

Retirees in Europe: Unequal, at Risk of Poverty, Disconnected.

European Election 2024



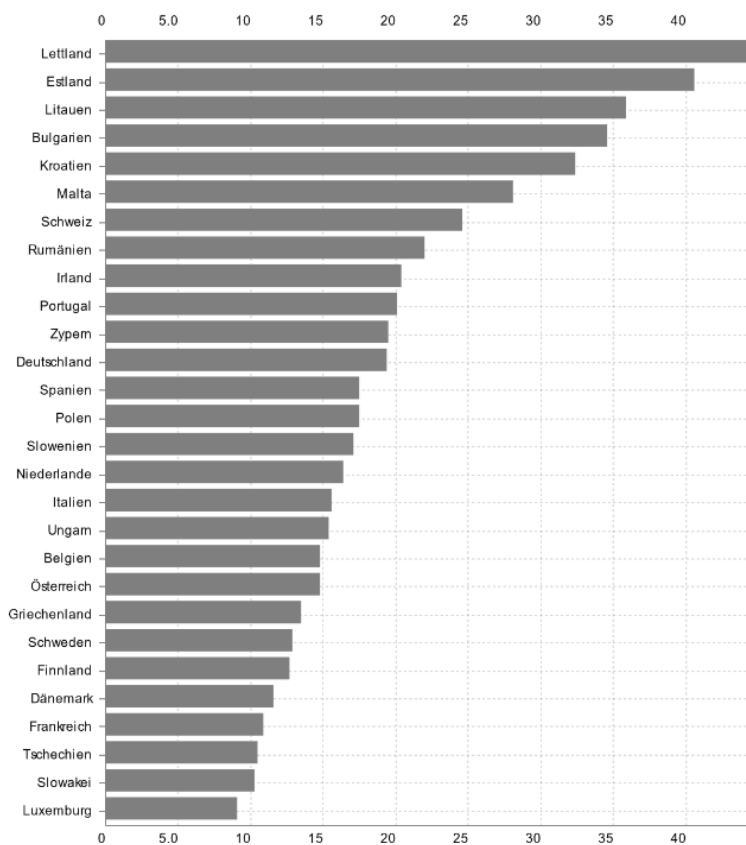
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Introduction

What would be a left-wing demand? Nonsense from the AfD

Go Vote! Freedom, Equality, Care and Co-operation

Poverty in old age equals lack of freedom. People in Europe are, on average, living longer, but the associated problems are increasing. This is because elderly people are more likely to be poor, and this risk of poverty varies significantly across Europe. These



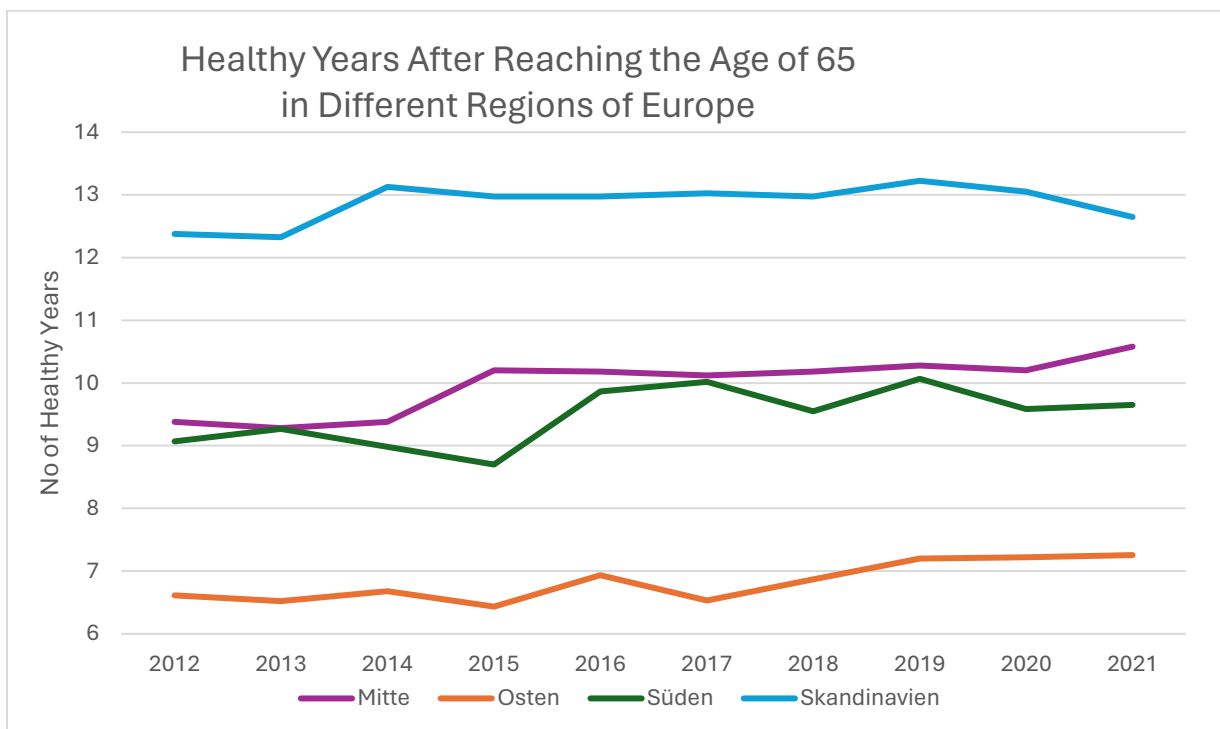
differences are less related to geographical location within Europe or directions (north, south, east, west), as shown in Figure 1. They reflect a lack of common determination for pension levels across Europe. In the Baltic states, almost every second elderly person is poor, while in the Czech Republic and Hungary, this number is below 10%. For Germany, the risk of being poor as a retiree is higher than the European Union average. However, it's important to note that poverty is relatively defined here - a certain distance from the median income of the population. And this naturally varies significantly between Switzerland and Romania.

