

Consultation Response Pensioenfederatie Green Paper on Ageing

- 1. How can healthy and active ageing policies be promoted from an early age and throughout the life span for everyone? How can children and young people be better equipped for the prospect of a longer life expectancy? What kind of support can the EU provide to the Member States?*
- 2. What are the most significant obstacles to lifelong learning across the life-cycle? At what stage in life could addressing those obstacles make most difference? How should this be tackled specifically in rural and remote areas?*

Question 1

The Commission intends to work on the basis of a 'lifecycle approach'. Although lifecycles change only slowly, over longer periods they are not stable. In particular adolescence and even more, broad participation in third level education in for instance universities, are historically fairly recent. What we now experience is that even this extended period of education does not suffice anymore for a full career until retirement. Three phases of education, career and retirement cannot be taken for granted anymore. Re-education and renewed training, and sometimes fairly radical career changes, may become necessary for much larger groups of workers than at present. The second development is that a new phase may come into being, roughly between 50 and 70 when people may have double care responsibilities, both for children and for parents. These developments are well described in the book "The 100-year Life" by Lynda Gratton and Andrew J. Scott, both from London Business School ([link](#)).

Finding good solutions however will be much more difficult. It may have to start with raising awareness, in particular with relatively younger people about demographic and societal trends. People that understand longevity and that understand that expected lifetime from any given age is higher than the average longevity for a new-born, may find life easier to navigate. The same holds true for understanding compounded interest, the time value of money and the fact that spending over a lifetime, as well as capacity for work will fluctuate. Helping people to learn how to manage such demands will help.

Following the 2nd Action plan on Capital Markets Union, DG-FISMA has a workstream on financial education. We would very much support, if this will be broadened to also include better understanding not only of pensions, but also the type of career considerations that are important to be able to pursue a fruitful career over longer timespans than are usual today.

Question 2

In order to enable workers to develop really new skills and knowledge to be able to change career paths, goes well beyond short time training that now is still often connected to a worker's present job or profession. It may entail periods in which a worker cannot earn a full income. An innovative option might be to develop possibilities to make use of savings in pension schemes. A completely different line of thinking could be to look into possibilities

for a sabbatical spent on clearly identified training, with a part continuation of both salary and premiums paid to pension schemes. It is certain that more flexible arrangements will be needed.

3. *What innovative policy measures to improve participation in the labour market, in particular by older workers, should be considered more closely?*
4. *Is there a need for more policies and action at EU level that support senior entrepreneurship? What type of support is needed at EU level and how can we build on the successful social innovation examples of mentorship between young and older entrepreneurs?*
5. *How can EU policies help less developed regions and rural areas to manage ageing and depopulation? How can EU territories affected by the twin depopulation and ageing challenges make better use of the silver economy?*

