



Mid-term Assembly - Athens 27 and 28 June 2013

Draft Political Declaration

1) More than ever there is a need for a strong and mobilized trade union movement representing pensioners and older people

This year's mid-term Assembly coincides with the 20th anniversary of the creation of the European Federation of Retired and Older Persons (FERPA).

20 years of building a now-recognized genuine trade unionism that is not limited to the defence of vested interests - thus differing from many traditional pensioners' associations - but that is integrated into the national, European and international trade union movement. Taking into account the protection of the interests of pensioners and elderly people, FERPA, in accordance with its ideals of solidarity both between its members and especially between generations, reaffirms its full place inside of the European Trade Union Confederation and intends to continue to fight for a truly social Europe, not just an economic and monetary one.

20 years of existence, thanks to the combined efforts and to the persistence of its initiators, and first of all of its founder, the late Georges DEBUNNE, but also to the political intelligence of the ETUC General Secretary at the time, Emilio GABAGLIO who perceived and made possible this specific representation within the European trade union bodies.

20 years of commitment thanks to the conviction of 9 million members of FERPA, maintained and supported by its successive leaders, its management bodies, its Presidents and its General Secretaries.

One objective: to carry on with anchoring FERPA within the ETUC and to develop at national level to be even more effective together and in solidarity and to increase our influence at European level. To achieve this objective the mid-term Assembly encourages FERPA's member organizations to develop unionization campaigns tailored and targeted to the realities faced by elderly pensioners, keeping in mind the intergenerational dimension.

2) A particularly severe social context that requires a determined reaction and mobilisation

The crisis, originally financial in nature, has triggered an economic and social crisis. Production has fallen and unemployment risen without let-up. As a result, in February 2013, 26 million people were unemployed in the European Union, which represents a 10.9% unemployment rate. Moreover, between January and February 2013, the number of unemployed rose by 76,000 in the European Union.

In this context of rising unemployment almost throughout Europe, youth unemployment reached records in the countries rendered most vulnerable by the austerity measures: more than 59% in Greece, nearly 56% in Spain, but also 38.4% in Italy and 38.3% in Portugal.

At the same time, growing insecurity is again hitting young people and women hardest. In France, for example, 75% of new employees are now hired on fixed-term contracts. Spendable income is under pressure from unemployment and insecurity, shrinking pay and retirement pensions, the shortage of jobs or conversely longer working hours for no extra pay. This has entailed an erosion of revenues accruing from pension contributions and an increase in the demand for unemployment benefits and social assistance.

An ever increasing risk of poverty among older people

Even if Europe is one of the most prosperous regions in the world, poverty is nevertheless gaining ground due to the combined effects of the crisis and fiscal consolidation plans that result in more rigour targeted mainly on pay policies, social/employment rights and public services and hence fewer social measures.

European citizens and above all, pensioners, are the victims of a situation for which they are in no way responsible.

In 2011, 24% of the European population - approximately 120 million people - were at risk of poverty or social exclusion and one in five children were affected by poverty.

In 2010, the figure was 23.4% and in 2008, 23.5%. The poverty risk also affects the elderly:

- In 10 of 27 countries, the risk of poverty among people over 65 exceeds that of the working population (18-64 years);
- In 8 of the 27 countries, the elderly are poorer than all population groups together;
- While women (17%) and especially lone-living women (25%) are generally at greater risk of poverty than men (16%), the risk is even higher among elderly women (22%) than men (17%); 30.9% of elderly lone-living women must cope with less than € 878 per month.

All that is compounded by rising housing costs and energy bills, so that non-homeowner pensioners in particular - already on eroding pensions – are increasingly living in substandard conditions.

A generalised challenging of the "welfare state"

While everyone recognizes that in countries where social protection was the most developed, people had "less" suffered the effects of the crisis, all over Europe, there are repeated assaults on the "welfare state" and its protection measures.

In France, for instance, pensions and family benefits are at issue.

In the UK, the government has decided to reduce social benefits by some 19 billion pounds per year: such savings are due to the decline of the annual revaluation index since 2010. Government also drastically reduced tax credits to households with children and introduced the notorious "bedroom tax" hitting the beneficiaries of housing allowances if they have an unoccupied bedroom...

In Spain, where more than 25% of the workforce is unemployed, unemployment benefits have been cut from 60 to 50% of base pay from the 6th month onwards. In Belgium, both the amount and payment periods of unemployment benefits have been cut. Civil service pensions have been reduced by changing the base years for calculating pension entitlement...

