

Guidelines for a policy for tomorrow

“Exploratory declaration in a changed world”

Social security in Europe

Preliminary remarks:

When it comes to our general good, it is no use dwelling on the past; rather we need to share unreservedly in finding solutions oriented to the future.

This was the stance taken by our generation in the past and still remains the stance taken in all discussions currently on the agenda for reform of our welfare state.

The four insurance funds financed by contributions and related to wages – unemployment insurance, pension insurance, health insurance and care insurance – are inseparably dependent upon the employment market!!

As pensioners we are therefore prepared to make the contribution necessary to reduce incidental wage costs so that work can be remunerated and additional jobs created.

1. Pension insurance reform

All reform must set itself achievable goals. In Europe we are familiar with the discussions about

- ❖ **Means-tested pension or basic state pension?**
- ❖ **Retirement ages / pension reductions**
- ❖ **Pension adjustment methods**
- ❖ **Family-related benefits**
- ❖ **Survivors' pensions**

❖ **Incentives (tax!) for additional provision for old age covered by capital**

1.1 Since we are not in the initial stages of statutory pension insurance reform

- change of pension adjustment to the net principle
- gradual raising of the retirement age
- introduction of a demographic factor in the pension calculation formula
- recognition of time spent raising children
- development and expansion of company pension schemes (2nd pillar) and private provision (3rd pillar)

we give support to the following measures:

- lengthening of working life but option to retire and draw pension at any time upon completion of 40 / 45 (?) years' of contributions;
- retention of pension adjustment in relation to net wage increase given the levelling of pension growth caused by the ever increasing average life expectancy;
- improvement in outline conditions for the 2nd and 3rd pillar if this creates (tax) incentives for the next generation which improve the acceptance necessary;

Note:

Both of these pillars lapse for our generation!

- we only support the extension of the income limit for the assessment of contributions and the inclusion of everyone in pension insurance funds (even public servants with special pension rights and self-employed persons!) if it can be said with certainty, taking into account the principle of sustainability, that their pension is just as secure as ours was! No placebo effects!

Because we are serious about safeguarding the economic future of the next generation (revival of the employment market!) we also support the proposal to

include income from investments and tenancy income in the basis for the assessment of pension insurance fund contributions.

Note: Our willingness must not, however, obscure the fact that this proposal is contrary to the system and permanently detracts from the targeted supplementary private provision.

The proposal should therefore only be used temporarily – as an emergency measure!

- We also approve of the generative contribution for the continued existence of pension insurance – recognition of time spent taking children into account and time spent raising children if this is financed with tax proceeds and not from the contribution income.

Conclusion:

1.2.

- **The potential of gainfully employed persons must be used much more efficiently!**

There must be fundamental changes in the way we work.

Justice is based on the fact that everyone has to put in a contribution if the mutually supportive society is supposed to pay for his or her upkeep!!

Pensions should not be financed solely on the calculation of wage assets. Additional sources of revenue for the welfare pot are to be opened up – tax on share dividends, gambling winnings, lottery, bets, bonuses, etc.

Drastic action must be taken to counteract tax fraud and tax evasion by absconding. If a citizen of a member country retreats to a so-called tax haven and the whereabouts of that citizen are known, the country of origin should ask that citizen to file a tax return. In the event that this request is not complied with within six months, the financial status of the person will be assessed and the amount of tax owing calculated. If this outstanding tax is not paid within two years, the person will forfeit citizenship in the homeland.

- **The world of work must be guided by the actual productive capacity of – older – people**
- **The social security systems must undergo a procedural review. Prevention ? Treatment ? Rehabilitation ? Care is the only correct sequence for regaining staff or for state assistance in later life.**
- **The consequences of demography cost money and there is no way of avoiding paying this money.**

It is – sadly - true that:-

The number of recipients of benefits is increasing and the number of contributors is decreasing.

Noone can pay the financial equalisation to bridge this gap.

For information:

All issues of "bequeathing life" are at stake here and require solutions – here and now!

- **Fraudulent claims and abuse of the social security systems**

Early retirement, a course of treatment at a health resort every two years - the legislators are equally to blame for setting up the systems in such a way that they positively ask to be used.

