

ETUC SociAll Project - Survey for National Contact Persons

This survey, for completion by the National Contact Persons on behalf of their trade union, is an important source of the qualitative and quantitative information required for the ETUC's SociAll Project. This is in addition to the extensive information about each countries' pension system that will already be available to the National Experts from established national and international sources.

The survey will provide the National Experts with:

- Background information, specifically from a trade union perspective, about the country's pension system and attitudes to recent trends in pension provision;
- To outline the challenges in the sphere of pension provision that have been identified by trade unions; and
- Set out the trade unions' priorities and proposals.

The survey is divided into three sections that are summarised in Table 1 below. These relate to the corresponding sections of the National Reports, as outlined in the Methodological Note. Section 4 of the National Reports will also be informed by the information that is provided.

Table 1. Outline of the National Survey	
Section 1.	The Country's Pension System: The views of the national trade unions on the strengths and weaknesses of prevailing pension system and the content and the expected effects on the system of recent reforms and those currently under active discussion.
Section 2.	Current Challenges: Trade unions' perception of the main socio-economic and demographic challenges that affect the present and future of pension provision.
Section 3.	Possible Reforms: The trade union's priorities in pension policy and the strategies required to have more effective pension protection in the future.

Section 1. The Country's Pension System

This section of the survey covers the current situation, including questions on the trade unions' views on the strengths and weaknesses of prevailing national pension system. It also asks questions on the content and the expected effects on the country's pension system of recent reforms and those currently under active discussion. It should be taken that the National Experts are already familiar with the country's existing pension system and current issues. The status of the current reforms should be identified as follows:

- **Completed Reforms**, i.e. those implemented since 2010
- **Planned reforms**, i.e. i.e. almost certain to be adopted, i.e. having gained enough political support and formulated as draft legislation
- **Reforms under active discussion**, i.e. those that are under discussion, with an indication of the likelihood that the reform will be adopted.

QUESTIONS

GENERAL OVERVIEW

Role of Social Partners in general and trade unions in shaping pension reforms

Q 1.1

Can you describe how trade unions in particular and social partners in general are involved in the pension policy debate and decision-making process in your country and how does the involvement take place (involvement in bipartite/tripartite institutions, consultation by government/parliament, negotiations)?

FERPA as a member of the ETUC Social Protection Committee can take part in the debate on the position of the ETUC and sometimes occasionally also can give its opinion on national regulations and developments in the area of pensions. FERPA always can give its opinion on pension developments in member countries. But mostly this is done in the framework of FERPA's own statutory bodies. And so FERPA has initiated with its member organizations the construction of a "pension file" which also takes stock of the reforms that have been taken place and the analysis made of these reforms by its national union organizations of pensioners and the elderly. The objective is to identify areas of demand in this area for pensions to be implemented by the unions of retirees, in collaboration whenever possible with the union organizations of active workers.

Q. 1.2



Which is the trade union role in the latest pension reform processes (implemented and under discussion)? Provide your own assessment (major role, marginal role, total exclusion) and few examples in case of influence

FERPA only can play a marginal role in national pension discussions. See also answer to Q.1.11. Its organizations can and do however share their experiences and expertise in the framework of the national confederations.

Q. 1.3

Provide a general assessment of the extent to which the existing pension system addresses the needs of current and future retired people in your country, indicating where and why it falls short.

A general assessment will be enough, as a more detailed section on challenges will follow.

Only in a few countries the present pension system (first and second pillar) provide for a living on subsistence level. The gender pension gap is quite large and proper care years compensation is mostly lacking. In several countries the first pillar pension income does not enable people to live without poverty. This is particularly "glaring" for older retired women who survive men longer and - for older generations - who have had little or no paid employment, devoting most of their lives educating children. They are entitled then, when it exists, to the minimum pension, but this is not the case everywhere in Europe. In all the countries of the Union, except for Belgium and Luxembourg, this minimum is below the poverty line of the country considered. And when they are widowed, they receive only a part (often half) of their late husband's pension.

Q. 1.4

- a. What are the main principles and policy drivers that inspired the design of the pension system under analysis? Are they still valid?