Even pensions are affected

As to pensions, no country or pension scheme is immune from the crisis. Public pension schemes are strapped for cash as social security contribution revenues are dwindling due to rising unemployment and insecurity, while welfare payouts rise to offset falling pensions.

Where private pensions are concerned, according to several OECD studies, it first appears that these pension schemes have been hardest hit by the decline in share and property prices. The most affected countries are obviously those where private pensions play an important role in the pension system, namely the Netherlands, the United Kingdom or Ireland, for example, not to mention the Central and Eastern European countries, where the post-1990 governments were quick to set up and promote such schemes.

Many people have lost a significant part of their retirement savings invested in pension plans or other financial assets. Older workers face a particularly acute situation. Not only do they encounter difficulties in finding work once they have lost their job, but they hardly have time to rebuild their savings before having to start to eat into their assets to finance their retirement. Income from savings, including private pensions, represents on average a quarter of the income of pensioners in the OECD countries. In seven of them, they account for more than 40%.

These losses may lead to increased pensioner poverty.

Mainly women penalised by often controversial reforms

Almost all European countries have recently initiated "reforms" in their pension systems. The general trend goes toward privatization of pensions, encouraged by the withdrawal of the welfare state, and a growing trend to calculate pensions only on bona fide contributions. This trend is the result of lower corrective mechanisms (such as childcare supplements, minimum pension thresholds etc.) which had a redistributive function in pensions and mitigated the negative effects of women's investment in child-raising on their pensions. Indeed, everywhere they have average pensions lower than those of men, often very low because of interrupted careers, part-time periods and lower wages. The necessary corrective mechanisms are essential, though they are notoriously inadequate because the average inequality between men and women is amplified at the moment of transition from wages to pensions. But the tendency now is towards a decrease of these corrective mechanisms!

Overall penalisation of women: as their pensions will only decline, women will be still further exposed to poverty. In this context, the European Commission also notes that *"retired people are at risk of pauperization and ... elderly women are one of the most vulnerable groups at risk of poverty..."* . The different pension reforms tend to align the retirement age of women on that of men in countries where they were different. It was or it will be the case in Belgium with a rise in the retirement age from 60 to 65; in Portugal and Italy with an increase in the age of retirement from 62 to 67 years for women; in Britain - where the difference between the retirement age for women (60) and men (65) will be abolished in 2020 - in Greece, Lithuania, Poland, Romania, etc.

Depending on the country, the amounts of pensions are frozen or reduced, the required pension contribution periods are longer, meaning greater difficulties for women, because many already cannot build up a full career.

Finally, another budget that was cut due to rigour is that of equality policies between women and men who were among the first to fall by the wayside in different states' policies, as noted by the European Parliament. With its consequences in terms of purchasing power, lack of childcare facilities and healthcare structures, lack of social support for families and insecurity of often undeclared employment, the economic crisis is making women's position still worse.

Another measure imposed and enforced concerns pension indexation and adequacy. In many countries, not only are they not keeping pace with inflation and/or national living standards, but actually being cut. As a consequence, pensioners can no longer afford to live a decent life or cope with the problems of growing old, like the onset of disabilities or ill-health.

Hence the urgent need to mobilise to turn priorities around within the European Union

The European Union was first built around economic and monetary union. It is urgent to give priority to the construction of social Europe. The recent June Council instructed President Van Rompuy to develop "the social dimension". Certainly it is a necessary step forward, but to FERPA, it is clearly insufficient.

The Union and the Member States must do more and better. This means reversing the austerity policies, which result in a generalized recession by implementing real policies of social and sustainable investment that will generate development and wealth for sharing. Taking its cue from the Monetary Stability Pact, the EU must introduce a "Social Development Pact" focused on bringing unemployment down and capping it at 4%, an all-round reduction in working time, minimum and maximum working hours, a Europe-wide industry minimum wage, and harmonised social/employment and tax rules.

This also means searching new sources of financing, not to reduce the contributions of the member States to the EU budget, but to correct the effects of the crisis on Europe's citizens. The enforcement of the "financial transactions tax" recently adopted by the European Parliament is a positive signal that must be complemented by the establishment of a European tax policy putting an end to the existing tax havens, and to capital flight and tax evasion which are devastating for the economy and social budgets.

This mobilization must be undertaken both at European and national level and should be part of the mobilization movements organized by the European Trade Union Confederation (ETUC). FERPA therefore urges EU leaders to put the maximum financial or other resources into restarting the European economy immediately rather than pressing blindly on with an austerity policy that is just driving countries to the brink. FERPA will go all out to promote a sustainable development policy and give its backing to whatever steps to that end are taken by Europe's national and industry trade unions and the European Trade Union Confederation in particular.

