



Tackling Poverty and Social Exclusion of Older People – Lessons from Europe

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Final report of the research project
***“Tackling Poverty and Social Exclusion of Older
 People – Lessons from Europe”***

Andreas Hoff

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1. Introduction – poverty and social exclusion/inclusion in old age

Many people regard ‘absolute poverty’ (i.e. lack of resources to provide for basic needs, such as food or shelter) as no longer existent in a Western European context. On the other hand, homelessness is persistent in most of these countries, which proves the opposite. Nevertheless, academics and policy makers alike have increasingly adopted relative poverty measures to describe the prevalence of poverty across Europe. ‘Relative poverty’ means the disposal of some resources, which are however insufficient to fully participate in the activities accepted as normal by the conventions of society (Byrne 2005). The EU Member States agreed on using poverty indicators, which are one-dimensional (monetary) and relative (based on a threshold defined in relation to the distribution of income within each country) (Eurostat 2005a). A poverty measure commonly used within the EU is to describe individuals as poor whose net equivalence income is less than 60 per cent of the median income in a given population (BMGS 2005).

Since the late 1980s/early 1990s researchers and policymakers alike have increasingly acknowledged the multi-dimensional character of poverty. Thus, the much broader concept of *social exclusion* was introduced, which originated in the French social policy discourse of the 1980s. Whereas *poverty* refers to the lack of material resources, especially income, *social exclusion* is a more comprehensive concept that refers “...to the dynamic process of being shut out, fully or partially, from any of the social, economic, political or cultural systems which determine the social integration of a person in society.” (Walker and Walker 1997: 8) This multidimensionality is a key element and crucial advantage of the social exclusion concept over that of poverty. In addition, it also introduces a dynamic perspective towards understanding processes that lead to the non-realisation of civil, political and social citizenship rights (see, for example, Room 1995; Tsakloglou & Papadopoulos 2002).

In later life, people are particularly vulnerable to changes of their income situation. In Britain, there is a long-standing correlation between old age and poverty. Old age pensioners are more likely to be affected by poverty than paid workers (Ogg 2005). Widowed women are at greatest risk (Gordon and Townsend 2000). Goldfield (2005) shows in an analysis of the British population structure in the recently published ‘Wealth of the Nation 2005’ report that both poverty and wealth correlate with a specific population structure. Whereas wealthy areas are characterised by high proportions of middle-aged families and empty nesters, poor neighbourhoods have a high proportion of children and older persons (Goldfield 2005). Although the Department of Work and Pensions states a remarkable reduction in pensioner poverty over the past decade (DWP 2005), nearly a quarter of all British pensioners continue to live in poverty at the beginning of the 21st century. That means that a significant proportion of British older citizens are excluded from full participation in social life.

But ‘old age’ is not everywhere synonymous with poverty. If we look to the European continent, we find that German pensioners, for example, are less likely to be

affected by poverty than the national average. Contrary to the overall trend all across Europe (including Germany) of increasing inequalities and poverty risks, the risk of income poverty among older Germans (65+) has declined from 13.3 (1998) to 11.4 per cent (2002) (BMGS 2005). Furthermore, the introduction of the social-insurance based Long-Term Care Insurance has taken a lot of the previous financial pressure off families caring for older family members – the previous dependency of older people in need of professional care on Social Assistance has been significantly reduced. On the other hand, long-term unemployment and job insecurity have begun to erode this comparative advantage for those cohorts who only recently retired or are about to retire now. The thrust of current reforms of public pension schemes all across Europe is likely to remove this advantage entirely. Even more depressing is the situation of pensioners in Central and Eastern Europe (CEE) (Szivos and Giudici 2004).

Moreover, there is growing concern that the imminent passage of the ‘baby-boom’ cohorts into old age will result in rising numbers of old people affected by poverty and social exclusion. Facing the combined challenges of demographic change, globalised market economies and enlargement, the European Union Member States agreed to substantially reduce poverty and social exclusion at both national and EU level by 2010 through the so-called ‘open method of co-ordination’. The Open Method of Co-ordination enables Member States to make improvements by learning from examples of ‘good practice’ elsewhere. Thereby, older people are high on the agenda. The Council of Europe recommended that the Member States were to take policy initiatives to prevent the social exclusion of older people by promoting their social integration (Council of Europe 1994). Remarkably, it stressed the *joint responsibility* of the welfare state, the family, the market, and the voluntary sector.

Furthermore, Ogg (2005) showed in a recent analysis of social exclusion and social security levels in Scandinavian, Mediterranean, and Eastern European countries that the highly sophisticated systems of social protection in the Nordic countries – though effective in generating low levels of poverty and social exclusion – accentuated inequalities among older women and separated/divorced individuals compared with others. The level of social protection in both the Mediterranean and the Eastern European countries is equally low. Whether or not that results in equally high levels of poverty and social exclusion will need to be looked at in more detail. Moreover, increasing family instability is weakening the up till now only reliable welfare provider in these countries.

The key question for European, national, regional, and local policymakers concerned with the alleviation of poverty and social exclusion in old age is how to reduce the risk of poverty and social exclusion in old age and how to make these reductions sustainable in the long run. Research evidence points to the crucial importance of education – the higher the level of education and, thus, the socio-economic status – of any individual (young or old), the less likely is s/he to be affected by poverty and social exclusion. These are the strongest determinants of health and quality of life in old age (Drever et al. 1996; Marmot & Wilkinson 1999).

This report is structured in the following way: In a first step, we give an overview of the prevalence of old-age poverty in the European Union and how it has changed over the past decade. Secondly, we will introduce the research objectives underlying this research and the research methods used to realise them. This is followed by a description of the sample, as well as characteristics of the participants in the expert interviews who provided the empirical database of this research.

The second part of this report is the first to be devoted to the discussion of empirical findings of the research. Thereby, the focus is on contextual information on social exclusion in old age in the various European societies. It begins with chapter 4 where the question will be answered if and to what extent poverty and social exclusion in old age are major issues of political and public debate in Europe. This is followed by the identification of the social groups of older people mainly at risk of being socially excluded, and how this varies between EU member states (chapter 5). Variation is also the theme in the subsequent chapter 6 on regional differences in the prevalence of old-age poverty and social exclusion *within* these countries.

The third part (chapter 7) of this report is of central importance to this work and provides a comprehensive overview of social policies employed by the national governments of the EU member states to tackle old-age poverty and to promote the social inclusion of older people. This chapter combines a review of policy documents with the information given by the interviewed experts. Cross-national variation in policies applied reflects different cultural, historical and political traditions, as well as the varying degrees of need across the European Union.

Another central element of this research is the discussion of ‘examples of good/best practice’ of social inclusion in chapter 8. These examples represent particularly innovative and/or supportive policy measures, regional initiatives, or local projects that have improved to quality of life of older people in their respective countries significantly. They are in principle transferable and intended to enable countries to learn from each other. In most cases, concrete examples are confined to municipal or regional level. But often, similar facilities or initiatives can be found elsewhere in the country. This discussion of empirical information is guided by the conviction that every country has something to offer that others might find useful and worth learning from.

The third key objective this research is striving to address relates to the measurement of poverty and social exclusion, which will be discussed in chapter 9. It has been argued that the effects of poverty and social exclusion on older people are underestimated since they rely on the same indicators as the general population. Given that the specific circumstances of older people differ considerably from those of others – in particular in regard to health, social networks, and income sources – it seems sensible to use specific measures to operationalise poverty/social exclusion in old age.

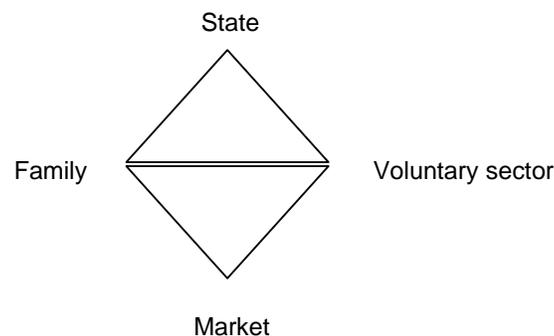
We will conclude with some comments on the implications of this research and recommendations for future policymaking in the UK (chapter 10).

2. Prevalence of old-age poverty in the European Union member states – an overview

The purpose of this section is to show some data on the risk of being affected by poverty/ social exclusion in old age in the 24 EU Member States looked at in this report. The statistical measure used is the “...share of persons with an equivalised disposable income (after social transfers) below the risk-of-poverty threshold, which is set at 60 per cent of the national median equivalised disposable income (after social transfers).” (Eurostat 2005b) A chart containing 24 graphs on poverty rates would not have provided a clearly laid out picture. Therefore, we present this data in eight smaller charts by grouping 3-4 countries together at a time, following the logic of a welfare state classification. This underlying logic will be elaborated below.

There is no ‘best policy’ that works (or will work) in all 25 EU Member States. All social policies and social inclusion programmes discussed in this review have emerged in specific cultural, historical and political contexts. What works well in one country, does not necessarily do so in another. Cultural and political background factors can only be understood and explained by looking into a country’s history. Nevertheless, some countries share similarities in institutional structures. Scholars in European Social Policy analysis made use of this by grouping countries in welfare state typologies according to institutional similarities. These refer to the institutional framework linking the market, the family, and the state at the macro level of society, as well as individual ties to state, family, and market at the micro level (O’Connor et al. 1999). The relationship between these three institutions has been described as a ‘welfare triangle’ (see, for example, Ganßmann 2000), which others extended in acknowledgement of the voluntary sector’s vital contribution to the production of welfare to become a ‘welfare diamond’ (e.g. Pijl 1994). Figure 1 below visualises the division of labour between the welfare producing societal sectors, arranged into a ‘welfare diamond’.

Figure 1: The division of labour in welfare production (‘welfare diamond’)



An entire research stream focusing on the classification of distinct welfare state regimes has developed following the publication of Esping-Andersen's (1990) groundbreaking book "The Three Worlds of Welfare Capitalism". Esping-Andersen suggested three welfare state regimes: liberal, conservative-corporatist, and social-democratic. Countries are classified in these welfare state clusters based on empirical measures of social rights and the degree of their dependence on earned income. According to Esping-Andersen, welfare states have the potential to counteract the individual dependence on the labour market by providing a livelihood that does not depend on earned income but on social rights and citizenship instead. Moreover, he emphasised the welfare state's role as stratification mechanism that can alleviate or reinforce social inequality. A few years later, an argument was made for adding two more welfare state regimes: the Southern European model (Ferrara 1996) and the Eastern European model (Deacon et al. 1992).

We will use a welfare state typology in order to group countries in different charts. This is not meant to be an alternative or new classification competing with existing ones. We created eight rather than five charts, given the larger number of countries subsumed under the 'conservative-corporatist' headline (2 charts) and 'Eastern European' (3 charts). In regard to the latter we also believe that it is more appropriate to differentiate between three geographical regions rather than lumping them all together: 'Central/Eastern Europe' (Czech Republic, Slovakia, Hungary, Slovenia); 'Eastern Europe' (Poland, Lithuania, Latvia, Estonia); and 'South/Eastern Europe' (Romania, Bulgaria, Croatia) – Cyprus was added to this chart because of its status as a 'new' EU Member State. Moreover, we think a longitudinal perspective ought to be given priority over a single 'snapshot' representing just one measurement point. Hence, the development of poverty rates over the past decade (measurement points in 1995, 1999 and 2003) will be shown.

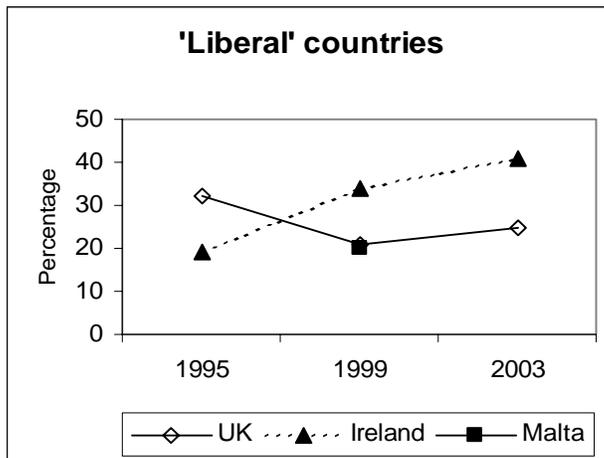
The first figure 2 below focuses on EU Member States with a liberal tradition i.e. a tendency towards using market or other private solutions for welfare production. Esping-Andersen classified the UK and Ireland as liberal regimes – compared to the rest of Europe. Neither Esping-Andersen, nor any other scholar in European Social Policy had Malta on their screens. We added Malta to the 'liberal' group since its institutional structure has followed the British example for many years. If the UK resembles a liberal model¹, Malta does as well.

Following Esping-Andersen's line of argument, we should expect relatively high levels of poverty in old age due to an underlying assumption of priority given to market solutions and, hence, less generous public pension arrangements. Indeed, a quarter of older people (defined as 65 years and older) living in the United Kingdom live in poverty. However, this is a considerable improvement compared with the situation in the mid 1990s when a third of British old-age pensioners were affected by poverty. Unfortunately, there is only a single measurement point on Malta, which indicates that a fifth of pensioners there are facing deprived circumstances in old age. Particularly striking, however, is the massive

¹ Which could be argued, it is not – see, for example, Castles & Mitchell (1993).

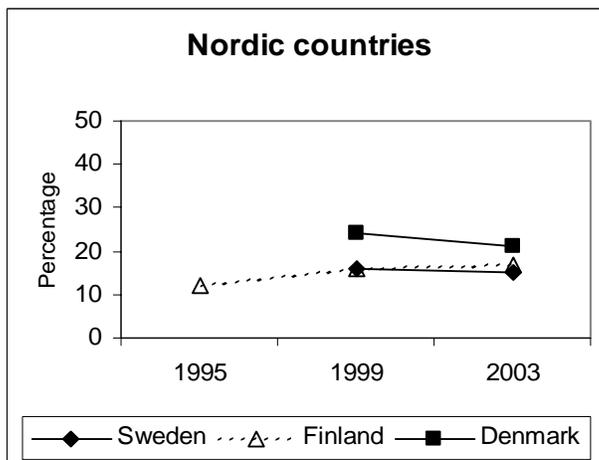
increase in the risk of poverty for Irish pensioners, which has more than doubled since the mid 1990s. The most likely explanation for this development is the strong economic growth rates in Ireland over the previous decade that resulted in rapidly rising wages. Adjustments of pensions levels did not keep up pace with that development.

Figure 2: At-risk-of-poverty rate after social transfers for people aged 65 years or older in *liberal* EU Member States (Ireland, Malta, United Kingdom); based on Eurostat (2005b)



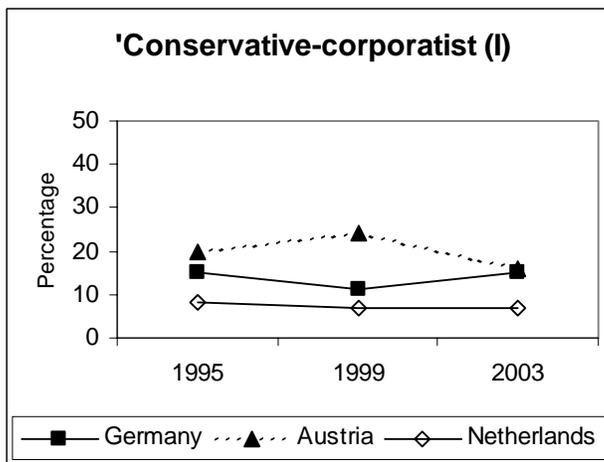
Next, we turn our attention to the Scandinavian (or Nordic) countries that are famous for their comprehensive and generous welfare provision (see figure 3 below). Somewhat counter intuitively, old-age poverty rates are not near nothing – actually, they are considerably high in Denmark where about a fifth of the pensioner population is affected by poverty.

Figure 3: At-risk-of-poverty rate after social transfers for people aged 65 years or older in the *Nordic* EU Member States (Denmark, Finland, Sweden); based on Eurostat (2005b)



The next cluster of countries comprises of the – in Esping-Andersen’s terminology – ‘conservative-corporatist’ welfare states, which are characterised by a strong role for welfare provision by the family. Six countries are classified here in two separate figures. The first (figure 4 below) refers to German-speaking EU Member States and the Netherlands.

