needs for health or long-term care or support and integrate the findings of the report in the social scoreboard and indicators used for the European Semester.
- Support informal carers in their income protection and pension rights by way of a **Recommendation on Social Protection and Services for Informal Carers**.
- Assess the **coverage of employees by occupational pensions** holistically, analysing gender differences, differences between sectors and employment types and start an exercise to exchange best practices or proposing a framework to make coverage by occupational pensions more inclusive. Encourage social partners to introduce collective and inclusive occupational pension plans with a strong solidarity element.

### **2.3. Access to affordable long-term care**

**The risk of poverty and social exclusion is higher for those with long-term care needs**, as LTC across the EU is most often a highly means-tested safety net and not a universal entitlement under social protection schemes. When persons in need for care and support have to pay it for themselves, costs usually exceed pension incomes. When social protection is available, hours of care covered are often insufficient<sup>1</sup>, so people in need of support have to make a lot of out of pocket payments. In addition, there is often discriminatory treatment depending on when the disability occurs, and in case it happens after retirement age, older persons do not always have entitlement to some benefits and services, such as mobility allowance, personal assistance etc.

### **AGE calls for:**

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<sup>1</sup> [This joint European Commission-OECD report](#) analyses social protection for LTC in several EU countries and shows gaps in protection.



- **EU-wide quality and access indicators for long-term care and support and a common EU quality framework**
- **Compulsory access targets**, such as the Barcelona targets for Early childhood education and care
- **Strategies to integrate health and social care, including psychological, palliative and end-of-life care**
- **Support for informal carers** (cf. above) with respite services

#### **2.4. Creating conditions for social inclusion and participation**

The concept of poverty does not only concern income: many older persons are experiencing poverty in human relations and are at risk of social isolation and loneliness.

Digitalisation has further increased the risk of leaving many older persons behind without access to public and private goods and services, including those that are necessary to lead a life of autonomy: being able to pay and manage one's finance, access to social, educational and cultural opportunities, as well as access to all forms of care. Inaccessible (online and offline) environments lead to the exclusion of persons with disabilities, a majority of which are older persons. Only 8% of persons between 65 and 74 have more than basic digital skills. Around 6-7 % of people 55+ cannot afford to use the internet for personal use. The digital divide is expected to be even higher amongst the oldest old, but no reliable data for people aged 75+ are available.

**AGE recommends the following EU actions to ensure inclusion and participation of older persons:**

- Expand initiatives to **update (digital) skills, access broadband connection and equipment to all age groups** rather than focussing only on the working-age population
- Ensure **universal access to health and long-term care, including palliative care**, and reduce backlogs in accessing medical treatment
- Promote measures to **fight social isolation and loneliness** of older persons, particularly older persons living alone and older persons living in care facilities, via collections of good practices and funding for such measures.
- Promotion of **intergenerational activities** through cultural, social, educational and physical activities, through exchange of practices and funding. In particular, digital skills can be the object of intergenerational learning and exchange, with public support by providing spaces and programmes for these (such as in libraries, mobile digital access points for rural areas, post offices, city halls etc.)
- Follow up on the Council's call for a **European platform for volunteering after working life** (part of the [Council conclusions on human rights of older persons](#))

### 3. Impact of the pandemic on poverty and social exclusion of older persons

It is yet too early to have figures on the impact of the pandemic and measures to contain it on poverty and social exclusion of older persons. However, a couple of observations have to be made:

- **Food banks** have seen rising numbers of clients during lock-down measures, including large shares of older persons, indicating that income protection was not sufficient in a number of member States
- **Basic services have reduced** during the pandemic. There are reports of services such as meals on wheels, which benefit many older persons with disabilities, which have been reduced or stopped for different reasons: lack of volunteers, fear of infections and sometimes halting of deliveries to persons who reported they were ill.
- The **rescheduling of ‘non-urgent’ operations and medical treatments** to free hospital capacity for COVID-19 patients also meant that older persons in need for treatment were not able to access it: this has locked them into situations of mobility loss or other disabilities that severely affect their autonomy and independence
- **Digital exclusion**, while usually not considered a form of extreme poverty, has led in some situations to a complete **lack of social contacts** and interactions for persons in long-term care institutions, severely affecting mental and physical health and leading to forms of suicides or ‘giving up on life’. This is particularly severe for persons with dementia.
- Digital exclusion also has a direct effect on adequacy of income, as it is increasingly necessary to pre-order goods or services online or to be able to benefit from lower prices.
- Downscaling of child and long-term care services during the pandemic placed a severe strain on **informal carers**, mostly women and who are more likely to be overburdened and at risk of poverty or health problems in ‘normal’ times. The pandemic has further increased pressure on informal carers, reducing their chances to secure an income to make ends meet.
- Older persons who need to rely on additional income from work, often precarious, to complement low pensions have been hit by the **reduction of employment**, as it is first and foremost the services sector which had to stop functioning. Older workers who became unemployed are at risk of not being able to work again due to the rapid digitalisation of the labour market and the combined effect of age discrimination, need for skills updates and other forms of digital exclusion of older persons.

#### **AGE resources on poverty and social exclusion of older persons:**

- “Fight against poverty and social exclusion” chapter in the [2019 AGE Barometer](#).
- [What should old-age income entail to live in dignity](#): AGE’s contribution to the European Minimum Income Network project



- COST Action on Reducing Poverty and Social Exclusion in Older Age: [Policy brief series](#)
- [Impact of COVID-19 on poverty and social exclusion of older persons:](#)

