

OVERVIEW OF AGE DISCRIMINATION AND RELATED MATTERS IN MALTA AND THE EU

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1. Comments by Age on the Green Paper

As NGOs, the National Association of Pensioners (N.A.P.) and the National Council for the Elderly are members of AGE - The European Older People's Platform in Brussels. Mr. Lino Mizzi and myself are representatives of the above NGOs and attend meetings in Brussels when possible. In the circumstances I feel that it is appropriate to refer readers to a document drafted by AGE - in close cooperation with the AGE Anti-Discrimination Expert Group to respond to the Green Paper of the European Commission which deals with "Equality and non-discrimination in an enlarged European Union".¹

2. Policies for Older People

Between the 11th - 13th September 2002, Ministers from Europe, North America, Australia and New Zealand met in Berlin. On the initiative of the German Government, the U.N. Economic Commission for Europe met to discuss guidelines and strategies to implement policies for older people.

The implementation strategy consisted of several commitments which covered:

- (a) Economic Aspects of Ageing and the participation of older people in Society;
- (b) The fight against exclusion and Ageism;
- (c) For a healthy ageing.

The commitments were:

¹ AGE Response to the European Commission's Green Paper, "Equality and non-discrimination in an enlarged European Union" (AGE response to Green Paper FINAL_040831).

- a. To mainstream ageing in all policy fields with the aim of bringing societies and economies into harmony with demographic change to achieve a society of all ages;
- b. To ensure full integration and participation of older persons in society;
- c. To promote equitable and sustainable economic growth in response to population ageing;
- d. To adjust social protection systems in response to demographic changes and their social and economic consequences;
- e. To enable labour markets to respond to the economic and social consequences of population ageing;
- f. To promote life-long learning and adapt the educational system in order to meet the changing economic, social and demographic conditions;
- g. To strive to ensure quality of life at all ages and maintain independent living including health and well-being;
- h. To mainstream a gender approach in an ageing society;
- i. To support families that provide care for older persons and promote inter-generational solidarity among their members.

As regards commitment ‘(d)’ the UN Economic Commission for Europe States committed themselves to promote active labour market policies. Stopping age discrimination in recruitment and employment as priority measures, as well as accommodating employment needs of older people with the aim of raising their participation rates. (Examples - improvements of opportunities for part-time or temporary employment for that age group. Incentive to recruit older workers).

Measures to keep older persons in the labour market such as flexible and gradual retirement formulas, or guaranteeing real access to life-long learning activities are very much encouraged. Early Retirement Schemes go against this Principle.

Throughout the text, the strategy gives a strong focus to the fight against discrimination against older persons, in access to health, employment and participation in society. It also gives a strong focus to multiple discrimination, linking age to the gender perspective or to race and ethnicity of the person.

It is disappointing, however, that the strategy lacks precise commitments on implementation and monitoring of the objectives, including how civil society is to be involved, and one may well doubt the political will of governments to follow up its contents.

3. Politics and Ageing

The Political response to ageing is not yet complete or consistent across Europe. At E.U. level, discussions and debates were carried out in the 1999 Communication, "Toward a Europe for all Ages" released to coincide with the International Year of Older Persons.

Four key areas of policy for action across the European Union were identified. As an EU Member State, Malta should follow and take concrete measures according to the needs of our elderly people on:

- (i) *Employment* - To reverse the decline in economic participation amongst the older population to ensure that the productive potential of the population is fully mobilized (e.g. Increase the employment rate of workers over 50 years of age. Abolish early Retirement Schemes).
- (ii) *Social Protection* - To ensure that the pensions and retirement benefits system are adequate and sustainable. It is not the appropriate time to discuss this issue at this stage as discussion on the Reform of Pensions is still taking place. However, the total absence of a reference to a reform of the Members of Parliament Pension Act and of the Pensions Ordinance is deplorable. It has to be pointed out that Service Pensions awarded to members of Parliament are revised annually according to the current salary of the post occupied. This is the case where only parliamentarians enjoy an uncapped pension. All other pensioners do not enjoy this privilege. In fact under the Pensions Ordinance the pension is computed on the salary earned on retirement and no revisions are carried out thereafter. Pensions that fall under Social Security Act are capped up to Lm 6750 plus cost of living (2/3).
- (iii) *Health* - To promote healthy ageing and reduce morbidity to ensure that later life is active and fulfilling and that costs to the health care system are minimised and affordable. Discrimination against older people in health and care services must be addressed.
- (iv) *Anti-Discrimination and Inclusion* - To ensure that people of all ages are treated equally as citizens and that their voices are heard and aspirations are met. In the area of discrimination progress was registered through both legislative action and the development of an action programme. The Framework Directive on equal treatment in employment and occupation and the Directive against racial and ethnic discrimination were transposed into national Law by 2nd December 2003 and 19th July 2003 respectively. As regards age and disability member states requested an extension up to December 2006. It has to be pointed out that the member states' approaches to age discrimination so far vary widely. Some governments argue that combating age discrimination could be culturally and legally difficult. It is clear that in some cases these arguments reflect lack of political will. *Sadly enough, member states can use Article 6 of the Directive to identify a range of exemptions which will limit protection for older people.*