In all EU countries, public pension systems have been based on the principle of "social insurance" which contains a dimension of "solidarity" between its inhabitants/members, that is to say that the we 'contribute according to' our financial possibilities and we 'receive according to our needs'. This is for FERPA an intangible principle, if we want to preserve the social structure of society and avoid exclusion.

- b. Is the European Pillar of Social Rights and the recent European Council's Recommendation on Access to social protection for workers and the self-employed¹ shaping the debate on pensions?

For FERPA these pillars of Social Rights are very important and a major stimulus to organize and campaign. In particular the principle in pillar 15: the right for the elderly, to have resources allowing them to live in dignity. These pillars not only should "shape the debate on reforms" but should serve as a "leading principle" in the approach to these reforms

- c. Within trade unions?

Within the structure of FERPA and the ETUC yes.

- d. In bipartite or tripartite social dialogue?

In case FERPA will take part in dialogues (bilateral or trilateral) with European bodies (European Commission, European Parliament, Business Europe) surely yes!

Q. 1.5

Summarise the trade unions' views on the state of the country's pension system debate in terms of the balance between financial sustainability and social adequacy, coverage and effectiveness.

Not applicable for FERPA.

Q. 1.6

Summarise completed reforms (as defined above) and indicate the trade union's assessment (if any) of their impact on the adequacy, coverage, and effectiveness of pension provision?

Not applicable for FERPA.

Q. 1.7

Summarise reforms and those under active discussion (as defined above) and indicate the trades union's assessment (if any) of their impact on the adequacy, coverage, and effectiveness of pension provision?

Not applicable for FERPA.

¹ <https://ec.europa.eu/social/main.jsp?catId=89&furtherNews=yes&langId=en&newsId=9478>

Section 2. Current challenges

This section of the survey is about the trade unions' perception of the main socio-economic and demographic challenges that affect the present state and future of pension provision in terms of coverage effectiveness and adequacy (and the effective implementation of the Recommendation on Access to Social Protection for Workers and the Self-Employed).

This should cover:

- *The issues the trade union regards as the more urgent challenges to pensions; and*
- *The main social and occupational groups that, in the view of the trade union movement, need greater attention for more effective pension protection.*
- *The gender dimension of the challenges*

The lists of issues provided for certain questions is non-exhaustive and other issues should be covered, if appropriate

QUESTIONS

Main Challenges

Q. 2.1

- a. What are, in general, the main social challenges in pension provision with respect to the social and economic outlook of your country?

Please consider the needs of people, their rights and living conditions. You can make reference to the topics listed below, noting the relevance in the short, medium and long run, and add some others. Please, explain your choices and, for those that are regarded as the most salient, provide a concise explanation, with data and examples.

- Population ageing
- Poverty rates
- Access to essential services
- Out-of-pocket expenditure for healthcare and long-term care
- Low salaries
- Unemployment
- Increased share of atypical jobs (high rate of involuntary part-time/zero-hour contracts/
- Bogus self-employment
- Sluggish economic performance
- Low average productivity
- Increasing inequalities
- Gender gaps in employment/wages

- The Covid-19 Pandemic
- Other:

Poverty rates: On average 1 in 7 persons on pension in the EU live at risk of poverty. The range is from 7% in France till 46% in Estonia. Females on average 2-3 % points higher. This is a long-term concern of the highest importance. It is a shame for a rich group of countries that more than 14 million people in old-age live at the permanent risk of poverty.

Access to essential services: Persons living at risk of poverty mostly cannot afford paying for or using essential services; there is severe energy poverty amongst the elderly in Europe. Thousands of people at old age are dying because they cannot afford their energy bills.

Out-of-pocket expenditure for healthcare and long-term care: People at risk of poverty in old age evade going to see a doctor or asking for health care because they cannot afford it. And consider also, that for the elderly, the risk of seeking health care is more frequent than when one is younger. This poses a significant "financial burden" for everyone, and of course for the poorest of them, hence the need for sufficient pensions.

