

Integration and participation of older persons in development

A. Active political participation of older persons in society

Introduction

As older persons become an ever greater proportion of the total population, they will become an ever greater force to be reckoned with in society – politically, economically and socially. This sentiment is clearly in line with the objectives of the Madrid International Plan of Action on Ageing, which is to ensure that people can age with security and dignity and that they may continue to participate fully in their societies as citizens with full rights. Older persons should be afforded the possibility to become actively engaged in the development process and in society so that their skills, experiences, wisdom and knowledge can be put to use for the benefit of all. The impact of population ageing on the socio-economic development of society engenders the need for continuing integration and empowerment of older persons, including the removal of barriers and obstacles which serve to exclude or discriminate against them.

The active participation of older persons in society and development is based on providing older persons with the opportunity to continue contributing to society. The contributions of older persons reach beyond their economic activities and extend into their roles in families and in the community. Often these contributions cannot be readily measured in economic terms: care for family members, productive subsistence work, household maintenance and voluntary activities in the community. Participation in social, economic, cultural, sporting, recreational and volunteer activities also contributes to the growth and maintenance of the personal well-being of older persons and the population at large.

Although there is some recognition of the vital contributions that older persons make, nevertheless, in many countries this segment of the population still tends to be excluded from the formulation and implementation of policies and programmes which directly affect it. An important way to prevent older persons from being politically sidelined is to foster and encourage the development of organizations that represent their interests. At the same time, however, it is important to mainstream ageing issues so that they are not “ghettoized” as a political issue.

In order for ageing issues to be mainstreamed into national development policies, governments have to recognize the importance of dealing with ageing issues in an integrated way. For example, pensions cannot be considered just a concern of older persons. The current workforce is supporting the retired ones – the basic premise of the “pay-as-you-go” principle. Any changes will take time to be implemented, so they will not impact those who are old today, but those who will be old tomorrow. One change, however, is in the shift to defined contribution pension plans, which places more responsibility on the existing workers rather than on the future workers. This issue is clearly an important item on the national political agenda in many countries and requires nationwide debate before vital decisions are taken.

Organizations of older persons

An important means by which the voices of older persons can be heard is through their active political participation, either individually or collectively. To ensure greater participation in society and in decision-making over issues that concern them, older persons should be encouraged to join organizations of their peers. Organizations of older persons provide an important means of enabling participation through advocacy and promotion of multigenerational interactions, particularly for older women, who as individuals often remain voiceless. Furthermore, these groups can help to harness the political influence of older persons and ensure that they can effectively participate in decision-making processes at all levels of government.

Examples abound of highly successful and influential organizations of older persons – ranging from the 35 million-member AARP in the United States (formerly known as the American Association of Retired Persons), to pensioners' organization in Sweden to which half of all older persons belong. Labour unions also provide an important source of representation for older persons, particularly in Europe where most retired workers remain active members (Peterson, 2002). These organizations provide information, advocacy, resources, activities and support for older persons, and exert considerable influence in economic and social policymaking.

HelpAge International is a prominent global network of NGOs whose mission it is to improve the lives of disadvantaged older persons. The network consists of affiliate organizations in some 50 countries which are committed to supporting practical programmes, giving a voice to older persons, and influencing policy at the local, national and international levels (HelpAge, 2006a). Actions are directed towards encouraging governments and communities to recognize the needs, values and rights of disadvantaged older persons, and to include them in their planning and programmes.

There are also a number of other prominent international NGOs which represent the interests of older persons.¹ These include the International Federation on Ageing (IFA), a network of organizations charged with improving the quality of life of older persons around the world through policy change, grassroots activities, and strengthening public-private partnerships to support ageing issues. The International Federation of Associations for Elderly People (FIAPA), which federates 150 associations or federations, comprising about 300 million older persons from 60 countries, and assures their representation within the main international authorities, including the United Nations. The European Federation of Older Persons (EURAG), whose mission is to promote the quality of life of older persons on societal, social and political levels.

Some countries also have political parties of older persons. Among these include the Gray party in Germany, the Ukrainian party of pensioners, and a pensioners' party in Russia which recently merged with another party to become one of the most significant political parties in the country.

Political influence of older persons

The high rate of voter turnout among older persons is an indicator of their ongoing interest in public affairs as well as their desire to influence the political process (Peterson, 2002). Countries with a large constituency of older persons who regularly exercise their democratic right to vote

help ensure that their voices are heard and the needs and concerns of older persons are met. Policies directed at older persons have garnered increasing attention in some parts of the world partly because the changing demographics demand it, but perhaps more importantly because older persons in these countries tend to be more politically and socially active than members of other age groups. Nevertheless, active participation is impossible without empowerment.

Political empowerment of older persons, for instance, has greatly influenced the decision-making processes related to the provision of social security and pension schemes. When comparing countries that provide social protection to older persons with those that do not, clear distinctions emerge. Not surprisingly, the highest income countries – which also happen to be those with the greatest share of their populations over age 60 – are far more likely to provide their citizens with social protection coverage than lower income countries. Among the 25 countries of the European Union, for example, 21 per cent of their populations are over age 60, and expenditures on social protection averaged 27.3 per cent of each country's GDP in 2001. The countries of the EU not only have the financial capacity to provide social protection coverage, but with one of five persons over age 60, they also have a large constituency of older persons who regularly exercise their democratic rights to ensure that the needs and concerns of older persons are met.

By comparison, most countries in sub-Saharan Africa are struggling to attain both the financial resources and the political will to implement social protection policies. A recent analysis by the UNDP indicates that the cost of providing a universal non-contributory social pension to all older persons in the region would be between two and three per cent of GDP, an amount rivalling public spending on education and health care in some countries (UNDP, 2005a). Given that only five per cent of the population in the region is aged 60 or above, compared to 41 per cent who are under the age of 15, the relatively low priority given to policies for older persons becomes evident. Their minority in numbers is compounded by the fact that these older persons are less likely to be empowered to draw attention to their concerns.

In the case of South Africa, its universal pension plan was the result of a commitment made by the Government in 1994 following the end of apartheid to achieve specific goals in social policy, including the provision of reasonable income in old age and decent, affordable healthcare for all. Contributing to the successful implementation of these initiatives was the fact that these commitments were explicitly laid out in various policy documents, including the Reconstruction and Development Programme (RDP) and the Growth, Employment and Redistribution (GEAR) framework (Ministry of Social Development of South Africa, 2002). Accordingly, the institutional means was backed up by the political will to improve conditions for older persons, further supported by the involvement and activism of older persons.

Other countries, particularly those in Eastern Europe and Western Asia, have the dual challenge of a rapidly ageing population and limited financial resources to meet their needs. In most countries of the former Soviet Union, older persons tend to have very high voter participation rates, feeling an obligation to go to the polls on Election Day. In Kazakhstan, for instance, older persons constitute an active electorate, with 72 per cent of those over age 65 voting in recent elections, compared to just over 50 per cent of those aged 35 to 40 (UNDP, 2005b). Collaboration between the Government of Kazakhstan and organizations of older persons is not yet systemic, however, which could help explain why there is no targeted state policy towards

older persons. Even so, a general legislative base is in place, including laws on pensions, poverty reduction, social help, and privileges and social protection for veterans of World War II, all of which provide an essential foundation for additional work in the area of ageing policy.

Participation in decision-making

The Madrid Plan of Action calls for taking “measures to enable the full and equal participation of older persons, in particular older women, in decision-making at all levels” (United Nations, 2002, p.15). However, for many older persons around the world this goal has not been universally achieved.

Nevertheless, since the Second World Assembly on Ageing, a broader range of government and civil society initiatives has sprung up, aimed at creating forums for participation of older persons. There have been encouraging examples in some countries of greater involvement of older persons in decision-making, such as the mobilization of older persons’ groups to monitor the implementation of government policies and programmes on ageing, and the partnering of non-governmental organizations with governments to meet the objectives of The Madrid Plan of Action.

Some Governments have created coordinating bodies on ageing issues, which included older persons along with such “traditional” stakeholders as government agencies. In the ECLAC region, Brazil has a National Council for Older Persons’ Rights, Chile – an Advisory Council for the Older Adult, Guatemala – a National Council for the Protection of the Elderly, El Salvador – the National Council for Comprehensive Care for Programmes for Older Persons, and Panama and Nicaragua have an identically named National Council for the Older Adult. In the ESCWA region, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Qatar, and Saudi Arabia have established national committees on ageing. In most cases, such a committee comprises representatives from private and public sectors, and is usually headed by the Minister of Social Affairs. In Qatar, the National Committee for Ageing functions within the Supreme Council for the Family, which is implementing a multi-purpose project for older people with one of its objectives being building capacity for the participation of this population segment.

In the ECE region, Austria has established an independent council of senior citizens with rights and responsibilities similar to those of a chamber of commerce, which has become a major contributor to discussions on national policy on ageing. In the ESCAP region, India formed a National Council of Older Persons, with 25 per cent of its members drawn from the government and 75 per cent comprising academics and retired persons from both rural and urban communities. The Government accepts the Council as a watchdog agency designed to monitor policy on ageing. Sri Lanka established an Elders Council, which had set up committees of older persons at the village level for organizing programmes for their benefit and for engaging in decision-making on community matters.

In Spain, participation and dialogue between older persons and the public administrations is facilitated through various forums, including the State Council for the Elderly, the Autonomous Community Councils for the Elderly and local councils in some major cities. The goal of these councils is to share and define the programmes and legal initiatives that are of interest to older

persons. More specifically, the State Council for the Elderly is a collegiate inter-ministerial body of an advisory and consultative nature in the General State Administration, assigned to the Ministry of Labour and Social Affairs. Its purpose, functions, composition and functioning were all revised in 2005, with a goal of institutionalizing the collaboration and participation of older persons in defining, applying and following up on policies involving care, social inclusion and quality of life of the older population. It channels the initiatives and needs of older persons towards the General State Administration and also encourages the development of associations and the participation of older persons in society. Older persons also serve as board members of the Council, with 25 of the 60 board members representing confederations, federations or associations for the elderly (IMSERSO, 2006).

In line with the bottom-up participatory approach to review and appraisal of the Madrid Plan of Action, older citizens' monitoring groups in Bangladesh, Bolivia, Ethiopia, Jamaica, Kenya and Tanzania, with the support of HelpAge International, have been tracking the delivery of public benefit programmes, mainly in the field of health.

