

HOUSING FOR THE ELDERLY IN SLOVENIA: ANALYSIS OF THE MOST COMMON FORMS

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Abstract

Due to ageing of the population, the issue of suitable housing provision for the elderly is becoming increasingly critical. Several types of housing are available to the elderly in Slovenia, and this article focuses on the two most widespread forms: eldercare facilities and owner-occupied housing. It presents their features, critically analyses the problems connected with both types of housing and presents solutions to these problems. The article is based on an analysis of relevant research literature, statistical data and the findings of studies dealing with this topic. It discusses and introduces new findings on possible ways of ensuring an adequate level of housing provision for the elderly in Slovenia in the future.

Keywords: ageing of the population, elderly, housing provision, eldercare facilities, owner-occupied housing

1. INTRODUCTION

Housing has a number of features, both physical (size, infrastructure, etc.) and others that are more difficult to measure (location, durability and safety of use, privacy, property risks, friendships in the neighbourhood, etc.; Mandič, 1999). According to Harsman and Quigley (1991), housing thus holds the status of the most complex good, and as Mandič (2011) ascertains, this makes it impossible to capture all of its meanings in relation to an individual; Mandič also adds that this fact has already been noted by Marcuse (1987: 232), who said that “housing is more than housing.” Housing is “a physical and social space controlled by individuals, who use it to express their own identity and privacy, and in which they feel safe” (Šnajder, 2010: 17). As such, it is referred to as “home.” Individuals’ relationship to housing or their home changes with age and turns into a type of protection that is of critical importance in old age. Several types of housing are available to the elderly in Slovenia (Ministry of Labour, Family, Social Affairs, 2007a): owner-occupied housing, rented housing, sheltered housing and eldercare facilities. According to the definition of the Statistical Office of the Republic of Slovenia (2012), owner-occupied housing comprises households in which at least one member is the owner. There are several types of rented housing: non-profit, market, company and special-purpose (for the elderly). According to the 2011 register-based census, non-profit rented housing predominates in Slovenia (70%), and the share

of housing specially designed for the elderly (i.e., retired people's apartments) is only 3%. Sendi et al. (2003) claim that housing for the elderly is planned to meet the needs of the elderly and is intended for those that wish to remain independent and are able to live and manage their households on their own with occasional assistance. Sheltered housing has an architectural design that is adapted to the needs of the elderly that live in their own household in an apartment building or any other type of building in a clean and peaceful area with easy access to traffic infrastructure and 24-hour-a-day institutional assistance. It is intended for the elderly that can no longer fully provide or care for themselves but can still live relatively independently. An important feature of sheltered housing is thus that it preserves all of the advantages of living in one's own home, especially independence and privacy, while offering residents the opportunity to use institutional care services (Kerbler, 2011; Real Estate Fund of Pension and Disability Insurance, 2012). Eldercare facilities are a form of institutional care for people older than sixty-five and other people that experience problems and cannot live alone due to old age, disease, personal issues and other reasons. The services offered at these facilities include all forms of assistance that legally replace or complement the functions of a home or one's own family: housing, organized meals, technical support and healthcare (Cijan et al., 2003). Life in eldercare facilities is organized in a way that provides the highest possible degree of privacy, independence and autonomy to individuals based on their psychological and physical capabilities (Ministry of Labour, Family, Social Affairs, 2005).

This article focuses on the two most common types of housing for the elderly in Slovenia: eldercare facilities and owner-occupied housing. It presents their characteristics, critically analyzes problems connected with them and suggests possible solutions. In the discussion, it describes various options for implementing the proposed solutions that ensure suitable housing for the elderly in Slovenia in the future. In terms of methodology, this article is based on an analysis and critical evaluation of relevant research and scholarly literature, statistical data and research findings on this topic.