Figure 4: At-risk-of-poverty rate after social transfers for people aged 65 years or older in *conservative-corporatist* EU Member States (Austria, Germany, Netherlands); based on Eurostat (2005b)

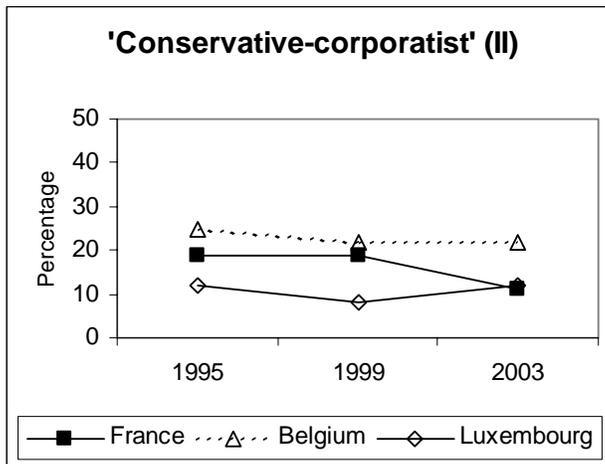


The three countries looked at in figure 4 are characterised by moderate and low levels of old-age poverty. The Netherlands appears to be very effective in alleviating poverty, which is reflected in an at-risk-of-poverty rate of 7 per cent. In contrast, the risk of being affected by old-age poverty is more than double as high in Austria and Germany. Taking a longitudinal perspective it is striking to see that Austria managed to reduce its poverty significantly since the turn of the millennium, whereas Germany witnessed an increase over the same period, resulting in converging poverty rates in both countries.

The ‘at-risk-of-poverty after social transfers for people aged 65 years and older’ measure used by Eurostat seems to contradict the finding of a decrease in the risk of income poverty reported by the ‘Second Poverty and Affluence Report’ (*Zweiter Armuts- und Reichtumsbericht*) (2005) that I quoted on page 4 of this report. This is touching upon a major weakness of the German welfare state. The social insurance principle on which the German welfare state rests is good at maintaining previous earning differentials, but not at reducing poverty. In other words, pensioners who earned much previously will get a decent pension. In contrast, those who did not will remain poor compared to other pensioners. This interpretation is supported by evidence provided by Christina Behrendt (2000) who found in a comparative study of means-tested benefits in Sweden, the UK and Germany that the British Income Support system was much more efficient in alleviating poverty than the German Social Assistance system.

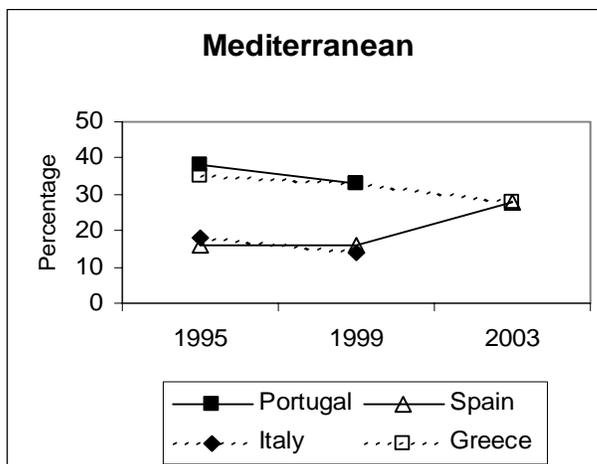
Two other conservative-corporatist countries – France and Luxembourg – sport old-age at-risk-of-poverty rates in roughly the same magnitude as Austria and Germany (see figure 5 below). Pensioners in Belgium, on the other hand, are much more likely to be affected by poverty – poverty rates there have remained high at nearly a quarter for the previous decade.

Figure 5: At-risk-of-poverty rate after social transfers for people aged 65+ years in *conservative-corporatist* EU Member States (Belgium, France, Luxembourg); Eurostat (2005b)



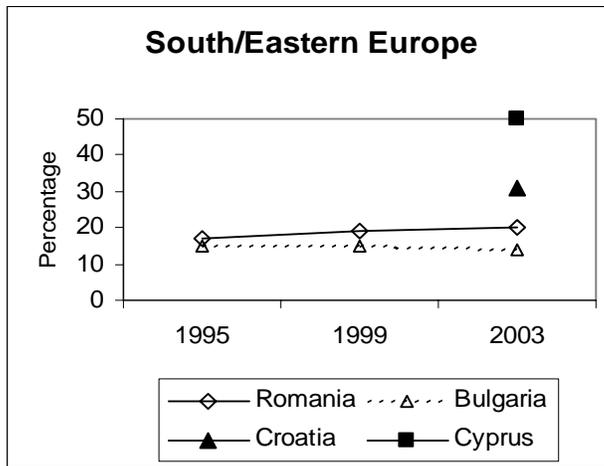
The highest prevalence of old-age poverty can be found in Southern Europe, even surpassing relative poverty levels in Central and Eastern Europe: a third of Portuguese pensioners and nearly 30 per cent of their Greek and Spanish counterparts live in poverty (see figure 6 below). As will be shown in figure 7, even half of the elderly population in Cyprus is at risk of poverty. The only exception among the Mediterranean countries is Italy with poverty rates comparable to those in Austria or Germany.

Figure 6: At-risk-of-poverty rate after social transfers for people aged 65 years or older in the *Southern European* EU Member States (Greece, Italy, Portugal, Spain); based on Eurostat (2005b)



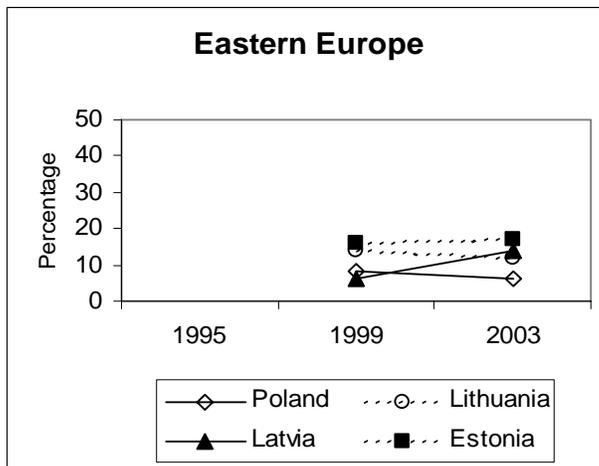
Poverty of older people is also highly prevalent in South/Eastern Europe. In this regard, they have more in common with the Mediterranean countries than with Central and Eastern Europe. As already mentioned, Cyprus has the highest old-age poverty rate of all EU Member States. About a third of the Croatian pensioners live in poverty too. Bulgaria and Romania are faring slightly better – with poverty rates at 14 and 20 per cent respectively.

Figure 7: At-risk-of-poverty rate after social transfers for people aged 65+ years in *South/Eastern* EU Accession States (Bulgaria, Croatia, Cyprus, Romania); Eurostat (2005b)



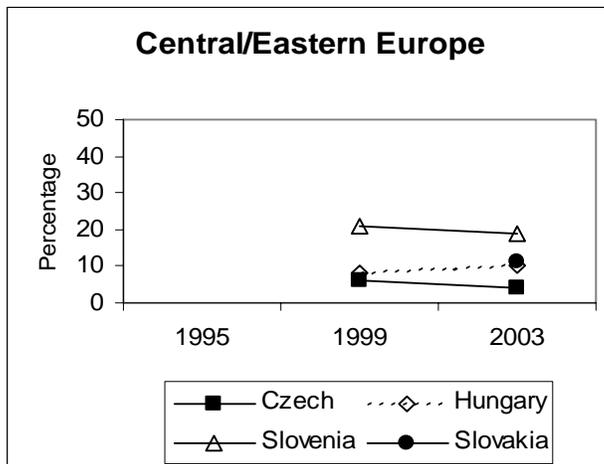
Next, we turn our attention to Eastern Europe. The poor overall living conditions in the Baltic States and Poland puts pensioners in a relatively favourable position compared with other social groups in their respective countries, though at very low economic level. Hence, poverty rates among older people in the Baltic States are comparably low (see figure 8 below). It is however noteworthy that the prevalence of poverty is much higher in the Baltic States that have to cope with the historical legacy of having been part of the Soviet Union, which has also consequences for the living conditions of older people (Manning 2006). Furthermore, risk of poverty increases the further north one comes (Poland 6, Lithuania 12, Latvia 14, and Estonia 17 per cent). Particularly the steep rise in poverty levels in Latvia since 1999 deserves attention.

Figure 8: At-risk-of-poverty rate after social transfers for people aged 65 years or older in the *Eastern European* EU Member States (Estonia, Latvia, Lithuania, Poland); based on Eurostat (2005b)



Finally, we look at Central/Eastern Europe (figure 9 below). For similar reasons as in the Eastern European societies, risk-of-poverty in old age rates in the Czech Republic, Slovakia, and Hungary are rather low. The Slovenian example, however, shows that poverty levels among pensioners rise significantly once a higher wage structure results in higher earnings for the unemployed and, hence, a comparably unfavourable socio-economic position for pensioners.

Figure 9: At-risk-of-poverty rate after social transfers for people aged 65 years or older in the *Central/Eastern European* EU Member States (Czech Republic, Hungary, Slovakia, Slovenia); based on Eurostat (2005b)



In conclusion, it can be said that the risk of being affected by poverty in old age varies greatly across Europe. This variation does not always reflect the level of overall public welfare provision in these countries. A significant proportion of pensioners in some 'high spender' countries on public welfare production still face the prospect of poverty, as the

example of Denmark shows. On the other hand, the risk of relative poverty in old age, as measured by the 60 per cent threshold, is unexpectedly low in some of the poorer countries, notably in Eastern and in Central/Eastern Europe. Older people in Southern Europe are most at risk of poverty in old age. Moreover, we could observe a rapid increase in risk-of-poverty levels in the Irish older population to levels only surpassed by Cyprus. This may be the result of maladjustment of pension levels to the general increase in earnings in Ireland over the past decade.

The latter case highlights the importance of looking at policy development in relation to the (demographic) changes they are responding to. In the following section, we will analyse social policies employed by the 24 EU Member States, excluding the UK. Thereby, we adopt a broad perspective looking at three policy areas that are particularly relevant for older people: pensions, employment, and long-term care.

3. Research objectives, methods and sampling

The contextual statistics on the prevalence of old-age poverty in Europe and the classification of the 25 EU member states presented in the previous chapter gave an overview of what is already known about poverty in old age. At the beginning of this chapter, the key objectives of this research will be outlined to clarify where it will add new facts to the existing stock of knowledge. Secondly, the methodology employed to achieve these ambitions will be explained. The outcomes of any empirical research are influenced not only by the methods used to realise it, but also by the selection of people on whose responses the findings of the research are based. Thus, the underlying sampling procedures will be clarified and some basic information on the interview participants will be provided in the next section.

Research objectives

This research project is intended to fill the gap in work around social exclusion and social inclusion of older people in Europe. The target group is the European Union (EU25) – the unit of analysis will be however the nation state. This may be complemented with examples on regional level within these nation states, in particular in countries with a federal system. Thereby, a major focus is on analyses on the impact of policy on older people specifically. This will support ‘Help the Aged’ in its campaign for a better quality of life of older people in the UK. Social exclusion/inclusion is defined in terms of income and access to those services identified as critical to older people’s inclusion throughout the project.

This research strives to address three main objectives:

- (1) To explore and to evaluate social inclusion policies employed by the 24 EU member states (except the UK);
- (2) To identify ‘examples of good/best practice’ in these countries, from which other countries in general and the UK in particular could learn;
- (3) To discuss whether or not separate old-age specific indicators are required to measure social exclusion and poverty in old age adequately, which would be precondition for measuring the impact of social inclusion interventions.

Beside that, additional data on the importance assigned to poverty and social exclusion of older people in these societies, as well as the identification of particularly affected social groups and regions in these countries was collected to provide essential context information in order to identify prevalence and scope of old-age poverty and social exclusion within the European Union

Research methods and sampling

In this section the methods used to realise the objectives of this research are outlined and discussed. Target unit was the nation state i.e. all research was carried out at country level. The research is based upon the 25 EU member states, with the exception of the UK. It was carried out in two stages, using two very different methodological approaches: While the first stage was based on a review of already existing material, the second stage relied on original primary research. The research addressed and made use of older people's views and was guided by the University of Oxford research ethics committee rules.

(1) In the first stage, a desk review of relevant policy documents reflecting national policies on social inclusion and poverty alleviation in the 24 European Union member states except the UK was carried out. Research methods required for this stage included a literature review, documentary analysis of policy documents, and some secondary data analysis.

(2) In the second stage, original empirical research was conducted. Qualitative expert interviews were chosen as the appropriate research method to gather exploratory but nevertheless detailed information on the objectives of the research. This approach was essential to collect the required data on 'examples of good/best practice' and the measurement of old-age poverty and social exclusion in particular. It also proved very useful for obtaining detailed background knowledge on risk factors, public debate and regional variation in the EU member states. Moreover, it provided additional information on social inclusion policies not available otherwise. The interviews were semi-structured using a topic-guide and conducted over the telephone.

In all countries, the same topic-guide was used. Interview languages were English or German (in Austria and Germany). It turned out that language competence in French would have been required to realise more interviews in the francophone countries (Belgium, France). Language problems were particularly severe in France and Belgium on the one hand, and in the Baltic states Estonia, Latvia and Lithuania on the other.

Experts working in three very different societal domains were approached concerning participation in an interview: government representatives, NGO/voluntary sector representatives, and independent experts. This was necessary to extend the range of the research and to minimise the risk of relying on the inevitably one-sided perspective of any particular social actor. More specifically, representatives of the government body responsible for implementing social inclusion policies, a spokesperson of an older people's advocacy organisation, and academics broadly working in this field were selected in each country. Ideally, this would have resulted in 3 expert interviews per country x 24 (25 EU member states – UK) = 72 interviews.

Although the initial fieldwork phase (March, April 2006) was extended by another two months (May, June 2006) only half of the planned number of interviews could be realised. In March/April 17 interviews were realised, another 20 in May/June. It was far

more difficult and time-consuming to find interview partners than expected. The most difficult task was finding appropriate interview partners in the various government departments – this problem applied universally to all countries. Finding civil servants dealing with *either* social exclusion *or* older people proved to be a challenge; finding anyone dealing with *social exclusion of older people* was almost impossible. There might be a department dealing with poverty/social exclusion in general – that’s often the department in charge of writing the respective government’s National Action Plan (NAP). However, they tend not to be very familiar with the specific problems of an older population. In some countries, there are government departments specifically assigned to handle senior citizen’s issues (among others). However, not all of them regard poverty / social exclusion as an issue that applies to older people (e.g. Austria, Germany, Sweden). Even when a potential interviewee was identified it did not necessarily mean that s/he would be prepared to take part in an interview or ask someone else in the department to do so. Apparently, there is a lot of concern about being held responsible for any comments made on these issues within these departments, which results in reluctance to take part in any interviews in the first place or significant delays in the process of arranging interviews (a month is the minimum time period one should invest in getting an interview – though the Czech government representative was very flexible.) Sometimes, ‘bad timing’ as a result of political events, such as general elections and the subsequent restructuring of government departments (e.g. Hungary, Poland) or the implementation of new anti-poverty/social inclusion legislation (e.g. the Netherlands, Portugal) became obstacles.