During the first cycle of the review and appraisal of the Madrid Plan of Action in 2007-2008, the bottom-up participatory approach provides an excellent opportunity to directly involve older persons in the review and appraisal exercise, and, simultaneously, provide an "entry point" for their participation in all stages of the implementation of the Plan. The immediate purpose of the participatory approach is to ensure that older persons have an opportunity to express their views on the impact of national policy actions affecting their lives. However, the overall goal is to ensure that older persons are involved in *all phases* of policy actions on ageing, including policy design, implementation, monitoring and evaluation.

Older persons as economic contributors

Although the Madrid Plan speaks specifically about the political participation of older persons, it is important not to overlook their economic impact as well, especially since there is usually a close correlation between economic and political power. So if older persons are seen as commanding considerable power in the marketplace, this will likely translate into significant political power and participation too.

As a growing cohort of both producers and consumers, older persons, particularly those in high income developed countries, carry substantial weight in the economy and often hold a significant share of their country's total wealth. In Germany, for example, those over age 50 own half of the nation's wealth. Moreover, Germany's senior citizens have the spending capacity of Euro 90 billion per year, equivalent to the GDP of entire nations such as Chile, the Czech Republic and Singapore (EFILWC, 2006a and World Bank, 2006). Many businesses are responding to this growing consumer market by designing products and services especially targeted at older age groups. Others have also begun talking of the job growth potential of the "silver economy" for new markets in products, services, economic cooperation and networks – geared towards older persons.

As part of the economic strength of older persons is derived from their pensions, one must consider the benefits that pension plans can generate for the local economy. Recipients spend

their pension money on needed goods and services, such as food, water, health care and education, often funnelling money right back into their communities. Furthermore, evidence shows that pensions can increase the share of the poorest 5 per cent of the population in national consumption, as pensions have been demonstrated to increase the income of this group by 100 per cent in Brazil and by 50 per cent in South Africa (HelpAge, 2004). And as older persons in developing countries tend to live in extended families with their children and grandchildren, providing pensions to older persons can benefit the whole household. Pensions also help to relieve some of the financial burden placed on the primary breadwinners in the family. The money that would have gone to supporting their parents can be saved, invested, or spent for other purposes.

When viewed from the perspective of being an investment in the well-being of older persons, their families and communities, pensions may be seen as a wise use of financial resources. Although much attention has been brought to the costs associated with an ageing population, it is important to keep in mind the economic, as well as the non-economic contributions that older persons make to the societies in which they live.

Attitudes toward ageing

People's notions about what constitutes old age have changed. Rather than tying the onset of old age to an event such as retirement, collecting a pension, or turning 65, now it is more linked to the decline of a person's physical abilities, including memory, eyesight and energy (HSBC, 2005). There are also regional differences with regard to definitions of old age. In Africa, for example, chronological age is often a poor indicator of being old, particularly in rural areas. Older persons are more likely to be defined in relation to an individual's functioning, physical appearance and social role transitions (Kinsella and Phillips, 2005). Moreover, the notion of retirement is incongruent with African life experience as only a small share of workers are employed in the formal economy and could actually "retire" from their jobs (Ferreira, 2005). Nonetheless, statistical concepts of ageing continue to prevail.

Active ageing has emerged as an attractive model for the future. It is geared towards better social integration of older persons into society, but aims as well to foster dignity, autonomy and freedom. The World Health Organization argues that countries can afford to get old if governments, international organizations and civil society enact active ageing policies and programmes that enhance the health, participation and security of older citizens (WHO, 2002). These policies and programmes should be based on the rights, needs, preferences and capacities of older people. They also need to embrace a life course perspective that recognizes the important influence of earlier life experiences on the way that people age.

According to the findings from a survey of respondents from 10 countries regarding their attitudes towards retirement carried out by the global financial institution HSBC, the general feeling that pervades those approaching retirement age is a sense of wanting to begin a "second life", incorporating periods of work, leisure and education (HSBC, 2005). Respondents from more affluent countries, such as the United States, were likely to have more positive views of older persons than less affluent countries, although negative views on ageing were prevalent throughout Asia. It is not clear why this is the case, although the fact that Asia is greying so

quickly may mean that younger people are concerned about the potential drain on resources caused by these demographic shifts.

Less affluent countries tend to place greater reliance on families to support people as they age, compared to those in more affluent countries, who stress independence and financial planning to prepare for retirement. These attitudes may help explain why most older persons in affluent countries either live alone or with a spouse, while those in developing countries usually live with family members.

This initial study by HSBC was followed up by a more extensive survey on attitudes regarding ageing, longevity and retirement, entitled *The Future of Retirement: What the world wants* (HSBC, 2006). Dubbed the world's largest survey on the subject, the study was conducted amongst 21,329 individuals and 6,018 private sector employers in 20 countries and territories across five continents. The results compare the attitudes of employers and consumers regarding ageing and retirement. The research was commissioned by HSBC and Age Wave, a leading analyst of the new maturing market, conducted by market research firm Harris Interactive and the Oxford Institute of Ageing, part of Oxford University, undertook the analysis of the results.

The *Future of Retirement: What the world wants* report reveals some surprising new findings. First is the widely-shared notion that could be summarized as “help us help ourselves”, where individuals want governments to do more to help citizens help themselves. Introducing “enforced additional private savings” is the people's preferred option to help governments finance an ageing population. Second is that people the world over associate retirement with freedom, happiness and satisfaction. They want to remain active and positive in their later years, and continue to contribute to society. Third is that individuals expect to be self-sufficient in funding their retirement and realise they cannot be dependent on governments alone. Fourth, family, friends and physical fitness are more important than money for a happy old age. Finally, the survey found that transitional economies are catching up with developed economies' new model of active retirement and are leapfrogging the outdated “golden age” model of retirement as a time for rest and relaxation.

The topic of older persons as both retirees and participants in the labour force is explored in the following sections of this chapter.

B. Older persons and labour markets

Introduction

An important part of maintaining the active participation of older persons in society and development is through their continued involvement in the paid labour force. Ideally, older persons should be able to continue with income-generating work for as long as they want and for as long as they are able to do so productively. To achieve this objective, there is a need to promote a more favourable attitude among employers regarding the productive capacity of older workers, as well as a greater awareness, including self-awareness, of the benefits of maintaining an ageing workforce. To this end, new work arrangements and innovative workplace practices

can be developed which help sustain the working capacity and accommodate the needs of workers as they age. It is also important to promote a realistic portrait of older workers' skills and abilities by correcting damaging stereotypes about older persons as either workers or job candidates.

Employers and older persons alike should recognize the inherent social and economic benefits of an ageing workforce and efforts should be made to eliminate age barriers in the formal labour market by promoting the recruitment of older persons and preventing the onset of disadvantages experienced by ageing workers in employment. The extent to which older persons are part of the occupational structure of the economy is an important indicator of the elimination of age discrimination. Expanding participation of older persons in the paid workforce can go a long way towards eliminating ageism because in modern economies, paid labour determines to a large extent one's value (Cheng, Chan and Phillips, 2006). Furthermore, working longer, whether in paid employment or volunteering in the community, can improve older persons' health, particularly their mental health.

B. 1. Labour force participation and the ageing workforce

The ageing of the population obviously has major implications for the labour force and the status of older workers. However, the notion of "older worker" varies considerably, not only across regions and countries, but also according to the intent. The International Labour Organization defines "working age" as those from 15 to 64 years. At the same time, the United Nations sets age 60 as the threshold for an "older person". Thus even within the UN system there is an inherent contradiction in simultaneously categorizing someone aged 60 to 64 as both an older person and a person of working age.

In terms of the statutory retirement age, or the age at which a person becomes eligible for a full government pension, the range across countries spans 17 years, from a low of age 50 in Sri Lanka and Turkey to a high of age 67 in Iceland and Norway (AARP, 2006). Furthermore, national human resource development initiatives for older workers can run a wide gamut, with some extending eligibility to workers in their middle-ages. In Singapore, for instance, the People for Jobs Training Programme offers employers wage incentives in exchange for traineeship arrangements for newly recruited "mature" workers, defined as those aged 40 and above. Similarly, the National Programme for Ageing Workers in Finland aims to reinforce the position of those over age 45 in the job market (ILO, 2002).

Although there is no standardized definition of an older worker, for the purposes of this analysis, two age categories are used. The first, which is in line with the ILO definition of working age, considers older workers as those aged 65 and over. This is also in recognition of the fact that in the overwhelming majority of countries, age 65 is the upper limit for statutory retirement. The second age category takes into account the European Union definition of an older worker as one aged 55 to 64. Given that ageing is not a mere statistical phenomenon, the limitations to ascribing any particular age category to older workers should be acknowledged. That is perhaps why the Older Workers Recommendation, 1980 (No. 162), adopted by the International Labour Conference in June 1980 defined older workers as "all those who are liable to encounter

difficulties in employment and occupation because of advanced age”, without giving specific reference to a given age (ILO, 1980). This approach may well be a harbinger for the future.

Labour force participation rates of persons 65+

Across many countries the imposition of mandatory retirement ages means that people must exit the paid labour force upon reaching a prescribed age, usually 60 or 65. Yet in many high income countries, early retirement has become the norm, with people leaving the labour force well before reaching the statutory retirement age. On the contrary, in many low income developing countries the notion of retirement, much less early retirement, does not exist. In many instances, “retirement ages” are meaningless because people were never employed in the formal economy, they don’t qualify for a pension, and they must continue to rely on work as their only source of income. Therefore, there is a need to make a distinction between allowing people in developed countries to work for as long as they would like versus enabling older people in developing countries to have the “luxury” of retiring.

As can be seen in Table IV-1, labour force participation rates vary considerably across regions. In developed countries and in economies in transition, where people generally have pension entitlements upon reaching age 60 or 65, labour force participation rates are about 13 to 14 per cent for men and just 6 or 7 per cent for women. This is in dramatic contrast to the experience of other regions, particularly Africa and Oceania, where labour force participation rates of men 65 and over are 57 and 51 per cent, respectively. The regional differences are also quite substantial, although less pronounced, for women – ranging from a low of 6 per cent in developed countries to a high of 33 per cent in Oceania and 26 per cent in Africa.²

Table IV-1. Labour force participation rates for those 65+, by region, 2005

REGION	MEN	WOMEN	BOTH
Africa	57.4	25.8	39.8
Asia	38.0	13.2	24.7
Developed countries	13.4	6.3	9.2
Economies in Transition	14.2	7.8	10.0
Latin America & Carib.	37.2	13.7	24.1
Oceania	51.4	33.4	42.5
TOTAL	30.2	11.3	19.5

Source: DESA calculations based upon data from UN Pop. Division and ILO KILM, 4th edition

The difference is likely attributable to the lack of pension plans or other income support programmes for older persons in these countries, thereby making retirement an unattainable goal for them. In many low income countries, people either have meagre pensions, or none at all, and low personal savings. As a result, they need to continue working for as long as they are physically able in order to survive (ILC-USA, 2004). By contrast, less than one-tenth of persons aged 65 and over from developed countries participates in the labour force.