Question 3

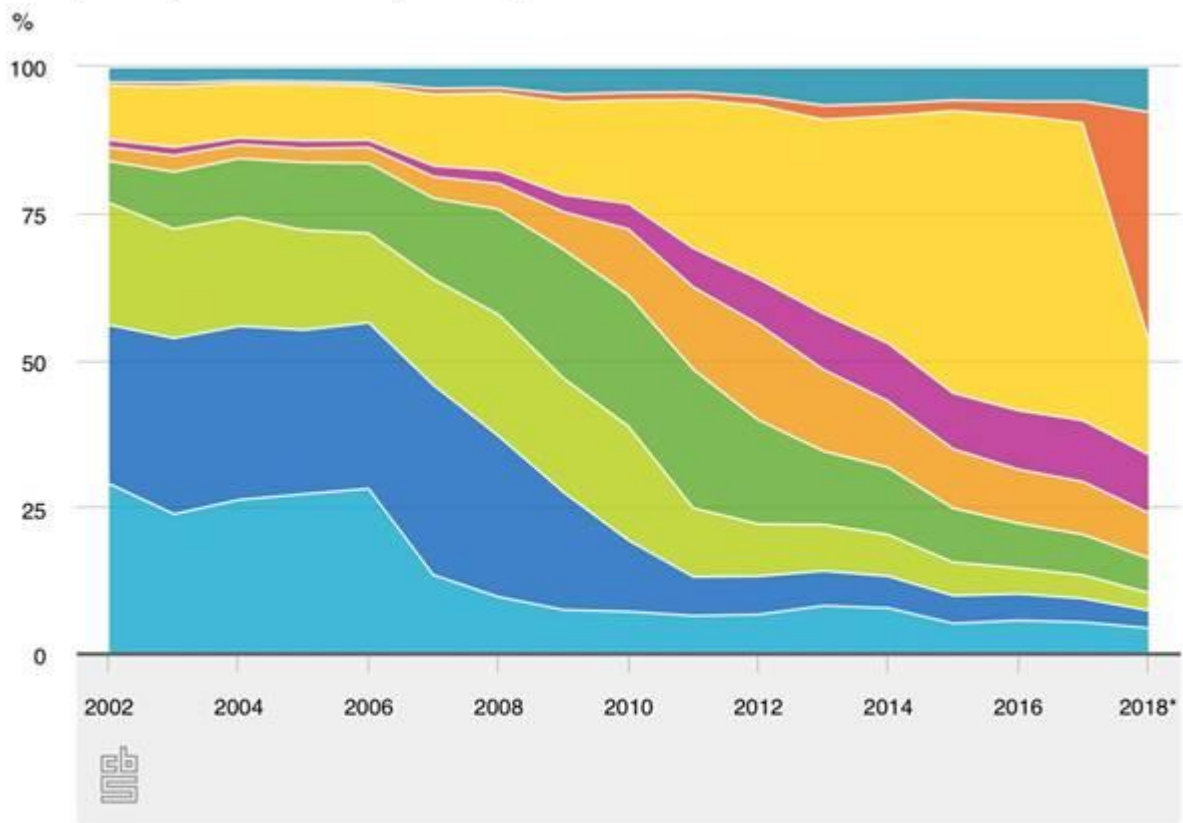
In 2020 the number of people in retirement in the Netherlands is almost 30% of the number of people of working age. Statistics Netherlands and the Netherlands Interdisciplinary Demographic Institute ([link](#)) expect this percentage to rise to almost 37%. In seven more or less realistic alternative scenarios they would expect between 33% and 40%. These figures already include the gradual rise of the statutory pensionable age in the Netherlands. The demographic pressure will therefore not disappear.

Improving participation in the labour market and raising productivity are therefore the most important possibilities to manage ageing. Both have in fact been taking place for a long time. In particular women have started to work a lot more, and effective retirement ages have been going up in quite a few Member States. Growing demand for labour, due to ageing, may help these developments if incentives are set right for those groups where an expanded labour participation can reasonably be expected. In some cases this may need specific measures for specific groups, but also general measures should not be underestimated. If it pays for people to work, compared to remaining inactive, this helps. Some people may be able and have a wish to continue work beyond the statutory pensionable age.

The green paper states that a key measure to raise effective retirement ages is to close down as many routes as possible to early retirement. Yet, Dutch social partners and pension funds have experience in facilitating *part time* retirement arrangements, especially aiming at maintaining people happy and fit in their jobs and avoiding outflow due to health issues and incapacitation. On the other hand, we see that providing information for people who have a choice to retire or continue to work, about the benefits of continuing work, and which possibilities could be made available to facilitate this, could be helpful.

In the Netherlands the pensionable age has been raised, and will rise automatically with further increases of longevity (for every extra year of longevity the pensionable age will rise with eight months). At the same time the percentage of workers that retire at or close to the pensionable age is on the rise, as can be seen from the following figure of the Dutch Statistical Office.