Establishing contact with independent experts was comparatively easy since existing academic networks could be utilised for this purpose. New contacts were added to these initial contacts using a snowballing method with existing contacts, complemented by web searches. Contacting NGO representatives followed the same pattern – snowballing and web searches. However, given the lack of initial contacts the process took much longer than with the academic experts. At a later stage, it was complemented with contacts through Help the Aged. The invitation by the European platform of older people’s organisations AGE (represented by Edward Thorpe) to attend the “International Conference of the Transnational Exchange Project on Social Inclusion Strategies in Europe” in Cologne, 16/17 May 2006, resulted in a few more interviews. The AGE project on social inclusion primarily targets older people as the end-users of social inclusion policies and attempts to develop a tool-kit that translates older peoples’ views into policies by making their voice heard at policy-making level. A more detailed summary of their project can be found in annex (A). There is considerable potential for developing synergies between our research and their project

Sample description

The ambition of this research project was to carry out expert interviews with government representatives, NGO/voluntary sector representatives and independent experts in all EU member states except the UK. This target number could not be realised for the reasons outlined in the previous section. In this section, we will describe the sample resulting from the interviews that were realised. Altogether, 37 interviews were carried out – 18 with independent experts, 14 with NGO representatives and 5 with government representatives. Hence, 75 per cent of the envisaged interviews with independent experts were realised, compared with 58 per cent of those for the voluntary sector and 21 per cent for the government sector. Nevertheless, all but three countries were covered – interviews were conducted in 21 out of 24 countries, which results in a coverage rate of 87.5 per cent. There are contacts in another two countries where interviews could not be realised due to language and accessibility problems (Belgium, Latvia). The resulting coverage rate would be 96 %. Luxembourg is the only country where no contact could be established at all. The following table 1 gives an overview of the sample of expert interviews the subsequent presentation of findings is based upon:

Table 1: Number of expert interviews by country and sector

	Country	Independent experts	Voluntary sector	Government sector
01	Austria	E	-	G
02	Belgium	-	-	-
03	Cyprus	-	V	-
04	Czech Republic	E	V	G
05	Denmark	-	V	-
06	Estonia	-	V	-
07	Finland	E	V	G
08	France	E	-	-
09	Germany	E	V	G
10	Greece	E	-	-
11	Hungary	E	-	-
12	Ireland	E	V	G
13	Italy	E	V	-
14	Latvia	-	-	-
15	Lithuania	E	V	-
16	Luxembourg	-	-	-
17	Malta	E	-	-
18	Netherlands	E	V	-
19	Poland	E	V	-
20	Portugal	E	-	-
21	Slovakia	E	V	-
22	Slovenia	E	V	-
23	Spain	E	-	-
24	Sweden	E	V	-
	Total n = 37	N = 18	14	5

Due to the problems in getting interviews with government representatives there are only four countries where interviews in all three sectors could be realised: the Czech Republic, Finland, Germany, and Ireland. Two out of three sectors were covered in Austria, Italy, Lithuania, the Netherlands, Poland, Slovakia, Slovenia, and Sweden. We will briefly comment on overall characteristics of the three interviewee groups below.

Independent experts

The vast majority of the independent experts (14 out of 18) are working at universities; the remaining four are based at academic research institutes. They largely represent three academic disciplines: gerontology, sociology and social policy. The majority of them (11 out of 18) are women.

Voluntary sector representatives

The majority (8 out of 14) of the voluntary sector representatives are affiliated with AGE, the European platform of older peoples' organisations. Contact to another four organisations was established via recommendations of independent experts or web searches. The remainder resulted from contacts mediated through Help the Aged. The nature of these organisations varied significantly, ranging from small self-help groups to service providers and national advocacy organisations.

Government representatives

All government representatives who took part in the interviews were working in social inclusion units within government departments and were involved in writing the respective National Action Plans (NAP). None of them had a specific focus on senior citizens.

4. Social exclusion and poverty in old age – a major issue in Europe?

This is the first chapter, in which empirical findings are presented. In a first step, the interview participants were asked whether or not social exclusion or poverty in old age were central themes of public and/or political debate in their respective countries. This could be seen as an indicator for the importance attributed to the issue. Depending on the nature of the debate this may have resulted in the development of accompanying policy measures. More often however this was a more recent development – sometimes the issue had been publicly acknowledged for the very first time.

In the vast majority of EU member states poverty / social exclusion of older people is not a major issue (Austria, Czech Republic, Denmark, Estonia, France, Germany, Hungary, Italy, Lithuania, Malta, the Netherlands, Poland, Slovakia, Spain, and Sweden). The reasons for this however vary. In most of these countries (Austria, Czech Republic, Germany, Malta, Netherlands, Slovakia, Sweden), *poverty/social exclusion* was seen as a problem that predominantly affected other age groups, social groups other than older people, namely lone parents and the long-term unemployed. In comparison, the elderly featured as people on a decent and – equally important – regular income. Based on this situation of relative stability and security they are commonly seen as active participants in social life.

Slightly different is the situation in some Eastern European countries where *old age* has yet to enter centre stage of political/public debate (Estonia, Lithuania, Poland). In other words, although poverty / social exclusion among pensioners might be highly prevalent, it has been hidden by the fact that older people are not visible in public debate. A high degree of old-age discrimination and public stigmatisation of older people (not just older workers!) may have contributed to that (cf. Hoff 2006c).

A quite unusual explanation for the absence of old-age poverty/social exclusion debate was found in Hungary. In Hungary, pensioners have been the beneficiaries of an extraordinary amount of political attention over the past decade, ever since the centre-left parties discovered the voting power of older people. This has worked well for both sides: Hungarian pensioners have seen several pensions increases since 1994, with the effect that poverty is no longer an issue for them – and the centre-left parties have governed three out of four possible terms (1994-1998, 2002-2006, 2006-2010).

Our NGO representative from Slovenia pointed out that there is currently some debate on social exclusion and poverty of older people – not nearly enough though in his opinion. He insisted that this was only caused by the imminent local elections – otherwise, this theme would not receive much attention in the Slovenian media and political quarters. One of our Italian interview partners interpreted the lack of public interest in old-age poverty and social exclusion in Italy as a consequence of significant cuts in public spending on these issues.

Only five countries have had an open debate on poverty/social exclusion of older people: Cyprus, Finland, Greece, Ireland, and Portugal – but for very different reasons. It is striking that the four countries where this debate was most pronounced – Cyprus, Greece, Ireland, and Portugal – are countries where pensioners have been significantly affected by income poverty. Pensioners in these countries fare much worse than other, younger groups in society. It is also noteworthy that the Mediterranean countries (Cyprus, Greece, Portugal) are over-represented here. Apparently, older people in Greece and Portugal could not – or not to the same extent – take advantage of the improvements of living conditions experienced by the majority of their populations since they joined the European Union two decades ago. A similar situation can be found in Ireland where the enormous increase in average earnings since the mid 1990s was not translated into higher pensions, due to the lack of appropriate indexation of pensions. It is strongly recommended that the governments in these countries follow the example of the majority of the EU member states and link their pensions systems to average earnings through indexation, to enable senior citizens to participate in the overall increase in wealth in these societies.

In contrast, the situation in Finland is completely different. Here, the Finnish population has lived in the belief that poverty and social exclusion in old age would not exist thanks to the high level of social welfare spending and production in Finland. Therefore, recent research evidence of socially excluded groups among Finnish pensioners has come as a shock to Finnish society and hence has attracted a lot of media attention. The Finnish government has begun to address these issues in the latest policy reform that was implemented last year.

5. Main risks of social exclusion for older people

The fact that older people as a group are not regarded as poor or socially excluded in most European Union member states can be interpreted positively. Older people are however a very heterogeneous group. It is therefore essential to keep in mind that in every country there are groups within the elderly that are at a significant risk to be affected by social exclusion and/or poverty. It will be the objective of this particular chapter to identify these risk factors and, thus, the people most affected by them and to compare cross-national patterns in their occurrence.

The term poverty is still first and foremost associated with lack of sufficient financial resources. So, is it lack of money that is the crucial risk factor in old age? Studies on subjective wellbeing in old age found that poor health, as well as family relational factors – more specifically: widowhood and divorce – are the main risk factors (Diener et al. 1999; Shields & Wooden 2003). The risk factor most frequently cited by the experts interviewed for this research was social isolation as a result of the lack of family ties. It was identified as a key factor in two thirds (13 out of 21) of the countries (Austria, Czech Republic, Estonia, France, Germany, Greece, Hungary, Italy, Malta, Netherlands, Poland, Slovakia, Spain). Thereby, older women and widows in particular are seen as most likely to be affected.

The second most frequently mentioned risk factor was indeed income poverty, by which women were more severely affected than men (12/21 – Austria, Cyprus, Czech Republic, Estonia, Finland, Ireland, Italy, Lithuania, Poland, Slovakia, Slovenia, Spain). For obvious reasons, Eastern European countries are somewhat over-represented here. In the other countries pensioners with longer interruptions in their working career, namely women and long-term unemployed – and hence lower pension entitlements – feature prominently here.

The Netherlands provide an interesting example of how very specific groups of older people can be affected by income poverty, even in the context of overall prosperity among older people. According to one of our Dutch interviewees, there are two very specific groups of older people at risk of being socially excluded in the Netherlands. (1) The first group is elderly women living on their own, especially in the 55-65 years old group and also the group around 75 years. This group mainly consists of divorced women who didn't have an income when they were younger. Why is this group particularly affected by income poverty? It turns out that this is an unintended side effect of family policies of the past. The younger elderly who got divorced during their 40s received then social benefits to take care of their children. Many of them have never been employed and could not accumulate any savings. They rely on the state minimum pension, which is comparatively low. As a consequence, they are now dependent on the minimum safety net of social security benefits. (2) The other group comprises of elderly from ethnic minorities. These people do not qualify for a full pension if they have not lived in Holland for at least 40 years. Only a minority fulfils that criterion when they retire aged 65 years. As a

consequence, they have no other alternative than to rely on the minimum state pension. Slovenia also reported particularly harsh circumstances for older people with an ethnic minority background, specifically Roma and people from other former Yugoslav republics.

Need of care as a consequence of poor health, dementia and/or disability was indicated as a third major risk factor in 10 countries (Austria, Czech Republic, Denmark, France, Ireland, Lithuania, Netherlands, Portugal, Slovakia, Slovenia). A person who needs care is no longer capable to look after herself/himself, let alone to participate in the social activities commonly enjoyed by the average senior citizen. S/he would normally only see very few other people, including close family members and the person providing the care.

Other risk factors that were identified during the expert interviews are listed in table 2 below. They are ranked from top to bottom according to the number of countries that indicated having similar problems.

Table 2: Factors that increase the risk of social exclusion for older people in the EU member states

Risk factors	Countries (number of)
Living in rural areas	Austria, Finland, Ireland, Poland, Portugal, Slovakia (6)
Immigration background	Austria, France, Germany, Slovenia, Sweden (5)
Poor access to social services, social care	Czech Republic, Ireland, Lithuania (3)
Poor housing conditions, neighbourhood	Hungary, Lithuania, Poland (3)
Early exit from labour market	Hungary, Netherlands, Poland (3)
No access to IT	Czech Republic, Finland, Lithuania (3)
Poor access to public transport	Czech Republic, Ireland (2)
Lack of political representation	Poland, Sweden (2)
Lack of support for family carers	Ireland, Spain (2)
Being an old male	Finland, France (2)
No experience with benefit system	Ireland, Spain (2)
Low educational attainment	Poland (1)
Lack of coherent old-age policies	Poland (1)
Inadequate housing	Ireland (1)
Alcohol abuse	Finland (1)

Although they were set in relation to the country of the expert all risk factors listed in table 2 could in principle apply to other countries as well. Living in rural areas was seen as posing a major risk of becoming socially excluded in six countries. It is striking that this applies particularly to countries with a poor infrastructure in place for taking care of the needs of older people in rural areas (Ireland, Poland, Portugal, Slovakia). A couple more countries could probably extend this list. The other two are countries with a generally excellent infrastructure where the risk is the result of unwelcoming environmental conditions that make the establishment of an adequate care infrastructure difficult (the Alp mountains in Austria and the tundra in Finland). The risk factor mentioned next in table 2 could have been used universally in all EU member states. It lies in the nature of being an old immigrant in many countries that financial security as well as the integration in local

social networks will be less developed than in the indigenous population. However, it was only explicitly mentioned in countries where other risk factors are less obvious.

Concluding this chapter we would like to highlight a few very specific aspects mentioned during the interviews that potentially have wider implications for our ageing societies. While early retirement was very common and somewhat fashionable in most Western European countries during the 1990s, this trend has now been reversed and employment until legal retirement age is (again) perceived as something positive, as a vital aspect of active ageing. In line with that argument several of the interviewees pointed out that early exit from the labour market – even if buffered through generous early retirement schemes like in the Netherlands – can be a major factor contributing to the social exclusion of older people. In order to accomplish that it will be essential to develop strategies for lifelong learning for older workers, as our expert from the Czech Republic reminded us. Older workers are not at the highest risk of unemployment in the Czech Republic. But if they lose their jobs it would be very difficult for them to find new ones since there are no re-qualification opportunities available for them.

The necessity to understand old age as an integral element of life course development was stressed by the Austrian government official who argued that the main risks of being affected by poverty / social exclusion in old age can be explained as the continuation of deprivation experienced throughout the life course. In many cases, he argued, the risk of being affected by social exclusion in old age is a social risk inherited from the parents. More specifically, parents who do not or cannot make an effort in improving their children's education put them at risk of deprivation throughout their life course, culminating in old age in economic and social deprivation. These life courses are typically characterised by low-skilled, low-waged jobs, poor health, deprived housing conditions, etc. This argument is in line with the 'cumulative advantage/disadvantage' hypothesis in gerontological theory, which propose that social inequality accumulates over the life course and, hence, social inequality in old age is mainly the end product of a lifelong experience of disadvantage (for a good summary of these theories cf. Dannefer 2003; O'Rand 2002).

6. Regional variation in poverty/social exclusion

Regional variation in poverty / social exclusion of older people usually occurs in line with relative deprivation within the country in question i.e. the prevalence of old age poverty / social exclusion tends to be higher in the regions that are poorer compared with other parts of the country. Furthermore, the rural/urban divide exists everywhere, with the possible exception of Denmark where no significant differences were reported. The living conditions of older people in cities and bigger towns are quite different from those in villages. There is of course a certain cultural, tradition related element in this – but it is by no means the only or even the crucial difference. The healthcare, social care, and long-term care infrastructure in urban areas tends to be significantly better than in rural areas where lack of care services is often aggravated by inaccessibility due to lack of public transport. On the other hand, many older people in the big cities find it difficult to afford decent housing, while the majority of pensioners living in rural areas own their own homes. Having said that, many of these are not equipped to house a disabled or frail older person, whereas sheltered housing is comparatively easy available in the cities. Making social contacts – and hence the integration in social networks – still tends to be easier in rural areas. Social isolation of older people occurs far less frequently in rural areas. However, the traditional family care patterns where co-resident or at least locally living children (daughters!) would care for their parents are no longer available in rural areas either. The working generation moves to the cities where the jobs are – this is the universal rule in all European societies, leaving their ageing parents behind. In some countries, this has begun happening a few decades ago (in the Scandinavian countries, for example); in others this is still quite a recent development (e.g. in Eastern Europe).

The responses by the interviewed academics, government and voluntary sector representatives reflect these processes of social change. Conclusions drawn from this vary however in line with the specific aspects highlighted in the discussion. Some see residence in a rural area as a factor contributing to social exclusion due to lack of access to social services (e.g. Austria, Ireland, Poland, Portugal, Slovakia), poor public transport (Austria, Czech Republic, Ireland, Slovakia), or the prevalence of low educational levels (Lithuania, Malta). Others emphasise a better integration in family and wider social networks (Greece) as well as lower living costs (Greece, Poland). Some of the Eastern European countries as well as Portugal mentioned a higher risk of social exclusion in the cities for those living in high-rise buildings ill-equipped to house older people (no lift, for example).

An early beginning of demographic changes is not necessarily an advantage, as the Finnish example shows. Finland experienced a very rapid process of urbanisation, which resulted in extremely contradictory population structures along the urban/rural divide. Whereas younger people live in the big cities in the south of the country, the rural population almost entirely consists of older people. In contrast to the Mediterranean countries, these older people tend to live very isolated, without any functioning social networks.

It has to be noted however that many experts stress the difficulty to identify regions particularly affected by social exclusion / poverty in old age since there is significant variation within these regions (e.g. Estonia, Poland). Moreover, some claim that more specific data would be needed to get a clearer picture (Cyprus, Greece, Lithuania, Poland).