2. ANALYSIS OF THE MOST COMMON TYPES OF HOUSING FOR THE ELDERLY IN SLOVENIA

2.1. Eldercare facilities

Slovenia has a long tradition of eldercare facilities, reaching back to the fourteenth century. Initially, these were poorhouses and hospices, which were basically charity institutions that were generally established by monks and religious fraternities; in the countryside, they were also founded by nobility, and in towns by the bourgeoisie (Kociper, 2011). During the industrial revolution, when population

increased due to the development of medicine and better hygiene, increasingly more social institutions began to be established (Grdiša, 2010). These were predominantly hospices. There were sixty-three eldercare facilities like these in Slovenia before the Second World War, which could accommodate 3,249 people (Gašperović, 2003). After the war, a number of problems arose with regard to institutional care for the elderly because their number was far greater than the available capacities, and many social institutions were converted into healthcare institutions due to increased needs for hospital beds. Local authorities often resolved this problem by arranging eldercare facilities in makeshift renovated old castles and monasteries, barracks and other structures (Medarda, 2002). These homes provided nursing services and basic forms of care. They were cramped, with several beds in one room and limited care due to poor technical infrastructure; they were also housed in remote units (Grdiša, 2010). It was only in 1964 that the situation returned to where it was before the war: the number of homes reached thirty-one with 3,100 beds (Gašperović, 2003). In the 1960s, the first major steps were made with regard to housing for the elderly. The newly founded Institute of Gerontology began introducing a new approach to eldercare facilities by combining the concept of a hospital (sanatorium) and a hotel (spa; Kociper, 2011). At that time, the Social Insurance Fund of the (Yugoslav) Republic Community for Solving the Housing Issues of the Retired and Disabled was established; in the early 1970s it was renamed the Retirement Housing Construction Fund and served as the main funding source for adaptations, renovations, extensions and new construction of eldercare facilities. The fund stopped operating in the early 1990s, when 7,033 beds were available at fifty-one eldercare facilities (Gašperović, 2003). These homes were public social-care institutions that provided non-profit social-care services as a public service. Since the 1992 adoption of the Social Security Act, this institutional care service can also be provided by private individuals based on a concession awarded to them by the responsible ministry through a public tender. In the last two decades, the number of eldercare facilities has thus significantly increased. According to the Slovenian Community of Social Institutions (2012), in early 2012 there were 18,030 beds available in ninety-two homes at 109 locations: 13,816 beds in fifty-six public eldercare facilities at seventy-one locations and 4,214 beds in private eldercare facilities with concessions at thirty-six locations. The majority offer suitable material comfort, healthcare, a social network, opportunities for the elderly to spend their free time actively and creatively, and some other forms of care; hence, the human physical and (partly) psychological dimensions are taken care of relatively well. The facilities are characterized by a longitudinal floor plan with a long central hall and multi-bed rooms on both sides. The majority have a main common dining room, but some newer facilities already have smaller dining and living rooms in every ward or on each floor (Kociper, 2011). All of them are of an open type, with a combined layout, so that one part is dedicated to the elderly with serious health problems that need regular healthcare, monitoring and nursing, and the other, residential

part is intended for elderly people that can live relatively independently. They vary in size and capacity. Smaller residential units are “friendlier” for elderly people, and life in them is more authentic and homey than in large hospital-like institutions (Slonep, 2012). Professionals find that many human dimensions (social, spiritual, existential, and developmental) are often neglected in these facilities (Ramovš, 2008). Therefore, some eldercare facilities, especially those that have been recently built, have been implementing certain more modern concepts (Imperl & Ramovš, 2010), such as the concept of the fourth generation of eldercare facilities that follow the needs for hominess and take family life as their model. Their basis is a household group, in which a maximum of twelve people live. The entire institution is composed of any number of household groups at the same location or dispersed across various streets, neighbourhoods or settlements; the most important thing is that they are located in the group members’ local environment – that is, as close to their homes as possible (Ministry of Labour, Family and Social Affairs, 2007b). A spacious common room with a large kitchen forms the group’s functional core. Housekeepers that take turns are the only regularly employed staff in the group and all other specialist services are provided externally when needed. It is crucial that group members help prepare the food and perform other daily domestic chores as much as they can and however they want (Kociper, 2011). Thus care is no longer at the forefront of these groups; instead they represent a new form of assistance, in which people in need of care largely decide by themselves how to live their lives (Grdiša, 2010). Ramovš (2008) speaks of a psychosocial concept that seeks to fulfil human needs at three levels: a) having the intimacy of one’s own room, b) being part of a small group of people, helping out with domestic chores in the shared kitchen, and being part of a social network within a wider community, and c) using external professional services.

