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ACTIVE A.G.E

ABSTRACT OF THE BASELINE STUDY

Introduction:

In the coming decades, the size and age-structure of Europe's population will undergo dramatic changes due to low fertility rates, continuous increase in life expectancy and the retirement of the baby-boom generation. Ageing populations will pose major economic, budgetary and social challenges. They are expected to have a significant impact on growth and lead to significant pressures to increase public spending, making it difficult for Member States to maintain sound and sustainable public finances in the long term.

Despite the uptake of the active ageing discourse in so many reports and policy programmes at the various levels of governance, the active ageing paradigm is still far from finding comprehensive adoption in the various domains. Factors such as family life, employment, education, socio-cultural participation, material security and health are deeply interrelated with various policy domains of relevance to ageing. Recognition of this interaction suggests adopting a life-cycle approach, rather than concentrating simply on the fiscal, economic or employment aspects of ageing. Adopting a holistic view entails that successful ageing policy-making needs to address all generations: ageing policy is fundamentally about providing, extending and safeguarding political, economic and social rights for citizens of all ages. In short, citizenship for older people presupposes citizenship for everyone. This approach will help to reframe the problem of ageing as an 'opportunity' for empowerment of older persons with enhanced capabilities.

We have singled out three policy areas which are at the core of the welfare system and at the basis of any sustainable active ageing policy, namely:

- Age and the Economy;
- Age and Care Services;
- Age and Insecurity.

These macro-themes have also been indicated in the Local Mappings as the most compelling in the specific local realities. Developing and implementing exchange and learning activities on sustainable urban policies with the focus on these topics is considered by the Active A.G.E. working group an important step towards the achievement of active ageing.

Main Demographic trends in the EU27

The EU is facing a substantial challenge due to population ageing, which poses a threat to the sustainability of its social protection system and to competitiveness and macro-economic performance. EU population ageing is the result of several underlying trends:

- Reduction of birth and death crude rates across Europe (-0.074‰ and -0.582‰ respectively in the EU-27 in the past 10 years)
- A low and declining fertility rate in recent decades (1.5 children born per female currently, well below the replacement rate of 2.1 needed to maintain the current population, disregarding migration contribution).
- Increasing life expectancy for both males and females (75.2 and 82.5 in 2004 in the EU-27).

The main consequences of these trends are the progressive ageing of the EU population and the expected impact on its age structure. By 2005, according to Eurostat projection forecasts, the over 64 age group is expected to rise significantly to reach 22% of EU-27 total population (from the present value of 17%). Demographic ageing is also deemed to affect the size of the overall working age population (aged 15-64) (to decrease by 17% between 2005 and 2050) as well as its structure, following the different developments of the cohorts in the working age sub-groups.

The dependency ratio (Older Dependency Index – ODI – is defined as the share of people aged 65 years and older to those of working age) is expected to rise from the current 25% to 40% by 2030, and to reach 53% by 2050. The result of this trend is that by 2050 we will have only two people of working age for every person aged 65 and over, as against the four to one we now have.

In accordance with the European trends, all the Active A.G.E. network partner cities but Dobrich show or foresee a rising dependency ratio, and quite independently of the trend recorded by their resident population (see table 1). In some cases both indexes (the share of population over 64 and the ODI) are already well above the EU average, such as the municipalities of Wolverhampton (respectively 19.4% and 31.9% in 2006) and Rome (20% and 31.6% in 2007).

Despite a common negative trend in their natural population growth, with Starogard Gdański as a remarkable exception, partner cities experience quite different changes in resident population, which are driven by net migration dynamics. In fact, Edinburgh, Maribor, Prague, and Rome are facing a more or less marked population expansion due exclusively to continuous positive migration balances. On the other hand, Dobrich and Starogard Gdański experience a population decline owing to the young inhabitants' out-migration (mainly 20-39 and 24-45 age groups) to the rest of EU, which leads to a marked increase in the share of elderly over total residents.

Demographic ageing is also expected to impact working age group size and structure¹. The 15-64 age group will continue to rise until 2010 and is expected to start its decline soon after, and to decrease by 17% between 2005 and 2050. Working age sub-groups will develop along different paths, with the number of people aged 55-64 growing by 9.5% up to 2010. Partner cities' shares of working-age people to total population range from 60.9% in Wolverhampton (where, as in Rome, it already started a declining trend), to 70.8% of Maribor.

As a consequence of changes in the size and structure of working age population, some EU member states are expected to face greater challenges in terms of workforce availability, among which Czech Republic, Italy, Slovenia, Spain and, in particular, Poland.

Age and the economy as a priority challenge

According to the local challenges score, *Age and the economy* is a priority topic addressed by most of partner cities. The issue, however, presents different problems according to the specific labour market conditions and trends: in Edinburgh, for instance, labour market participation is mainly affected by supply

¹ Eurostat population projections, 2004.

side factors: the participation of older workers and longer working life is thus dependent on incentives to remain at work. Job quality (both working conditions, health, wages, and qualification) represents one of the municipality's key sub-themes. In Dobrich, Maribor, Rome, Seville and Thessaloniki, on the other hand, the labour market participation of the older workers depends very much on job opportunities in a context of high unemployment and low overall labour demand. These factors are driving local policy makers to promote older worker re-entry, employability and adaptability through lifelong learning schemes, qualification and direct hiring.