7. Social policies to combat poverty and social exclusion in old age

Following the Lisbon meeting in 2000, the European Union Member States agreed to substantially reduce poverty and social exclusion at both national and EU level by 2010 through the ‘open method of co-ordination’ by learning from each other using ‘examples of good practice’. We will be discussing such examples of good practice in regard to social inclusion programmes later in this report as well. However, we think it is important to remind ourselves that social inclusion strategies were not invented in our days – social policy making has long been driven by a commitment towards fighting poverty. Hence, we think it is essential not to limit the scope of the discussion of social inclusion strategies to new, ‘fashionable’ programmes and initiatives of contemporary times. Many traditional social policies were driven by social inclusion motivations too (though it may have been phrased somewhat differently), others turn out to have a ‘socially inclusive’ effect even without being intended to be social inclusion policies.

Older people’s circumstances – and hence their risk of being affected by poverty and social exclusion – are mainly influenced by the combined impact of social policy packages at national level. In this section, we will focus on policies that are targeted at reducing the risk of poverty/social exclusion of certain pensioner groups in regard to these policy domains. Finally, a few technical remarks: all policies reviewed in this section represent the state of affairs as of 2005, unless stated otherwise. Many interview participants emphasised elements of what is commonly referred to as social services or social care in a UK context as ‘examples of good practice’. In order to avoid duplicating things, we decided not to discuss these in-kind benefits in the social policy chapter. They will be highlighted in the subsequent chapter on the Open Method of Coordination and examples of good practice instead.

Pensions as a social inclusion strategy

Earnings are the most important income source in European societies. Public retirement pensions replace earnings as the main income source after retirement. The connection between retirement, old age and poverty is well established in research (e.g. Atkinson 1995; Johnson & Stears 1995, 1998). In Britain, retired men are considerably worse off than men in employment (Bardasi et al. 2000). Hence, pension policies have the greatest impact on the economic circumstances of older people and thus their risk of being affected by poverty and social exclusion. There are a variety of aspects of public pension schemes that make the occurrence of poverty/social exclusion more/less likely. The effect of such aspects and their implications for older people in various European Union Member States will be discussed below.

Pension benefits as poverty alleviation measure

We will begin with the example of the public pension insurance scheme in Germany. The German government is a strong believer in the effectiveness of pension policies as the best insurance against poverty in old age (BMFSFJ 2000). It states in an official government

publication that “In its more than 110 years history, the benefits of the Statutory Pension Insurance have developed from a mere income supplement to the decisive foundation for a financially secure old age.” [Translation AH] (BMAS 2006) This view is not only expressed by representatives of the German government – it is also shared by many welfare providers and campaigning organisations in the German voluntary sector. Thus, the *Sozialverband Deutschland (SoVD)* [English: Association for Social Affairs Germany], which sees its mission as representing the interests of people who are chronically ill, disabled, in old age, or in need of care, makes the case for an earnings-replacement rate of at least 70 per cent of previous wages as an effective means of poverty alleviation. The SoVD argues that this is particularly important for individuals who worked in the low-income sector all (or most) of their lives and were hence unable to accumulate significant private capital supplementing their public retirement pension. At the same time, the organisation cites the growing number of *Sozialhilfe* [social assistance] claimants as an indicator for the failure of the social insurance based social security systems in alleviating poverty (SoVD 2003).

The German pension system is based on a compulsory social insurance scheme for employees and part of the self-employed too. People who are not compulsory members of the public pension scheme can become voluntary members. Cash benefits are earnings related. So far, the German pension system has been quite successful in linking older people’s pensions to economic growth and increasing wage levels. Poverty levels for people aged 65 years or older are relatively low at 11 per cent (BMGS 2005). However, with effect from July 2005 the automatic adjustment was lowered through the introduction of a so-called ‘demographic factor’ into the pension calculation formula, which effectively reduces the pension increase by taking into account the numerical ratio of recipients to compulsory insurable employees.

Nevertheless, there are a few exceptions. The self-employed and other high-income groups are expected to take care of their income in old age privately. However, insignificantly employed (*geringfügig Beschäftigte*) or short-term employed (less than 2 months) with a monthly income of less than €400 (£ 267) are exempt of paying social insurance contributions. Similar rules exist in Ireland and Spain, though based on the assumption that such jobs are supplementary rather than main incomes (Spain). Thus, people who have worked in low-income jobs for a considerable time without paying social insurance contributions will not qualify for a pension and face a considerable risk of living in deprived circumstances.

Addressing these concerns, the German parliament passed in 2003 a new instrument – the ‘basic income’ (*Grundsicherung*) – for older people (65 years and older) who do not have a significant pension contribution record and for those with a reduced earnings capacity (GsiG 2002). This new basic income is means-tested – the spousal income will be considered as well. This was a remarkable step in the German policy context. By doing this, the German government effectively acknowledged the prevalence of old-age poverty, as well as the insufficiency of the German pension system in

addressing it. However, campaigning organisations for the interests of older people pointed out that the new benefit would need to be administered separately from social assistance in order to avoid public stigmatisation and to encourage the take-up of this poverty alleviation instrument (SoVD 2003). The Federal Statistics Office Germany (*Statistisches Bundesamt*) estimated that in 2003 about 250,000 people would be eligible for this new social benefit – 80 per cent of them would be 65 years or older (Statistisches Bundesamt 2004b).

Most other countries decided to introduce minimum pensions instead (Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, France, Greece, Hungary, Ireland, Italy, Latvia, Luxembourg, Malta, Poland, Portugal, Slovenia, and Spain). Lithuania and the Netherlands, however, have neither a basic allowance, nor a minimum pension in place. The Dutch pensions system provides flat-rate pension benefits – the concept of a minimum pension is thus not applicable. More dramatic is the situation in Lithuania given the deprived overall circumstances in Lithuanian society.

The Scandinavian countries opted for another way of securing the basic income of their elderly populations. Their citizenship philosophy – see T.H. Marshall's writings on social rights and social citizenship (Marshall 1950) – entitles virtually everyone who has reached legal retirement age and who fulfils the minimum residence requirements to a pension. We will elaborate a little bit on this using the example of the Danish pension system: It comprises of two elements – a basic pension with flat-rate benefits (*Folkepension*) and a supplementary pension based on a compulsory social insurance scheme for employees and recipients of social benefits. Whereas the former is a citizenship right granted to all Danish people who have lived in Denmark for at least 3 years prior to becoming a pensioner (non-Danish nationals 10 years, of which 5 years have to be immediately before drawing a pension), the latter depends on the contribution record of pensioners. Full *Folkepension* is granted after 40 years of residence. Hence, credits to compensate for periods without contribution do not apply in such a system. However, pensioners on low incomes may receive special allowances to cover other contingencies (e.g. healthcare, heating).

Survivor's pensions

A survivor's pension can be an effective strategy to minimise the loss of income following the death of the husband. This is particularly relevant given that women usually outlive their husbands. Many old women do not have the means or pension entitlements to make a living following death of her spouse (Lampert & Althammer 2004). Hence, poverty rates for the oldest old – most of them are women – are significantly higher than those for older people (older couples!) in their 60s and 70s (Poon et al. 2005). Survivor's pensions are the main income for widows without an own contribution record due to no or irregular employment throughout their life course. The post-war European pension systems were designed assuming the persistence of a male breadwinner model, in which the husband would earn the living of the married couple and their children, while the wife would assume the role of the homemaker and family carer. Following this rationale, the pension

system extended the male breadwinner model into old age by granting dependent spouses a survivor's pension based on the deceased person's contribution record.

However, survivor's pensions are often subject to additional conditions. Typically, spouses are required to have been married to the deceased person for a certain minimum period (e.g. Belgium, Denmark, Germany). Most set a minimum age a dependent spouse must have reached before s/he qualifies. Some countries allow a relatively young age (e.g. aged 45 years in Belgium), whereas others restrict this to the survivor having reached retirement age herself/himself (e.g. the Czech Republic). Other pension systems require the dependent spouse to be not employed in order to qualify for a survivor's pension (e.g. Belgium, Estonia). In most cases, however, caring responsibility for other dependents (usually children) results in an automatic qualification.

Remarkably, the Belgian pension system makes allowances for dependent spouses already during their life times. Pensioners qualify for a higher pension when living with a dependent spouse – a higher percentage is entered into the pension formula.

In contrast to most other European countries, the Danish pension system has recently (2004) implemented a new policy granting survivor's pensions not only to spouses of deceased persons – but also to cohabitants and divorced partners² if they were married or cohabiting with the deceased person during the 2 years prior to the deceased person's death. The same liberal regime can be found in Lithuania, the Netherlands and Slovenia, but without any conditions attached to receipt. Austria, Italy and Slovakia grant the same rights to divorced spouses – but not to formerly cohabiting partners. The German pension system also acknowledges the right of divorced spouses to a survivor's pension, but ties this to a number of preconditions: They had to be married to the deceased for at least a year and to be financially dependent on the deceased.

Usually, only spouses, quite frequently also dependent children (Belgium, Cyprus, Czech Republic, Denmark, Finland, Germany, Luxembourg, Malta, Sweden) qualify for a survivor's pension. The broadest definition of who constitutes a survivor we came across was in Estonia and in Slovenia where other members of kin, including brothers and sisters, grandchildren, or parents qualified as well. Some other Eastern European countries also extend entitlement to kin other than spouses and children: Latvia allows claims by grandchildren, as well as brothers and sisters – but not by parents of the deceased. Hungary grants that right to parents and grandparents, but not to grandchildren. Poland restricts receipt to parents of the deceased only – the same applies to Portugal. Furthermore, some of the Mediterranean countries (Greece, Italy, Spain) adopt a similarly broad definition, which allows parents, dependent grandchildren and brothers and sisters (Italy) to benefit as well.

Why is all this relevant in the context of poverty and social exclusion? The cohorts that 'initiated' family change (growing numbers of divorces, out-of-wedlock births, lone parents, patchwork families) in the late 1960s / early 1970s have now began the transition

² Certain conditions apply for divorcees.

into retirement age. Although married couples will continue to outnumber cohabitees, lone parents, and single individuals for some time to come, there will be growing numbers of bereaved that were not married to the deceased and, hence, would not qualify for a survivor's pension under the current regulations. Many of them will have earned contribution records and thus pension entitlement of their own right. Nevertheless, even women of this generation will get lower pensions than their male partners (Walker & Maltby 1997), due to the still uneven distribution of care work (see, for example, Ginn & Arber 2000; Ginn et al. 2001; Arber & Ginn 2005). Consequently, these women are potentially in danger of deprivation in very old age. Some of them, namely lone parents, will have experienced poverty and social exclusion throughout their life course already (Hoff 2006b).

Abolishment/reduction of the minimum contribution record requirement

Most social insurance based pension schemes require an older person to have a minimum contribution record of a fixed number of years before they can draw a pension (e.g. 5 years for a minimum pension in Germany). This minimum requirement effectively excludes various groups of older people from drawing a pension, in particular those with irregular employment histories. Women who brought up children without being employed at the same time are particularly disadvantaged. Another group severely affected by such preconditions are the long-term unemployed or migrants who moved to their host country a shorter time ago than the minimum contribution period.

Unlike most other countries, the Belgian social insurance based pension system does not require a minimum membership in the pension scheme. Hence, everyone who has ever been employed in Belgium is entitled to some payout from the public pension scheme. Though requiring a minimum contribution period for drawing a full pension of 25 years in the Czech Republic, this is significantly lower than in most Western European countries. Once a claimant has reached an age of 65 years or older, this requirement is reduced to 15 years.

Pension credits for non-contributory periods throughout the life course

A means of (at least partly) compensating women for periods of involuntary non-employment (and thus non-contribution), such as care work are pension credits paid that are not based on contributions and are usually paid from taxation. Such pension credits are quite common in Europe – the only EU Member State that does not allow that is the Netherlands.

In contrast, the Belgian pension system extends this to recognises other periods of non-contribution as well, including involuntary unemployment, periods of 'pre-retirement pensions' on basis on collective agreements, certain periods of career interruption, periods of incapacity, maternity leave, military service, higher or further education, etc³. Similar rules can be found in Cyprus, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta,

³ The 'etc' includes periods of annual leave, industrial action, and preventive detention.

Poland, or Slovakia. Austria, Finland, France, and Ireland are allowing periods of registered unemployment to qualify for pension entitlements. Child-raising periods are taken fully into account in Austria, the Czech Republic, Estonia, France, Germany⁴, Greece, or Spain.

From a Western perspective, a particularly fascinating element of the Czech pension system is the mechanism built-in to the pension scheme that rewards women for having raised children: their legal retirement age is reduced by a year per child – hence the legal retirement age is 59 years + 8 months for childless women, 58+8 for women with 1 child, 57+8 for those with 2 children, 56+8 for those with 3-4 children, and 55+8 for those with 5 or more children. While the Czech government decided to increase the legal retirement age for both men and women, this mechanism will in principle remain intact. In future, Czech men and childless women will retire aged 63 years; mothers will be able to retire aged 59 (5+ children) to 62 (1 child) years. Similarly, Estonia permits carers/guardians of disabled children or a parent with 5 or more children retirement 5 years before approaching legal retirement age⁵. The same applies to workers who were involved in the clean up of the thermonuclear catastrophe in Chernobyl in 1984, or in other hazardous industries, as well as those unlawfully imprisoned.

Earning disregards

Most pension systems assume that the retirement pension will be the main or even the only source of income in old age. Thus, earning an income in old age to supplement a public pension is penalised by most public pension systems. The Spanish and the Irish pension systems impose the most draconic sanctions by suspending any pension payments in that case.

However, quite a few of the new EU Member States from Central and Eastern Europe introduced flexible regulations in this regard. This flexibility, however, is born out of need rather than anything else. Czech or Estonian pensioners are entitled to very modest pension benefits, according to Western standards. A retirement pension in the Czech Republic, for example, comprises of a flat rate of CZK 1,400 (£ 31) plus an earnings related element per month. Czech pensioners are allowed to earn as much as they want additional to their pensions. The same applies to Estonia, unless s/he retired before reaching the legal retirement age or s/he receives a superannuated pension and continues to be employed in the job that earned him/her the superannuation.

⁴ Though periods of higher education will no longer be taken into consideration for those retiring after 2009.

⁵ Parents of 4 children are allowed to retire 3 years earlier, parents with 3 children 1 year before legal retirement age.

Older workers and early retirement

The legal retirement age is indirectly linked to the risk of poverty in old age. The legal retirement age mediates access to a pension. In countries with high levels of unemployment, pensions are quite often seen as an attractive, reliable income source that is paid at regular intervals and reliable income source, which is sometimes even more generous than income support benefits they received before. As research on older workers has repeatedly shown, older workers are over-represented among the unemployed in these countries (Engstler 2006; Harper 2006; Marshall & Taylor 2005). Moreover, it is also often linked to the age at which early retirement is permitted. Unemployment is frequently cited as the main determinant of poverty for people aged in their 50s and early 60s (sometimes even in their mid/late 40s already) (see, for example, Börsch-Supan 2005). Thus, the German SoVD demands the introduction of active labour market policies as the main poverty alleviation instrument (SoVD 2003).

Many companies all across Europe have taken advantage of generous early retirement schemes in various European countries to retire older members of their workforce early at the expense of European tax and social insurance contribution payers. Since then, the trend has been reversed – the average labour market exit age has increased again since the mid 1990s (Eurostat 2005b). EU Member States differ in their approaches to early retirement though. But in general, early retirement has become far more restricted. Only very few countries allow early retirement straight away, such as Latvia or Luxembourg do. Usually, it is restricted to certain conditions, such as particularly harsh working conditions (e.g. Austria, Estonia, Greece, Hungary, Poland, Portugal, Spain), invalidity (Cyprus, Czech Republic, Germany, Italy, Poland), unemployment (Lithuania, Portugal), or care for dependents (Czech Republic, Estonia).