It is also very telling to look at the wide range of labour force participation rates across countries by income groupings, disaggregated by sex.³ Among the 37 low income countries in Africa, for example, 36 have labour force participation rates above 50 percent for men aged 65 and over. Even more remarkable, in 12 of these countries the labour force participation rates exceed 80 per cent for these older men, reaching as high as 89 per cent in Congo. By contrast, among the 33 developed countries included in the analysis, only three countries – Iceland, Japan and Portugal have labour force participation rates in the 20 per cent range for men aged 65, while in 18 of these countries the labour force participation rates are below 10 per cent.

These data are symptomatic and call attention to the tremendous inequality in the quality of life for older persons in different parts of the world. Not only are people in high income countries more likely to live longer, healthier lives, they are also far more likely to retire from the labour force and enjoy many years of leisure, thanks to the security of pensions and health care coverage. Conversely, people from low income countries are too often forced to literally work until they die. Wide disparities in social protection programmes reinforce existing inequalities.

Labour force participation rates of old and young

In developed countries, considerable media as well as political attention has been paid to the approaching decline in the size of the labour force, accompanied by dire warnings of impending labour shortages. Among the EU-27, for instance, the population of working age is projected to begin to shrink after 2012, although it is unclear whether this will translate into labour shortages (Marin and Zaidi, 2006). Since labour force participation rates in Europe for all age groups are well below the global average, crisis could be averted if more people sought employment rather than inactivity or non-employment. Another solution is to reverse the trend towards early retirement. Firms are going to have to find another way to deal with redundancies because the expense of providing for early retirement is too much to bear and impacts upon their competitiveness. The issue of early retirement is discussed in more detail later in this chapter. Alternatively, as will be discussed in Chapter V, an increase in productivity could counter declines in the supply of labour.

In developing countries, where fertility rates remain relatively high and the populations are quite young, the greatest concern remains the lack of decent jobs, especially for youth. With 89 per cent of the world's 1.2 billion youth aged 15 to 24 coming from developing countries, compared to a relatively small portion of older persons, attention is rightly focused on issues of youth unemployment and underemployment.

Yet it is interesting to note that the labour force participation rates for youth (both young men and women) and older men in Africa are roughly equivalent: 59 per cent for youth aged 15-24 compared to 57 per cent for men aged 65 and over. In many instances, older persons in Africa have no other means of support than to continue working as pension plans and social security are either nonexistent or inadequate. The result is that a large youth bulge ends up competing for a scarce number of jobs with a highly active labour force of older men, making the situation in the labour market more difficult for all concerned. Accordingly, providing pensions to older persons would actually serve as a way to lessen the youth unemployment problem in Africa by removing the older worker "competition" from the labour force.

Table IV-2 compares the labour force participation rates of youth aged 15-24 with men aged 65 and over, by region. Among developing countries, particularly as mentioned those in Africa, but to a significant degree as well in Oceania, Asia, and Latin America and the Caribbean, older men are indeed competing with youth as active members of the labour force. It is only in developed countries and economies in transition that the labour force participation rates of older men fall below 15 per cent, compared to rates of 40 and 52 per cent, respectively, among youth. For the majority of developing countries, therefore, a solution to the youth unemployment problem requires an intergenerational approach to employment policy. Enabling workers to exit the labour force with financial security upon reaching retirement age not only benefits older workers, but it also frees up more jobs for young people.

Table IV-2. Labour force participation rates of youth and older men

REGION	15-24 YOUTH	65+ MEN
Africa	59.5	57.4
Asia	55.1	38.0
Developed countries	52.0	13.4
Economies in Transition	40.1	14.2
Latin America & Carib.	54.2	37.2
Oceania	58.7	51.4
TOTAL	56.7	30.2

Source: DESA calculations based upon data from UN Pop. Division and ILO KILM, 4th edition

At the same time, policy makers have come to recognize the importance of pursuing a life course approach, aimed at younger as well as older workers, in order to encourage greater productivity and satisfaction throughout their working years. As a way of avoiding “intergenerational friction”, preventive and holistic measures can be implemented, among them lifelong learning, adequate care facilities for children and dependent persons and incentives for employers and employees geared towards active ageing (EFILWC, 2006b).

Labour force participation rates of 55-64 year olds

Older workers are often categorized by policymakers as those over the age of 50 or 55, or even as young as those aged 45 in some cases (ILO, 2002). Generally speaking, however, those deemed “older workers” are generally between 55 and 64 years of age, as they fall at the high end of the working age category of persons aged 15 to 64.

When comparing the labour force participation rates of those aged 55 to 64 with persons in their prime working years of 25 to 54, the differences are quite significant, as can be seen in Table IV-3. The drop in labour force participation rates is evident across all regions and for both men and women. Among men, the decline is most pronounced in the economies in transition, where it falls by 38 percentage points, and least apparent in Africa, where the drop is less than 10

percentage points. The decline in labour force participation rates is even greater among women than among men in every region. In particular, women in the economies in transition experience a precipitous fall in their labour force participation rates upon entering the 55 to 64 age range, dropping from 81 to 31 per cent. Moreover, women in developed countries, Asia and Latin America and the Caribbean experience a decline of approximately 30 percentage points in their labour force participation rates after turning 55.

Table IV-3. Labour force participation rates for those 25-54 and 55-64, by region

REGION	25-54 MEN	55-64 MEN	25-54 WOMEN	55-64 WOMEN
Africa	96.2	86.5	61.0	48.3
Asia	96.3	77.6	64.2	35.4
Developed countries	91.9	63.9	75.3	44.9
Economies in Transition	90.7	52.6	81.3	31.2
Latin America & Carib.	94.3	76.1	64.3	37.2
Oceania	87.4	76.0	73.3	60.6
TOTAL	95.1	73.5	66.7	38.7

Source: DESA calculations based upon data from UN Pop. Division and ILO KILM, 4th edition

There are a multitude of factors which influence the relatively low rate of labour force participation of these older workers. In some cases, it is a matter of convention. People choose to retire upon reaching a certain age because it is customary and expected of them. Poor working conditions, ill health or low job satisfaction may also influence the decision to exit the labour force. In addition, jobs that are physically demanding may be simply inappropriate for older workers to continue performing (OECD, 2006).

In many instances, however, labour force participation rates for those 55-64 are quite low compared to the prime working age population because there are policy disincentives to continued employment beyond age 55. Pension plans are often structured in such a way that it doesn't pay to continue working upon reaching the minimum qualification level for retirement, which in many cases is the mid-50s. For example, if upon reaching age 55 a person is entitled to receive a pension which replaces a significant share of his or her former salary (say 65 or 70 per cent), then there is a strong incentive to retire. Or in some countries, particularly those with economies in transition, statutory retirement ages are still set relatively low, typically at age 55 or 60 – a legacy of state socialism and guaranteed employment (AARP, 2006). Cultural norms and discrimination against older workers, particularly older women, also combine to drive down the labour force participation rates of people in this age group.

Combating age discrimination in the workplace

Too often, older workers are viewed in an unappealing light by employers. Negative stereotypes abound: older workers are assumed to be inflexible; lack initiative; tend to take more sick leave; have a poor grasp of foreign languages; are reluctant to take part in training; have a limited

ability to adapt to new working conditions; and lack knowledge of new technologies or production processes (EFILWC, 2006b). In most cases, these stereotypes are far from the truth. Hence efforts are being made to combat these negative perceptions and encourage employers to hire older workers, especially in countries where older persons have a “voice”. Among the key initiatives to emerge in recent years is the 2000 EU Directive which establishes a general framework for equal treatment in employment and occupation, including the prohibition of discrimination based on age (Council of the European Union, 2000).

In the Asian region, Australia, Japan, and New Zealand have established anti-age discrimination legislation to protect the rights of older people in employment and in ensuring accessibility to services. Furthermore, the Republic of Korea has enacted affirmative action legislation to promote the participation of older persons in job markets, requiring businesses to have at least 3 per cent of its workers aged 55 or more. In addition, the Korean Aged Employment Promotion Law identifies 77 types of jobs, ranging from parking lot attendants to bus ticket sellers, for which first priority should be given to older persons (Cheng, Chan and Phillips, 2006).

Older women workers

Given that women comprise the majority of older persons, special focus and attention should be given to the concerns and rights of ageing women. In the workplace, women are frequently discriminated against, and the level of discrimination often becomes worse as a woman ages. Part of the problem stems from the fact that sometimes women tend to have lower education and training qualifications, which deny them access to better employment opportunities. But to a great extent, women workers are disadvantaged because they are the victims of discrimination and employer bias. Because of negative stereotypes ascribed to older women of being frail and incapable of working, employers often resist hiring them. A telling example is that certain countries in the Gulf region make no reference to a retirement age for women in their legislation (ESCWA, 2006). The prevalent assumption is that women are not expected to continue participating in the paid labour force until they approach a standard retirement age.

Since older women often encounter difficulties in securing a job due to biases from employers, it is perhaps not surprising to see that in all regions of the world except Oceania, women aged 55 to 64 are the most inactive group of people of working age. Overall, their labour force participation rates average 38.7 per cent, which is well below the 66.7 per cent average labour force participation rate for women of prime working age (25-54), and even considerably lower than that for young women aged 15-24, at 45.9 per cent. The fact that many countries still have lower retirement ages for women than for men, regardless of the fact that female life expectancy eclipses that of male life expectancy by several years, also helps to explain the high labour force drop out rate for older women workers. Of course the irony is that many women continue to work and remain actively engaged as they age, but in the somewhat hidden and underappreciated job of unpaid family caregiving.

Many women throughout the world dedicate a lifetime of unpaid efforts acting as caregivers for their children, grandchildren, older parents, older spouses or other relatives – work that is not reflected in labour force statistics. Moreover, women’s caregiving responsibilities can lead to another form of entrenched discrimination because fewer years in the paid labour force translates

into lower pension contributions. This, combined with women's lower average earnings, means that they tend to have little in the way of savings, leaving them financially ill-prepared for old age. Despite spending much of their lives as the providers of care, often indispensable and highly valuable, many older women become particularly vulnerable as they age because they have no safety net to meet their own care needs.