In the pensions system we advocate equal opportunities and pension rights for women: pension splitting, child-rearing years, etc. The standard of living of pensioners, whether male or female, must be retained. Company pensions and supplementary pensions must not be at the expense of the statutory old age pension.

2. Health insurance reform

- **The financing of health insurance takes second priority for the ESCU. It is indubitably the case, however, that we only support proposals for cost savings (excess) in the health service if it is guaranteed that everyone – irrespective of age!! – shall receive those services which the responsible doctor prescribes;**
- The evaluation of these studies gives rise to the following areas for discussion and decision:
 - ❖ Structure of an unrestricted and humane health service

- ❖ Contribution regulations, employers, employees
 - ❖ Equal treatment of insured persons and recipients of welfare benefits
 - ❖ Reorganisation of all third-party assistance (benefits) in the sense of fair and equal treatment of all citizens
 - ❖ Structure of medical care, hospital services and institutions providing health cures
 - ❖ Family component (children exempt from contributions)
- As regards covering costs in the health service, the result of the discussions within the ESCU is the considerable saving made through education and prevention.

The major points of the preventive measures are as follows:

A Prevention through information, under the motto 'Prevention is better than cure'.

The most important topics for the ESCU include the following:

- *healthy balanced diet*
- *regular physical exercise*
- *avoidance of obesity*
- *against smoking, alcoholism, dependence upon medication and other drug abuse*
- *vaccinations, especially for 'flu: free and compulsory over the age of 60*
- *prevention of accidents, on the street, at home or at leisure pursuits*
- *particular attention in the case of chronic illnesses, such as cardiovascular diseases, osteoporosis, diabetes, depressions, suicidal tendencies, etc.*

B Prevention through early diagnosis

If the risk factors of certain diseases are detected early, then the disease can often be prevented or its onset at least delayed.

If diseases are diagnosed in the early stages, they can, as a general rule, be cured more easily and later complications and consequences more readily avoided. The health insurance agencies can save a great deal of money in this way.

We recommend regular medical examinations.

Most important tests:

Early diagnosis of breast cancer, bowel cancer, prostate cancer, cervical cancer, skin cancer.

Early diagnosis of impaired vision and hearing in old age, early diagnosis of tuberculosis, hepatitis and other contagious diseases.

C Care programmes

Setting up of competent centres for extensive care of the mentally ill.

*A special programme to combat addiction and drug abuse. Addiction is an illness which is heavy on the public purse. We want to offer addicts **different** help from that offered hitherto. There would have to be centres available around the clock as refuges for addicts who want to give up their drug habit. There must be more resources for care and counselling after withdrawal. The aim of drug counselling remains freedom from addiction.*

D Freedom to choose homeopathy and acupuncture treatment in all EU countries

E Efforts towards dying with dignity

Promotion and extension of palliative care.

We are against mercy killing (euthanasia) and against persistent and obsessive prolongation of life by medical means («archarnement thérapeutique») and in favour of the option of refusing treatment in hopeless cases.

3. Care insurance reform

The reform of health insurance must be dealt with in relation to the reform of care insurance. A person is ill and must be cared for depending on the prognosis. It is the task of the legislature to allocate the areas of responsibility for illness and care.

Our discussions thus far have been more to do with ensuring the quality of care than with the method of financing care insurance.

In the ESCU's opinion these are the issues facing care insurance today:

- More competition and accountability
- The difference between the standards of health insurance and the service performed must be disclosed
- This should form the basis of evaluation leading to the decision as to what should be paid and by whom
- The preventive aspect of care (health care) cannot be neglected – but how should it be financed?
- The rehabilitative dimension of care (many functions and abilities must be retained!) cannot be funded out of the income from contributions. The question is how is this organised?
- Care of (increasing) cases of dementia has been recorded inadequately hitherto and has therefore not been regulated.

The demands of the ESCU are as follows:

- *in all member states the introduction of unpaid care leave to allow family members to spend time with dying relatives. In-patient and outpatient care services must also be offered in rural areas.*

In formulating this exploratory declaration, the ESCU wishes to be instrumental in helping the "social security system", which has developed very differently in Europe, to adapt to the changed conditions in the world of work, so that it will still be true that "The best social policy is an economic policy blessed with growth"!