In 2012, approximately 6.5% of people over sixty-five lived in an eldercare facility, which exceeds the strategic guidelines that envisage a five-percent share (Osterman, 2012). The current state of affairs thus does not indicate a shortage of capacities, but Slovenian eldercare facilities are facing increasingly more problems resulting from policy rigidity and a complete failure to implement any kind of measures. The first major problem is the disproportional regional ratio between the capacities and the demand. Relatively long waiting periods are common for large urban centres in central Slovenia, Upper Carniola, the Drava Valley, and the Celje region. The worst ratio between demand and capacities can be found in the City of Ljubljana, whereas in many other places the demand is moderate, there are no surplus applicants or the capacity even exceeds the demand, such as in northeastern Slovenia (Mlakar & Vošnjak, 2010). As established by Koprivnikar (2009: 10–11), thus “it may happen that due to the imbalance in the capacities available in individual areas government institutions will be in the red and private service providers will no longer be able to pay their liabilities to the sources they used to build

their institutions.” Another major problem is the large number of laws and the rigidity of regulations that restrict the autonomy, managerial capability, suitable HR-management and economic operation of institutions, especially private ones, which like the public eldercare facilities are part of the public sector and provide a public service. In addition, insufficient funding sources are also a major problem, due to which these eldercare facilities can often barely break even (Koprivnikar, 2009; Kolmančič, 2010). Private eldercare facilities are the most affected because, in addition to numerous statutory regulations and conditions, they also have significant liabilities to their investors and banks, which is why they also have to include the investment costs in their prices. Thus they are more expensive and less competitive than public eldercare facilities, even though they provide the same type of service. According to the Slovenian Community of Social Institutions (2012), in 2012 the least demanding care cost €17.57/day at public eldercare facilities and €21.88/day in private ones. Various forms of care cost €4.49/day more on average in private eldercare facilities, which adds up to approximately €135 a month. This makes it more difficult for private companies to decide to engage in providing housing for the elderly (Koprivnikar, 2009; Mlakar & Vošnjak, 2010). A further problem is the inappropriate pricing policy in long-term care of the elderly, which is why it is more economical in Slovenia to live in eldercare facilities than receive assistance at home. There are mainly two reasons for this: on the one hand, the range of services in the eldercare facilities is significantly larger than within home-assistance programmes, which do not provide integrated healthcare and social care, and, on the other hand, living in eldercare facilities is considerably cheaper (Kolmančič, 2010). Due to the different amounts of subsidies between municipalities, the economic prices of one hour of home assistance differ, but on average the price is approximately the same as for the 24-hour care in public facilities. Due to the economic crisis and government measures, this service is expected to become more expensive and the municipal subsidies are to become lower (STA, 2012; Slovene Consumers' Association, 2012; Žibret, 2012).

There are several ways of solving the problems described above. Here are some of the measures that could be effective and could satisfy all of the stakeholders, especially the providers and the government. In order to eliminate the regional discrepancy in the ratio between demand and capacity, the capacities in large urban centres should be increased, especially in the City of Ljubljana. According to Koprivnikar (2009: 11), “thus if the problem of capacity shortage is solved in Ljubljana and its surroundings today, this will also solve the problem connected with the supply of institutional care services in all of Slovenia because the lack of capacities in Ljubljana affects the rest of Slovenia.” In regions with lower demand for accommodation in eldercare facilities, the government should increase the role and accessibility of home-care services. In order to enhance autonomy and more flexible operation of public and private eldercare facilities, both should be granted equal opportunities to perform their activities. “It is