The increase in labour force participation rates of women, however, is changing the nature of caregiving, particularly with regard to long-term care. The result is a confluence of two countertrends – just as the demand for long-term caregivers to assist the ageing population is mounting, the supply of unpaid, informal caregivers is shrinking. Although migration of workers from developing countries may provide a short-term solution to the growing demand for homecare workers, other problems will inevitably develop over the long term. As population ageing becomes more pronounced in developing countries, outbound migration may contribute to the destitution of older persons, especially older women. With no younger family members remaining and little or no formal care arrangements in place, older persons in sending countries will be left without any caretakers. The situation may become particularly alarming for older persons living in rural areas, owing to the combined impact of rural-urban migration as well as international migration. More information about these trends and their impact on women and caregiving is provided in Chapter VII.

Removing disincentives to work – improving working conditions

In order to raise labour force participation rates of workers in the 55 to 64 age category, people must be provided positive incentives to work longer. Central to encouraging people to increase their working years is the improvement of working conditions and the overall proliferation of satisfying and adequately paid “decent” work. Appropriate adjustments may be needed to the workplace environment and working conditions to ensure that older workers have the skills, health and capacity to remain employed into their later years. For example, natural changes in the human body mean that older persons cannot be expected to work at physically demanding jobs. According to results from a European Survey on Working Conditions conducted in 2000, the older people become, the more they suffer from osteoarticular problems due to exposure to physically demanding work. For instance, nearly 80 per cent of women aged 50 or over who suffered from back problems attributed these to their work, compared to just one in two younger women. (Molinié, 2003). To reduce the risk of pain and injury, the content of these jobs has to change so that they are not as physically taxing. Otherwise, different positions should be made available to older workers which make use of their talents and experience while protecting them from undue burden and harm.

The Human Resources Development Recommendation of the ILO, adopted June 1975, also suggests that measures be taken to develop work methods, tools and equipment that are adapted to the special requirements of older workers (ILO, 1975). Sometimes simple adjustments to the work station or other ergonomic changes are all that are needed to accommodate older workers. Basically it entails a shift in focus – towards changing the job to accommodate the worker rather than changing the worker to accommodate the job. Such an approach would minimize the tendency towards early retirement among those who perform more physical work.

People are also likely to continue working longer if they enjoy what they do. If a person is getting significant stimulus and rewards from work, there is a smaller likelihood that he or she will choose to withdraw from the labour force early, even if there are monetary incentives to do so. Yet a case by case approach is needed. A study in the Netherlands showed that older workers exhibit greater differences from one another than younger workers (EFILWC, 2004). In other words, there is more heterogeneity among older workers than among younger ones. As a result, there is a need for an individual approach to integrating older workers.

Older workers in the informal economy

Special attention must be paid to the situation faced by older workers in the informal economy. Most people employed in the informal economy, regardless of the country, do not have access to social protection programmes, including pensions. As is described further in Chapter VI, pension plans, especially pay-as-you-go schemes, are designed to service workers participating in the formal economy. As a result, after a lifetime of work, people employed in the informal economy cannot afford to retire because they have no retirement income to support them. Rural workers in particular tend not to be covered under social protections programmes given the greater likelihood of informal employment. In China, for example, some 85 million older persons in rural areas, constituting 65 per cent of the older population, do not benefit from their country's social welfare system, pensions or receive adequate medical care (China Daily, 2006).

In addition to being excluded from social protection coverage, informal workers typically earn low wages, which means that they are unable to save much of their earnings for a future retirement. These are among the reasons why labour force participation rates remain quite high for those aged 65 and over in certain regions. Many informal workers simply lack the financial security needed for retirement. This also helps to explain why income from work is the second most important source of support for men aged 60 to 69 in the Latin American and Caribbean region (Pelaez, 2006).

A combination of employer biases and age-restrictive legislation also means that older persons seeking employment are frequently relegated to work in the informal economy. In the ESCWA region, for example, older persons may continue working beyond retirement age, sometimes under hardship conditions, but almost exclusively in the informal economy (El-Safty, 2006). The same is true in other regions, especially those such as sub-Saharan Africa and South Asia where informal employment constitutes the majority of total employment.

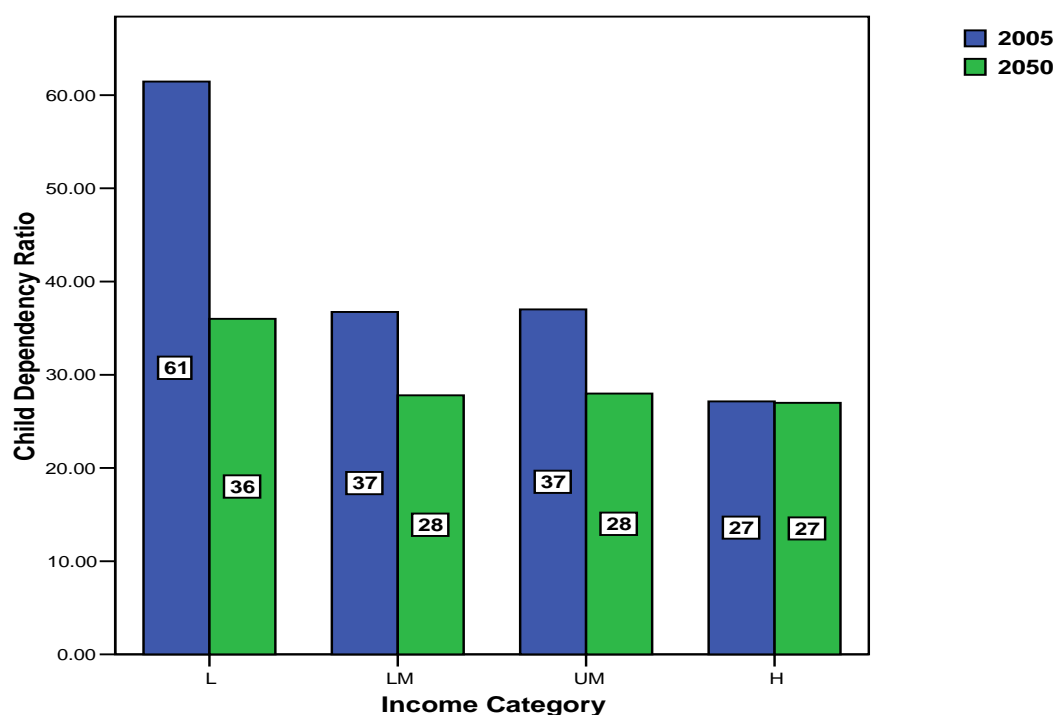
Working and dependency ratios

The impact of rapid population ageing will be felt most dramatically in the changing dependency ratios, i.e., the number of children under age 15 and persons age 65 and over per 100 working age persons (aged 15-64). For countries in all regions and of all economic groupings, the child dependency ratios are significantly higher than old age dependency ratios, given that children represent a substantially greater portion of the world's population than do older persons. This is particularly true in low income countries which have relatively young populations. With an average of 62 children per 100 adults of working age in 2005, the child dependency ratio in low income countries was more than eight times that of the old age dependency ratio of 7 persons

aged 65 and over per 100 working age adults. This can be attributed to the high birth rates and relatively low longevity in these countries, meaning that there are more children to support than older persons. Among higher income countries, however, the gap between the two ratios is much smaller, with 27 children per 100 working age adults in 2005, compared to 22 persons aged 65 or older.

Due to declining fertility rates across the world, however, child dependency ratios are projected to decrease over the coming decades. As can be seen in Figure IV-1, the lowest income countries will experience the greatest decline in their child dependency ratios, dropping from 62 children per 100 adults of working age in 2005 to 37 by 2050. Alternatively, in high income countries the decline in child dependency ratios will be nearly imperceptible, from 27.15 in 2005 to 26.98 by 2050.

Figure IV-1: Child Dependency Ratios will decline for all countries



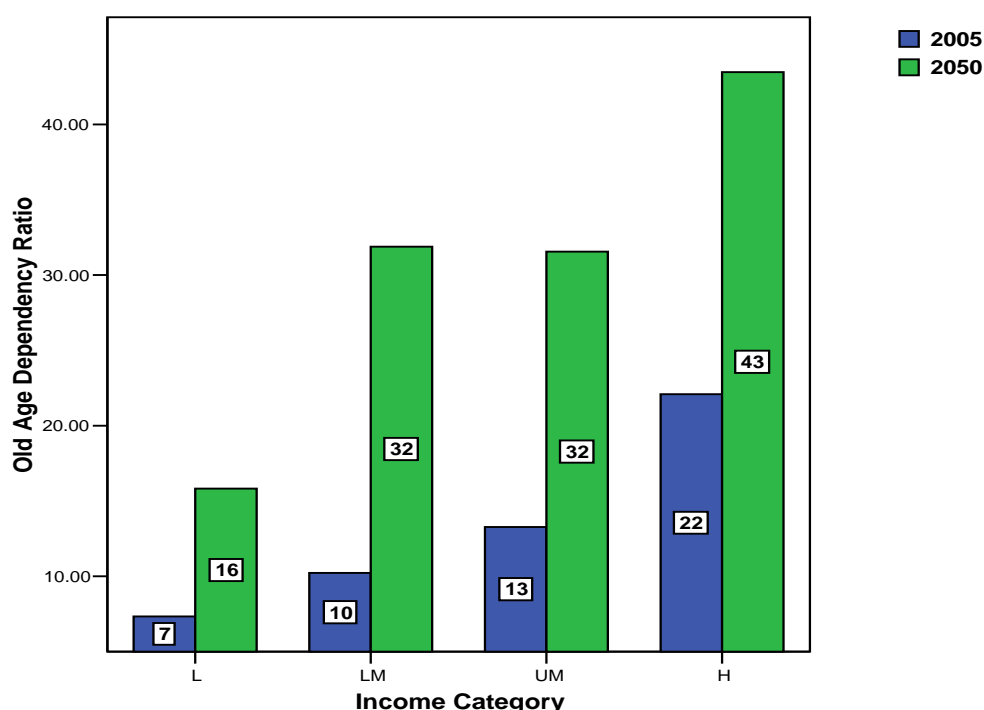
Source: DESA calculations, based on data from UN Pop. Division

On the other hand, rising longevity means that old age dependency ratios are projected to increase precipitously for countries at all income levels, at least doubling or even tripling from 2005 to 2050 as illustrated in Figure IV-2. The increase will be most dramatic among the lower-middle and upper-middle income countries which are undergoing a process of rapid population ageing. As a reflection of the changing population structures underway in countries of Eastern Europe and in China, lower-middle income countries are projected to experience the greatest increase in their old age dependency ratios, soaring from 10.2 persons aged 65 and over per 100 working age persons in 2005 to more than three times that many, or 31.9, by 2050. Their modest economic status means that these countries will have little time and limited resources to adjust to

these momentous changes. Low income countries will be somewhat better off, however, as their old age dependency ratios are projected to more than double during this time period, from 7.3 to 15.8 by 2050. Interestingly enough, high income countries will fair comparatively favourably to countries in lower income categories, as their old age dependency ratios are expected to fall just short of doubling, rising from the current rate of 22.1 to 43.5 by 2050.