The average EU gender gap in pensions is substantial (35.7 % in 2017). Across Member States, this figure shows a wide variation - from as low as 2.6 % in Estonia to 46.1 % in Malta.

b. Who do these social challenges affect?

People at old age, in general, but especially those with a (too) low pension income; and of course the gender pension gap effects especially women.

c. What are the main reasons for these challenges?

Inadequate first and second pillar pension schemes.

d. Can you please provide data to support your views?

See information given in answer to Q.2.1.a

Challenges to Formal coverage

Q. 2.2

Please answer the questions shortly framing the relevant situation(s) in the demographic/ social/ macroeconomic context and always keep into account the gender perspective wherever relevant and possible. In your reply, please, consider in particular but not only employees, self-employed and atypical workers, as well as the gender dimension (de facto)

- a. Are there any major gaps in formal coverage?

People without full pension rights because of missing working years, (due to illness or unemployment for example or fragmented careers / precarious jobs), and people without formal employment contracts. For women: no pension rights during “unpaid” care duties: career breaks to educate children or, especially in recent years with the - happy - increase in life expectancy, to take care of their elderly parents for example.

- b. What categories of workers, i.e. employees, self-employed and atypical workers, are formally excluded from the coverage of pension schemes by reason of their contract, or are only offered voluntary coverage by pension schemes? Which are the main groups (for example migrant, low-skilled, women) affected?

For FERPA difficult to answer; this differs from country to country. In general the following categories of workers miss the opportunity to get access to full pension rights: self-employed workers; employees with zero hours contracts; precarious and informal workers. Women with unpaid care duties also mostly miss creating a full pension right.

- c. What determines/ how would you explain these gaps in formal coverage?

Lacking pension coverage systems for these workers and for women. But also because of the prevailing doctrine within the European Union and within the member countries for several years now already, that there must be a more strict link between the contributions paid and the benefits received, what is called: "making the plans more contributory": whoever does not pay for whatever cause, does not receive! With which doctrine we disagree of course.

- d. What are their main social consequences/impact?

More persons living at risk of poverty and social exclusion in EU countries. And thus by consequence serious risks of more social inequalities.

- e. Do you see issues for fiscal sustainability of a system covering of a system covering people in all forms of employment?

Of course there will be a cost factor in supplying more workers with a full pension right. So state funding will be necessary and thus an issue with fiscal effects. This also means, in addition, that the solution also lies in the development of employment (so priority to employment policies) and in "productive" and not in "speculative" investment.

f. Please provide data

See answer to Q.2.2 in general. Detailed data are not possible to give for FERPA.

Challenges to Effective coverage

Q. 2.3

a. Is it possible to highlight any major effectiveness issues?

Please, consider effects that, for example, possible entitlement conditions, wage levels, contribution levels, may have on non-standard workers, the self-employed, atypical workers, women.

Difficult to answer for FERPA, as this depends on the pension systems in the different countries. But in general see answers to following sub-question.

b. Who do these effectiveness issues affect? Are there categories of workers or self-employed that are at particular risk of limited effective coverage of pension benefits? *You can make reference to the topics and groups listed below, noting the relevance in the short, medium and long run, and add some others. Please, explain your choices and, for those that are regarded as the most salient, provide a concise explanation, with data and examples.*

- Women
- Younger workers
- Self-employed workers
- Bogus self-employment
- Atypical workers
- Precarious workers
- Agricultural employment
- Working poor
- Migrant workers
- Low skilled workers
- Other

In general the following groups are at risk of low pension rights (and thus have an effectiveness issue):

- *Self-employed workers*
- *Precarious workers*
- *Migrant workers*
- *Women in general due to the difference in salary remuneration between men and women, but also because of interruption of paid working life to sacrifice their activity to devote themselves to (unpaid!) care duties.*

c. What are the main causes of the risk of ineffective coverage of workers?

You can make reference to the topics listed below, noting the relevance in the short, medium and long run, and add some others. Please, explain your choices and, for those that are regarded as the most salient, provide a concise explanation, with data and examples.