Percent of people at risk of poverty aged 65 and over (2021)

Inequality in old age: The income of people over 65 is extremely unevenly distributed. In central Europe, the income in 2015 was €27,347, while in Eastern Europe it was €6,611, i.e. retirees in central Europe received over €20,000 more per year. The income gap between women and men over 65 was over 40% in the Netherlands and Germany, but less than 10% in Denmark.

These income differences result, among other factors, from variations in how pensions are calculated. In some countries, pre-retirement earnings play a lesser role, while having worked for a long time carries greater weight. For instance, the difference in pension amounts between low earners and high earners is less than 10% in Sweden, Finland, Poland, and Portugal. In contrast, in the Czech Republic, Denmark, and Belgium, retirees who earned well receive more than double what retirees who earned poorly receive. In these countries, the duration of one's working life plays a lesser role, with earnings being the primary determinant. Even with equal working hours and qualifications, pension amounts can vary significantly, as seen in Germany between retirees and pensioners.

Care in old age: Healthy life years. Our life as retirees also depends significantly on how long we remain healthy and active. This varies considerably across Europe and is closely related to income and living conditions. In Eastern Europe, one can expect a span of about 7 healthy and active years, extending to around the age of 72 (Figure 2). In central Europe, this period extends to 10.5 years, meaning until the age of 75.5. Moreover, this difference has not diminished over the years; on the contrary, it has widened, not only between people from central and Eastern Europe but also compared to those from southern Europe



Lack of cooperation or social isolation: A good life also entails good social relationships and free cooperation. However, both have been declining - generally over the past decades, but particularly for older people. Less than 10% of those under 26 years old suffer from social isolation, while among 26-45 year-olds, it's approximately 17%, and among those over 65 years old, it's well over 20%.

Not surprisingly, good economic circumstances, meaning a decent income, protect against social isolation, whereas poor health exacerbates it. The primary factor explaining 50% of the suffering from social isolation is determined by the place of residence. In Northern, Southern, and Western Europe, the percentage of people who meet with others less than once a month is well below 20%,

while in Eastern Europe, this percentage is clearly above 30%. This was to be expected given the low pensions in Eastern Europe and the few healthy years of life remaining after the age of 65.

What would be a leftist response to these problems?

In the short term, raising minimum pensions to a level significantly above the poverty line is essential.

In the medium term, a restructuring of statutory pensions towards a more equitable universal pension is necessary. Retirees do not differ in what they contribute, so why should their incomes vary significantly? Those who, for whatever reason, earned more during their working lives were able to save accordingly during that time. Equal length of working life for equal pension benefits!

In the medium term, healthcare for older people and the prevention of chronic diseases should be brought to a consistent level across Europe. The place of residence should not be the determining factor in how many years one lives free of disability after retirement.

And in the medium to long term, we need a new model of society that prevents social isolation from occurring and fosters intergenerational community. The end of waged labor does not mean the end of cooperation; it only means so in an economy where productivity at work is primarily valued because it determines the profitability of companies. A proper form of societal organization would enable self-determined activity for a societal common good, particularly during the lifetime of older people!

And what do the alternative losers demand for Germany and elsewhere in Europe?

How revealing: Actually, nothing concrete. They show no interest in retirees, as was already evident during the COVID-19 pandemic.

The AfD - just another party of the affluent and socially established.

Material: <https://docs.iza.org/dp14245.pdf>