It is also quite remarkable to note that by 2050, old age dependency ratios are projected to exceed child dependency ratios in countries of every income category except those of the lowest income countries. This will be major a turn about from existing conditions, as child dependency ratios exceeded old age dependency ratios among countries of all income groupings in 2005. High income countries will experience the greatest shift, as their old age dependency ratios will be more than one a half times that of their child dependency ratios by 2050 – 43 as compared to 27.

Figure IV-2: Old Age Dependency ratios will rise for all countries



Source: DESA calculations, based on data from UN Pop. Division

Although useful for analytical purposes, dependency ratios have their limitations, as they fail to give an accurate picture of the ratio of people working and contributing to a country's economy compared to those who are dependent on those workers. There are, obviously, people within the 15 to 64 age group who are not participants in the labour force, just as there are people aged 65 and over who continue to work. To account for these factors, it is helpful to compare the ratio of those actually in the labour force, both those of active working age (15 to 64) as well those aged 65 and over, to children under age 15 and those 65 or more who are not in the labour force.

Particularly for countries that have pension schemes, this gives a better reflection of the ratio of non-active retirees to the working population.

Table IV-4: Traditional dependency ratios vs. labour force dependency ratios, 2005

REGION	TDR (Pop 0-14 and 65+ to Pop 15-64)	TDR65NLF (0-14 & 65+ NLF to LF 15+)	CDR (Pop 0-14 to Pop 15-64)	CDRLF15+ (Pop 0-14 to LF 15+)	ADR (Pop 65+ to Pop 15-64)	ADRNL65 (Pop 65+ NLF to LF 15+)
Africa	81.35	108.3	75.19	103.22	6.16	5.1
Asia	52.00	67.8	42.95	58.55	9.05	9.3
Developed	49.07	62.9	25.92	34.73	23.15	28.2
Econ in Trans	45.40	61.7	27.05	38.31	18.35	23.4
Lat & Carib	56.40	75.4	46.85	65.34	9.55	10.1
Oceania	70.58	91.9	65.58	88.08	4.99	3.9
TOTAL	55.11	72.2	43.69	59.68	11.41	12.5
INCOME GRP						
Low	68.80	95.7	61.46	88.74	7.34	6.9
Low-Middle	46.97	57.9	36.74	47.43	10.23	10.5
Upper-Middle	50.29	72.5	37.01	55.16	13.28	17.4
High	49.24	63.1	27.15	36.47	22.09	26.6
TOTAL	55.11	72.2	43.69	59.68	11.41	12.5

Source: DESA calculations based on data from UN Population Div. and ILO KILM

Table IV-4 looks at dependency ratios in a different way so as to take into account labour force participation rates, particularly for those 65 and over, on the rate of dependency. Factoring in the labour force participation rate of all those aged 15 and over, rather than merely looking at the number of people aged 15 to 64, gives perhaps a more accurate indication of the true proportion of people participating in the labour force and supporting those who are either too young or too old to work.

When comparing the traditional dependency ratios with the labour force dependency ratios, several interesting findings emerge. With regard to both total and child dependency ratios, factoring in the labour force participation rate has the effect of raising these dependency ratios across the board, for countries in all regions and all economic groupings. As for old age dependency ratios, however, the impact of labour force participation rates varies by region. In Africa and Oceania, the old age dependency ratio declines when taking labour force participation rates into account. This corresponds with the relatively high labour force participation rates of those aged 65 and over. By contrast, for developed countries and economies in transition, which have low rates of labour force participation for older persons, the old age dependency ratio increases by about 5 persons per 100 when labour force participation rates are considered.

As will be discussed in Chapters V and VI, the socioeconomic impact of the growing old age dependency ratio could be substantial, especially for traditional retirement systems in which active workers pay for the benefits of current retirees. Yet developing countries are less likely to suffer from the strain of rising old age dependency ratios, since overall dependency ratios are

projected to drop. In fact, these declining dependency ratios present an opportunity for low income countries to improve the level of social services. With the labour force growing in proportion to the number of dependent children and non-active older persons, the time could be ripe for introducing or expanding social protection programmes for older persons.

B. 2. Many faces of retirement

The notion of retirement is changing, particularly within different cultural contexts. Slowly the stigma attached to the word is abating. Rather than considering retirement as the ending of a person's active working life, or the point of exclusion from the workplace or even the wider community, it can now signify the beginning of a new productive stage, one which combines periods of paid work, leisure and volunteering.

Retirement ages

In many cases, retirement ages were established early in the last century, when life expectancy was considerably lower than it is today. Britain set its retirement age of 65 for men in 1925, Germany set the same age 65 in 1916, and the United States established 65 as its retirement age in 1935. In fact, Bismarck first introduced state pensions in the 1880s for those aged 70, which at the time was 20 years over the typical life span (*The Economist*, 2006a).

In the past, people were not expected to live many years beyond retirement, if they even lived long enough to collect a pension in the first place. Now it is increasingly common for people to live 20 years or more after retiring. As is evident in the following table, the average length of retirement throughout the world has increased greatly over the years.

<u>Year</u>	<u>Avg. years of retirement</u>
1900	1 year
1980	13 years
1990	19 years

Source: HSBC, The Future of Retirement, survey of 10 countries, 2005.

Obviously, retirement systems that were established nearly a century ago are not sustainable in the current period of increasing longevity. One alternative is to raise the existing retirement ages to bring them more in line with higher life expectancies. The British Pensions Commission, for example, has proposed raising the state pension age one year per decade beginning in 2020, so that it would reach 68 by 2050. Other European governments are proposing similar measures. The United States has already taken measures to gradually raise the age at which workers are eligible for full Social Security benefits from 65 to 67 for those born after 1960, meaning that by 2027 the retirement age will be 67. But some argue that such changes amount to no more than tinkering at the edges of systems that are largely outdated and were designed for a period of much lower life expectancies. In addition, the universal application of higher retirement ages does not take into consideration the varying degree to which jobs require physically demanding labour, which may put considerable strain on people as they age (Moore, 2006).

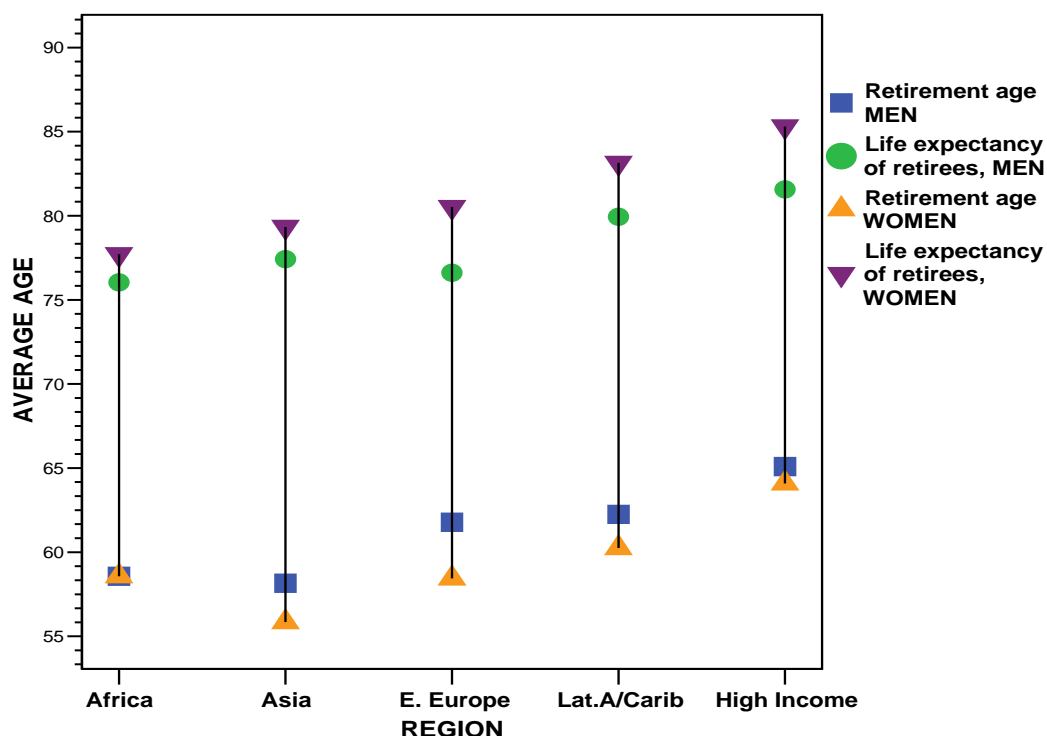
Using a database compiled by the AARP on statutory retirement ages for men and women from 64 countries, along with life expectancy estimates at the statutory retirement age from the United Nations, it is possible to project the number of years people are likely to spend in retirement (AARP, 2006). Although not everyone retires at the age for which they become eligible for a full state pension – some retire earlier while others continue working – this is nonetheless a reasonable proxy for an average retirement age. Figure IV-3 and Table IV-5 present a regional breakdown of the gap between average retirement ages and life expectancy of a retiree.

Given that more than one-third of the 64 countries in the database are from high income countries in North America, Oceania and Western Europe, the remaining regional breakdowns may be somewhat skewed due to the relatively small sample size of countries. Nonetheless, it is still possible to provide an snapshot of regional experiences with retirement duration.

Although Africa has the lowest projected life expectancy for men reaching retirement age (76.0 years), it is men in Eastern Europe who can expect to enjoy the fewest years in retirement (14.6 years), owing to comparatively higher statutory retirement ages (62 compared to 59). On the other hand, men in high income countries may reach the highest life expectancy upon retirement (81.6 years), but their counterparts in Asia are projected to spend the most years in retirement (19.4 versus 16.6 years). In fact, due to their comparatively higher average retirement ages, men in high income countries can expect to spend fewer years in retirement than men from every other region except Eastern Europe.

The statutory retirement age for women is lower than that for men in every region except Africa, where it stands at age 59 for both sexes. Given that women live longer than men, this also means that women from every region can expect to spend considerably more years in retirement than men. The difference is most striking in Eastern Europe, where the combination of lower retirement ages and longer life expectancies mean that women spend an average of eight years more in retirement than men. Women from Asia, however, are projected to enjoy the longest period of retirement (23.3 years), while those from African the shortest period (18.7 years).

