

# MIPAA MEETS SDG1

## Responses to old-age poverty in the UNECE region

Side event at the 56<sup>th</sup> Session of the Commission of Social Development, 31 January 2018

### SUMMARY



The side event on old-age poverty in the UNECE region explored how the Madrid International Plan of Action on Ageing (MIPAA) and its Regional Implementation Strategy (RIS) can contribute to reaching SDG1 (on eradicating poverty) by tackling the risk of old-age poverty through inclusive policies and the promotion of active ageing. The event was organized by the UNECE Working Group on Ageing.

Ms. Erika Winkler, former chair of the UNECE Working Group on Ageing (WGA), introduced the side event, followed by Ms. Vitalija Gaucaite Wittich, Chief of the UNECE Population Unit and Secretary of the WGA, presenting an overview of old-age poverty and exclusion in the UNECE region. The main segment of the side event covered policy examples shared by representatives Mr. Philipp Charwath from Austria, Ms. Aina Strand from Norway, and Mr. Pascal Froudière from France. Former Civil Society representative on the WGA, Mr. Dirk Jarré, followed with a presentation on the role of civil society in addressing old-age poverty, before ending the event with questions from the audience.

Introductory remarks by Erika Winkler covered a brief historic overview of the UNECE institutional framework for ageing policies, from the inception of the “Task Force on Ageing” in 2003 following the 2<sup>nd</sup> World Assembly on Ageing in Madrid, to the Lisbon Ministerial Declaration in 2017 on the continuous importance of intergovernmental cooperation on the topic of population ageing. Ms. Winkler emphasized the WGAs contributions to the implementation of the commitments of MIPAA/RIS and the Léon and Vienna Ministerial Declarations of 2007 and 2012, and further highlighted the WGAs activities since its establishment in 2008. Among these were the WGA’s instrumental role in providing guidance and direction to UNECE member States through capacity building and exchange of best practices, advocating for the mainstreaming of ageing in the 2030 Agenda, and by strengthening the role of the UN regional commissions. Additionally, Ms. Winkler provided an overview of the 2<sup>nd</sup> and 3<sup>rd</sup> Review and Appraisal of the Implementation of MIPAA/RIS and of the Ministerial Conferences and Declarations taking place every five years. She summarized the shifting policy emphasis, from the central concept of *Active Ageing*, in Vienna 2012, to realizing the potential social benefits of longer life expectancies, in Lisbon 2017 and the current orientation towards enabling physical, mental and social well-being of older persons, encouraging longer working life and the ability of older persons to work as well as ageing with dignity.

Following the introduction, Vitalija Gaucaite Wittich presented an overview of old-age poverty and social exclusion in the UNECE region, building on the findings of the 3<sup>rd</sup> Cycle Review and Appraisal of MIPAA/RIS. She highlighted the current context and advances of MIPAA/RIS implementation in the region, and presented various reporting methods by member States, civil society, academia, and the private sector. Vitalija Gaucaite Wittich addressed key statistical indicators for old-age poverty and social exclusion such as risk of poverty by percentage of median income among the above 65s in the UNECE region (nearly 7% in 2015); severe material deprivation among the above 65s in Bulgaria, Turkey, Latvia, and Luxembourg (39.9%, 42.8%, 17.4%, and 0.5% respectively in 2015), and access to health services among the population 55 years old and above in Romania, Latvia, Bulgaria, and Slovenia (70.5%, 68.6%, 79.7%, and 97.3% respectively reporting no unmet need in 2015). Among the findings of the MIPAA review, Ms. Gaucaite Wittich emphasized that in many UNECE member States the current generation of older persons experience better conditions on all the above indicators compared to any previous generation. Younger generations, however, are likely to face higher inequality in old age. Finally, she drew attention to a persistent gap between male and female pension payments which is largely due to the cumulative effect of a sizeable gender gap in wages and employment throughout the life span, placing women at higher risk of old-age poverty.

The next presentation by Philipp Charwath, Deputy Permanent Representative of the Permanent Mission of Austria to the UN, contributed to the discussion on MIPAA and SDG 1 on ending poverty, by focusing on policy measures to fight poverty among older persons in Austria. Highlighting Austria's fight against old-age poverty, Mr. Charwath emphasized that 44% of the country's population would be at risk of poverty without transfer payments from public spending. Instead, due to pensions and other welfare benefits, the rate is down to 14 percent. Austria has also initiated a series of reforms in recent years to ensure long-term sustainability of its statutory pension insurance system. Mr. Charwath explained that Austria applies an equalization supplement in the statutory pension insurance. This guarantees a minimum monthly income above the poverty threshold for every person receiving a pension, which, as of 1 January 2018, amounts to 909.42 Euros for singles and 1,363.52 Euros for couples (spouses/registered partners). This reference rate is further augmented in the case of children, and for persons who have contributed to the pension system for more than 30 years.

Philipp Charwath further emphasized the pension payment gap among Austria's retired men and women. While 11 percent of retired men are at risk of poverty, this is true for 14 percent of retired women. Women's lower wages due to a gender pay gap, are one reason for their lower pension benefits. Additionally, one in three Austrian women over the age of 60 do not qualify for individual pension benefits. Prolonged absences from the labor market due to child rearing and care activities, and/or part-time work exacerbates this effect. The Austrian representative detailed a number of gender-specific measures that Austria has adopted in order to compensate for women's disadvantages in the labor market and to absorb any negative impacts of the pension reforms on women. Among these were a voluntary non-contributory pension insurance for mothers exclusively engaged in the care of a disabled child, and the option of voluntary 'pension splitting' (i.e. with the spouse) during childrearing, which enables Austrian women to build up and enhance pension entitlements of their own. The assessment basis during childrearing in 2017 was 1,776.70 Euro (valorized every year), which roughly corresponds to women's average income from gainful activity. Another key component of Austria's policy is affordable care for all, enabling older persons to be somewhat independent and remain longer in their familiar environment. The amount of long-term care benefits in seven categories is exclusively based on actual care and assistance requirements. Philipp Charwath concluded by pointing out that one of the most important, but often forgotten, contributors to reducing old-age poverty is a free universal health care system. For future generations, the availability of affordable child-care facilities is equally important, making it possible to achieve full inclusion of women in the labor market. In the long run, this ensures women a pension of their own.