unacceptable that there are differences between private and public providers of a comparable service in the same public service network, for the same users, under the same personnel and professional conditions under the same control, and that the difference between these two services only exists because the former are privately owned and the latter are publically owned. It is also unacceptable that users must pay more for the service in a private facility and less in another facility just because it is government-owned; they both operate in the same public network” (Koprivnikar, 2009: 13). A suitable measure for solving this problem was proposed by Bohinc (2007), who suggested that the status of public institutions should be legally divided into government-owned and independent. The latter would be for-profit institutions that would generate their income by selling services on the market, thereby securing financial independence and excluding their employees from the public sector salary system. Private eldercare facilities would compete among one another, thus raising the quality of their services and effecting change in the price of this type of accommodation. According to Koprivnikar (2009), the status transformation should make the service providers directly responsible to users, and user satisfaction should become a criterion for determining the performance of a given subject operating in this area. At the time that this article was being written, the first examples of status transformation of a public institution into a capital organization had already taken place. In order to solve the issue of inadequate pricing policy, it would be best to raise the prices of accommodation in eldercare facilities. If the discrepancies in the amount, manner and sources of financing various social-care services in eldercare facilities were eliminated, as suggested by some professionals (cf. Koprivnikar, 2009), these homes would become more affordable, which would subsequently cause greater pressure on their capacities. Koprivnikar believes that, if prices went up, exactly the opposite would happen: the pressures would be (at least in the short term) smaller, the waiting periods would be shorter and interest in other forms of housing and social-care services in them would increase. He feels that another appropriate solution would be to increase the price differences between public and private eldercare facilities, which would lead to a differentiation in this type of accommodation by user income bracket. Public facilities would accommodate people from the lower income brackets, and private facilities would cater to people from the middle and upper income brackets. “This would ensure long-term financial sustainability of the system of long-term care, which is one of the three objectives of national policy” (Kolmančič, 2010: 23).

2.2. Owner-occupied housing

Slovenia has a high percentage of owner-occupied housing. After independence, an extremely radical privatisation of the former state-owned rental housing was carried out, and Slovenians became “superowners” (Stephenson, 2003, cited in Mandič, 2011). According to the 2011 register-based census, 77% of housing was owner-occupied, housing with other types of ownership (i.e., housing or non-rental housing in which none of the residents are owners) accounted for 14%, and rental housing accounted only for 9% (Statistical Office of the Republic of Slovenia, 2012). A high percentage of housing ownership is also typical among the elderly in Slovenia. According to Mandič (2011), the 2007 European Quality of Life Survey (EQLS) showed that 96% of Slovenians over sixty-five own their apartments or houses. With age, and especially after the age of 80, the share of home owners even increases, which is completely understandable given the small share of rental housing and the lack of diversity in housing for the elderly (cf. Kerbler, 2011). One can understand this feature even more by looking at how the elderly think about and perceive their homes. The elderly associate their homes with numerous memories and identity (Heywood et al., 2002), with what they have achieved in life (Dupuis & Thorns, 1996) and with the social network they have built in their living environment (Clough et al., 2004). This is why the elderly wish to stay in their home environment as long as possible. Living in one’s own home has a number of positive effects, especially on the wellbeing and good psychophysical condition of the elderly. As established by Maisel et al. (2008), independent life stimulates successful aging with improved health and life satisfaction, and increases the self-esteem of the elderly, all of which can postpone their use of institutionalized care. Aging at home or aging in place is thus the most desirable form of living for the elderly. This is also confirmed by a number of studies, among which a survey conducted in 2005 by the American Association of Retired Persons (cf. Salomon, 2010) is especially striking. According to its findings, 89% of people over fifty reported they wanted to stay in their homes as long as possible and retain their independence. An even more detailed survey from 2000 showed that the share of people with these aspirations increases with age (American Association of Retired People, 2000). Seventy-five percent of people between forty-five and fifty-four wish to stay in their homes as long as possible; the corresponding shares for the 55–64, 65–74 and 75+ age groups are 83%, 92% and 95%. According to Salomon (2010), if the elderly are no longer capable of living on their own, they still strongly wish to stay and live in their community or neighbourhood – that is, in a familiar living and social environment. According to the study he refers to, 85% of people expressed this wish. Social connections with friends and neighbours, a good knowledge of local opportunities for leading a pleasant life and services close by are among the numerous things they would “lose” if they had to move away. Moving often represents a traumatic experience for the elderly (cf. Kerbler, 2012)