- Significant lack of transparency in the access to relevant information
- Aggregation of contributions across schemes
- Waiting period
- Calculation rules
- Requirements to access old-age or seniority pensions
- Lack of reconciliation of professional and family life
- Incomplete work careers
- Low wages
- Missing financial capacity to save in (voluntary) pension schemes
- Others

Lack of rulings and regulations to cover for the creation of pension rights for these groups.

d. How far are the following contingencies significant in leading to ineffectiveness of pension provisions? *Please, explain your choices and, for those that are regarded as the most salient, provide a concise explanation, with examples.*

- Maternity, paternity, parental leave
- Study or training periods
- Sickness
- Unemployment
- Care duties (elderly, children, disabled, etc...)
- Other

Care duties: missing building of pension years

Unemployment: missing building of pension rights during unemployment

Parental leave: when unpaid leave: missing building of pension rights.

- e. What are their major **social** impacts of ineffective pension provisions?
Poor pensioners, social isolation and health risks.
- f. Do you see issues for **fiscal sustainability of a fair and effective social protection system**?
That depends on the kind of pension systems and the way they are financed. It should be noted however, that the viability of pension systems depends not on the rate of "demographic dependence" (birth rate, etc.) but on the rate of "economic dependence", that is to say the number of people who are in employment and who can contribute, compared to those who are out of work (young, unemployed, sick, disabled, retired). So the answer lies, as has already been indicated, in the audacity and relevance of the employment policies implemented.
- g. Is the lack of transparency or satisfactory information about pension entitlements and obligations limiting *effectiveness* of pension provision; and, if so, which categories of workers and the self-employed are most affected?
In some countries it is, especially if you have to apply (in time) for the respective pension rights.

Challenges to Adequacy

Q. 2.4

- a. Is there a prevailing/institutional/constitutional reference or definition of adequacy that is used as standard in your country? How do you define adequacy?
Living in dignity; without risking poverty or energy shortage, with full participation in society and with barrier-free access to respectful health care.
- b. Do you use any specific indicator to assess it in your country?
For FERPA the wording of the EU Social Pillars, especially in CHAPTER III Social protection and inclusion are useful references. On this basis social indicators can be constructed: AROPE, Median relative income of elderly people, reported unmet need for medical care.
- c. Please provide the TU's view of the significance of the two main adequacy indicators used by the Commission (Theoretical Replacement Ratio/TRR; Aggregate Replacement Ratio/ARR – Pension Adequacy Report - PAR 2018).

No FERPA answer.

- d. How would you define “ageing in dignity”?

Living without risking poverty or energy shortage, with full participation in society and with barrier-free access to respectful health care. In other words, do not consider pensioners and the elderly as "dependent people" but as citizens in their own right, having their place in society. How many "tasks" aren't done by retirees: elected functions, school support, sports activities, cultural tasks, etc ... ? And ban the term "inactive" to designate retired people just because they retired from their professional life. They are often socially very active.

- e. Do you have in mind any specific indicator that could help in assessing “ageing in dignity” in your country?

AROPE, Median relative income of elderly people, reported unmet need for medical care.

- f. What are the major deficiencies (if any) in the provision of adequate pensions?

No pension rights for years not worked; no pension rights for care years; no pension rights if no formal labour contract and wage inequality during professional life between men and women to the detriment of the latter

- g. What determines these deficiencies?

You can make reference to the topics listed below, noting the relevance in the short, medium and long run, and add some others. Please, explain your choices and, for those that are regarded as the most salient, provide a concise explanation, with data and examples.

- Lack of provision of minimum pension
- Volatility of complementary pensions
- Low rates of return from funded pensions
- Wage levels
- Contribution levels
- Worked hours
- Repartition of contributory obligations on employer/employee
- Length/continuity of careers
- Purchasing power erosion
- Lack of indexation
- Cost of living
- Services for old age provided publicly/without out of pocket expenses

- Need of personal/private (out-of-pocket-expenses) for health and long-term care
- Others

The lack of provision of a minimum pension is a major deficiency, caused by lacking state regulations. This also applies for the lack of pension rights in time of care duties. The lack of indexation, mainly caused by market developments, are a second deficiency as this diminishes the purchasing power of the pensioners.