Age and care: health, care and self-sufficiency as early stages in partners' active ageing efforts

With respect to the *Age and Care* domain, although elderly health and self-sufficiency are not listed among key challenging sub-themes in partner cities' ranking, many partner municipalities show deep concern over these issues, as evidenced by the rich and solid policy background in care service provision for the elderly. Moreover, many municipalities are planning to develop home-based care and support for family and carers, in accordance with the overall shift from institutional care towards independent living of the elderly in their own homes.

Dobrich and Starogard Gdański report growing needs for health and social services. In the municipality of Starogard, care services for elderly self-sufficiency are signalled as the most challenging sub-theme shaping the municipality's policy orientation. The context is one of worsening conditions of health services, limited access to medical specialists, including geriatric rehabilitation, and insufficient numbers of places in Social Assistance Houses. According to the local mapping reports, these conditions are aggravated by the isolation of elderly people, which makes implementation of policies and activities targeted to management of free time, daily routine and socialisation indispensable for social inclusion.

The municipality of Prague placed the implementation of a *long-term care system* among its major challenges. Its aim is to improve the overall quality of social services supply, increase the provision of home health care and domiciliary care services, and monitor older people exposed to health and social risks.

Active ageing policies targeted to the 4th age group involving the improvement of *urban mobility*, health and care services for self-sufficiency is one of the sub-themes identified by the municipality of Rome as most relevant.

Age and Insecurity: active ageing as an all-encompassing issue

The main spheres of concern within the *Age and Insecurity* domain are the progressive marginalization of the elderly and the resulting risks of poverty and abuse, while active citizenship is one of the most challenging areas of policy intervention for partner cities. Elderly people, and especially women, are exposed to the risk of poverty, due in part to the scaling down of pensions and social welfare contributions, making the issue of their economically driven social inclusion crucial to local policy. Partner cities have experimented with policies targeted at improving social participation and active citizenship among elderly people, mostly through day centres or community centres. Access to tailored financial services for older people in poverty is also an issue receiving increasing attention.

In Edinburgh, *elderly active citizenship* is the policy challenge sub-theme with the highest score. The municipality of Prague focuses on the challenge to create an age-friendly environment and an inclusive community. The aim to support an independent, safe and active life needs to be pursued through a comprehensive ageing-sensitive policy to be attained through the development of more comprehensive social services. Difficulties in the use of technological devices (mobile phone, cash dispenser, credit card, and Internet) and *ICT* are reported to be further sources of difficulties and exclusion for elderly people in Prague and Starogard, and policies are needed to turn these challenges into opportunities, as argued above.

Finally, a common main area of concern for partner cities is the progressive marginalization of the elderly and the resulting risk of poverty. *Poverty* is becoming an increasingly important issue in several partner cities owing to inadequate levels of pensions and social welfare contributions, especially when compared to losses of regular income due to more precarious working conditions before retirement, and increases in

health-related and living costs.

Summary of Baseline survey: local situations in the partner cities:

In Rome, the municipality is concentrating on two main areas of intervention: active labour policies, aimed at preventing the exit from or supporting the re-entry in the labour market of over 45 years old workers; active ageing policies in a broader sense, involving health and care services for self-sufficiency and urban mobility, targeted to the so called “fourth age” group. A strong policy focus on lifelong learning policies has been clearly indicated by the municipalities.

Prague has the oldest age structure of the Czech Republic and its population has been growing older over the recent years particularly as a result of a significant decline in the number of children. The older age groups, in particular women, are expected to grow the fastest, increasing the number of people entitled to medical, social and advisory services. Prague municipality is focusing its policy efforts on four main areas: the quality of social services; the development of a long-term care system based on the integration of health and care; home-based care and support to families and carers through advisory services and assistance; affordable housing conducive to social integration and responsive to the needs and vulnerability of older people; development of new technologies.

In Maribor, the labour market participation of the older workers depends very much on job opportunities in a context of high unemployment and low overall labour demand. In 2007 the unemployment rate for the 50-60 age group was 28.5%. Early retirement is one of the main reasons for scant exploitation of the older workforce, and it is driven by health problems, lack of suitable knowledge and competence, poor working condition and weak incentives for companies to encourage older workers to retire later. Poverty is becoming an increasingly important issue, in particular it is single retired women who are more commonly at the poverty line. The municipality’s main policy challenges are thus focused on two issues: to retain older workers in the labour market and promote the re-entry of the most vulnerable sub-group, the over 50, through training and development of new skills and to promote social inclusion and active citizenship. This requires the creation of specific programmes and the provision of subsidies to ensure access to basic services also to lower income elderly people. The municipality of Maribor has also policy experience in the field of health and social care.