and therefore they do not wish to even think about it. According to Clough (2004), the majority of those that would be willing to move away are middle-aged because, as he establishes, people begin to think (again) about their future life when they retire. That is also when the probability of moving is the greatest because this wish diminishes strongly with aging. This was also confirmed by a telephone survey conducted by the Urban Planning Institute of the Republic of Slovenia as part of a study on the housing needs of retired and other elderly people (cf. Sendi et al., 2013). The highest share of those that were willing to move was in the 50–55 age group (27%), and then the share decreased with every subsequent age group. Thus the share of those over eighty that were thinking about moving was only 8%. In general, less than one-fifth (18%) of the Slovenian elderly considered moving.

However, the preferences of the elderly to live in their own homes not only have positive sides, but also come with a number of obstacles. The main reasons for moving that the elderly reported in the survey conducted by the Institute of Urban Planning mentioned above included inappropriate housing, difficult access to their home, inappropriate (neglected) surroundings, especially in urban areas, and remoteness of public services, especially in the countryside. The first obstacle mentioned was inappropriate setup of the dwelling. This primarily has to do with architectural obstacles such as stairs, inappropriate bathroom furnishings (e.g., bathtubs instead of showers, absence of grab bars, etc.), thresholds, slippery floors, heavy doors, halls that are too narrow, and furniture and counters that are too high; according to Salomon (2010), the most common problem in private houses is the absence of a bathroom in the main living area. In the survey conducted by the Institute of Urban Planning, only 15% of the elderly believed their homes do not need to be adapted. According to Vovk (1998), elderly people's homes must be functional, safe and not too large. She recommends that their homes have the following sizes: 40 m² for a single person, 60 m² for two people and 80 m² for three people. In Slovenia people's homes are usually fairly large. According to the 2011 register-based census, the average size of an occupied apartment was 82 m² (Statistical Office of the Republic of Slovenia, 2012). Hence, it can be concluded that the elderly live in fairly large homes. According to the survey by the Institute of Urban Planning, the size of elderly people's homes decreases with age: 34% of respondents fifty to fifty-five years old lived in places over 90 m² in size, and at the age of eighty and more this share decreased to 13%, which is still a lot; however, it needs to be noted that 38% of the respondents owned a house larger than 90 m². The second problem associated with aging in place may be the inappropriate location of the apartment or house. Because of the reduced psychophysical ability of the elderly and because neighbourhoods change over extended periods of time, some environments are no longer suitable for living, especially from the healthcare and psychophysical perspectives. The remoteness of services (healthcare, shops, library, post office and so on) and the fact that they can only be accessed by car or

that in the last two decades they have become part of large shopping centres, especially in towns, is another major problem for the elderly. In addition, as they age people gradually lose their friends they used to spend time with in their home environment (because they have either moved away or died). This is an especially serious problem for old people. According to a survey conducted by the Institute of Urban Planning, as they age people increasingly prefer to have people of the same age near their homes. In urban areas, traffic is another problem, both parked vehicles in residential areas and traffic in general. In such an environment (with increasing traffic), many old people feel uncomfortable and afraid; they do not know how to react properly in certain situations when interacting with traffic and often do not feel well in unfavourable weather conditions. The elderly thus often become increasingly isolated in their neighbourhoods, staying in their homes and becoming dependent on others for transport, shopping, and so on. A third major problem connected with the elderly living in their own homes is the costs of maintaining their properties (running costs, annual costs – such as insurance and taxes – and other maintenance costs), especially for those with lower income. Salomon (2008) reports that one-third of the elderly between the ages of fifty-four and sixty use approximately 30% of their monthly income on average for maintaining their homes, and those over eighty-five use even more than half of their income for this purpose. In addition, because they are unwilling to move, the majority of the elderly live in older apartments or houses. Maintenance costs usually increase rapidly with age, which is why especially the owners of older properties face higher maintenance costs. Many old people, especially those that live alone or together with a retired spouse, can barely cover the running costs and annual taxes (the construction land fee and property tax), and often do not have enough money left to perform other maintenance work on their property; this has a negative effect on the property value.