Frequently, retirement before reaching the legal retirement age involves reductions in pension benefits (e.g. Germany, Greece). The Czech Republic handles early retirement even more restrictively by limiting it to a very specific group: Czech pensioners with a contribution record of at least 25 years who suffer from an impairment resulting in an entitlement to Invalidity Pension in the previous 5 years are eligible to early retirement two years prior to legal retirement age at reduced pension benefits. The most restrictive regime in regard to early retirement was found in Ireland, Malta, the Netherlands, and Slovenia where early retirement is generally not possible.

There has been a U-turn in early retirement policies in recent years: whereas there used to be abundance in economic incentives for both labour force supply and demand sides for early retirement, this approach has now given way to the provision of financial incentives to employers for NOT retiring their workforce early. Common examples include a reduction in social insurance contributions for employers (Austria, Belgium, France, Sweden) or wage subsidies paid by central (Germany) or local government (Denmark).

An extraordinarily interesting and successful case of anti-early retirement policy that we see as an example of good practice can be found in Finland. The low effective retirement age, following a decade of economic recession and high unemployment, was seen as a major problem imposing an extra burden on the public pension system. Moreover, although the overall picture in Finland shows poverty rates in old age well below those in other countries (11 per cent), there was increasing concern about the high prevalence of poverty among some social groups. Older unemployed are particularly harshly affected – nearly 60 per cent of them live in poverty (Börsch-Supan 2005). Hence, Finland introduced a four-year National Programme on Ageing Workers in 1998, which was accompanied by a broad media campaign promoting a positive image of older workers and highlighting positive effects (productivity of older workers, effects for their wellbeing and health, etc). By 2000, the Finnish government declared in their government programme that it was aiming at extending the average age of leaving the labour market by 2-3 years (Hakola & Ilmakunnas 2000).

An important element was a pension reform, which removed incentives for early retirement and raised the minimum retirement age. In a next step, which took effect in 2005, older workers were offered increased pension entitlements of up to 40 per cent if they decided to continue working until after reaching the legal retirement age of 65 years. This step was also accompanied by a positive campaign educating managers of the positive effects and providing training on issues like how to maintain a healthy and productive older workforce (counselling, lifelong learning, etc.). Moreover, specific ‘workability’ (work ability) measures aimed at better integrating an ageing workforce were introduced, including workplaces tailored to the needs/skills of older workers. These programmes are evidence-based i.e. accompanied by measurement of key variables at regular intervals. This is seen as an important tool for providing evidence of the success of these policies. At the same time, these statistics are used to convince CEO and management of companies that do not yet take part in these schemes of ‘how much they are loosing out’.

Finland’s integrated approach provides an example of ‘best practice’. But there are other countries that began penalising companies for retiring older workers before retirement age. It often comes in a ‘carrot and stick’ package. Thus, in Austria the carrot is that employer’s unemployment contributions are halved for enterprises that hire workers aged 55 years or older. The stick is a penalty payment for dismissing a worker aged 50 years or older, which is staggered depending on age of that worker.

Many companies throughout Europe took advantage of state subsidies for sending their older workforce into early retirement. The mass application of this policy added considerably to the growing burden on public pensions throughout Europe. Hence, many governments restricted eligibility to early retirement. In countries with mass unemployment where the productivity of older workers is seen as below that of younger ones (e.g. Germany, Poland) this policy change has resulted in extended periods of unemployment preceding retirement. The consequence are deprived circumstances that continue into the retirement period due to the combined effect of lack of contribution

record and inability to accumulate private savings. The Finnish integrated approach is an effective strategy of how to alleviate the risk of poverty before it even starts occurring. It entails a radical departure from previous policies by placing the burden on the employer's side. Economic incentives are given for employing older people rather than retiring them.

Health care and long-term care

The focus of this section is long-term care, since 'being in need of care' – i.e. needing assistance to perform the usual and regular activities of daily life to a considerable degree for an extended period (Kondratowitz et al. 2002) – poses a significant risk of social exclusion in very old age. People suffering from dementia are particularly at risk of being socially excluded (BMGS 2005). Whereas a few countries established specific institutions to handle long-term care commitments for their ageing populations, others decided to integrate them into the existing network of health and social care provision. In this part, we will discuss these multifaceted policy solutions and their consequences for older people in terms of social exclusion.

Need of long-term care is universally defined as being not able to perform the basic activities of daily life. Residents in the EU Member States affected by this condition qualify for public support in one way or the other. Frailness, disability or poor health are high-risk factors in terms of social exclusion. Additionally, the exorbitant costs especially for full-time care pose a significant poverty risk. In most European countries, their needs are addressed by a combination of health and social care institutions, depending on the severity of the condition. We will briefly introduce such institutional solutions and discuss their effect on reducing the risk of poverty and social exclusion following that.

In the Scandinavian EU Member States (Denmark, Finland, Sweden) all residents are covered against the risk of needing long-term care following the citizenship philosophy. Other countries where a 'National Health Service' plays the central role in health care provision include several of the Central and Eastern European countries (Czech Republic, Estonia, Hungary), as well as Ireland and Malta. Slovakia is following a social assistance model for financing long-term care. In Latvia, there is no specific long-term care scheme in place; priority is given to family and home care – social and institutional care is only provided to the most severely affected. Hungary is also explicit in emphasising family care, but care institutions are there if needed. In Slovenia, various social security branches administer long-term care related tasks. There is, however, a special long-term care benefit.

Countries in the social insurance tradition established mechanisms based on the social insurance principle. In Belgium and the Netherlands, for example, the risk of becoming in need of long-term care is covered by sickness (Netherlands: health care) and invalidity insurance. Similar institutional solutions can be found in France, Greece, Lithuania, Luxembourg, or Spain. Somewhat different is the picture in Cyprus where long-term care is jointly administered by the Department of Health and a specific fund within the state budget. Germany is special in having first established a new social insurance pillar to address the growing number of people in need of long-term care (Germany).

Usually, home care assistance as well as stays in hospital or institutional care is covered. Portugal followed later in introducing a social insurance based long-term care system. Austria also introduced a separate long-term care benefit system, which is jointly administered by central and regional government.

Germany was the first country worldwide to introduce long-term care insurance (LTCI). Although LTCI covers nearly the entire German population, it is supplemented by Social Assistance to provide financial support for people otherwise affected by economic deprivation, including those who do not qualify for full financial support under the LTCI scheme. The implementation of LTCI in 1995/6 was largely motivated by the previously high incidence of poverty among frail elders who had to rely on social assistance for financial support. Before that, frail elders had to fill in an application for social assistance, which was seen as problematic for two reasons (Hoff 1998): First, social assistance is administered by the municipalities, which found themselves soon overburdened with the ever-growing demand. Secondly, social assistance is seen as a 'safety net of last resort' for the poor. It was deemed as totally unacceptable if older people had to rely on this for maintaining their livelihood in the final years of their lives. So, it was concern about avoiding public and self-stigmatisation and resulting social exclusion that played an influential role in the policy process.

The most diversified 'system' we found in Poland, where responsibility for long-term care does not lie with a particular institution. The task is rather shared among several public health care and social care institutions, without having a clear-cut division of labour (at least from the position of an outside observer). It is hard to say how efficient this diversification works. However, as the following example of social care provision shows there are also innovative elements at work in Poland that may serve as an example of good practice to others.

8. The Open Method of Co-ordination: ‘Examples of good practice’

The concept of social exclusion that first emerged in the context of French policy discourse had gained prominence in the European policy arena during the Delors Presidency (1985-1995). The fight against social exclusion was for the first time explicitly referred to as a central aim of the European Community in the Agreement on Social Policy in the Amsterdam Treaty 1997, where it was mentioned among the objectives of the Community and the Member States (article 136) and specific social inclusion measures were proposed (articles 137, 140). The Extraordinary European Council in Lisbon in March 2000 made combating social exclusion one of the key priorities. For the decade 2000-2010 the strategic goal was set for the European Union ‘to become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion’ (European Council 2000a). In order to achieve the latter an ‘overall strategy’ was required, among others, to fight social exclusion. The European Commission proposed the so-called Open Method of Co-ordination (OMC) as an instrument for implementing this social inclusion strategy in 2000, following earlier experiences with the OMC in the field of employment since 1997. In the meantime, the OMC has also been applied to the domain of pension reforms (since 2002).

The original treaties of the European Community rested on the assumption that economic growth would enhance the life chances of all citizens. During the 1980s this belief in an automatic link between economic growth and individual welfare was shattered in the context of economic recession. Subsequently, much policy effort was concentrated on legally binding commitments. Until the mid 1990s, the social policy dimension of the European Union was seen as being best advanced by committing the member states to upgrade their standards in line with European-wide legislation (for example, the Social Charter). In other words, ‘hard’ policy measures were given priority to enforce compliance among the member states. This approach had however a major disadvantage. When a dozen or more countries are trying to synchronise elements of their national policies, political compromise becomes the only way forward. Thus, policy development could only be achieved using a lowest common denominator solution. This often resulted in suboptimal outcomes many were not happy with.

As a consequence, some started to discuss an alternative, ‘softer’ approach to policy advancement. The main idea behind this new approach was to focus the attention on particularly innovative or advantageous solutions at national, regional or local level to provide others with examples of how to deal with a specific problem. The proponents of this new approach argued that its model character for others could influence the direction of policy change more effectively (Ferrera, Matsaganis & Sacchi 2002). Common guidelines, National Action Plans (NAP), peer reviews, joint evaluation reports and recommendations were introduced as instruments for achieving this. These instruments are part of structured processes that are repeated at regular intervals every couple of years,

which "...create trust and cooperative orientations among participants and tend to encourage learning dynamics." (Ferrera et al. 2002: 227)

The social inclusion *process* was formally launched with the Nice European Council in December 2000. The European Council invited the member states 'to develop their priorities in relation to these objectives, to submit by June 2001 a national action plan covering a two-year period and to define indicators and monitoring mechanisms capable of measuring progress' (European Council 2000b). It was also here that the European Commission was invited to present 'a summary report identifying good practice and innovative approaches of common interest to the Member States' (Council of Europe 2000). The application of the OMC to improve the social inclusion of European citizens consists of two elements: (a) the process of the biennial submission of NAPs by the member states and their assessment by the European Commission and the Social Protection Committee (established by a Council decision in June 2000) resulting in a 'Joint Report of the Council and the Commission' and (b) a multi-annual action programme to encourage cooperation between member states to combat social exclusion. This 'community action programme' was adopted in November 2001 to start on January 1, 2002 – and to last until December 31, 2006. Effectively, the examples of good practice set out this way are used to give positive incentives for national governments to follow, though they are not legally binding.

At first, the idea may have seemed like a mere act of political correctness to emphasise that there is no one-directional transfer of knowledge from one set of countries to another within the European Union. But it is much more than that. This kind of concept is very much at the heart of the European project of the so-called European social model, which grants specific social rights to all its citizens. The European social model is not a profound reality as national welfare states are yet – it is rather an overarching aspiration for future joint social policies shared by the European partners (O'Connor 2005). The idea is based on a broad conception of social policy as a wide range of 'interventions for social purposes' (Kleinman & Piachaud 1993). At the same time, it emphasises diversity all across Europe, which is particularly visible in the very different approaches towards achieving social integration, which is influenced by very different cultural and political-historical traditions. Thereby, small countries are set at equal footing with the large, more powerful countries. In a nutshell, the idea is that everybody has something to offer – and nobody has the perfect solution for all problems. Furthermore, it rewards particularly innovative policies or projects by highlighting them and giving them credit in an international context.

We see some additional value in the OMC. Examples of good practice provide extremely valuable information on how people in other countries are trying to solve their problems. In most cases, these are local or regional examples, many of which are actually created by voluntary organisations. Nevertheless, a particular approach is usually recognisable, which addresses a problem of particular concern in the country in question, thereby reflecting the cultural background in this country. We would argue that these

examples of good practice somewhat counterbalance the over-emphasis on state policies, such as pensions or healthcare, as well as the over-reliance on quantitative measures. The use of examples of good practice introduces a qualitative dimension to the European policy process. It also marks a shift towards more diversified approach of social policy by incorporating and publicly acknowledging the contribution made by welfare providers other than the state, namely the voluntary sector.

The extent of social inclusion policies and their apparent impact vary from country to country. This section provides examples of good practice towards the social inclusion of older people that were emphasized by the participants in the expert interviews. Some of them were implemented at national level. But most were initiated at local or regional level; the influence of the voluntary/NGO sector in these activities is remarkable. Although many of these examples reflect different cultural traditions and policy approaches, one should keep in mind that there is no systematic knowledge on 'examples of good practice'. Most examples mentioned resulted from anecdotal or coincidental knowledge of the interviewees and largely reflected their particular interests. These examples with model character are presented on a country-per-country basis, thereby highlighting typical characteristics. When more than one example was mentioned these were separated using sub-headlines indicating their specific nature. This is also intended to help the reader navigate through this section.

Austria

(A) Regional advocacy network

Although social policies have remained national (sometimes also regional) matters, the OMC has become very influential in the EU member states. In particular, the National Action Plans serve as models for social reporting on poverty/social exclusion. Moreover, quite a few of these regional networks are linked to national and European networks. Regional policy initiatives are particularly influential in countries with a federal political structure. The *Salzburger Netzwerk gegen Armut und soziale Ausgrenzung [Salzburg Network against Poverty and Social Exclusion]* in Austria is a good example (for more details see Salzburger Armutskonferenz 2001, 2002, 2003, 2004; Pfeil 2003). It consists of various voluntary organisations, ranging from the welfare branches of the Catholic and the Protestant churches to self-help and advocacy groups for lone parents, the unemployed and older people. The *Salzburg network* maintains links with the Austrian National Poverty Conference (*Die (Österreichische) Armutskonferenz*), as well as with its German equivalent (*Die (Deutsche) Armutskonferenz*) and the European Anti Poverty Network (EAPN).

Overall, the strategy employed by the Salzburg network is to bring together various welfare providers and campaigning organisations that act as advocates for disadvantaged and deprived social groups in Austrian society. A specific characteristic of the Salzburg region is a clear separation into rural and urban districts. Social exclusion of people living

in deprived circumstances (economic poverty, poor health, lack of social contacts) is far more pronounced in the rural context, where social stigmatisation is much more prevalent and the social infrastructure to counterbalance this is weak. The risk of being affected by poverty is far higher in the rural, economically underdeveloped areas – hence there is a particularly need for concerted action in the Salzburg region. The network is striving for bringing together all relevant policy actors in the region, as well as encouraging the political participation of the addressees of these policies. Hence, many of the measures suggested are of a rather general nature in an attempt to incorporate the interests of all stakeholders in this venture. Such general measures include the introduction of a ‘social model’ (*Sozialleitbild*), the implementation of social planning and coordination procedures in the Salzburg region, the establishment of a social planning advisory committee (*Sozialplanungsbeirat*) of independent experts, and a regional action plan against poverty following the model of the National Action Plans (NAP) at EU level.

(B) Home share

We would like to highlight another, more on practical help oriented project from Austria at this point, which struck us as very innovative. The ‘Housing for Help’ (*Wohnen für Hilfe*) scheme in Graz is jointly run by the GEFAS older people’s association and the Students Union of the University of Graz. It is a truly intergenerational project that benefits both old and young people by making their specific resources available to each other. Older people who live in large flats but require help with their requirements of daily living provide students with accommodation in exchange for practical assistance. Thus, this project extends the concept of intergenerational family support as it was described in various publications (see, for example, Attias-Donfut & Wolff 2000; Kohli et al. 2000; Hoff 2006a) to a wider community. The older people’s association and the students union set up a co-ordination centre where older people and students interested in the scheme can meet. It is important that this takes place in a safe environment (co-ordination centre) in order to develop mutual trust.

(C) Sheltered housing

The next example from Vienna is comparable with various similar projects throughout the country. These sheltered housing facilities are financed by the municipalities, in smaller towns or in rural areas by the federal states. But the Vienna programme for avoiding homelessness is by far the most sophisticated. It provides sheltered housing for people suffering from dementia or other conditions in combination with extensive health treatment and the opportunity for psychological therapies. Various housing units are available, including individual flats, flat-sharing, or single rooms. Thanks to the excellent facilities and services it provides it enjoys a lot of popularity. It is already overcrowded, and there are long waiting lists for any vacancies.