Leeftijd waarop werknemers met pensioen gaan



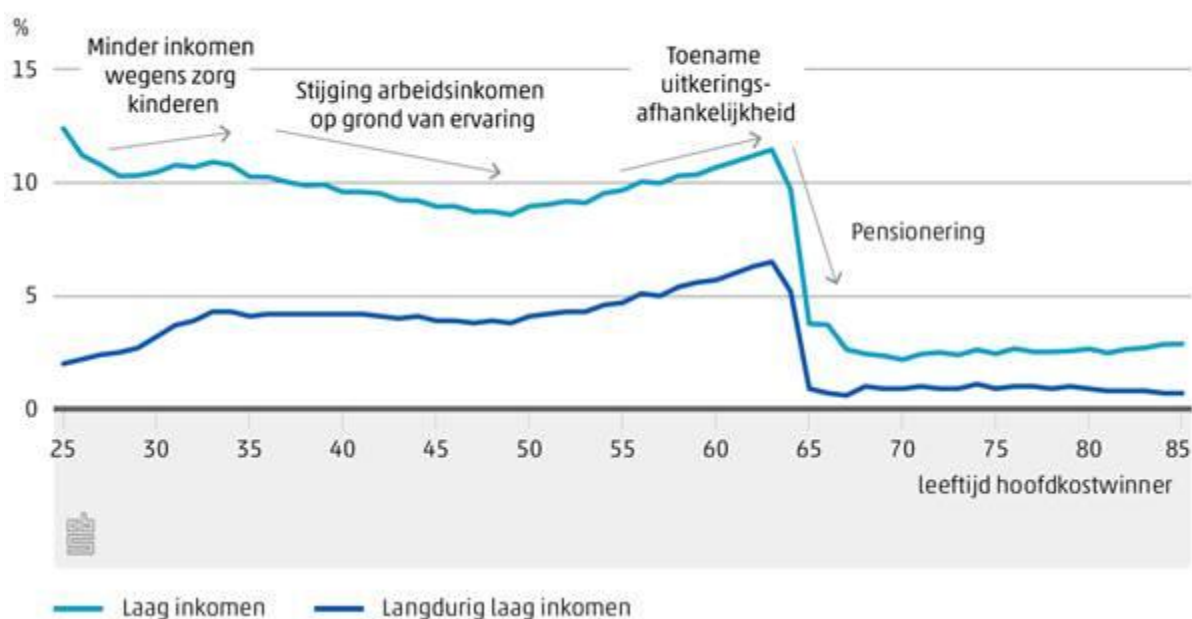
- | | | |
|-------------------|---------|------------------|
| 59 jaar of jonger | 60 jaar | 61 jaar |
| 62 jaar | 63 jaar | 64 jaar |
| 65 jaar | 66 jaar | 67 jaar of ouder |

*voorlopige cijfers

This development is very positive, but by no means covering all workers. The real question therefore, is how one can ensure that those who really cannot work for longer are not disproportionately affected, by raising the legal pensionable age.

While the effective age of retirement is increasing in the Netherlands, it is also true that the risk for poverty is highest in the last few years before people get the Dutch public pension "AOW" as demonstrated in this figure from Statistics Netherland ([link](#)).

5.3.4 Huishoudens met (langdurig) armoederisico, 2017*



Behind this issue hide the issues of reduced re-hiring chances for elderly workers (ageism) as well as the discussion about particularly demanding jobs in which many employees suffer job-related health problems even before retirement. This is an issue with which also other Member States struggle. Comparison of best practices between Member States may be of great use. Demotion and reduction of working hours may be helpful in the last years of a career. In order to maintain decent living standards, a restricted and/or limited access to parttime retirement may be called for, while avoiding to introduce too general possibilities for early retirement. If well calibrated such an approach may help more workers to continue until a pensionable age that will and should be raised, and thereby raise participation on the labour market. See also a recent paper by Kantarci and Zweerink ([link](#)).

The Dutch government and Dutch social partners have come to a joint agreement in 2020 on pension reform. Part of this agreement deals with this issue. Per economic sector social partners can, for the next five years, make arrangements of different kinds, including early or parttime retirement, for particularly demanding jobs. Defining which jobs qualify and what arrangements will be offered, remains the responsibility of the social partners. The government however has made available a limited budget of € 1 billion and tax law has been changed not to penalize payments by the employer to finance early retirement to a maximum of three years before the legal pensionable age, capped to reach the same level as the 1st pillar pension AOW, which will be paid from the legal pensionable age) ([link](#)).

Question 4

Senior entrepreneurship should be well distinguished from non-traditional contracts and false self-employment. The Commission has recently started a first stage consultation of social partners on improving conditions of platform workers. Rightly this consultation enquires about risks to social protection of platform workers, workers with non-traditional contracts and those self-employed that are in reality very close to normal workers, but without labour contracts and therefore falling outside social protection. Decent working conditions for those who make use of these possibilities in late-career, is just as important as for younger people.

Indeed for some people entrepreneurship may be a way to prolong a career. Unnecessary obstacles to that, should be removed. An example could for instance be, possibilities to continue to contribute to your former pension fund, including for pension for spouses, as well as solutions for covering the risk of losing your job due to health conditions.