Despite the problems described above, owner-occupied housing continues to play an important role in Slovenia. This is also shown by the results of a telephone survey that was carried out as part of the study by the Institute of Urban Planning mentioned above. The majority of those that were willing to move mostly lived in rental apartments. The share of those that lived in homes they owned was considerably lower. Seventy-eight percent of those that were thinking about moving would move to another dwelling that they would own: 43% into another house and 35% into another apartment. In addition to the emotional attachment to one's home and neighbourhood, owning one's home also represents a type of property, especially in Slovenia because, according to Apohal Vučkovič et al. (2009), such property is mostly without mortgages. Mandič (2011) claims that the World Bank was the first to draw attention in one of its 1994 studies to the fact that owner-occupied housing can serve as a "fourth retirement pillar" that can provide financial security in old age. According to Modigliani's life-cycle theory of consumption and savings, individuals optimize their wealth during their active age, and in old

age they use their savings to cover any income gaps (Deaton, 2005; Dol, 2009). Cirman (2000) believes this theory is a good premise for developing various instruments for converting real estate into income. This means that owner-occupied housing is used as an object for accumulating savings during active age and then converting into income that can be used up (Mandič, 2011). There are several instruments for converting real-estate capital into income. According to Doling and Ronald (2010), two possible options are selling one's own home and buying a smaller and cheaper one, and selling one's home and moving into a rental or assisted-living apartment. Mandič (2011) believes that in both cases the sale generates a certain amount of funds that can be used freely, especially to fill in the pension gaps. The disadvantage of this conversion instrument is that only part of the funds are released from the real estate, with a large part of the capital still remaining in the new real estate and a portion of the asset being "lost" in the case of renting an apartment. In addition, the owner must leave his or her present home, which the elderly are very reluctant to do, as already established above (this also reduces the practical applicability of this instrument). According to Jesih (2010), there are other forms of real-estate conversion instruments that make it possible for the elderly to stay in the homes they own: life estate agreements, sale and leaseback, and reverse mortgage or reverse annuity mortgage. The first case involves a type of conversion, in which an individual sells the real estate but the ownership is only transferred from the seller to the buyer when the seller dies. According to Cirman and Koželj (2003), the advantage of this is that the seller preserves his or her ownership of the real estate while also receiving payment for transferring ownership to the buyer when he or she dies. The main disadvantage is that the payment is carried out in a single lump sum, which is why the recipient must make a good decision on where to invest it in order to draw money from it in the form of annuity. This can be very stressful for the elderly. In the second case, the seller sells his or her real estate and concludes a lease agreement with the buyer for the same real estate for a definite or indefinite period of time and with a possible renewal of the lease. The main advantages for the seller are an immediate influx of money in the form of an initial down payment, a regular inflow of money as the difference between the obtained mortgage instalment and the monthly rent, no further maintenance costs and taxes, and (most importantly) the right to stay in one's "own" home. The main disadvantage is the relatively small number of people that are willing to buy real estate in this way. Most often the buyers are the person's relatives and especially family members because it is easier to reconcile different desires and interests within the family. The reverse mortgage as the third form of real estate conversion instrument is a loan insured with the borrower's real estate. It is intended for the elderly that do not have sufficient liquid financial assets. In the U.S., where this form is legally permitted, it is intended for those over sixty-two. The main point of this type of loan is that the borrower's debt increases on account of the decrease in the value of the real