(D) 'Adopt an older person'

The following example was developed to address the specific problems with residential care in rural areas in Austria. As pointed out before, older Austrians who have no next of kin living locally in the rural areas of the mountainous Alp regions are particularly affected by social exclusion and poverty. In this scheme, the person in need of care lives together with a farmer's family on a farmstead. Again, this scheme is of mutual benefit to both parties. The elderly person receives family care and can continue to live in a rural area, whereas the farmer does no longer rely on his agricultural business as the main source of income. Various quality assurance measures are in place to make sure that there is appropriate accommodation available for housing an older person in need of care.

(E) Social care

Austria prioritises pensions and other cash benefits for poor pensioners as the best means for fighting poverty and social exclusion in old age. Nevertheless, the Austrian government also acknowledges the need for complementary social services. An enormous variety of social services for older people is offered in Austria – mostly targeted at providing an infrastructure for these services. These include clubs for senior citizens to give them an opportunity for socialising and making new social contacts, which are however more common in urban areas. The entire spectrum of social services is provided at municipal level, including care services, home care and home help, meals on wheels', institutional care.

Belgium

[No interview could be realised.]

Cyprus*(A) Day-care centres*

Important but still relatively new services for older people provided by NGOs, sometimes also by municipalities, are day-care centres, often attracting people from an entire region who live very isolated otherwise. Their families have spread all over Cyprus. Their children live in small houses – there is no place for the elderly to go. They have to live alone. The day-care centres often provide the only opportunity for these elderly to socialise. They can spend their day there and have their meals in the company of others in a similar situation. Social contacts and having joint meals are particularly important for Cypriots. Also, they bring their clothes that can be washed there. Moreover, some day-care centres established links with local doctors or local health services. In Larnaca, for example, there is a nearby medical centre where they can have some medical treatment (e.g. blood testing), see a doctor or receive physiotherapy.

(B) 'Parliament for the Elderly'

Another example of good practice is the creation of the 'Parliament for the Elderly', which meets once a year, with the President of the Parliament, the Minister of Health, and the Minister of Labour and Social Insurances being present. As a result, all major problems faced by the elderly face are being discussed and recorded. The Ministers are bound to implement some of the decisions with the aim to improve the circumstances of the elderly and to avoid social exclusion. At local level, district committees for the elderly were established too. In general, there is very close co-operation between the government and voluntary organisations for the elderly. The National Plan for the Elderly is a first outcome of this.

Czech Republic*(A) Government listening to older people's organisations*

There are some NGOs that are working very closely with government and ministries, which also organise conferences on issues of relevance to older people. The first measure employed by the Czech government to address the problem of social exclusion of older people is the NAP on Social Inclusion – not only but also for older people. Zivot 90 is participating in the expert group for the new proposal for 2004-6. Zivot 90 and other NGOs have also been involved in the formulation of the Czech National Programme on the Preparation for Ageing, which – according to our Czech interview partners – is a very good document that covers all areas of older people's needs. All ministries of the Czech government, ranging from the Ministry of Labour and Social Affairs till, for example, the Ministry for Information, support it.

Particularly noteworthy is the role of the Czech NGOs in the evaluation of the Czech National Programme for the Preparation on Ageing. The voluntary sector actually monitors the performance of the Czech government ministries on achieving social inclusion of older people. So, the ministries have to report to the Ministry of Labour and Social Affairs every year – and the Ministry sends the report to the NGOs.

(B) Flexible social and health care provision

Some NGOs provide or develop services for older people that are more flexible than the state. This mainly refers to the relationship between social and health care services. The problem is that health care and social care are treated separately in terms of financing, but also in the way it is administered. Part of the problem is also the over-emphasis on medical expertise – medical professions and health care structures dominate the service provision. As a consequence, the system does not usually respond to social care needs. When people need both health *and* social care, they often have to move from one facility to another. This can be harmful for older people, and for geriatric patients in particular. Older people are the group who tend to have the greatest difficulties with adapting to this situation.

Therefore, some voluntary organisations have started to provide social care services that acknowledge this deficiency. 'Zivot 90' is one of the organisations offering that kind of support. They have facilities where both health care and social care are provided. On top of that they also established lifelong learning, information and counselling services. Unfortunately, these facilities are still limited to very few locations, mainly the big cities. Comparable services do not exist in the rural areas.

Another example of good practice in regard to combining long-term care and social care can be found in Liberec, in the north of the Czech Republic. This is a facility where different services are provided, which are funded by the Ministry of Health. The director of this research facility and his staff are particularly concerned with the issue of combining social and health care, with particular emphasis on long-term care.

(C) Community centres

Another example of good practice is a project that develops community centres for older people. There is a pilot project in Prague – and Zivot 90 will start similar ones in various other cities in the Czech Republic. The special thing about these community centres is that they unite everything under one roof: social services, health care services, rehabilitation, respite care, empowerment programmes here, etc.

Denmark

(A) Pension entitlements based on citizenship

Denmark certainly also provides local and regional examples of good practice that are comparable with those presented for other countries in this section. Nevertheless, we would like to focus on a national policy in Denmark that no doubt is admired by pensioners all over Europe – the Danish pension system. In fact, poverty in old age does hardly exist at all in Denmark since entitlement does not depend on a contribution record. Pension entitlement is granted based on citizenship, i.e. all pensioners who lived in Denmark for at least 40 out of the past 50 years are entitled to a full pension. There is only a small group that has not been in Denmark for such a long time – so they are only entitled to a reduced pension, which could be complemented through social assistance.

(B) Social services

The Danish welfare state provides a variety of social services, home help services, home care, shopping, etc. Every older person in need is entitled to service provision on an at least weekly basis. In contrast to many other European countries, service provision is seen as the state's (municipal level) duty – the voluntary sector is not involved in service provision. NGOs like DanAge rather see themselves as organisations that offer older people opportunities to socialise, to give advice on relevant issues and to campaign for older people's interests. Thus, it lies in the discretion of the municipalities to decide how much they spend on which services. But given the financial difficulties some municipalities are facing, some municipalities have reduced service delivery to once every fortnight.

(C) Visiting service

An interesting example of good practice is preventive homecare where the municipalities send people around to anyone aged 75 or older to enquire about their care needs. About 40 per cent of the people in this age group had such a visit. The currently less favourable economic climate has resulted in economic pressures on municipalities. As a consequence, not all of them will make home visits right away. Quite a few expect people in need of care to phone a telephone hotline. The psychological barrier of asking for help and/or contacting a public agency remains intact in the latter case, which reduces the costs for the municipalities significantly. At the same time, it lowers the well-being of the affected older people considerably.

(D) Transport services

Disabled people or other individuals, who cannot use public transport, are entitled to 400 trips a year on special transport services provided by the municipalities. This service is not provided free of charge – but the charges are much lower than paying for a taxi for example.

Estonia*(A) Government listening to older people's organisations*

The only example of good practice mentioned by our Estonian interview partner was the high degree of involvement of older people's organisations in consultations with the Estonian government. The government established a specific Commission of the Elderly within the Ministry of Social Affairs. The problem of the social exclusion of elderly people has been addressed in a recent policy document entitled "The Policy for the Elderly in Estonia", which was prepared by that commission.

Finland

Social exclusion and poverty of older people was only very recently discovered as a theme of concern to Finnish society. As a consequence, projects to promote the social inclusion of older people are still very much at the beginning of being developed. Service houses could however serve as examples of good practice.

(A) Service houses

So-called service houses help older people coping with their living conditions. Municipalities run some of them, others are run by voluntary organisations. They provide opportunities to socialise with other older people, as well as with children and younger people in a good-quality environment. Some of the service houses have tried to collaborate with schools and kindergartens, so that the same facilities can be used by different generations. Sometimes they arrange activities for older people in schools – sometimes the younger people can go to the houses where the old people live and they try to develop some interaction between the generations. Some of them have also developed into service

centres for older people. They can go there and get information, advice and help. Some of the bigger service houses also offer flats or sheltered housing for older people. Eligibility is defined according to specific criteria. Hence, these service houses are service centres and sheltered homes for older people at the same time. They are usually located in the city centres to enable older people to enjoy the shopping and cultural facilities there. The Association of Swedish-Speaking Pensioners in Finland is one of the voluntary organisations that run such service houses.

(B) Government listening to older people's organisations

The voluntary sector is heavily involved in the policy making process in Finland. Our interviewees regarded themselves as being in a very privileged situation compared with other European countries. The Finnish government has been keen on listening to pensioners' associations for the past 3-4 years, which is a significant improvement compared with the 1980s. The parliamentary opposition has also established a working group with the voluntary sector. At the same time, the third sector has started to grow – many NGOs are providing services for older people. Many municipalities could not cope without the social care provision for older people by the third sector (see the service houses above). As a very recent development it is noteworthy to mention that people aged 80+ should have their social care needs registered from 2006 onwards. Municipal professionals are responsible for taking care of this.

France

(A) Intergenerational leisure programmes

The most fascinating examples of good practice we came across in France are intergenerational leisure programmes enabling pensioners to spend their vacations with their families in a holiday resort, an activity from which older people in need of care would be excluded otherwise. The French retirement pension system has funds devoted to the construction of vacation centres where the elderly can spend their vacations together with their families, also with young children. Most of them are situated along the coastlines in southern or northern France, many of them in popular holiday resorts. These are large complexes that provide accommodation and facilities for old and young, literally for grandparents, parents, children, and grandchildren. These facilities also include easy access for disabled people and sheltered housing with medical and care facilities. Generally speaking, people have to pay for using these facilities. But if they haven't got the resources they will receive assistance from the so-called complementary system. In France everyone has to subscribe to both the general pension system and to the complementary system. The complementary system is very active in providing social welfare. The costs are shared between employees and employers.

(B) “Week of the Elderly”

We regard the ‘Week of the Elderly’ that takes place every year in October as another excellent example of good practice. During that week, there are many festivities and conferences for the older people in towns and villages. The intention of this event is to raise the awareness of society for older people’s problems and to do things for older people, also to mediate between them and the younger generations. The local governments are very active in this. Sometimes, this triggers the development of concrete services for older people. For instance, in Lyon there is an association linked to social services that developed a prevention programme for older people before retirement. The idea was to interview them first to make a diagnosis of the help they would need and then to direct them to activities and meetings and services.

Germany*(A) Basic income for senior citizens*

In line with the general emphasis on cash benefits in the German welfare state, the German government representative and the academic expert stressed the contribution of the recently introduced basic income for senior citizens for alleviating old-age poverty. This new cash benefit was introduced in 2004 with the intention to provide older people without a sufficient contribution record with a basic income that is orientated on social assistance rates but does not entail the stigmatising element of social assistance (for more details of the policy and also for some critical remarks see chapter 7.1 on pages 27/28). Every older person whose income is below the poverty line is entitled to apply for this benefit, which is complemented with housing benefit. The subsidiarity principle that is otherwise deeply rooted in German social policy and requires next of kin to provide financial and in-kind support in the first place was relaxed in this regard, i.e. means-testing refers to the older person’s and his/her partner’s resources only – not to those of his/her next of kin. Thus, intergenerational responsibility was in fact removed in regard to financial support.

(B) Neighbourhood centres

The German concept of so-called ‘neighbourhood centres’ (*Nachbarschaftszentren*) is similar to those of communitycare centres in the UK. They exist in all major cities and also some smaller towns and are meant to address social issues and provide social services that are particularly in demand in the surrounding neighbourhoods – hence the name. Our interview partner from the ‘Parity Welfare Association’ (*Paritätischer Wohlfahrtsverband*) in Northrhine-Westfalia named three neighbourhood centres – in Cologne, Wuppertal and Bochum – that are particularly active in addressing the issue of social exclusion/inclusion of older people in their communities. The Parity Welfare Association is one of the major welfare associations in Germany that function both as advocacy groups for people in need and as service providers. The two largest welfare associations are *Caritas* i.e. the welfare branch of the Catholic Church and *Diakonisches Werk* its equivalent in the Protestant Churches. The Parity Welfare Association is different in two important respects: (1) Unlike

the above-mentioned major players it does not represent any religious beliefs; and (2) Instead of being a welfare branch of a larger organisation it is an umbrella organisation for many smaller self-help groups and service providers from the voluntary sector.

(B.1) Public presentations for older people

The neighbourhood centre in Cologne created a meeting space with a very welcoming atmosphere to attract older people living in their neighbourhood. They trained their staff specifically for this purpose and invited professionals to give presentations on issues of high relevance to older people. These events were intended to lower the barrier many older people (especially men). The hope was that people would find it easier to ask for help or to get involved with the neighbourhood centre once they had been there before.

(B.2) Visiting Service

In Wuppertal is a neighbourhood centre that is supported by the Parity Welfare Association, which organises a visiting service for older people. A social worker was employed to give professional guidance on this and to train a number of volunteers who then visit older people in their homes to enquire about their needs. These may include making social contacts and socialising, as well as concrete support measures that can be organised in direct cooperation with the neighbourhood centres.

(B.3) Work with older migrants

A third example of good practice given by a neighbourhood centre is work with older migrants, as it is provided by a member organisation of the Parity Welfare Association in Bochum. Older migrants are doubly disadvantaged in regard to institutional support since both social services for older Germans and those for migrants in general tend not to accommodate the specific needs of older migrants. The above-mentioned neighbourhood centre in Bochum provides guidance to older migrants to give them access to services provided to older people in Germany, as well as to the specific services available for immigrants living in Germany.

(B.4) Work with older gays and lesbians

Finally, we think another project catering for gay and lesbian people who are approaching retirement age is a noteworthy example of good practice since it highlights the problems faced by people who had to fight for social acceptance, participation and inclusion for most of their lives and are facing a new risk of social exclusion when they approach the transition to retirement. Homosexuality in old age has remained a taboo theme until today (Heaphy 2004). Their heterosexual family members often do not accept their homosexuality and exclude them from their family life. The organisation RUBICON provides support and social contacts for older homosexuals and offers help with setting up self-help groups for people in this situation.

Greece

(A) KAPI – Open Care Community Centres

KAPI (English: Centre for the Occupation and Protection of Older people) or Open Care Community Centres were initially an idea put forward by some NGOs – until the Greek government decided that it was worthwhile funding it. Since then, KAPIs have emerged all over the country. Today there are more than a thousand of them throughout. These centres combine the socialising aspect with primary health care facilities, as well as other professional support in the broad field of social services. Some KAPIs employ social workers. KAPIs are social clubs, they have meeting rooms, they have social activities. A social worker runs these activities. Our interview partner from Greece stressed the importance of the cultural approach in Greece not to exclude people. They've also got primary health care, some of them employ a physiotherapist. Usually, older people are involved in running the organisation as members of the management committee.

Poverty alleviation and the social integration of older people are the key aims of these community centres. But in contrast to similar concepts in other European countries they are not targeted at dependent people – they actually target those still living independently and are trying to support them to remain independent. However, the degree of generosity in equipment and services provided lies very much in the discretion of the respective local authorities. Originally, many KAPIs were started based on central government funding and were then handed over to the local authorities. Not all of them managed to find appropriate funding. The home care system for people who could not look properly after themselves – who after all are most at risk of social exclusion – was partly subsidised from the European Social Fund.

Hungary

(A) Home-help services

In 1992 a new home-help system was introduced in Hungary. The concept as such was previously unknown in Hungary. Home-help services are intended to enable older people to continue living in their own homes by providing them with essential assistance with various aspects of daily life. Thereby, their movement into a residential home could be significantly postponed. Moreover, this system helped to alleviate some of the regional differences, in particular between urban and rural areas. These services also make a significant contribution towards social integration of older people by providing them with opportunities for social networking. It was started by NGOs in Budapest. Later, agreements between local authorities and these NGOs were developed. The Ministry of Labour and Social Affairs also provided some help. In 1998, it became part of the Social Welfare Act and thus was institutionalised as part of the basic home-help services. Its progress will be monitored.