Figure IV-3: Projected life expectancy for retirees, by region and sex



Source: DESA calculations derived from AARP and UN databases

Table IV-5. Average retirement age and life expectancy for retirees, 2005

REGION	# of Countries	Retire age M	Life Exp. Retiree M	Avg. yrs. Retire M	Retire age W	Life Exp. Retiree W	Avg. yrs. Retire W
Africa	7	59	76.0	17.0	59	77.7	18.7
Asia	13	58	77.4	19.4	56	79.3	23.3
E. Europe	9	62	76.6	14.6	58	80.5	22.5
Lat.A/Carib.	12	62	79.9	17.9	60	83.2	23.2
High Income	23	65	81.6	16.6	64	85.3	21.3

Source: DESA calculations based on AARP and UN databases

It is important to reiterate, however, that there is frequently a gap between the statutory retirement age and the age at which people actually retire. The fact is that many people leave the workforce well before the official retirement age, meaning that the effective retirement age is lower than the state pension age. This is particularly true in developed countries and economies in transition, the average years of retirement are likely to be several years more than projected in Table IV-5. On the contrary, many people from developing countries continue working long after reaching the statutory retirement age.

Changes to retirement ages

The general ageing of the population, particularly in developed countries, has brought into question the efficacy of existing retirement ages. Declining birth rates means that there will be fewer young people entering the workforce in coming years. Although this should ease the pressure on high youth unemployment and underemployment rates, it also means that there will be fewer people to replace those entering retirement. Furthermore, the mass exit of older workers is bound to leave a critical knowledge and skill gap.

Driven by economic competition, labour supply and demographic developments, public policy makers and employers alike have begun focusing on ways to increase the labour force participation of older workers. Among the strategies being considered are, for example, changes to statutory retirement ages, changes to pension laws, new regulations to combat age discrimination at work, efforts to raise the effective retirement age, or financial incentives to reintegrate older unemployed workers.

Increasing statutory retirement ages

In recognition of the steady increase in life expectancy over past decades, some countries are gradually beginning to raise the age at which a person becomes eligible for retirement benefits. The median pensionable age in 2002 for women in 23 high-income OECD countries was 60. By 2035, however, based on legislation in effect in 2004, the median pensionable age will rise to 65. Overall, 15 of the 23 countries of the traditional high-income OECD will have a social security pensionable age of 65 or higher for men and 14 countries will have pensionable ages of 65 or higher for women by the year 2035 (Turner, 2005). Although these changes may appear incremental, they are remarkable considering the historical pattern of long periods – nearly a century in some cases – where there was little or no change in the pension age despite marked increases in longevity rates.

A handful of countries have even taken steps to bring their statutory retirement ages above age 65, long considered the maximum age for retirement. The government of Denmark, for instance, presented a proposal 4 April 2006 to raise the country's retirement age by two years, to 67, as well as raise the age at which people could retire with a limited pension from 60 to 63 (Moore, 2006). The United States has also instituted a tiered increase in the state retirement age, nearing age 70 by the middle of the century. Given that the prospect of retirement and anticipated years of leisure holds a strong allure for many people, the push to raise retirement ages remains politically unpopular in most instances.

The government of Japan has taken a different approach, enacting legislation to reconcile corporate and state retirement ages. Some 90 per cent of companies in Japan with 30 or more employees have a mandatory retirement age, most of which are age 60, the legal minimum. Yet eligibility for the fixed part of the state's pension benefit has recently been increased to 62, and will continue to rise to 65 by 2013. Eligibility for the earnings related part of the state's pension plan remains at 60, but beginning in 2013 until 2025 it will gradually rise to 65. To bring the corporate practices in line, a law effective in April 2006 requires companies to raise their minimum mandatory retirement age to 65 by 2013 (*The Economist*, 2006b).

Eliminate mandatory retirement ages

In a discussion about retirement, it is important to recognize that many countries still have mandatory retirement ages in place. Legislation dictates that older persons must to exit the paid labour force upon reaching a prescribed age, usually 60 or 65. The mandatory retirement age may or may not be uniform for all workers. For example, in most of the countries in the ESCAW region the legal age of retirement is 60, although there are exceptions. The retirement age for judges in Egypt, for instance, can be extended to 68 if necessary (El-Safty, 2006). Australia, New Zealand and the United States are among the few countries that have done away with mandatory retirement ages for most occupations.

In the past, mandatory retirement ages were seen as necessary in order to make room for new, young workforce entrants. Now that the youth population is shrinking in many developed countries, the rationale for forcing older persons to retire in order to free up jobs for younger workers is waning. The argument that mandatory retirement ages are necessary in order to reduce unemployment is also questionable, particularly in light of the persistently low unemployment rates in the United States despite being one of the few countries to have eliminated mandatory retirement.

It is also important to bear in mind that eliminating mandatory retirement ages, as called for in MIPAA, does not mean that older persons are expected or even encouraged to work. It simply means that they should be afforded the freedom to continue working upon reaching retirement age if they so choose.

Discourage early retirement

Although few countries have taken action to eliminate mandatory retirement ages, considerable policy attention has been given recently to reducing the practice of early retirement. Whereas in the past there was a tendency to encourage older workers to exit the labour force through early retirement in order to make room for the large influx of younger workforce entrants, this trend is now shifting. Particularly in developed countries, concerns over pension liabilities, mounting old age dependency ratios, impending skills gaps and potential labour force shortages have resulted in a call to extend the number of working years.

During the 1980s and 1990s, many employers resorted to the use of early retirement schemes as a more benign way to handle the restructuring or downsizing of their workforces. Those over age 50 were typically offered cash or benefit incentives if they voluntarily retired from their jobs. The problem with this approach, however, was that some of the most skilled and experienced workers exited the workforce prematurely. Moreover, employers ended up solving a short-term problem by creating a long-term liability in their pension plans, a matter that has become more pronounced as longevity rates continue to climb. Given current longevity projections, a woman from Western Europe who retired early at age 50 could expect to live and draw a pension for an average of 34 years⁴ – most likely amounting to more years than she had been employed.

The European region, which has been heavily impacted by the ageing of the workforce, is particularly focused on reversing the trend towards early retirement. The average labour force

participation rate for men aged 55 to 64 in Europe was just 53 per cent in 2005, well below the global average of 74 per cent. Policy makers are considering various initiatives to encourage workers to remain in the labour force so that the effective retirement age is brought more closely in line with the statutory retirement age (which is 65 years of age in many European countries). To this end, the Lisbon Strategy for growth and employment, adopted by the European Council in March 2000, aims to increase the average age at which workers retire from the labour force by five years by the year 2010. Education and skill acquisition by older workers, discussed in the following section of this chapter, are recognized as central to preventing early retirement by the EU.

At the enterprise level, a number of companies in Europe have initiated “age management” policies in order to sustain and enhance the productivity of older workers. The aim is to foster the integration of older workers into the labour market, improve their quality of work life, and enhance their competitiveness in the labour market. Good practices in age management provide an environment in which the potential of older workers is used according to their competencies and experience. This typically involves specific human resource measures intended to combat discrimination and promote age diversity. However, more integrated and comprehensive human resource policies geared towards actively managing the ageing workforce are not yet prevalent in Europe. Companies remain resistant to implement them unless they see clearly identified business needs to do so (EFILWC, 2006a).

Working beyond retirement age

The Conference Board, a US association of businesspeople, stated in a 2005 report on the ageing workforce: “working in retirement, once considered an oxymoron, is the new reality” (Morton, 2005, p.2). The notion of mandatory retirement ages is ill-conceived in an era where societies are trying to make full use of their senior citizens. Instead, people should have the freedom to work for as long as they are willing and capable.

Many older people want to keep working for the intellectual stimulation that work provides, if not simply for the money. It is in the interest of companies to employ older workers in order to avert the mass departure of a skilled workforce, especially as the baby boomers begin to retire, creating a shortage of expertise. In some aerospace and defence companies, as much as 40 per cent of the workforce is eligible to retire within the next five years (*The Economist*, 2006c). Engineers appear to be in shortest supply, and some companies are retooling their work stations to make them more amenable to older workers.

People don’t have to stay at the same job; they just have to remain employable. Older workers can shift to different occupations or professions which better accommodate the changes in their physical strength and loss of cognitive abilities. Part-time work can also be encouraged among older workers. As will be discussed below, in order to keep older persons working longer employers need to continue to invest in their training and older workers need to invest in themselves and keep their expertise and skills up.

Older workers need to be flexible and willing to adapt as well. Usually, people earn more as they get older, as salaries often rise in relation to seniority and experience. To remain employable and

attractive to employers, older workers have to be willing to accept lower salaries and status than they had before they retired. Otherwise, employers may consider older persons too expensive to hire. A global recruitment agency noted that workers aged 50-65 in France and Germany earn, on average, 60-70 per cent more than those aged 25-30. In Britain, however, workers in these two age groups earn more or less the same, which could help to explain why the unemployment rate in 2003 for 55-64 year olds in Britain was 3.3 per cent, compared to 9.7 per cent for those in Germany (*The Economist*, 2006c).

Another approach would be to change compensation structures away from seniority to greater emphasis on merit. In so doing, older workers would not necessarily be more expensive to retain than younger workers. Such changes could be made in tandem with the elimination of mandatory retirement ages (*The Economist*, 2006b). A study by the U.S. Department of Labor found that older workers do earn less than younger workers, perhaps reflecting a change in their careers or the number of hours worked. The average annual earnings per worker were found to peak between the ages of 45 and 54 at \$39,156, and then they began to decline, falling to \$31,096 for workers 65 and older (Chao, 2006).

Impact of working on pensions

If people work longer, their pensions will be affected. Most often, the system works to penalize people if they continue to engage in paid work beyond retirement. In Britain, for example, people cannot receive a pension and a salary from the same employer. In the US, many companies will withhold pension benefits from a retired person if he or she is either rehired, or works for more than 40 hours per month (*The Economist*, 2006c). Furthermore, pension and social security schemes are usually designed in such a way as to discourage people from continue to work after reaching retirement age – such that working literally doesn't pay.

However, there are some examples of cases where countries have offered incentives to encourage people to continue working after reaching pension age. In Sweden and Switzerland, for instance, state and private pensions have been redesigned to encourage people to postpone retirement, and incidentally, both of these countries have relatively high labour participation rates for older workers. Swiss legislation enables people who stay at work for up to five years beyond the statutory retirement age to increase their state pension by up to 5,000 CHF when they eventually retire. This may shed some light onto why the labour force participation rate for 55-64 year olds in Switzerland is 60 per cent, compared to less than 30 per cent in Italy and Belgium (*The Economist*, 2006c).