estate. The owner of the mortgaged real estate can receive one or a combination of the following payments from the creditor: a single flat-rate amount in cash, regular monthly payments, or a credit line that enables the borrower to freely use the allowed bank overdrafts. The borrower is repaid when the loan is due – that is, when he or she stops using the mortgaged real estate as his or her place of residence (if he or she dies, sells the real estate or moves out). The creditor then cashes in the mortgage and pays off the borrower's debt by selling the real estate and returning the difference to the borrower or his heirs, if the person has already died. The advantage here is again that the elderly can stay in their homes as long as possible, even until they die. As established by Poplatnik (2012), the market of real-estate conversion instruments is fairly undeveloped in Slovenia. Among the instruments described, the most widely used form of conversion is selling the real estate and buying a smaller one; in addition, other common forms include sales contracts with life estate, sale and leaseback, and giving away the real estate in return for life-long maintenance, which is most common among close relatives. The City of Ljubljana is the most successful municipality in implementing conversion instruments; it makes it possible to buy property in return for a life-long lease and lifelong monthly payments, and to buy property in return for transferring the title to a municipal non-profit or assisted-living residence. There are several reasons for the low demand for conversion instruments: poor knowledge of these instruments, poor tax regulations, high approval costs and a fairly well organized pension scheme. In addition, in Slovenia people are emotionally attached to their property, which represents their biggest life investment, and therefore the elderly primarily give their homes to their children or grandchildren (Cirman, 2000). According to Doling (2010), the elderly often do not believe that these types of investments and risks are safe, especially in insecure economic conditions and a real-estate market crisis.

3. DISCUSSIONS

Demographic changes and the financial crisis will have an increasing impact on public finance sustainability and subsequently also on the housing of the elderly. The lack of diversity in available housing for the elderly and other related instruments, the lack of diversity in care services for the elderly and increasing demand for institutional forms of living (especially in eldercare facilities) will cause increasingly serious issues in Slovenia. According to Osterman (2012), this can already be observed in the national healthcare budget, which finances basic healthcare services in eldercare facilities, because from this year onwards health insurance companies are no longer signing these types of contracts. In the future, the issues connected with housing for the elderly will grow even stronger in light of the anticipated radical reform of the retirement system. This raises special concern because, according to a

European Commission study (2007), 58% of people in Slovenia cannot afford to stay in an eldercare facility. The present gross replacement rate is already alarming: according to the Pension and Disability Insurance Institute of the Republic of Slovenia (2012), it amounts to 62% (average pension = €619, average net salary = €998), whereas in 2000 it still stood at 75%. The European Commission (2006) predicts that the rate will have decreased to 39% by 2050. Therefore, spreading the use of instruments for converting real estate into income will be crucial in the future; this income will enable the elderly to remain in their homes as long as possible and secure additional means for survival, while they can also use it to cover missing costs by opting for institutional care. The government will have to contribute a great deal to establishing these instruments, especially by providing suitable legislation and control. Banks and insurance companies will also play an important role by providing access to a suitable housing and mortgage market. According to the European Commission (2007), Slovenians would (surprisingly) be willing to convert their real estate to a larger extent than has been assumed to date. Fifty-two percent of respondents would use their properties for paying for care services in eldercare facilities. This places Slovenia at the top of European countries, right behind Croatia and Turkey; in other countries this share was below 35%. A further resource for providing adequate housing in the future will most definitely be family transfers. According to Sambt (2009), the share of family transfers for the elderly continues to be fairly low compared to government transfers. However, according to Mandič (2011), in Slovenia, just like in other southern European countries, close relatives typically play an important role in eldercare, in which the family (especially children) also shares the housing costs, especially if this is connected with inheriting the real estate owned by an elderly family member. The relatively high rate of intergenerational connection in Slovenia is also confirmed by the findings of the European Commission (2007), which show that 60% of respondents would be willing to pay for the care of their parents. However, the family members' financial aid in eldercare is not enough because the family should also dedicate their time to their elderly family members. According to a study carried out by Seniorwatch, more than 80% of the elderly are assisted in their daily activities and work by one of their family members (European Commission, 2008). Ojel-Jaramillo and Cañas (2006) claim that this mainly involves women and their role in the family. However, in many aspects this role has changed in modern society. The modern way of life increasingly limits the opportunities for taking care of elderly family members at home within the family, which (in addition to population aging) is another reason for increasing demand for accommodation in eldercare facilities; but, because the elderly wish to remain and age in their own homes, "there is also an increasing share of the elderly that are living alone or together with another elderly person" (Ministry of Labour, Family, Social Affairs, 2007a: 9). According to Osterman (2012), approximately 30% of the Slovenian elderly live alone. A priority task of Slovenian