(B) Accessible homes

Accessibility is still a new issue in Hungary – that people with limitations have access to all public buildings, but also to their private homes. The other example of good practice was started in 2003. It is an experiment for older people with functional limitations to enable them to live an independent life. The idea came from the international project ENABLE-AGE. It was adapted to Hungary and involves engineers, social workers, doctors, home-helpers, architects, and skilled workers. The Ministry of Family Affairs, Youth, Welfare and Equal Opportunities financed it. Its progress will also be monitored.

Ireland*(A) The National Council on Ageing and Older People*

An example of collaboration between the state and the voluntary sector is the National Council on Ageing and Older People, which is a semi-state body that does research on older people. It has produced a number of reports, but arguably greater effort could have been made to publicise these. The NGO representative we interviewed was rather critical of the limited scope that the national council was given by the Irish government, though he agreed that it was a very good idea to have this council in the first place.

(B) The Rural Transport Initiative

Good practice is also seen in the rural transport scheme. One of the ironies in Ireland is that older people are in principle entitled to free travel – but the trouble is that many old people cannot avail it because there are no buses in their area. To counteract this, local communities and the government joined forces to promote ‘the rural transport initiative’. That means that in particularly isolated areas the bus will come a few times a week, will take people into town, take them back, lead them to their own door. According to our interviewees, older people seem to think that this is one of the better things that have happened.

(C) Older people’s involvement in running service providers

A particularly interesting advocacy project can be found in the older person’s unit in the ‘Mead Hospital’ in Dublin. They managed to get the older people in the unit involved in the running of it. They have been extremely successful in changing some of the things. One of the big problems is that nursing homes can totally isolate us from the communities in which they are. Because this is a very old part of Dublin there is a very close link between the people outside the unit and those inside the unit – social integration was mutually encouraged.

(D) ‘Senior help line’

A very innovative example of good practice that was very recently established is the ‘senior help line’. It is basically a telephone line, which has a free phone number. This hotline is still quite new and needs to be developed. At this stage, it is more or less a chat

line that enables older people to get in touch with one another. It needs to be developed – it needs more funding. Eventually it is planned to offer advice and information as well.

Italy

(A) Social clubs

Italy provides some examples of good practice in regard to the social inclusion of old people through specific NGO activities to gather together people for sport, dancing, kitchen, gardening – but also political discussion, peer helping and cooperation. These activities are more popular in northern Italy than in the south.

(B) Informal migrant care workers

The employment of informal care workers in Italian families may be precondition for female labour market participation in the middle classes and the only source of support for many old Italians in need of care – but it is most certainly not an example of good practice! Although the brokering role of the Catholic Church in mediating access to ‘trustworthy and reliable’ immigrant workers (for more details see Bettio & Plantenga 2004; Bettio, Simonazzi, Solinas & Villa 2004; Da Roit 2004), mainly from Eastern Europe, may be a development unknown in Europe for the past decades, it is nothing to be proud of. While some commentators emphasise the potential for saving public expenditure; others compare the situation of these carers living in the same households as their clients with modern slavery.

Latvia

[No interview could be realised.]

Lithuania

Our Lithuanian interview partners emphasised that it was too early to look for examples of good practice in Lithuania. They are mainly looking for examples of good practice from the old EU member states because the situation is so different. Thus, Lithuania imported the idea of day-care centres about 10 years ago. Now day-care centres have been established in Lithuania as well.

Luxembourg

[No interview could be realised.]

Malta

(A) The National Council for Older People

Two examples of good practice were highlighted in Malta. The first was the so-called National Council for Older People. Unlike the Irish semi-state body with almost exactly the same name its work is more focused on representing older people's interests and influencing government policies. It works in close collaboration with the Maltese government on a number of pensioner related issues.

(B) Intergenerational community centres

The other example mentioned was an intergenerational project bringing together older people and children in community centres. These centres had developed close links with schools in the communities and encouraged mutual exchanges between these young children and older people.

Netherlands

In the Netherlands, priorities were set slightly differently from many other European countries. Social exclusion of older people was discussed in a slightly different context, thereby stressing other problems – and, as a consequence – also other examples of good practice.

(A) Promoting active ageing and use of IT technology

The Dutch government has put priority on a good lifestyle. They developed a lot of programmes for older people to be active, to eat healthy – so that they stay healthy longer. The most important of these programmes with the widest scope is a big programme especially designed for the elderly to promote active living. These include social gatherings, eating together, or going out together. There are also some local projects where older people can learn how to use a PC, the internet or email. Some of them have facilities with 20 or so networked computers. This has been a great success in Holland. Now the government is funding more of these programmes.

(B) Visiting service

Loneliness of older people, especially among the oldest old, is a big problem in the Netherlands. Until the mid 1990s many older people – especially in the big cities – felt lonely and were not receiving the support they needed. Furthermore, research evidence showed that social isolation was more prevalent among older people with low incomes than among those with high incomes.

About a decade ago visiting services for older people were established to change that – first in Amsterdam. Volunteers are visiting the elderly, mostly once a year. They give the elderly information about services. They also enquire if they are lonely or if they

observed anyone who was lonely. If the volunteers find a problem they cannot solve they can turn to professionals within the organisation. These would then visit the elderly again. The idea is that all older people are seen at least once a year. But depending on the financial services of local governments that can vary.

A similar service is provided by a voluntary organisation called 'Welfare for Older People', which is a professional organisations of people who visit the elderly. Initially, they focused on older people experiencing more serious problems. Once it worked they extended it to over parts of the country. They also produced some information. Another organisation, the 'Elderly Union', does exactly the same – but this service is voluntary. That means, the service is primarily offered to members of the organisation. The main difference lies however in the nature of the organisation providing the service. Whereas the former is a professional organisation run by professionals working in the field of eldercare, the latter service is entirely provided by volunteers.

So far, these services are concentrated in the big cities where social isolation is arguably occurring more frequently. But now the government is providing funds to start this kind of a programme in almost every local authority.

Poland

(A) Home help projects

There are various projects that promote social contacts between the older and the younger generations. One local example that is quite typical for Poland is a group of young people belonging to the Catholic Church in Cracow who organise home help for older people living alone. They are doing their shopping and help them with the chores. This is very informal, following a spontaneous idea by some individuals.

(B) "Adopt a grandmother!"

Another fascinating example of informal intergenerational support is provided by a NGO from the poorer regions in the southeast of Poland. They established a project to adopt a grandmother. They matched two particularly vulnerable groups in Polish society – lone mothers and old people living in institutional care. The lone mothers who agreed taking part in this scheme are visiting these older people on a regular basis. The lone mothers would come with their children to visit these so-called grandmothers. They also have common activities, like meetings, they talk to each other, they are playing cards. Many of them developed new friendships this way. This informal socialising programme turned out to have practical beneficiary consequences as well. Some of the unemployed lone mothers found a new job in these care homes. Their voluntary involvement was seen as a very good preparation and recommendation of their attitudes.

Another good example is an organisation called 'Academy for the Development of Philanthropy in Poland'. They started a project for the entire Poland called 'Integration of Generations'. That works along similar lines.

(C) Teenagers teach older people use of computers

Forum 50+, which is a voluntary organisation campaigning for the interests of older people, established some programmes where young people teach older people how to use computers. At the same time, Forum 50+ helps to show these younger people that older people can still be a great help to them.

(D) Collaboration between voluntary and state sector

As pointed out before in this report (see chapter 4) Polish society is only just awakening to the implications of population ageing. Some local authorities, however, have developed a very positive and supportive response to these challenges and started to work with voluntary older people's organisations to provide better services for senior citizens. The city of Poznan and the region of 'Greater Poland' surrounding Poznan, for example, are very active in this regard. They are very open towards older people's issues and support NGOs dealing with these matters considerably; they also provide financial help. *Samaritanus* co-operates with the local government in the Poznan region. For instance, they organise geriatric care together. The local government provides financial support. They also assist in publicising older people's issues by making their official publications available for the inclusion of relevant articles. Our interview partners particularly appreciated this publicity work.

This is quite unique in Poland. It is mainly the attitude of that particular local authority that makes it special. The problem exists elsewhere – but nowhere else does the government contribute to the same extent towards the solution of these problems. The degree of involvement very much depends on the personality and the personal attitudes of the local governors.

(E) Special newspaper attachments for pensioners

Another example of good practice is a recent development. Some newspapers started to include special attachments for senior citizens on a particular day of the week. For example, there is a local newspaper in Cracow that publishes 2-4 pages with information and advice for older people and topics of particular interest to senior citizens on Fridays. Similar initiatives can be seen in other regions in Poland. Apparently, some awareness of older people and their specific interests has begun to emerge – but it's not a rapid change.

(F) Promoting older people as a consumer group

Finally, Forum 50+ commissioned a contract for starting a programme of free training on computers and internet for older people. This service was paid for by Forum 50+ and was thus free of charge for older people. The company provided this service at very competitive prices. Given the incredible success of these programmes they started to establish themselves in a new market for older clients. People are calling them from all over Poland to attend these courses. Following this success, the company wants to extend this to the rest of Europe.

Portugal

(A) Free telephone help line for elderly

In Portugal, most effort is centred around providing the elderly with information on benefits and services. A free telephone help line (Elderly Citizens Line) was set up for this purpose. Moreover, there is a so-called Elderly Card Foundation that offers financial support for older people in need.

Slovakia

Our Slovakian interview participants also said that Slovakia had only just woken up to the fact that its population was ageing. Hence, they felt it was too early to point out any examples of good practice. In the future, it might be worth looking at various NGOs and the welfare branches of the Catholic and Protestant Churches, which started building new facilities for social care services. Eventually, they came up with one example that we would interpret as an example of good practice:

(A) Advice and information centre for older people

The NGO representatives who took part in this research had only recently opened a new centre where they give information and legal advice to older Slovaks. They employed a social worker and also have a lawyer working for them. The centre also produces leaflets with information for older people, which are circulated through doctors, churches or other places where older people go. This centre is the first of its kind. Currently, the organisation is trying to organise similar centres in other parts of Slovakia. For that purpose, they are trying to attract older people who would be prepared to work as volunteers informing others of their rights and entitlements.

Slovenia

Slovenia is among the Central and Eastern European countries that have already developed a number of activities addressing the implications of population ageing.

(A) Self-help groups for older people

Over the past decade or so a number of new voluntary organisations with a strong focus on self-help have emerged. Between 1989-1991 the first 50 self-support groups were formed in nine Slovenian regions. In the following years the model of self-support groups has spread all over Slovenia. Government departments have supported these activities to prevent social deprivation in old age. Examples include the 'National Association for Pensioners in Slovenia' and the 'Slovenian Movement for Philanthropy'. Their work is particularly welcome and important in the poorer eastern parts of the country. They provide a number of services for older people that are quite similar to those offered by semi-state organisations, professionals and welfare associations in the West. The difference

is however it is volunteers (often older people themselves) who provide all these services for older people in need. In the following, a few examples of such services are discussed:

(B) Visiting services for older people

The idea is to visit all older people aged 69+ to find out what they need. Most of the people visiting them are pensioners. These volunteers also help to mediate contact to public offices, social workers, healthcare institutions, and voluntary organisations that provide home help and domestic care. They go with them to see a doctor. If people allowed giving their names to the local office of social work, the organisation sent their names to these local offices that then provided some financial assistance. Help was also provided to people who suffered domestic violence in their families. In case of some very poor people the Red Cross was asked to give them some food, sugar, oil, flour, and Caritas to provide them with old clothes. To a limited extent some financial support is provided as well.

(C) Social clubs for pensioners

Another activity is the establishment of local programmes for pensioners where they can attend thematic groups and enjoy various social activities. Reading clubs are particularly popular.

(D) Institutional coordination of self-help programmes and intergenerational learning

The Slovenian government encourages and supports the self-help movement. In order to make this work more efficient it commissioned the leading gerontological research institute in Slovenia, the Anton Trstenjak Institute, to coordinate this work nationwide. In 1997, the institute started developing the network of self-support groups for elderly people. Two important features of this social network are that it is decentralized and that it is based on volunteer work. Thus, it has been developing and implementing the concept of local and national networks of self-support groups for the elderly. The institute is developing a modern network of local **intergenerational** programmes for quality ageing in the area of interpersonal relations – much of this work is targeted on educating and thus enabling people to better understand older people's issues. The above-mentioned network consists of several complementary programmes (for more information cf. <http://www.inst-antontrstenjaka.si>):

- (1) A programme for raising the awareness of old age issues and the necessity of preparing for old age in Slovenian society;
- (2) Courses for better relations and communication with an elder family member;
- (3) Courses for preparing on quality ageing after retirement;
- (4) Courses for better understanding the problems of the younger and the middle generations;
- (5) Personal companionship with a lonely older person; and
- (6) Intergenerational groups.

Spain

Spain is a very good example of a country with a federal system. Spain is a decentralised country in terms of welfare services, such as care for the elderly – not pensions, pensions are centralised – the autonomous regions of Spain have these powers since the end of the 1980s / early 1990s, so they are in charge of providing these services for the elderly among many other things. They are also in charge of non-contributory pensions. Every autonomous region has developed its own strategy to design new services for the elderly. Thus, services for older people vary considerably between the Spanish regions. Hence, the examples of good practice indicated below may apply to a very specific region only and have no equivalents elsewhere in Spain.

(A) Assistance cheques

Galicia introduced a programme called ‘Assistance Cheques’ in 2001. The programme was implemented to assist older people with significant physical impairments who, at the same time, are subject to economic deprivation. Its main thrust is helping older people in need with the cost of caring. Nevertheless, it provides other forms of help, including access to appropriate accommodation, attendance of day-care centres, payment for home care services, as well as respite care to relieve family carers. A similar system can be found in Valencia. People can spend their cheques either on institutional or on home care. They are free to buy services to assist them with home care (e.g. meals at wheels).

(B) “Adopt an elderly!”

In northern Spain where the rural population is extremely dispersed and accessibility is limited because of the mountains a programme called “A family can adopt an elderly” was introduced. A family will have an older person who has no family ties of her/his own living in their household in exchange for part of their pension.

(C) Home share

In big cities with expensive housing markets like Madrid some new schemes have emerged that match older people who own their homes but would need help with running their household with young people, mainly students, who could provide that kind of support and need accommodation. Some elderly people own very good flats in the centre of town – and they may take a student, so that the student has an obligation to provide some services for the elderly. In exchange they can live in an affordable place while they are studying. However, the scope of such schemes is very limited – it cannot become a mass phenomenon. Precondition is a perfect match between the homeowner and the home sharer.

Sweden

(A) Promoting active ageing

Similarly to the Netherlands or Denmark, old-age poverty or social exclusion of older people is not really an issue in Sweden. Thus, programmes for the elderly usually focus on 'active ageing' and 'improving the quality of life' for older people. Most programmes have something to do with public health, with activities, physical activity. The message is that active, healthy ageing goes hand in hand with a great deal of social participation and, subsequently, social integration. Institutionally, they build on the various organisations on which civic society is built upon in Sweden. There are big pensioner's organisations, which have massive programmes, including courses to physical activity, walking and gymnastics. There are also smaller voluntary organisations that receive financial support from the municipalities for running such programmes. There are annual events as well. This year, for example, is the "Year of Multi-culture".

Summary: Patterns of ‘good social inclusion practices’ for older people

In this section we will make an attempt to identify patterns of social inclusion practice in the 24 countries in question. Although the selection of examples of good practice for the alleviation of old-age poverty and social exclusion discussed in this chapter was somewhat coincidental (see our introductory comments), there are some regularities.

A social inclusion measure applied almost universally throughout Europe is the establishment of local community or day-care centres, in the Scandinavian countries referred to as ‘service houses’ and in Germany as ‘neighbourhood centres’. These centres inform older people of their rights and entitlements, provide some elements of health and social care, and give an opportunity for socialising, in some cases also specifically for meeting younger generations. Such examples were reported from 10 countries – Austria, Cyprus, the Czech Republic, Finland, Germany, Greece, Lithuania, Malta, Slovakia, and Slovenia. It is remarkable that both the Mediterranean and the Eastern European societies are somewhat over-represented here – that is where old-age poverty is most prevalent and the need for community support is obviously greatest. Nevertheless, wealthy societies like Austria, Finland, or Germany also highlight the importance of these centres, which indicate the risk of social exclusion even in the absence of widespread old-age poverty.