4. Social Security

The White Paper on Pensions Reform² is considered as an exercise to “ensure adequate and sustainable pensions to existing pensioners as well as future beneficiaries. This means that on retirement a person is entitled to receive a pension that “guarantees a decent standard of living”. At this early stage it has to be stated that our Pension Scheme was quite good and the problem of unsustainability emerged due to certain anomalies and loopholes of abuse brought about by various administrations (political decisions). It appears, though undeclared, that the current practice of the annual Re-assessment of pensions on current salaries paid is being abolished. Pensioners may get the full Price Retail Index increase. The freezing of the Maximum Pensionable Income at Lm 6750 as declared in the white paper is also a handicap for existing and future pensioners.

4.1 Unsustainability of Pensions

Major factors contributing to the unsustainability of the Two Thirds Pension Scheme are:

- a) The discretion given to the Director to take action against defaulters from paying Social Security Contribution;
- b) The proper interpretation of the average of two averages provisions of pension would have eliminated the award of full rate of pension to those with 11 years of unpaid contribution;
- c) The 30 years qualifying period for full rate of pension;
- d) The vote-catching amendments to the Social Security Act by the two political parties;
- e) The ultra generous pension benefits approved by organizations administered by Government-appointed Boards of Directors;
- f) The award of Invalidity Pension to young and healthy persons. There are more than 8,000 receiving this pension.

4.2 Proposals for Adequate and Sustainable Pensions

The European policy coordination according to the Open Method of co-ordination of Pensions covers five key areas namely:

- a) To ensure that older people have a right to a decent level of pensions, and not just the prevention of outright poverty;
- b) To guarantee that the first pillar pensions are indexed so as to ensure that pensioners keep up with the advances in society's prosperity;

² www.pensions.gov.mt

- c) To ensure that individuals are able to obtain a high income replacement rate on retirement;
- d) To give equal rights to women, eliminate gender discrimination in the pension system and labour market;
- e) To allow and encourage older people to continue working for longer, outlaw age discrimination and promote life-long learning.

4.3. Second Pillar Pension

It has to be said straight away that in principle this pension will help to ensure a decent standard of living on retirement. However, persons with an income to Lm 6,000 per year cannot afford to participate in this scheme due to financial constraints. Moreover this scheme may be rejected by the social partners due to economic problems. There is also a flaw in the scheme because it failed to bring forward a “new idea” where it should have promoted three separate requirements, that is, pensions, welfare and health. In fact, in Europe as well as locally the real financial problem is in the health sector. As people are living longer, the cost of benefits in this sector is increasing disproportionately with every additional year of life.

5. The Role of NGOs

As regards the issues and rights of the elderly, the National Association of Pensioners as well as the National Council for the Elderly - (both NGOs) as members of AGE are kept informed about legislation and proceedings that emanate from Brussels. Our involvement now is not only on Social Protection and Social Inclusion but also taking part to combat Age Discrimination in all areas. *The Government should with immediate effect involve NGOs more, allowing them to play a leading role and participate in today’s changes.* From words we should pass to action and enforcement through proper legislation and funding. NGOs need funds to operate and to train their members. They should have the know-how to raise public awareness on discrimination issues. *When and where it is possible they should have the power to defend the rights of victims of discrimination both in Courts and other tribunals.* NGOs task and duty is to improve the image of older people in an ageing society, to address their needs under the Social Protection Umbrella and above all to stop discrimination on the grounds of age.

6. Conclusion

As a final tribute to the elderly in society I wish to conclude this contribution towards the Civil Society Project with a quote by Kofi Annan, Secretary General of the United Nations while speaking to the 2nd U.N. World Assembly on Ageing on the 8th April 2002. He said:

“We need to recognize that, as more people are better educated, live longer, and stay healthy longer, older persons can and do make greater contributions to society than ever before. By promoting their active participation in society and development, we can ensure that their invaluable gifts and experience are put to good use. Older persons who can work,

and want to, should have the opportunity to do so; and all people should have the opportunity to continue learning throughout life.

By creating support networks and enabling environments, we can engage the wider community in strengthening solidarity between generations, and in combating abuse, violence, disrespect and discrimination against older people”.