policy in the future is thus to move care services to these people's home environment, which entails improving and expanding the home-care and telecare network. This can be done by introducing new ways and models for providing care, changing the pricing policy of home care and appropriately adapting elderly people's homes (this includes architectural adjustments and instalment of new ICT-based infrastructure; cf. Kerbler, 2012). In order to adapt the houses and apartments of the elderly, the government should enable them to take out favourable loans, and establish a network of offices offering advice on how to adjust their homes, following the model of Germany and the UK. According to Kremer-Preiß and Stolarz (2003), this type of government investment pays off quickly because by extending the time the elderly can stay in their homes, where they can live as independently and fully as possible, institutionalization is not necessary or is postponed. However, society in general should contribute to enabling appropriate housing and care for the elderly, not just their family members and the government. According to Kolmančič (2010), it would be best to establish a social insurance scheme for long-term care, which would be a third scheme in addition to the retirement and healthcare insurance financed by the active working population. The European Commission study (2007) confirmed that Slovenians are in favour of this: 72% of the respondents agreed with obligatory payment of a long-term care service contribution.

4. CONCLUSIONS

As established above, several forms of housing are available to the elderly in Slovenia, among which eldercare facilities and owner-occupied housing predominate. However, the analysis showed these two forms have many deficiencies. The first serious issue connected with eldercare facilities is the disproportionate regional ratio between capacities and demand. The second issue has to do with the large number of laws and rigid regulations that restrict the autonomy, managerial capability, suitable HR-management and economic operation of institutions, especially private ones, which like public eldercare facilities are part of the public sector and provide a public service. A further problem is an inappropriate pricing policy for long-term care of the elderly, which is why in Slovenia it is more economical to live in eldercare facilities than use home-care services. There are several solutions to the problems connected with the eldercare facilities. In order to eliminate the regional discrepancies between demand and capacity, capacity should be increased in urban centres. In addition, equal operation opportunities should be granted to both private and public eldercare facilities in order to increase their autonomy and flexibility. Furthermore, the prices for accommodation in eldercare facilities should be increased in order to solve the problem of inappropriate pricing policy. Elderly people's preference to stay in their own homes not only has positive sides, but also includes many obstacles

such as inappropriate setup of the dwelling, inappropriate location and high maintenance costs. However, owning a home also represents having a form of property at one's disposal, which forms a basis for various instruments for converting this property into an income that can solve the problems described above. Family financial support, an improved and expanded home-care and telecare network, suitably adapted houses and apartments for the elderly and an established social insurance scheme for long-term care will play an important role in ensuring adequate housing for the elderly in Slovenia in the future.

Despite the problems described, many solutions and instruments are available for ensuring adequate housing for the elderly in Slovenia in the future. However, these issues can only be resolved through a shared and well worked-out strategy and non-contradictory measures. Adopting such a strategy is a very complex task, which is also confirmed by the process of adopting a long-term care act, which has been in preparation for almost a decade now. Therefore it is mainly our own responsibility to reduce the demand for various care services in old age and to live independently and remain in our own homes as long as possible. A great deal can already be achieved with a healthy lifestyle and active aging. This has positive effects on the entire society, which was also proven by the European Year for Active Aging and Solidarity between Generations in 2012.

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