



**Statement by HelpAge International at the UNECE Ministerial Conference on Ageing,
Leon, Spain, 6 – 8 November 2007**

Adjusting Social Protection Systems to Population Ageing

Chair, distinguished delegates, ladies and gentlemen,

I am speaking today on behalf of HelpAge International and its network across Europe and Central Asia. The network is composed of over 45 organisations from 15 countries in the region, who work on the similar goal of advancing the rights of older people.

As the population across the region ages and social security systems are undergoing reform, securing and extending universal social pension coverage, health access and support for education in older age is critical if we are to ensure older people's security and well-being in old age.

Poverty reduction is and must remain a key to the implementation of the Madrid International Plan of Action on Ageing (MIPAA) and the realisation of older people's rights across the region. MIPAA commits governments to halving poverty in line with the first Millennium Development Goal. This goal will not be met unless older people's poverty and the impact of poverty on their households are dealt with. Poverty reduction must, therefore, be a central objective of any national social protection system.

Older people experience disproportionate poverty across the region. In high income countries (including Ireland, USA, Portugal), relative poverty seems to be higher amongst older people than in the rest of the population¹. In transition countries and low income countries, older people are amongst the poorest – in Moldova, 43.7% of older people live below the national poverty line²; in Serbia, older people make up 17 % of the total population but 25% of people living below the poverty line. Their poverty is compounded by neglect in the provision of basic services and rights, including healthcare, education and social security.

However poor older people are not consistently included in poverty reduction strategies and because of the collapse of social services in Eastern Europe during the 1990s, they no longer have access the social security they once did.

Older people across the region repeatedly cite income insecurity and health as their major concerns. Yet they have the same right to social security and access to healthcare as everyone else. Evidence shows us that social protection systems that include regular income alongside affordable healthcare can contribute to reducing older people's poverty.

Regular income, in the form of universal, non-contributory pensions, enables older people to access to healthcare and other basic services. Regular income supports home caring – the region has a high percentage of households with older people, particularly older women, caring for older relatives. It is often these very older women who, perhaps because they have worked in the informal sector and not paid into contributory schemes, are not covered by existing social security. Regular income from pensions is vital to support children in intergenerational households, where adults have migrated and older people are left behind to care for young children. It enables children to access education, to eat more nutritious food, and can pay for heating and other utilities.

¹ UNDESA, *World Economic and Social Survey 2007*, page 91

² EGPRSP 2004 – 2006, Chapter IV, Poverty in Moldova, part 4.5, "The Poverty profile and Main Reasons for Poverty"

Regular income for all older people is not an unachievable aspiration. We know that universal non-contributory pensions are an affordable and administratively feasible form of social protection. UNDESA's estimates that a universal social pension of \$1 a day would cost between 0.4% and 1.2% of GDP in selected countries in transition including Azerbaijan, Uzbekistan, Albania, Armenia, Bulgaria, Bosnia and Herzegovina and Kazakhstan³. The World Bank estimates that modest social pensions would be affordable in all Eastern European and former Soviet Union Countries, costing from 0.5% of GDP in Tajikistan to just over 2.5% of GDP in Slovenia⁴.

Many former Soviet Union countries have social pensions but the rate is inadequately low and not enough for older people to live on. This rate needs to be increased. Universal non-contributory pensions make more sense than means tested pensions in countries where there are such high proportions of people living below the national poverty line. Universal pensions reach everyone, avoid the high administrative costs of means testing and the overburdening of implementation systems.

Social protection is the fourth pillar of the ILO's Decent Work Agenda and the rights of older people to work and to social security are critical in a region where older people, particularly older women, who continue to work are forced to take demeaning and low paid jobs, or who face discrimination because of their age. In a survey by Second Breath in Moldova, 77% of the older people surveyed said that employers would not hire them because of their age⁵. It is essential that governments seek to remedy this by responding to obligations under the Decent Work Agenda and other human rights treaties whereby governments are obliged to include older people, as well as other marginalised and discriminated against groups, in national policies and programmes on work. MIPAA also recognises the right of older people to continue with income-generating activities for as long as they want and are productively able to do so. It makes a number of recommendations for improving and facilitating employment opportunities for all older people who want to work.

Governments' commitment to and implementation of MIPAA is critical, therefore, for reducing poverty of older people across the region. Many countries in the region lack policies on ageing and MIPAA provides guidelines for designing policies and programmes and allocating budget resources that will reduce older people's poverty and realise their rights.

This year on October 1st, the International Day of Older People, as part of a global campaign, older people in Slovenia, Moldova, Serbia and Kyrgyzstan met with government representatives and demanded that they fulfil their commitments under MIPAA and national legislation where it exists. As population ages, the number of older voters is increasing and with it their political power.

To conclude, HelpAge International believes that the aims of MIPAA can be realised through the delivery of universal non-contributory (social) pensions, affordable healthcare and anti-discriminatory legislation.

In the reviews of MIPAA that HelpAge International and its partners have carried out in the region, older people want the same things: financial security, good healthcare and participation in society. Older people want to be respected and valued for who they are and to have their rights realised.

Older people's rights are central to MIPAA and the Berlin Regional Implementation Strategy. Yet they continue to be violated. If social protection systems are to meet the needs and realise the rights of an ageing population, governments must ensure that they are based on non-discriminatory legislation. Sufficient budget must be allocated to them, and they must include regular income and affordable healthcare for all.

Richard Blewitt, CEO, HelpAge International, 8th November 2007

³ UNDESA, *World Economic and Social Survey 2007*, page 160 - 161

⁴ World Bank, *From Red to Gray, The "Third Transition" of Aging Populations in Eastern Europe and the Former Soviet Union*, 2007, page 29

⁵ HelpAge International, *Pressing for Rights in Moldova, Ageing and Development*, Issue 19, February 2006, page 3