It is to the benefit of governments, employers and older persons if people continue working beyond retirement age. Governments get the tax revenues from the salaries of older working persons, employers get a skilled and experienced workforce, and older persons get the money and intellectual stimulation that comes from working and being productive.

Laws which ban employment discrimination on the basis of age are not necessarily effective, because they can discourage employers from hiring older workers because they may find it difficult to ever get rid of them. The Age Discrimination in Employment Act in the United States requires all employees to receive the same benefits, including for health insurance, which tends

to be more expensive for older workers. Similar legislation will come out in Europe, following an EU directive outlawing age discrimination.

A variety of proposed solutions have been offered to circumvent an impending pension crisis. Among these, four proposals are most frequently cited. The first is to raise legal retirement age, which tends to be politically unpopular and needs to be phased in over time. The second is to make pension benefits more generous if people voluntarily continue working beyond retirement age. The third is to discourage early retirement and bring the effective retirement age more in line with the legal pension age. The fourth is to promote more individual retirement savings, although this can be quite difficult for people with low incomes.

Essentially, future retirees will have to work longer and save more. Rather than legally raising the retirement age, which could be politically difficult to enact, employers and governments can make work more attractive for older workers. Policies such as flexible working schedules, more part-time work, adaptive work environments to accommodate the physical constraints of older workers.

Blended retirement

Extending the years that older persons remain in the work force can produce both social as well as economic benefits, both for the individual worker as well as for society in general. From an economic standpoint, longer working years increases their ability to save for retirement, and enables them to contribute for longer periods of time to public pension and health care schemes. From a social standpoint, continued engagement in the labour force helps to improve the image of older persons as vital contributors and can facilitate the social integration of older persons by maintaining collegial ties and preventing feelings of social isolation.

A study by HSBC bank of people's attitudes towards retirement in 10 countries found that many older persons reject the notion of a mandatory retirement age and instead of adhering to a traditional view of retirement, people want to live a blended lifestyle, combining periods of work, leisure and study (HSBC, 2005). These notions were reinforced by the findings from another study, this conducted in 2003 by AARP, an advocacy group for older Americans. According to the survey of American workers between the ages of 50 and 70, 68 per cent indicated that they planned to continue working after the traditional retirement age. Although the median age for retirement in the 1990s was approximately 62, three-fourths of the survey respondents expected to continue working at least until age 65, when becoming fully eligible for government social security benefits. The most popular reasons cited for continuing to work included a desire to stay mentally and physically active, as well as the need to remain productive and maintain income and health benefits (AARP, 2003).

Although continued workforce participation can be extremely positive for older persons, full-time employment is often viewed as neither desirable nor appropriate. Alternatively, the notion of a "blended" retirement, where people combine periods of work, leisure and volunteering, is gaining acceptance. An important part of this strategy includes increasing opportunities for part-time and flexible work, such as job sharing. Older persons may not want to continue working at a regular full time job, nor may they be able to handle the physical demands of full-time work.

Part-time, temporary and seasonal employment provides a welcome alternative, as such flexible arrangements enable older persons to work as much or as little as they wish. They are able to stay active and engaged in the workforce, without the constraints and obligations associated with full-time work. Flexible employment opportunities provide an effective way to foster productive ageing.

The European Union has experimented with phased retirement schemes, where upon reaching a certain age workers can gradually reduce the number of hours they work per week in anticipation of retirement. The reduced working hours takes into consideration any health problems which may reduce productivity, as well as older persons' desires for more leisure time and to gradually prepare themselves for retirement. Phased retirement enables older workers to remain longer in the workforce, but to have less pressure from work and more leisure time, even though they would earn a lower salary – although this is offset in some countries by social transfer benefits.

According to a survey by the European Foundation, about 37 per cent of establishments with 10 or more employees offer phased retirement schemes (EFILWC, 2006a). The sectors most likely to offer phased retirement are as follows: education (54 per cent), health and social work (59 per cent), and financial intermediation sub-sectors (47 per cent). Those sectors least likely to offer it were in industry (28 per cent). Public sector establishments are more inclined to offer phased retirement (47 per cent) than those in the private sector (33 per cent), as are larger establishments. The Netherlands, Belgium and the UK were more likely to offer the schemes than southern European countries. These countries also have a stronger tradition of part-time work, and more generous salaries and pension schemes which permit a decent standard of living on a part-time basis.

The same survey asked about early retirement programmes. The sectors that tended to offer phased retirement were also those that offered early retirement – education, health and social work, and financial intermediation. Large establishments were also more likely to offer early retirement than small establishments. These schemes were also more common in establishments with a high proportion of skilled employees than in establishments with no or few skilled workers, implying that employers would prefer having older workers retire than invest in their continued training and skills upgrading (EFILWC, 2006a). Different results were found in Eastern Europe. Rather than being offered by the discretion of the employer, early retirement schemes in these countries are typically offered as an obligatory scheme backed by labour law.

Quality and security of retirement

With people living increasing longer lives, the social impacts of retirement are also important considerations. The number of “old old”, i.e. those aged 80 or over, is growing rapidly, meaning that people could spend 20 to 30 years in retirement. The workplace is frequently a place of social interaction, and once people retire, they could be vulnerable to social exclusion. It is essential, therefore, that older persons continue to be actively engaged in their communities after they retire.

Volunteer work can provide an important social outlet for older persons. However, the notion of volunteering is mostly limited to the relatively well-off who can afford to work for no pay. As

described above, many older persons in developing countries must continue working in the paid labour force because they do not have pensions or other forms of income to provide their support. For others, they become increasingly dependent on their families for financial, social and emotional care and support.

Role of family

As many developing countries lack universal pension coverage, older persons typically have to rely on family members to provide them with care and support. But as the number of older persons grows in proportion to the number of younger people, the future well-being of older generations comes into question. There is already a preponderance of working poor, with nearly half of the world's workers not earning enough to bring themselves and their families above the \$2 per day poverty threshold. If workers are expected to support more people – both children and older persons – their earnings will have to be stretched even further, increasing the likelihood that they and their families will remain trapped in poverty. Moreover, as discussed in Chapter III, changing family structures and cultural mores have begun to transform the practice of families taking responsibility for their elders. In China, for example, the People's Congress passed a law in 1996 requiring children to support their elderly parents, a law which had not been considered necessary before.

Nonetheless, there remains a strong cultural dimension to the notion of older persons' dependency on their family for support, as reflected in the responses to the HBSC study on the future of retirement in 10 countries found in Table IV-6. Half of older respondents from Hong Kong, Mexico and Japan expect their families to support them in retirement or to care for them if they become ill in old age. Yet people in the West hold a very different view. Only 9 per cent of British people expect their families to pay most of the costs of their retirement, while about two-thirds of Indians believe so. In Brazil, China and France, countries which have a tradition of state pension being a social right, there is a strong belief that the government should bear most retirement costs. A majority of respondents from Canada, the UK and the US believe that they should bear the cost of their own retirement (HSBC, 2005).

Table IV-6. Responses to HBSC Survey

Country	Think family will bear most retirement costs (per cent of respondent age 60 +)	Expect to rely on children for care in old age
Brazil	36	94
China	13	98
Hong Kong	50	86
India	67	100
Japan	29	57
Mexico	52	97

Source: HSBC, The Future of Retirement, survey of 10 countries, 2005.

While the availability of financial support and caregiving are essential for enhancing the quality and security of one's retirement years, other considerations are important as well. Among these are ensuring that older persons have the possibility to upgrade their skills through access to education and training. Lifelong learning is a fundamental prerequisite for the continued, active and meaningful participation of older persons in the workplace, the community, society and even in their families. This is the subject of the final section of this chapter.

C. Access to knowledge, education and training

Introduction

The Madrid International Plan of Action on Ageing makes explicit reference to importance and value of lifelong learning. Specifically, it states that there should be equality of opportunity throughout life with respect to continuing education, training and retraining as well as vocational guidance and placement services. Furthermore, it mentions that there ought to be full utilization of the potential and expertise of persons of all ages, recognizing the benefits of increased experience with age. This includes recognizing and appreciating the value of intergenerational transmission of customs, knowledge and tradition.

Most cultures recognize the association between age and wisdom, and typically reserve positions of power and authority to those over a certain age. Therefore it is not surprising to find many respected judges in their 60s, 70s and even 80s, as well as Heads of State and Government, CEOs of major corporations, directors of international organizations, tribal leaders, and church leaders. But for the average person over the age of 60, there is often a struggle to ensure that they are afforded the possibility of upgrading their skills so that they can continue to make vital contributions, both at work and in their communities, as they age.

Lifelong learning

In the past there was a tendency to divide the life cycle into three distinct periods: learning, work, and retirement. Now the distinction between these three periods has blurred, particularly for older persons, as people may combine learning activities with retirement, or participate in training programmes as a means of extending their working years. Recent studies, conducted in countries worldwide, have also shown a strong correlation between added years of education and increased longevity and improved health in older ages (Lieras-Muney, 2007).

Many countries and regions have begun to recognize the importance of lifelong learning. Aside from the obvious benefits to maintaining marketable skills in the job market, lifelong learning brings a range of social benefits as well. Older persons who continue learning remain engaged in matters that interest them, have an opportunity to socialize with other students, and are able to stay abreast of technological changes, particularly those in the realm of information technology. Moreover, lifelong learning enables people to keep pace with new developments in health care, nutrition and caregiving, all of which can help to improve the quality of life.

Particularly in today's knowledge-based society, policies should be instituted to ensure equality of opportunity throughout a person's life to continuing education, training, retraining and vocational guidance. A commitment to lifelong learning is essential to ensure the productivity of both individuals and nations. Moreover, the widespread use of technology also necessitates ongoing education and training for older persons so that they don't face alienation and exclusion from these important aspects of the economy and society. Measures that enable older persons to have access to, take part in, and adjust to technological changes should therefore be taken, especially with regard to maintaining their vitality in the workplace and in their communities.

Despite the obvious advantages of lifelong learning to both older persons and society, opportunities to engage in ongoing learning opportunities remain relatively scarce in many countries. Throughout the Asian region, for example, the concept of lifelong learning has only taken hold in a handful of countries, such as Australia, China, Japan and New Zealand, where the notion of a university of the third age has gained wide acceptance (Leung, Lui, and Chi, 2005; Purdi and Boulton-Lewis, 2003). In many cases, appropriate funding is not available to pursue this objective, as policy makers fail to recognize the importance of investing in the education and skill development of people as they age.

