

Germany is far from being alone in Europe in struggling to pay for an aging population, there is a pension's crisis right across the continent. To discuss why, the BBC 's Bennet Jones spoke to three experts: Alan Pickering, chairman of the European Federation for Retirement Revision in London, Joerg Tremmel from the Foundation for the Rights of Future Generations in Frankfurt and Karl Nachnabel from the Austrian Trade Union Federation.

BBC: *Why is the pension crisis such a widespread problem?*

Pickering: It is a problem which has its origins in some good news, we are all living longer than ever before, we cannot save our way through the long-gavity challenge, that just does not work, because some do not adopt.

BBC: *Mr. Nachnabel, from the Union point of view, do you accept that the people will just have to work longer?*

Nachnabel: Yes. Basically, we are delighted about the fact that we all live longer than ever before. Therefore, it is acceptable for us to work longer. This is not the point of our criticism. Austria's trade unionists have been criticising the austrian government for a long time now. Because we claim that their measures taken are too short-sighted, too massive and that they take too much money away from the austrian people.

BBC: *Just to explain: The austrian government is proposing to cut pensions by 12 –35 percent and to increase the retirement age.*

Nachnabel: We say that there is no perspective for the people: This increase in working hours means, that a male worker now has to work 4 years, a female worker even 10 years longer. Moreover, the government does not say where and what these new senior workers are supposed to work.

BBC: *Mr. Tremmel, I do not know what your attitude is towards people working longer, but you do take the view the younger generation should not necessarily be expected to look after the older*

generation.

Tremmel: The current generation of pensioners in germany is the richest there has ever been and ever will be. Hence, we ask them to make a contribution as well. It would be only acceptable for the younger generation to work longer, if the older generation would get less money.

BBC: *Alan Pickering, do you think this is a fair comment?*

Pickering: I think this is a very fair comment. In many countries, people who are retired on a given level of pension are paying lower taxes than workers who are earning the same level of pay. That cannot be right! Many workers have to pay social security taxes through their work place, taxes which are often not paid by retired people.

BBC: *Joerg Tremmel, one thing that strikes me about what you are saying is that you do not seem very respectful of the elderly. I mean, the young should look after the elderly, should they not?*

Tremmel: Well, what we need is intergenerational justice: The elderly were educated for free, they were always securely employed, they have worked relatively short hours, retired young and mortgaged their nation's future to pay for their own state subsidies, pensions and expensive welfare provisions . In my opinion, this cannot be called intergenerational just.

BBC: *Karl Nachnabel, does that ring any bells with you?*

Nachnabel: We acknowledge that there are similar problems not only within the European Trade Union, but also in many more countries in Europe and worldwide. But we cannot understand that what is happening now: The creation of a conflict between the Rich and the Poor and the young and the older people. I consider this development as being very dangerous.

Tremmel: From the point of my generation it seems that the older generation is simply fighting to retain their privileges. Without

keeping in mind that by doing so, the burden on younger workers and future generations increases because pensions are financed by debts.

BBC: *A question to all of you: Do you think private companies, and indeed state companies do enough in this regard? We hear all over Europe of people being put on short-term contracts without pension rights: Are the employers playing their part?*

Pickering: Employers find it too easy to pension off the older workers. Governments and employers together have a responsibility to make sure that there are training opportunities for older workers and that older workers are not discriminated against in the labour market.

BBC: *But at the moment, employers want to get rid of people in their fifties.*

Pickering: There is a mind set on the part of employers and to some extent on the part of employees, who are maybe in their fifties and think: That's it, no job prospects for me. People have to become much more optimistic, they have to demand jobs.

BBC: *Joerg Tremmel, what do you think about this? Is the private sector and the employers playing their part?*

Tremmel: I think the problem of unemployment will disappear when the population of Europe decreases. Then, older people will be automatically needed again and the trend that people are put off at the early age of 55 will come to an end.