Appropriate roles and forms of contract for the elderly to participate in paid work are somewhat age related, but this should not be overstressed. Although some elder workers may have very useful skills and knowledge to share with younger workers, some may not, and even those who have, do not necessarily have teaching or mentoring skills. At the same time some elderly workers may have skills and knowledge that is better directly exploited, than restricted in a sort of 'age box'. Some new skills and knowledge can also be very well developed at a higher age. Stereotyping may in itself also lead to new obstacles.

Question 5

This question touches upon a series of issues. One of the first things to notice is that migration at the national level, is something different from migration at the European level. Last year Statistics Netherlands together with the Netherlands Interdisciplinary Demographic Institute has published a study on the likely size and composition of the Dutch population in 2050 ([link](#)). This report provides several scenarios for the future where migration, asylum, birth-rates, ageing etcetera are varied in order to come to a set of possible futures. The concept of migration used in this report has as an important component inward migration from other Member States.

Freedom of workers and persons is one of the four freedoms that are an inalienable part of the internal market. Solutions to regional depopulation and ageing cannot be found in restricting these freedoms. European regional policy already allows for supporting less-favoured regions. Strategies from that context should be geared towards the new challenges of depopulation and ageing, and there is a large role for Member States and regional authorities. Trans European Networks in particular for digital could open new economic possibilities. These however are costly to build. If more of these projects would be structured in ways that allow for investment by large institutional investors, the possibilities for financing could increase substantially. The larger Dutch IORPs and the large Dutch pension services providers are already important investors in most Member States of the European Union. Appropriate public private partnerships, and well structured EU financing, in which the EU and its institutions invest alongside private investors and/or where these investors take a so-called 'first loss position' may crowd-in more large institutional investors and at the same time help develop the European Capital Markets Union.

The development of fast internet and other digital infrastructure can be very promising, as is seen for instance in Estonia. Large institutional investors, amongst which also Dutch pension institutions may be interested in investing in such developments, when projects are well structured ([link](#)). A silver lining to the COVID crisis is that we have seen that a good digital infrastructure allows for delocation of a lot of work. This should open up new possibilities.

Within the 'silver economy' tourism is often mentioned as a possible venue, although COVID has worked out very negatively for this sector. Making it easier for retired people to move to other Member States without having to solve very complex tax and pension questions, and finding ways in which affordable care could be provided also in other Member States than the one where one may have pursued a career, could perhaps really develop a 'silver economy', in which ageing is not just seen as a negative.

6. *How could volunteering by older people and intergenerational learning be better supported, including across borders, to foster knowledge sharing and civic engagement? What role could a digital platform or other initiatives at EU level play and to whom should such initiatives be addressed? How could volunteering by young people together with and towards older people be combined into cross-generational initiatives?*
7. *Which services and enabling environment would need to be put in place or improved in order to ensure the autonomy, independence and rights of older people and enable their participation in society?*
8. *How can the EU support vulnerable older persons who are not in a position to protect their own financial and personal interests, in particular in cross-border situations?*
9. *How can the EU support Member States' efforts to ensure more fairness in the social protection systems across generations, gender, age and income groups, ensuring that they remain fiscally sound?*
10. *How can the risks of poverty in old age be reduced and addressed?*
11. *How can we ensure adequate pensions for those (mainly women) who spend large periods of their working life in unremunerated work (often care provision)?*
12. *What role could supplementary pensions play in ensuring adequate retirement incomes? How could they be extended throughout the EU and what would be the EU's role in this process?*

Question 6

Unpaid work and volunteering can bring great societal benefits. However the burden of this still seems to fall unevenly on women. Depending on the type of care provided, there may also be an issue of crowding-out of paid workers. This subject needs attention on its own merits.

Shifting unpaid work and volunteering towards those in retirement, should not be a way to avoid looking carefully whether such activities should not in fact be paid. From the perspective of mobilizing the capacity to still work by people in retirement, it is better to look at possibilities for paid work, and/or find appropriate ways to compensate people for some types of more complicated and burdensome care tasks they may provide.

With regard of those who remain really fit and active in retirement, it might be more relevant for the Commission and the Member States to study what obstacles there are for them to participate in paid work, and what types and amounts of paid work would be attractive for them. There may for instance be regulatory and tax obstacles.