The municipality of Edinburgh has expressed great concern for labour market challenges. The employment of older workers is the main theme in terms of both local challenges and policy experience. This, despite very favourable (in comparative terms) labour market indicators for older age groups (72.2% employment rate for people aged between 50 and retirement age). Work represents a major concern for people in their 50’s and 60’s, although the city of Edinburgh has one of the smallest differences between the activity rates of older people and the average of the working population. The municipality of Edinburgh thus interprets labour market challenges in terms of the provision of incentives for elderly people to stay at work, and this concerns primarily the quality of jobs. The older workers’ motivation to extend their working life is undermined by several factors, such as work-related health problems, lack of recognition of mature workers’ experience by younger workers and managers, discrimination, and inappropriate equipment and training.

In Thessaloniki the labour market participation of the older workers depends very much on job opportunities in a context of high unemployment and low overall labour demand. These factors are driving local policy makers to promote older worker re-entry, employability and adaptability through lifelong learning schemes, qualification and direct hiring, that is, by devoting a share of the new job openings to unemployed people over 50. Direct hiring by the municipality is deemed necessary to foster local economy by supporting incomes as well as to re-activate older people into social life. Training courses for the elderly unemployed are also provided at both the local and national level and are mostly financed by national and EU funds. Thessaloniki provides institutional care to elderly people through day or community centres. Elderly care and active social life are promoted through KAPIs, which are community centres devoted to older people organization of free time and social contacts.

Dobrich is experiencing an increasing share of elderly in the total resident population. This trend is driven by both negative migration flows, mostly concerning people aged 20 to 39 years old, and a shrinking population, due to a negative natural population growth (which dates back to the mid '80s). Older workers' employability, adaptability and entrepreneurship are deemed to be the main policy challenges. The shortage of trained and qualified staff, coupled with lack of information and data on ageing people' needs, prevent the coordination of efforts between public and private stakeholders to effectively cope with the problems of ageing. The municipality of Dobrich has a good policy experience in care and social services provision for the elderly. The "Old people house", with a capacity of 115 people, provides social services to the elderly, helping them with daily activities (free time and socialisation, eating, medical care); the "Project for dignified life" provides 12 social assistants and 11 domestic assistants to care for 40 lonely people. Nine "Retired people's clubs" are operating, but the infrastructure needs to be improved. The Dobrich municipality also plans to establish a network of social centres for ageing people.

In the city of Seville, from 1997-2007, the over 45 age group increased by 13%. Promotion of employment of older workers, in particular re-entry in the labour market, up-skilling, and entrepreneurship, with a special focus on women, is the municipality's main policy theme. Seville aims to achieve these targets through training, intergenerational transfer of experience and skills, and ICT. Presently, the municipality of Seville is focusing its policy efforts on enterprise development. It wants to develop further an already existing "Program of Aid for New Enterprise Initiatives" to meet the increasing demand for services and support for over 40 year olds starting new enterprises.

Population in retirement age in Starogard is expected to almost double between 2004 and 2013 (from 13.8% to 25.6%), while long-term structural unemployment among over 50 is already very high. Progressive loosening of family and social ties owing to young family members migrating is leading to solitude, depression, vegetation and unhealthy lifestyles Care services for elderly self-sufficiency is the key area of intervention of the Starogard municipality. Social inclusion activities, management of free time, daily routine activities, and the use of technological device (mobile phone, cash dispenser, credit card, and the internet) are major sources of difficulties and exclusion for elderly people. These are therefore the main areas targeted by the municipality. Worsening conditions of health services and a progressive marginalization of ageing people makes social inclusion a priority policy issue.

Wolverhampton ranks at the bottom 20% of English Local Authorities and Primary Care trusts over a number of social indicators, including life expectancy, deprivation and health. In Wolverhampton, eight

out of twenty wards within the urban area are priority wards: they rank amongst the 10% wards with the highest level of deprivation in England (but the local authorities do not report a particular concentration of elderly people in these areas). The municipality of Wolverhampton also signals the problem of inclusion and combating the isolation of the elderly in local minorities, mostly African/Caribbean and Asian. Issues raised as priorities are community cohesion, empowerment, health and wellbeing, enterprise and employment, housing and transport, strategic planning, and education.

Each of the partner cities demonstrated a keen interest in sharing competences, practices and experience. Employment and enterprise development for older workers, the Age and the economy main theme, have been clearly identified by many partner cities as the domain in which they are most interested in developing and implementing their local action plans. The municipalities focusing on both re-entry and retention for older workers stressed the need to define active labour measures more closely targeted to the individuals. This means, for instance, combining lifelong learning schemes with a special emphasis on the digital divide in the case of the self-employed, paying attention to the need to relax credit and other constraints in the case of entrepreneurship promotion, combine flexible times and gradual retirement measures with measures aimed at promoting the intergenerational transfer of experience and skills to strengthen retention of mature workers.