- g. **Who** do these deficiencies affect? Please, consider employees, self-employed and atypical workers

Mostly self-employed workers, low-paid workers and women.

- h. What are the major social impacts of these deficiencies?

Poverty of too much pensioners in the EU.

- i. Do you see issues for **fiscal sustainability of a fair and adequate social protection system**?

It all depends on the political and social choices governments are willing to make. Fair and adequate social protection is also an investment in people that makes societies more sustainable. Also in fiscal aspect on the long run.

Other challenges

Q. 2.5

What are the **challenges and the opportunities related to occupational pension policy/schemes** concerning their contribution to formal coverage, effective coverage, adequacy (and transparency) of pension systems?

All workers, employees and self-employed workers, should have access to an occupational pension scheme that brings their pension income, in addition to the first pillar state pension income, at a level corresponding with their standard of living before retirement. This could be made obligatory as a right for all workers in society.

Q.2.6

Is there any other particular (set of) challenge(s) that you deem key or that should be addressed as a priority in order to give impetus to upward convergence?

- a. *Please, explain the reasons of your answer.*



A pension without poverty for every citizen of the European Union. And a more gender balanced pension income.

b. Please provide data.

See the answer to the question Q.2.1

Q.2.7

How is the Covid 19 emergency impacting your priorities?

It highlights the social gaps in society, especially as regards to migrant workers, precarious workers and self-employed workers. So it strengthens the priority that should be given to these groups of workers.

Section 3. Possible Reforms

*This section seeks information about the trade union's priorities in pension policy; and their involvement in the policy making process and the strategies to have more adequate and effective pension protection for all. **The examples given under each question are for assistance and other issues should be covered, when appropriate.***

QUESTIONS

Q. 3.1

What are the main demands/actions/reforms that the trade unions propose in order to meet the challenge(s) highlighted in the answers to Section 2?

Provide a concise description from those listed below, plus any other that you consider relevant in light of your replies in the previous set of questions. Please, explain your choices and, for those that are regarded as the most salient, provide a concise explanation, with examples

- Minimum schemes
- Employment related or income-based schemes
- Occupational pension provision
- Pensionable age and early retirement schemes
- Regulation of the labour market and active labour market policies
- In-kind benefits, long-term care and social assistance
- Other

Please, explain also how the proposed reform would address the challenge(s) identified in your replies to the previous set of questions

- keeping in mind the possible effects linked to age groups/ gender/ forms of employment and

- providing an assessment and considering effects of main issues from the topics listed below, in the light of your replies in the previous section, plus any other that you consider relevant.

Please, explain your choices and, for those that are regarded as the most salient, provide a concise explanation, with examples.

- Formal coverage for specific categories of workers and self-employed
- Effective coverage
- Adequacy of benefits
- Inequalities (gender pension gaps, pension rights of younger cohorts of workers, coverage of atypical jobs)
- Other:

For FERPA a minimum first pillar pension income for all citizens in the European Union is the main demand.

Second demand is a barrier free health care system based on small-scale care centres with a treatment based on dignity.

Third demand is a policy to flatten the gender pension gap by providing pension rights for years of care duties.

Q 3.2

What would be the main fiscal sustainability drivers necessary to support your policy proposals? What would be the issues arising? What the desirable sources of financing?

Governments should accept that a higher level of social protection for their citizens is also an investment in the future of the country and thus worthwhile to invest in. Even if this implies a structural higher level of taxes.

Issues arising: a debate on social demands, government expenditure and state debt policy.

As mentioned the structural source of financing should be higher taxes; to make this more effective the fight against tax avoidance, tax fraud and tax evasion should be intensified.

Q.3.3

Are there any major actors supporting or opposing your proposal and why?

Sure there will be supporting and opposing actors.

Supporting actors: left leaning political parties; social care institutions; social workers; migrant community; organizations for the elderly; women's organizations. Why: improvement of position of retired people, male and female.

Opposing actors: right-leaning political parties, letter box firms and their legal advisors. Why: opposing increase in state expenditures and for the letter box area: being threatened in their profit model.