The European Employment Strategy, for example, acknowledges that lifelong learning is an important precondition for a longer working life. Within the EU25, total participation in lifelong learning was 10.8 per cent, slightly higher for women than for men. However, participation tends to drop according to age, largely because most countries have not adequately included the needs of older workers in their strategies for lifelong learning (EFILWC, 2006b).

Lifelong learning also pertains to the education of young people, and can be an effective way to combat age discrimination. Several countries in the Asian region, among them China, Mongolia, Pakistan, the Philippines and Thailand have included issues related to older persons in society in the school curriculum (Cheng, Chan and Phillips, 2006).

Illiteracy

Older persons, especially older women and those residing in rural areas, are more likely to be illiterate than other parts of the population. Oftentimes they were not able to go to school when they were younger, owing to such things as economic or cultural barriers. In the ESCWA region, for example, the illiteracy rate is high among older women because "they were not exposed to educational opportunities at a time when tradition was more in control of their lives, leading to their seclusion, hence denying them the right to education" (El-Safty, 2006, p.22).

It is important to recognize that lack of educational opportunities for youth have spill over effects that continue to have an impact throughout a person's lifetime. A person who never learned how to read and write was more likely to end up with a low-skill, low-wage job, probably in the informal economy, which failed to provide social security and health care benefits. The lack of appropriate health care and retirement income would increase the likelihood of a person suffering from ill health and poverty in old age.

Low educational levels and illiteracy of older persons also means that they have added constraints on their ability to participate fully in their communities. Moreover, illiterate older persons are frequently unaware of their rights and benefits, including their entitlement to social security benefits. A 2002 Survey of Elderly in Thailand, for example, indicated that only 50 per cent of those aged 60 or over were even aware of social security for older persons, and as few as 5 per cent actually received these benefits (Cheng, Chan and Phillips, 2006). Education and literacy, therefore, are important elements of empowering older persons and ensuring that they receive the benefits allotted them.

On the other hand, studies in Europe have found that employment levels for older persons with a higher education is typically much greater than that for those who have only a primary level education (ILO, 2003). A possible explanation is that jobs for those with higher levels of education tend to be more sustainable, both physically and economically.

Training opportunities

The importance of providing effective and adequate vocational guidance and training for older workers is reflected in the Human Resources Development Recommendation of the ILO, adopted June 1975. The recommendation acknowledges that training for particular groups of the population such as older workers can enhance equality in employment and improve integration into society and the economy (ILO, 1975). Despite the advantages that training offers to older workers, opportunities for them to engage in training remain limited.

A study of the situation in Europe showed that although access to training for workers has increased from 1995 to 2005, training opportunities provided by employers for older workers are infrequent. According to a survey by the European Foundation for the Improvement of Living and Working Conditions “only one in five of those aged 55 and over report having received training paid for or provided by their employer in the previous twelve months (compared to 27 per cent of all workers). For other categories of training, such as on-the-job training, older workers also fare worse than their younger counterparts.”(EFILWC, 2006a, p.6)

It is also telling that a survey of early retirement schemes in Europe showed that they were more common in establishments with a high proportion of skilled employees than in establishments with no or few skilled workers. This gives some indication that employers would rather have older workers retire than invest in their continued training and skills upgrading (OECD, 2006).

Older workers are also less likely to use new technologies at work, such as computers and internet, than younger workers. However, the difference has been declining since 1995, indicating that growing numbers of older workers are now using technology on the job. In some of the Gulf States, for example, older workers are offered opportunities for education and training through special programmes in such things as computer skills, with an aim of preparing them for productive work (ESCWA, 2006).

The tendency remains, however, for older workers to be relegated to unskilled or semi-skilled jobs if they wish to remain working, owing largely to a perception that their skills are outdated, especially those related to information technology (Chan, Phillips, and Fong, 2003). But given

current and projected changes in employment patterns in many countries, there must be opportunities granted to older persons and those currently in middle age to upgrade their skills so that they will remain competitive in the labour market.

Enabling older persons to continually upgrade their skills is also an important way to combat age discrimination and negative images of ageing. Whether a person continues to work or shifts to volunteering, up-to-date skills are a valuable asset. Lifelong learning, therefore, is an essential component of active, productive ageing.

Good practice examples

As mentioned in the previous section of this chapter, a number of companies in Europe have established age management policies to deal with their ageing workforces. A good practice example can be found in Austria, where the global steel company, Voestalpine adopted a programme to respond to the challenge of its ageing workforce. The programme, known as LIFE (Light-hearted, Innovative, Fit, Efficient) aims to retain older workers; integrate new workers; promote the transfer of “know how” from one generation of workers to the next; and improve safety through better ergonomics. Training is also an important part of the programme, and every employee is granted at least 33 hours per year to spend on projects and training. More than four of five workers availed themselves of the training in 2004, and the CEO hails LIFE as the company’s most important HR programme (EFILWC, 2006a).

Universities for the elderly

IMSERSO in Spain has been a leader in supporting training initiatives for older persons at University, having done so for over two decades. Following this initiative, about 60 universities in Spain currently offer training opportunities for older persons. These can range from including older persons in standard classes and courses, preparing educational cycles for them or including in conferences on issues of interest to them. All programmes are self-funded by the universities, while IMSERSO provides technical support. Many university professors that provide courses for the elderly attend congresses which aim at coordinating and selecting issues that are of most interest to older persons. This also enables them to exchange experiences and to pursue a more streamlined system at the level of the Ministry of Education, and to acknowledge the effort that is being made by older persons. There has also been an intergenerational aspect to these university programmes, as in some cases university students have shared homes with older persons near campus (IMSERSO, 2006).

In Switzerland, older persons are able to enrol for free in university courses. This provides young and old alike the ability to interact in an intellectual setting, and it also helps keep the minds of older persons active and acute.

Question of resistance to training from older persons

Older persons themselves can be resistant to training opportunities, especially if they have been employed in the same industry, doing the same job for many years. This may stem from a fear of having to learn something new. Men in particular tend to be most resistant to learning new skills.

In the case of dislocated workers, there had been a tendency to offer those over age 50 or 55 early retirement rather than retraining opportunities. Early retirement was seen as a more benign way to deal with downsizings or restructuring. But the combination of increasing longevity, mounting pension liabilities, and growing skills shortages has discouraged these practices and retraining programmes are growing in prominence.

There is also a growing body of evidence which shows that older persons welcome opportunities for learning. For example, a survey of older persons in Hong Kong found that aside from health, leisure, material enjoyment and connectedness with others, older persons strongly desire continuous learning and using their skills and knowledge to contribute to society and support the younger generation (Cheng, Chan and Phillips, 2006).

Value of knowledge being passed on from one generation to the next

As the population ages, and the number of years separating the young from the old continues to expand, added attention should be paid to strengthening solidarity through equity and reciprocity between generations as called for in the Madrid Plan of Action. Too often, younger and older generations are at odds, with each group competing for government resources and policy attention. Rather than stressing the differences between the ages, greater effort should be made to highlighting their synergies and interdependence. There is also much that the young and the old can learn from one another, which is why the Secretary-General defined a “society for all ages” as one that would “enable the generations to invest in one another and share in the fruits of that investment, guided by the twin principles of reciprocity and equity.” (United Nations, 1995, p.8)

The value of passing knowledge from one generation to another is clearly recognized in certain cultures, and most especially among indigenous communities. Ancient cultural norms, beliefs and customs are often kept alive through an informal system of intergenerational transmission, adapted to the local culture and environment. Traditional knowledge is typically passed on orally, and can take the form of stories, songs, artistic impressions, cultural events, rituals, languages and agricultural practices (UN-DESA, 2005).

Recognizing the value of traditional knowledge, UNESCO launched the Local and Indigenous Knowledge Systems (LINKS) project in 2002 to empower local and indigenous peoples in biodiversity governance by fully recognizing their unique knowledge, know-how and practices (UNESCO, 2005). The project incorporates both field-based actions as well as efforts to promote dialogue between indigenous knowledge holders, scientists and the public. One such field project is the Bosawas Biosphere Reserve in Nicaragua, where the Mayangna people have requested that their vast traditional knowledge be incorporated into an “encyclopedia of nature”. The aim is to create a sustainable means to educate their children as well as affirm their status as effective managers of their lands and resources. This speaks to an overriding goal of the LINKS project which is to strengthen ties between elders and youth as a means of reinforcing the transmission of indigenous knowledge and know-how. To provide greater appeal to youth, new information and communication technologies such as multimedia CD-ROMs are used as a vehicle for conveying traditional knowledge in an up-to-date, modern way.

In the workplace, employers should recognize the value of having older workers pass on their experience and skills through providing training to younger and newer employees. A workplace with a diverse age distribution has the potential to create a stimulating environment in which younger and older workers alike can share their skills, knowledge and experience. The value and respect attributed to these kinds of intergenerational transmission of knowledge represents an important dimension of active ageing.

Conclusion

Ageing should be viewed as part of the life course, and not as a condition apart from the rest of society. Older persons can be caretakers, as well as need to be cared for. They can be recipients of benefits such as pensions and health care, as well as key contributors to the economy, performing valuable services, both paid and unpaid, and as major consumers. The volunteer, community and care work performed by older persons should also be recognized and valued, even if they do not receive monetary compensation for these services. Retirement from the workforce should not be equated with an end to one's productive life, but rather the start of new possibilities and opportunities.

Further recognition and respect should also be granted for the authority, wisdom, productivity and contributions that older persons make to their local communities and to society at large, even if they are no longer participating in the labour force. The knowledge and long years of experience that older persons bring to bear can help to provide direction, guidance, perspective and balance in the development process. At the same time, the active participation and engagement of older persons in the social, economic and political aspects of their lives can ensure a more vital, healthy and meaningful ageing process.

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Notes

¹ For more information about the international NGOs working on ageing issues mentioned here, see the following websites: <http://www.ifa-fiv.org/en/accueil.aspx>; http://www.fiapa.org/senior_citizens_federation/index_eng.php; <http://www.eurag-europe.org/epresent.htm>

² These and subsequent figures on labour force participation rates are derived from calculations by the Department of Economic and Social Affairs based on ILO, *Key Indicators of the Labour Market*, 4th edition (2005) and United Nations, *World Population Prospects: The 2004 Revision*, 2005.

³ Income categories are based on the World Bank Analytical Classifications, GNI per capita in US\$ (Atlas methodology). Calendar year 2004. Low income: <825; Lower-middle income: 826 – 3,255; Upper-middle income: 3,256 – 10,056; High income: >10,065.

⁴ Based on average longevity rates in Western Europe, UN Population Division, *World Population Prospects: The 2004 Revision*.