Question 8

This question lies largely outside our fields of expertise. In the domain of pensions it should be noted that DG-FISMA has sent a call for advice to EIOPA on national pension tracking systems, that explicitly refers to an initiative for a European pension Tracking System ([link](#)) that is sponsored by DG-EMPL. Not only the elderly in retirement, but also workers still actively pursuing their careers profit from better insight in their pension rights across borders.

Question 9

Questions of intergenerational fairness in pensions work out differently according to how pensions are financed. In case of PAYG the argument might be that due to ageing an ever smaller group of active workers has to pay for an ever larger group of retired people. This would lead to upward pressure to raise premiums, so that the young will pay too much for this type of public pension. This argument is however somewhat disingenuous. Basic public first pillar pension systems like the Dutch AOW, aim at avoiding old age poverty, and therefore specifically aim for income redistribution, but for a legitimate reason. Second pillar pensions provided by Dutch IORPs are incentivised by an EET tax regime. This leads to tax deferral, but also implies that those who profit from pensions from IORPs, contribute to society by paying income tax over those pensions as well.

Although one sometimes reads that young generations today will earn less income than earlier generations, and are therefore worse off, it is questionable whether this results from ageing, or from less effective redistributive policies in general. In the Netherlands the Gini coefficient for income distribution is quite stable, while this is not the case in some other Member States.

Intergenerational fairness in funded pensions cannot be judged on a pure financial comparison at the individual level. The first thing to realize is that different types of risk sharing may lead to higher benefits for all. This is certainly the case for micro-longevity risk, but according to many authors also for macro longevity risk. This works like insurance. The fact that there is veil of ignorance over individual fates, makes it possible to share risks. Pension schemes should however be well managed both in terms of liquidity and solvency.

Article 7 from the IORP directive states:

“As a general principle, IORPs shall, where relevant, have regard to the aim of having an equitable spread of risks and benefits between generations in their activities.”

Article 105 para 2 of the Dutch Pension code contains a similar obligation. It obliges boards of Dutch pension funds to make equitable decisions taking account of different categories of participants, retirees, employers and other stakeholders. This is an open norm, but the Dutch prudential and code of conduct supervisors can engage with individual boards about this.

Question 10

Multi-pillar pensions spread the risks of diverse economic and demographic developments in the future. A first public PAYG pillar, is less dependent on financial markets, but more vulnerable to ageing than a funded second pillar pension. The combination may be the most stable option.

The Netherlands operates a multi-pillar pension system where the first pillar public pension is very broad, but not very high. It covers everybody legally resident in the Netherlands and pension rights are built-up over the time of legal residence in the Netherlands. Payments depend on the time of residence in the Netherlands before retirement and for the rest just distinguish between people who are single and people who have a partner. The level is the same for everybody and independent from an earlier work career. People having a full first pillar pension will thereby raise above poverty level. Those elderly who have not been resident for long enough in the Netherlands, may be entitled to an additional basic welfare payment depending on their wealth.

The first pillar, together with basic welfare, thereby realizes the second para of principle 15 of the European Pillar of Social rights that reads: “Everyone in old age has the right to resources that ensure living in dignity.”

On top of this, differences in work career are taken in account in the funded second pillar, that covers the large majority of employees. Pension rights are built-up by paying premiums (both by employers and employees) that relate to earned wages. Pension payments therefore

depend on past income, and are high compared to international standards (see for instance Melbourne Mercer index ([link](#))), which leads to relatively high replacement incomes for the large majority of Dutch employees. This fulfils the first sentence of principle 15 of the European Pillar of Social rights that reads as follows: “Workers ... in retirement have the right to a pension commensurate to their contributions and ensuring an adequate income.”

However voluntary participation in second pillars by the self-employed is, unfortunately, quite low. In the Netherlands the number of self-employed, is high compared to other Member States, and rising faster than elsewhere. Since principle 15 explicitly refers to “commensurate to their contributions”, this low participation in second pillars by the self-employed does not infringe upon principle 15.

At the same time it must be said that in some cases people may be deemed to be self-employed, while this in fact is a misnomer for people that are involuntarily in non-traditional forms of work and lacking adequate social protection. The recent first phase consultation of the Commission of social partners on improving conditions of platform workers, is very important for pension consequences as well. Better contracts for these workers that are more comparable to normal work contracts, will imply participation in pension schemes as well. In as far as mandatory schemes remain out of scope, solutions could be found on the basis of auto-enrollment.