3) *An emergency for FERPA today: the right to live in dignity in old age*

The right to live in dignity in old age is a goal that is still far from being attained today, especially with the austerity measures and/or fiscal discipline decided by the European Union that particularly challenge the right to work, collective agreements and social dialogue.

Such measures further exert negative effects when people retire and have to face the problems that come with age in the forms of disability and loss of autonomy.

European Citizens' Initiative (ECI) for the right to assistance against loss of autonomy within the European Union.

In accordance with the decisions of FERPA's General Assembly in Bucharest (Romania) in May 2010 and of the Venice Congress in May 2011, the Executive Committee of FERPA meeting in Brussels on 13 and 14 November 2012 decided to launch a European Citizens' Initiative, following the new provisions of the Treaty on the Functioning of the European Union - the TFEU, the former Lisbon Treaty, on the rights of persons with declining autonomy and long-term care in Europe.

Even if the objective is to collect in a year's time as many as one million signatures in favour of this right for the people concerned, this is no ordinary petition. It is a genuine "act of civic democracy" that gives European citizens the right to intervene in the European legislative process, formerly an exclusive right of the Commission and/or Parliament.

It has often been said that longer life expectancy was a positive reality ... And nowadays, most of us are often less "old" than those of the same age one or two decades ago - though without ignoring the devastating effects on the health of those who have experienced very hard working conditions.

The fact is that due to the crisis and especially to the budgetary constraints it has given rise to and imposed on Member States, social budgets have been largely slashed, and pensions (i.e., the money enabling people to live decently in retirement) are at best frozen if not cut outright. Consequently there is a risk, which FERPA and its national organizations are combating, that the condition, the reality of "caring" for those in need of long-term care - whatever their age, even if that increases the risk - should therefore be left "at the mercy of the market", the sad result being that those who can afford it will get care and the rest will not.

While in most Member States, medical coverage is more or less guaranteed through social security benefits - which is not to say that coverage may be reduced from the pressure to cut public budgets and throwing the universality principle into question in regard to non-EU migrants in some countries - the situation is quite different when it comes to paying for the support/individual assistance required by their condition whether in health care institutions or at home.

These costs turn out to be very high, and they often cannot be covered by the available resources of the persons concerned alone, namely the pensions they receive, even less because in the context of the budgetary austerity plans introduced in the Union, their amount is either reduced or frozen.

They then have to resort to relatives, when they exist or are able to help - as they themselves are facing the effects of rigour - or to support services if they have no family.

These people, especially the elderly and widows also have to face problems of loneliness or abandonment, let alone elder abuse. They *de facto* are socially excluded and at risk of poverty.

As to the caregivers, often from the family circle, they too have to face major difficulties both in terms of procedures and support ... To avoid complaints that the EU is no place to grow old nowadays, especially if the health condition of the elderly is deteriorating and requires long-term care ... FERPA launches a strong and spirited appeal to member States to commit themselves and release the necessary resources to protect older people - especially for those in declining health in need of long-term care. To FERPA, such support is primarily a public service responsibility.

It is not sufficient to be aware of the problem: there is a need to act, and react ...

That is why FERPA is currently working on submitting to the Commission its European Citizens' Initiative, which calls on the latter ... *"to take all measures and initiatives in its power to ensure that this right of any person within the European Union, regardless of age or marital status, who suffers from disability or condition requiring long-term care, to benefit from quality care and supporting measures required by his/her condition, is guaranteed and effective, particularly by establishing a common base for each European citizen, in terms that are specific to each member country"*.

To FERPA, it is not simply a "legal" process but a social and democratic process.

That is why, through this ECI, FERPA intends to act and mobilize for its slogan "a right to live and be cared for with dignity", to be turned into reality ...

Yes, FERPA is today launching a mobilization campaign, knowing that it already has allies, NGOs, parliamentarians ... The mobilization that starts today will last for 16 months, of which 4 months will be devoted to preparation and kick-off and 12 months to the collection of more than a million signatures ...

However, the ECI will only succeed if all FERPA affiliated organizations mobilize now and over the longer term: this is a true "social marathon" and the road will be long and hard going, but it is a challenge of the highest order for it is all about quality of life and respect for human dignity ... It is not a "luxury", therefore, but a "social emergency" ...

Let us therefore make every effort to achieve this goal we set together.

