

Profile of ageing in the region

According to the national agency for population and labour market statistics (CBS), the number of households in The Netherlands with an average of 2.2 persons will grow from 7.1 million to 8.1 million in 2035. From then on the number of households will start to decline. The number of 65-year olds is expected to rise from 2.4 million (14 percent) to 4.3 million (25 percent) of the population in 2038. It will then equal 47 percent of the working population in The Netherlands.

The CBS predicts a further growth of life expectancy for men from 77.6 years in 2006 to 81.5 years in 2050 and for women from 81.7 years to 84.2 years. However, these figures are debated since ILC board member professor dr Rudi Westendorp cited alarming reports indicating a decline of life expectancy from the age of 65 years onwards in The Netherlands and the US.

Health and Care

The Dutch health care sector is a 54 billion euros industry, providing jobs for 11 percent of the working population and still growing rapidly in terms of expenditure and employment. If the sector would continue to do so, expenditure would grow from nine to 14 percent of GDP, and according to some scenarios the sector would then employ 17 percent of the working population. That is why the whole system is under reconstruction. The government wants to build in incentives for cost awareness, efficiency and effectiveness. But growing staff-shortages due to the booming economy and population ageing are threatening the development of the sector, the level of services and the quality of long-term care. The fact that geriatrics is not fully integrated in healthcare is another challenge for the future.

As of January 2006, a new insurance system for curative healthcare came into force in the Netherlands, replacing the mixed system of public and private insurances. The new system is a private health insurance with public limiting conditions, operated by private health insurance companies. All residents of the Netherlands are by law obliged to take out health insurance. The insurers are obliged to accept every resident, enabled to do so by a (public) system of risk equalisation. People with low income who cannot pay the fixed premium can apply for a care allowance.

Chief aim is to make care more efficient and affordable in the long term and to offer more choice. Market parties have greater freedom to compete for the business of the insured. It is said that insurers will push for higher standards of their contracts with care providers in terms of quality and cost. The government remains responsible for the accessibility, affordability and quality. The insured pay a fixed nominal premium to the health insurer of on average 1,050 euros per year (2006) and an additional contribution of 6.5 % of their income (maximised on 2,000 euros per year) to a Health Care Insurance Fund. Employers are obliged to reimburse this contribution to their employees. (Self-employed persons and pensioners pay 4.4 percent). As from 1 January 2008, there will be a compulsory excess of 150 euros a year, which will be collected by the health insurer. People with unavoidable long-term health expenses, for example due to chronic illness or disability, will be compensated financially.

Long term Care

Expenditure for long-term care is about 1.5 percent of GNP (465 billion euros) or 8 billion euros (in 2007). Two third is spent in long-term institutional care; one-third in long-term home care. The overall policy is to take care of frail older people in their own home and environment as much as possible. The general financial system for long-term care is reconstructed in steps. The responsibility for part of the system is shifted to local communities who have to arrange technological, living and household provisions to support

patients and informal carers. The government is compensating the communities for that task. A personal budget system was introduced some time ago and is growing in popularity. Important trends are reconstructing nursing homes with more privacy for residents (each resident has his own apartment), more fiscal and professional support for our 2.4 million informal carers, introduction of instruments for quality development, prevention and strengthening responsible citizenship. Furthermore, IT-solutions will be introduced for work performance, information and networking.

Retirement age and pensions

Employees in The Netherlands retire on average between 55 and 65 years of age. The median retirement age is now 60 years and slowly rising. Only 11 percent of the workers continue to work after the age 65, mostly in part-time jobs. The three-pillar pension system consists of a basic pension (for presently 2.6 million) citizens of 65 years and older, a company or industry pension and private savings. A single person receives 915 Euros net in basic pension, married people receive 630 Euros net per month each. Seventy percent of the people entitled to a basic pension receive an occupational pension as well. Retirement income may amount to almost eighty percent of the last income just before retirement, for those with a lifetime career with one employer. Most final pay systems have been replaced by average pay systems. Fiscal support of early retirement has been abolished. Early retirement schemes were replaced by flexible retirement schemes in order to reduce the burden for younger working generations.

Employment agenda

Since the mid nineties the topic Employment and Retirement is rising on the social and economic agenda in The Netherlands. Labour market participation of older workers (55-64) has been extremely low since the seventies and eighties, in comparison with other European countries, Japan and the US. This was a result in the first place of the heavy use of preretirement schemes meant to solve youth unemployment problems. Secondly the equally heavy use of disability insurance schemes by the social partners contributed to reducing the numbers of older workers. Since the mid nineties, however, policies were redesigned to stimulate labour market participation of older workers, to reintegrate disabled workers and create more opportunities for women. At present 42 percent of 55-64 year old is employed. There is a boundary line soon after sixty. The Netherlands are aiming to reach the Lisbon goal of 50 percent in 2010. A range of policies, measures and instruments have been developed in order to reconstruct the social system, so that retirement and social security systems encourage people to keep working up to the age of 65 years. Since 2001, several taskforces have worked on the issue of the participation of older workers.

However, negative attitudes towards older workers are still deeply rooted in Dutch society. One of these symptoms is that an unemployed person between 55 and 64 years has only 4 percent likelihood of finding a new job within one year. Other symptoms are a low job mobility and low participation in education and training. Since 2004 the Equal Treatment on grounds of Age at Work Act is forcing social partners to review industrial agreements and practices in such a way that barriers for older workers are taken away and social investments are concentrated no longer on leaving but on life long work ability, employability and mobility. Severe changes of the social system have forced Companies to fight absenteeism and disability of workers. Huge investments for reintegration programmes for chronically ill and disabled workers were successful, at least for the younger cohorts. The next step is concentrating on lifelong health by stimulating preventive instruments, attitudes and mechanisms. For that purpose the Finnish Work Ability Concept is being introduced in The Netherlands on a large scale. It includes a stronger role of occupational health services. Diversity management is another item on the industrial agenda.

Status of Women

The Netherlands come from a very traditional society where the roles and tasks of men and

women were strictly divided. The graphic shows labour market participation of older men and women. The rise in older women's participation is mainly due to long-term effects of women entering the labour market since the sixties and gradually working more hours per week. This reflects women's emancipation and EU directives on equal treatment in that period. Women are now strongly represented in health care, welfare work and the educational sector. But we have a long way to go with respect to combined effects of age and gender. Older jobless women's chance to find a new job is practically zero. Older women are not equally represented in many areas of societal and political life, in leading managerial positions and in the way society is reflected in the media. The picture is different in informal care and voluntary work.

Voluntary sector

Shortages of labour will put pressure on the voluntary sector and the informal care sector, where The Netherlands have a strong record with 4 million active volunteers and 2.4 million informal carers who care at least 3 hours per week or longer than 3 months per year. There are numerous possibilities here to tap into the potential of baby boomers' talents. ILC is preparing the dialogue between the voluntary sector and social partners, in order to identify barriers and introduce incentives for older unemployed people to become active in voluntary work and be trained for new tasks and new networks. Giving workers the possibility to switch from paid to unpaid work and vice versa and using part time retirement schemes could give older people a more meaningful, purposeful and healthier live, while tackling serious problems of society. ILC tries to stimulate the development of social applications of IT, first in the area of informal and formal health care.