At the European level another relevant work stream is found in the report of the HLGE on pensions, as well as in the 2nd Actionplan on the CMU of the Commission of September 24th, 2020. See also answer to question 12.

Question 11

Since basic first pillar pensions do not relate to a work career or gender, the Dutch system ensures almost all elderly, including women, to live above poverty level.

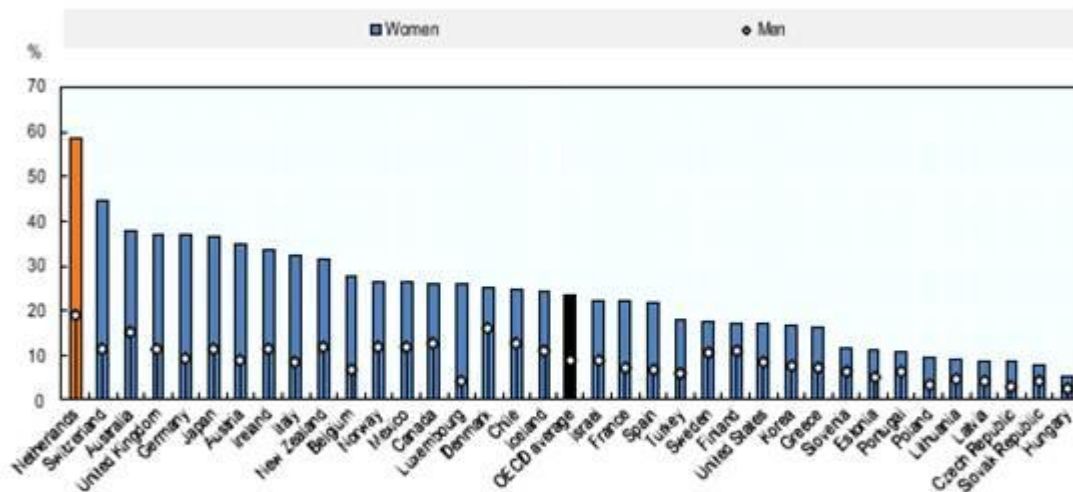
In the second pillar of funded pension schemes, gender-based differences in working patterns will have an important effect. Working less hours for lower salaries, will reduce pensions. However this effect does not come into play for maternity leave, because wages and premiums continue to be paid. During parental leave there is no legal requirement for employers to pay wages or pension premiums, however social contracts for sectors or larger companies may partly or in whole compensate for this. Also Dutch divorce law entitles partners who separate to demand that both pensions are split and divided evenly over the former partners. Parliamentary proceedings are ongoing on a legislative proposal to automatically split second pillar pension entitlements and convert them into individual entitlements. This will ensure hassle-free access to these entitlements and protect the partner who has earned less against a big pension gap. On March 10th the OECD published a report titled: “Towards Improved Retirement Savings Outcomes for Women” ([link](#)). This report describes not only reasons behind the ‘gender pension gap’, but also discusses options for measures within the pension scheme to mitigate unnecessary unequal outcomes. Several are already mainstream in the Netherlands, like compulsory participation, avoiding discriminating elements against working part-time and intermittent breaks in a career (impediments like for instance vesting periods, which may still exist in other Member States), and a fair arrangement in case of divorce. Others are partly realised, for instance for parental leave which is fairly often, but not always, paid fully or in part. In as far as this type of leave is paid, premiums will still be due and help build pensions. Others do not exist in the Netherlands, like paying premium for one’s spouse.

Although practice in the Netherlands leads to unequal outcomes, these are mitigated in particular by divorce law, and do not seem to infringe, certainly not directly, on principle 15 of the European Pillar of Social Rights that reads: “Women and men shall have equal opportunities to acquire pension rights.”

A root-cause for gender differences in the Netherlands is that Dutch women work much more often parttime than Dutch men. Both the OECD ([link](#)) and the Dutch government ([link](#)) have produced extensive reports on this issue.

Figure 1.3. Women are most likely to work part-time in the Netherlands

Part-time employment as a percentage of total employment, by sex, all ages, 2017



Note: Part-time employment is defined as usual weekly working hours of fewer than 30 hours per week in the main job. For the United States, data refer to dependent employees only. For Australia, Finland, Iceland, New Zealand, Norway and Turkey, data refer to usual weekly working hours in all jobs. For Japan and Korea, data refer to actual weekly working hours in all jobs. Information on statistical data for Israel: <http://dx.doi.org/10.1787/888932315602>.