This interpretation is also supported by the reported necessity to establish visiting services for the oldest old in these countries to make sure they receive the services they require. It is noteworthy that these visiting services were exclusively reported from central and northern European countries (Denmark, Germany, the Netherlands, and Slovenia).

Another example of good practice that was frequently mentioned is a good working relationship between the voluntary sector and the government. This could take various forms, ranging from consultations with central government departments about policies for the elderly (e.g. in Cyprus, the Czech Republic, Estonia, Finland) to close collaboration in service provision at local level (e.g. Poznan in Poland). Sometimes, intermediary lobbying institutions like ‘Older Person’s Parliaments’ (Cyprus, Ireland) or ‘National Councils of Older People’ (Ireland, Malta) facilitated the exchange with the government.

Last but not least, the frequent occurrence of the intergenerational theme in local initiatives all across Europe was striking. Thus, examples from Austria, Poland and Spain show that even older people without family ties can be included in functioning family households. The “Adopt a grandmother!” schemes are excellent examples of informal inclusion strategies that benefit the older and the younger generations. These schemes had the additional advantage that older people living in mountainous regions of Austria and Spain could continue to live in their familiar environment. Similarly, home share projects that were reported from Austria and Spain provide a highly interesting example of how the old and the young generations can pool their resources for mutual benefit. Finally, the French example of integrated care and accommodation facilities for extended families in holiday resorts strikes us as a particularly innovative example with model character.

9. Measurement of social exclusion/inclusion

The question of how poverty and social exclusion are to be measured may sound like a typical academic question only few academic experts feel passionate about, without any relevance for the real world. However, this measurement issue has been highly political and very much at the heart of the OMC. From the very beginning of the EU social inclusion process, the member states agreed on a number of ‘structural indicators’ to assess the progress made in regard to the Lisbon strategy aims. Hence, these indicators have featured prominently in the yearly synthesis reports of the European Commission.

The first list of structural indicators was jointly drafted by the European Commission, Ecofin Council and the Economic Policy Committee and endorsed by the Nice summit in 2000. The list consisted of 35 indicators of which 7 referred to social cohesion. In detail these were: (1) distribution of income, (2) poverty rate before/after social transfers, (3) persistence of poverty, (4) regional cohesion, (5) early school leavers not in further education or training, (6) long-term unemployment rate, and (7) the population in jobless households. The Social Protection Committee was very critical about the first synthesis report on the social cohesion strategy that was presented to the European Council in Stockholm in March 2001 (CEC 2001a). The committee criticised the report for the failure of balancing economic and social policies equally and claimed that it had not properly addressed ‘the importance which the Lisbon European Council attached to the fight against poverty and social exclusion’ (CEC 2001b). As a consequence, the Social Protection Committee produced an extended list of 18 social indicators, thereby distinguishing primary and secondary indicators (see table 3 below).

Table 3: Primary and secondary social indicators of the EU process on social inclusion

<i>Primary indicators</i>	
01	Low income rate after transfers, low-income threshold set at 60% of median income
02	Distribution of income (income quintile ratio)
03	Persistence of low income
04	Median low-income gap
05	Regional cohesion
06	Long-term unemployment rate
07	People living in jobless households
08	Early school-leavers not in further education or training
09	Life expectancy at birth
10	Self-perceived health status
<i>Secondary indicators</i>	
11	Dispersion around the 60% median low-income threshold
12	Low-income rate anchored at point in time
13	Low-income rate before transfers
14	Distribution of income (Gini coefficient)
15	Persistence of low income (based on 50% of median income)
16	Long-term unemployment rate
17	Very long-term unemployment rate
18	Persons with low educational attainment

These indicators covered four dimensions of social exclusion – financial poverty, employment, health (including life expectancy at birth), and education – which have been used by the member states as the basis of their National Action Plans. From 2003 onwards all member states were bound to use these jointly agreed indicators while they had been free to use indicators that they deemed to be appropriate prior to that.

The political nature of this discussion was also evident in some of the responses we got during the interviews. The Irish case in particular shows very convincingly that the issue of poverty/social exclusion measurement is of a highly political nature that can affect the circumstances of older people considerably. Whereas the majority of the EU member states use the ‘low-income rate after transfers with the low-income threshold set at 60% of median income’ (primary indicator 01 in table 3) for assessing their progress in combating poverty, the Irish government decided to use ‘persistence of low income (based on 50% of median income)’ instead (secondary indicator 15 in table 3). Depending on which indicator is used Ireland can be seen as either one of the worst contenders in Europe (indicator 01) or as doing reasonably well (indicator 15). The cross-European comparison in chapter 2 of this report was based on indicator 01. According to this risk of poverty after social transfers rate, poverty among the 65+ in Ireland increased from 19-20% in 1995 to nearly 40% in 2003 (Eurostat 2005). Ireland fares much better when using indicator 15. It has shown a declining incidence of poverty for older people over this time period. That relates to the fact that deprivation levels have fallen, whereas income poverty has remained quite high over the past 10 years. The ‘persistent poverty indicator’ is a combination of income poverty and deprivation. Households that fall under ‘persistent poverty’ must be (a) income poor and (b) suffering from enforced deprivation. Of course, that produces a much lower band of poverty than indicator 01.

The question that remains to be answered is why poverty levels among Irish pensioners have remained so high. This has to be seen in the context of rapidly rising average earnings over the past 10-15 years – a process, which Irish pensions did not follow due to the lack of systematic indexation of the Irish pension system. Indexation means that pension benefit levels are linked to the overall increase (or decrease) in economic growth, and subsequently, average earnings. This mechanism ensures that pensioners will also benefit from positive economic developments in a society – as employees do through their earnings. Therefore, most European countries linked their pensions to economic growth through indexation. Without that mechanism, there has been a widening gap between the rich and the poor, between those in employment and those outside the labour market in Irish society. In the National Anti-Poverty Strategy 1997 the Irish government chose an arbitrary target to bring pensions up to a certain level – which fell however way short of the real increase in average earnings in Ireland over the past decade.

More recently, the Irish government has tried to address the issue of old-age poverty by encouraging people to take out private pensions or occupational pensions. The problem is however that only people with a substantial income are likely to benefit from these incentives, thereby deepening the trench between wealthy and poor pensioners even

further. Currently, less than 50 per cent of Irish people have a private pension, which is quite low in international comparison.

The circumstances of older people are significantly different from those of younger or middle-aged people. Consequently, it seems safe to assume that the circumstances of older people living in poverty and social exclusion might also be different from younger people affected by poverty/social exclusion. We asked the participants in the expert interviews for their opinion on this issue. The majority of 54 per cent (20 out of 37 respondents) was unable to express an opinion on whether or not separate indicators should be used for evaluating the success of social inclusion strategies for older people. Another 27 per cent (10 out of 37) agreed that separate indicators should be used, though many of them preferred these to be complementary to social indicators used to measure social exclusion/poverty in general. A fifth (19 per cent i.e. 7 out of 37) insisted that social exclusion/poverty applied to all people in the same way – and should therefore be measured in the same way, regardless of age.

It is striking that most of our experts who demanded separate social exclusion measures for older people pointed out two areas which these measures should refer to: (1) social networks and (2) health. More specifically, it was argued that much more attention should be paid to social contacts to friends and family, the integration in one's family, social participation and community involvement as positive measures or loneliness and depression as negative ones, especially in the absence of employment roles after retirement. Moreover, greater healthcare demands as well as the financial implications of these demands were seen as additional risk factors that older people face.

10. Conclusions

This research was striving to address three interrelated objectives: (1) to explore and to evaluate ‘hard’ social policies intended to improve the social inclusion of older people; (2) to identify ‘soft’ ‘examples of good practice’ on the social inclusion of the elderly from which other countries could potentially learn; and (3) to investigate if separate, old-age specific social indicators would be needed to adequately measure social exclusion and poverty in old age. Additionally, some contextual information on the societal situation of older people was collected. 37 expert interviews with government and NGO representatives, as well as academic experts in 21 EU member states were carried out to find answers to these questions. These interviews mainly addressed the second and third objective. The first objective was realised using a desk review of relevant policy documents in the respective countries.

In the introductory parts of this report it was shown that the risk of being affected by poverty in old age varies greatly across Europe, and that there are diverging trends ranging from massive increase in prevalence in Ireland to significant reductions in France. But relative poverty rates don’t tell the full story – as the examples of the Eastern European countries show. In countries with comparatively low incomes altogether the elderly are not well off either even if their economic situation is not radically different from the rest of the society.

The exploratory policy review (see chapter 7) that was employed to address objective 1 could only touch upon the enormous plurality of ideas and approaches of how to improve older people’s circumstances and to alleviate the risk of being affected by poverty and social exclusion. We also decided to restrict our analysis to three policy domains – pensions, employment and early retirement, as well as long-term care – and to compare the very different approaches in the 24 EU member states (except the UK) in regard to these. The policy review unearthed a number of innovative policies that may offer solutions for the UK situation as well. For example, the Finnish integrated ‘workability’ policy provides an interesting finding that deserves particular attention. The new EU member states from Central and Eastern Europe offer a number of – in Western terms – unusual and flexible approaches. These include the Czech ‘early retirement scheme’ that rewards women who brought up many children, or the policy to extend survivor’s benefits to extended kin, as it can be found in several Central and Eastern European, as well as Southern European countries. Moreover, quite a few Eastern European countries do not penalise pensioners for earnings additional to pensions – though this ‘flexibility’ is born out of sheer need due to the very low public pension entitlements.

In contrast, the ‘old’ EU member states (EU15) established specific instruments within their public pension schemes to provide pensioners without a sufficient contribution record with a minimum income in old age. Most governments did that by installing a minimum pension, German policy makers set up a new ‘basic income for pensioners’ that is administered separately from both pension and social assistance systems, and the

Scandinavian countries provide older people in need with a basic income that does not require any previous contributions based on their citizenship philosophy. Moreover, we found evidence of policy adaptations recognising changes in family structure and couple relationships (survivor's pension for previously divorced and cohabiting partners).

The second central part of this report was designated to addressing objective 2 by presenting selected examples of 'good practice' at regional and local level, many of which originated in the voluntary sector (chapter 8). A social inclusion measure that could be found almost universally throughout Europe were local community or day-care centres that take care of older people's needs in daily living, ranging from advice on rights and entitlements via the provision of primary health and social care to socialising opportunities. These were needed both in countries lacking the appropriate infrastructure (Eastern Europe, Southern Europe) and in the Northern and Central European countries with their comprehensive welfare state systems where social isolation of older people appears to be more prevalent. In many cases the need – and the beginning emergence – of a closer collaboration between public and voluntary organisations in delivering services as well as in the consultation process on the development of social inclusion policies were reported. Finally, the frequent occurrence of the intergenerational theme in various small-scale but very innovative projects on pooling the resources of the old and the young generations even in the absence of kinship ties was striking.

In regard to the third objective on the need of separate measures for old-age social exclusion / inclusion (chapter 9) the interviews did not provide as much detail as hoped. Most of our interview partners had no opinion on whether or not separate indicators were needed – the remainder was undecided.

Concluding it can be said that the EU social inclusion process, as it is manifested in 'hard' social policies and 'soft' examples of good practice can be regarded as an important contribution towards a better social inclusion of older people. Thereby, quantitative and qualitative, as well as national and regional or local elements are combined. Moreover, the Open Method of Co-ordination enables social actors other than the state – especially the voluntary sector – to participate in social policy making. This new process of social participation can lead towards a new integrative approach of social policy making and governance with the potential to better incorporate the interests of those affected by these policies from the very beginning. NGOs have a crucial role to play in this process, communicating the interests of older people to policy makers and sharing the responsibility for delivering specifically targeted – and thus more efficient and also more cost-effective – services.

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Appendix

(A) The AGE Transnational Exchange Project on Social Inclusion

AGE/inc: Developing the Role of Older People Experiencing Poverty and Social Exclusion (OPEPS) in the Implementation and Further Development of National Action Plans against Poverty

Lead Partner: AGE – The European Older People’s Platform

The issue:

This project addresses the issue of poverty and social exclusion amongst older people, looking specifically at developing the participation of older people experiencing poverty and social exclusion themselves in the social inclusion process. The effectiveness of this participation and means to promote are also a priority in order to strengthen the social inclusion process as a whole

The main features of the project:

The first feature of the project is the development of a tool-kit aimed at facilitating small workshops of older people experiencing poverty and social exclusion. A draft tool-kit will be produced and then tested as a means of bringing older people into the political debate about tackling poverty in the participant countries before being improved and finalised for use across all the eligible countries.

The project will also bring together political experts and older people’s associations to reflect seriously on the effectiveness of the National Action Plans on social inclusion in dealing with poverty amongst older people and to critically assess the generally overlooked interaction and possible positive synergies between the European social inclusion process and other related processes such as the United Nations’ International Plan on Ageing as well as the Open Method of Coordination on pensions and health and long-term care in the context of the planned streamlining of social protection and social inclusion work.

The timing of the project allows for a monitoring of the development and implementation of the 2006 round of National Action Plans and the success of the European social inclusion process in meeting its principles and ‘raison d’être’ from the point of view of older people. Thus, as the process of setting objectives for and then drafting, publishing and implementing the 2006 NAPs takes place, the project will monitor: the extent to which the objectives recognise the seriousness of the reality facing older people; the extent to which older people’s groups are effectively consulted by governments; the extent to which the resulting NAPs set out appropriate policies, targets and resources in tackling poverty amongst older people; and the extent to which these commitments are met in reality and how older people’s groups are included in this monitoring and implementation phase.

Justification

The project is based on the principle that successful policy-making requires a true understanding of the realities being tackled. In order to respond to the risks of poverty or exclusion facing older people, policy makers need to hear, understand and take into account their experiences.

Institutional framework of the proposal:

The project is funded through the European Community Action Programme to Combat Social Exclusion under the second round of Transnational Exchange Programmes. The project is led by AGE – the European Older People’s Platform with partner associations in the Czech Republic (Zivot 90); France (Fondation Nationale de Gérontologie, Les Petits Frères des Pauvres); Germany (BAGSO); Greece (CMT PROOPTIKI Ltd); Ireland (Irish Senior Citizens' Parliament); Lithuania (SAMBURIS "GABIJA"); and the UK (Age Concern, Help the Aged).

The objectives of the project:

- To improve the participation of older people experiencing poverty and social exclusion within the political debate and policy-making processes at all levels of the social inclusion process and thus improve the content and policies of the NAPs inclusion.
- To improve the participation of those working on the ground with older people experiencing poverty and social exclusion within the political debate and policy-making processes at all levels of the social inclusion process and thus improve the content and policies of the NAPs inclusion.
- To improve and develop the effectiveness of this participation, ensuring that the voice of older people experiencing poverty and social exclusion is not simply heard, but is listened to, taken into account and reflected in policy responses to poverty and social exclusion.
- To encourage and promote positive synergies between the European social inclusion process and other related processes including the OMCs on pensions and health and long-term care (in the context of the streamlining of social protection and social inclusion) and the United Nations International Action Plan on Ageing.

Aims:

- to develop and perfect a tool-kit that can be used to organise small workshops of OPEPS, in order to provide a mechanism to hear their voice.
- to produce recommendations on how policy-makers should consult OPEPS when drafting policies
- to produce recommendations on how OPEPS and older people’s organisations should be involved in the monitoring and implementation of social inclusion policies

- the project seeks to identify and promote successful policies that combat poverty or exclusion amongst older people

Methodology:

- Project partners to develop a trial tool-kit
- 28 Trial workshops to be held in 7 EU countries
- Positive and negative experiences to be noted
- International meeting to bring together the different experiences
- Tool-kit to be improved and finalised.

Each trial workshop will identify policies that work, policies that do not work and ideas for improvements.

National meetings will identify policy messages that can be taken from the workshops to government policy-makers in the context of preparing the Social Inclusion National Action Plans.

An international meeting will be held to share policy recommendations and identify any European dimension.

Further international meetings will be held to share experiences and develop recommendation on the consultation of OPEPS and the monitoring and implementation of policies concerning them.