Aina Strand, Senior Adviser at the Norwegian Ministry of Health and Care Services and Vice-Chair of the UNECE WGA, shared insights on Norway's Active Ageing policies and the Norwegian welfare system. She began by pointing out that Norway today has very low levels of poverty, with 8.1% of the total population and 4.4% of the above 65s defined as poor. However, these figures only reflect the percentage

of minimum pension beneficiaries, which says nothing about a person's actual wealth. Norway's level of welfare has seen rapid growth through redistributive tax and social policies over the last 50-100 years, reducing the risk of old-age poverty. Strand highlighted that women's employment rate has increased to a level almost equal to men (72.8% compared to a total of 74.4%), and that employment among seniors 55-64 now at 72.6% constitute a significant increase in the last 10 years. She further presented the universal nature of the Norwegian social insurance scheme, providing a basic pension from age 67 and health care with a limited out-of-pocket-payment for medical consultations and free admission to hospitals. Older persons are entitled to reimbursement for all or some of their dental treatment expenses, pensioners on basic income are entitled to free medicines for chronic conditions, and long-term care at home or in institutions is affordable. Norway also has free higher education, which contributes to gradually increasing the percentage of educated older persons. Higher education contributes to better quality of life, health, and resourcefulness in old age, Aina Strand explained. Among identified future challenges are sustainable welfare. As the population is ageing, it is crucial to update skills, ensure life-long learning, and provide better primary health care and prevention to facilitate a longer working life for seniors. Another challenge is the likely increase in inequality for the next generation. Ms. Strand concluded by pointing out strategies to ensure active ageing and an age-friendly society such as focusing on autonomy and empowerment of older persons, and by applying a life-course approach to health, through social participation and physical activities.

Pascal Froudière, member of the Bureau of the WGA, followed with a presentation on policy responses in France to tackle population ageing and social exclusion. France is facing rapid population ageing, with one third of its 66 million inhabitants being above the age of 65 by 2025. With this in mind, Mr. Froudière shared key elements of legislation and policies in France. One such element is France's multidimensional action plan launched in 2013. Focusing on older persons, the action plan aims to reduce inequalities, prevent exclusion, support persons in difficulty, and establish partnerships close to where people live. France also guarantees minimum benefits through multiple financial assistance schemes, facilitating older persons continued ability to live at home, finance housing, or pay for health care expenses. For older persons to live in their homes with a sense of autonomy, France launched the Personal Autonomy Allowance (APA) initiative. The APA targets persons aged above 60 in need of support to carry out daily chores. Other measures involve intermediate housing arrangements and financial support and recognition of family caregivers. Pascal Froudière highlighted France's 2016 law on the adaptation of society to ageing (ASV), guaranteeing the aforementioned rights of older persons and placing emphasis on the diversity among older persons and their needs. The law promotes an inclusive societal approach and perspective towards ageing, encompassing the concepts: "living longer together" and "ageing well", which aims to engage society as a whole in the effort to tackle older persons' isolation and social exclusion. One such example is the "MONALISA" initiative; a collaborative approach to "mobilize everyone for everyone" and encourage

voluntary community involvement in favor of older persons. Pascal Froudière concluded by highlighting the need to tackle discrimination of older persons and to provide them with sufficient protection and social justice. In France, the ASV safeguards older persons' rights and freedoms by enhancing their physical integrity, security, and protection from financial abuse, among others.

Dirk Jarré, former Civil Society Representative on the UNECE Working Group on Ageing, concluded the side event by presenting the issue of old-age poverty from an organized civil society perspective. He pointed out that the limitations and exclusions suffered by older persons constituted a failure of society to protect its most vulnerable, a breach of fundamental human rights, and an acute ethical deficiency in our societies. Mr. Jarré also emphasized the lost opportunity to reap the accumulated competence, wisdom, and life experiences that older persons had to offer. Dirk Jarré further pointed out that although governments have a primary responsibility to design policies and strategies to tackle poverty and social exclusion in old age, they must involve organized civil society in order to achieve tangible results. Jarré highlighted the historic involvement of organized civil society during the formulation of MIPAA's Regional Implementation Strategy and through substantial contributions to political and strategic debates of the WGA. Consequently, the central issues of concern to the WGA have shifted, from the first ministerial conference topic "*A society for all ages: challenges and opportunities*" to its most recent focus on "*A Sustainable Society for All Ages: Realizing the potential of living longer*", addressing in particular the value of the potential of older persons for society. This is a positive and necessary effort to change perceptions of older persons, particularly as one quarter of the European population today are at risk of poverty and social exclusion. Dirk Jarré emphasized that people in poverty are discouraged from participating in political life, which not only presents an unjustifiable negation of fundamental rights but also seriously endangers social cohesion and democracy itself. Poverty therefore needs to be energetically and effectively addressed by all possible ways and means. He concluded by underlining that poverty is multi-dimensional and not solely a matter of material deprivation to be solved by social security measures or welfare aid. Rather, it goes hand-in-hand with severe prejudices and discriminations and remains a crucial issue requiring deeper involvement of civil society together with its government partners.