Source: OECD Employment Database, <http://www.oecd.org/employment/emp/onlineoecdemploymentdatabase.htm>.

The gender difference in labour participation is mainly due to cultural reasons. The OECD report describes how these same cultural reasons have helped build social structures that make change very complicated, in particular for parents of smaller children. School schedules and day care facilities that are more expensive than in quite a few other Member States, play an important role. Dutch income tax results in higher marginal rates for the second partner to increase working hours to fulltime, than in most other Member States. Unpaid care for the elderly or others who need informal care is in practice unevenly distributed over men and women. And in some sectors like education and care, there is a prevalence of jobs being offered parttime. A redistribution of unpaid care and paid work in households, would be the real solution. If on top of that labour supply of women and men combined would go up as well, this would also help mitigate costs related to ageing.

Measures at EU level that take a look from a gender perspective on issues like parental leave and other care leave are helpful. Parental leave for fathers will be increased in the Netherlands due to EU legislation. Such parental leave should be divided over the two parents without being transferable. Minimum agreements about continuing wages and/or pension premiums while being on such leave, is important as well and can be arranged for both at the European and the national level. In setting this type of obligations it is important also to consider non-traditional families. A word of caution is important as well. Taking away all differences in outcomes within the pension scheme, would also take away incentives that may encourage a more equal, and preferably higher, participation in the labour market by men and women.

Question 12

A very important aspect to take note of is that public pensions that are funded by pay as you go (PAYG), depend on the ratio between active people paying taxes or premiums and retired

people receiving pensions. Over time ageing leads to a deterioration of this ratio and therefore threatens the financial sustainability of PAYG. Preferably this ratio would be kept stable, by gradually increasing the average working week and/or raising the effective age of retirement.

Supplementary pensions that are funded are much less vulnerable to ageing, but are more dependent on financial markets. Present market circumstances with expectations about low yields and low interests make the creation of new supplementary pensions more difficult and require long periods of time. Nevertheless it should also be noted that existing funded occupational pensions are still economically rational, as can be seen in figures presented by the OECD in its Pension Markets in Focus ([link](#)) and its Pension Outlook reports ([link](#)). Also figures presented by Better Finance indicate that occupational pensions, in particular when provided via IORPs, still yield reasonable results ([link](#)). In practice a combination of a public PAYG system for basic protection against poverty, and funded supplementary pensions may be the most reliable and robust solution.

The 2nd Actionplan on CMU of the Commission of September 24th last year, contains several good initiatives. The first one of these is a 'dashboard' that should allow for comparison of pension systems across Member States both with regard to (financial) sustainability as well as adequacy for the longer term. This 'dashboard' should at the minimum address both public and occupational pensions. Occupational pensions should be seen in a broad way as well. In some Member States book-reserves are used to save for pensions. These should preferably also be considered. Member States are competent to decide on what are appropriate national pension systems. If an agreed standard can be created, it will become possible to have a transparent and honest discussion both at the national and the European level, about what kind of pension is promised to citizens.

A second suggestion is the creation of national pension tracking systems and the joining up of these NTSs in a European Tracking System. Such a web-based device should allow individual citizens to get a fair insight into what pensions they may expect in retirement, which would empower them to take individual saving measures themselves to supplement pensions they may deem insufficient. Financial education has a role to play as well. Concepts as compounded interest, or longevity starting from pensionable age are difficult to comprehend. Behavioural economics suggests that complex subjects that are associated with negative aspects like old age, illness or even death, may lead to serious procrastination.

This brings us to the third action foreseen under the new CMU Actionplan, which is a study to methods to encourage participation in supplementary pensions, amongst which auto-enrolment. It is relevant to distinguish between different categories of workers to find the best possible solutions to enhance coverage. The Netherlands has achieved very high participation in additional pension schemes by introducing compulsory membership in many economic sectors. There are however still some smaller sectors and companies that are not covered by this system, for them auto-enrollment could be helpful. There might be a difference in the needs of those in stable longterm standard contracts, and those who are self-employed or in other types of non-traditional work. In the last category social protection is lacking at a much wider scale than just for pensions. Some non-traditional workers should benefit from inclusion in standard work contracts, which could be regulated in labour law. Those self-employed that are real entrepreneurs may have different wishes in terms of liquidity, given changing and non-stable incomes. Auto-enrollment and more flexibility could help them build better pensions as well.

We took note of the European Pillar of Social Rights Action Plan of Thursday March 4, 2021, and the revised Social Scoreboard in Annex 2. Although we understand the importance of finding the right focus to make progress towards 2030, we also felt that too little is said about how to implement principle 15 on pensions. We hope that through the discussion on ageing and as a follow-up to the advice that EIOPA will do on a dashboard and on national tracking services, *specific* indicators will be included in the Social Scoreboard to achieve progress on pensions as well. Meanwhile we note that several of the secondary indicators do

directly relate to the issues we have discussed in our answers. Examples are the gender gap in part-time employment, persons living in a household with a very low work intensity, the aggregate replacement rate for pensions and healthy life years at age 65: women and men. In general we are of the opinion that ageing and related issues, amongst which pensions, should be integrated in the European Semester and in implementing the NextGenEU programs in the Member States.

- 13. How can the EU support Member States' efforts to reconcile adequate and affordable healthcare and long-term care coverage with fiscal and financial sustainability?*
- 14. How could the EU support Member States in addressing common long-term care challenges? What objectives and measures should be pursued through an EU policy framework addressing challenges such as accessibility, quality, affordability or working conditions? What are the considerations to be made for areas with low population density?*
- 15. How can older people reap the benefits of the digitalisation of mobility and health services? How can the accessibility, availability, affordability and safety of public transport options for older persons, notably in rural and remote areas, be improved?*
- 16. Are we sufficiently aware of the causes of and impacts of loneliness in our policy making? Which steps could be taken to help prevent loneliness and social isolation among older people? Which support can the EU give?*
- 17. Which role can multigenerational living and housing play in urban and rural planning in addressing the challenges of an ageing population? How could it be better harnessed?*

Question 13

Public health policy is mainly competence of the Member States. The COVID crisis however has demonstrated that policy coordination in a pandemic is crucial. In due time we expect that evaluation will demonstrate that it was the right policy to jointly buy vaccines to avoid Member States competing with each other. Combining and coordinating research efforts may be very useful as well. Lockdown measures and limitations for cross border travel could have been better aligned.

Substantial health and care costs are related to problems like the use of alcohol and tobacco, as well as the growing percentage of European citizens that suffer from obesity. Taking national measures addressing these problems may have internal market consequences, that should be coordinated together.

Occupational pensions in the Netherlands are also important in covering risks of disability to work. It might be interesting to investigate what scope workplace pension arrangements already have in different Member States.

We understand that the Commission intends to set up a High Level Expert Group to advice on systems for Social Protection. To some degree expenses for longterm care for the elderly and/or costs for protected housing could conceptually in future be restructured to pension payments in kind.

Question 14

Working conditions is an area where the EU already has sufficient competences to make further progress.

Question 17

We would suggest that the issue of demographic change and housing, should be seen from a wider perspective than just ageing. The composition of households is changing more rapidly than the stock of houses. Partly due to ageing, but also caused by other factors, households become smaller in the Netherlands and probably other Member States as well. If there are no attractive options to find more appropriate housing for shrinking households, they will simply remain in larger houses that due to increasing prices, are becoming unavailable to younger families with children.

Relatively older people move house less often in the Netherlands. Providing attractive alternatives for them, that avoid too high transaction costs, could help liberate bigger houses better attuned to the needs of larger households with children.

As also mentioned in our answer to question five, a good investment climate for large institutional investors can be helpful to attract them to co-invest with public authorities in developing new housing solutions.

The Netherlands Interdisciplinary Demographic Institute has just presented a follow-up report ([link](#)) on policy aspects relating to housing, labour supply, education and care in the context of Dutch demographic developments as described in the earlier report they did with Statistics Netherlands. This report contains an entire chapter on the development of housing described above. Another interesting trends is that the percentage of people with a high education (university or professional) in the age cohort of 25-65, will rise from 35% at present to 44% in 2950, but that the percentage in 2050 will be considerably higher for women (48%) than for men (39%). The expectation of the report is that higher education levels will have a positive effect on healthy living, and therefore will help more people work longer, and need care later in life. But due to 'double ageing' (the percentage of people 80+ will rise as well), costs for longterm care will nevertheless rise, and most likely more workers will be needed in the health and care sector.