



International
Labour
Organization

"Promoting Decent Work for an Ageing Population: Actors, Partners and Corporate Social Responsibility"

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**InFocus Programme on Skills, Knowledge and Employability
Employment Sector**

“To ensure that the values of this World Assembly on Ageing are fully taken into account we must rid ourselves of the subjective stigma attached to the word *retirement*. In a way that is both revealing and unjust, this term links the moment at which an individual acquires the right to a pension with final exclusion from the life of his or her enterprise, community, society, or even family.”

Juan Somavia, ILO Director-General, Second World Assembly on Ageing, Madrid, 8-12 April 2002

Introduction

We are currently in the midst of a demographic revolution as the world’s population grows older at an ever accelerating pace. The aim of this paper is to stress the vast potential that older people represent for both economies and societies; to present some key issues for managing an ageing workforce; and to highlight the role that different actors and partners can play.

In particular, the first part of this paper reviews some global demographic trends, and presents ageing as a multi-generational and society wide phenomenon. It discusses the role of employment creation in meeting the challenge of ageing, and reviews some of the measures that should accompany the prolongation of working life. The second part of the paper discusses key actors and partners involved in developing and implementing policies for managing an ageing workforce. Special emphasis is placed on the role of enterprises, as well as on the benefits of an age-diverse workforce to both business and society as a whole.

Demographic Trends

In the last 50 years, global life expectancy of women has increased from 48 to 67 years and of men from 45 to 63 years. Globally, between now and 2050, the number of people aged 60 and over will globally rise from about 600 million to 2 billion. For the first time in history, in less than fifty years from now there will be more people in the world over 60 than under 15. Ageing trends vary between countries and regions. Developing countries still have a relatively young population while populations in industrialized countries are relatively old. However the speed at which populations in developing countries are ageing is faster than in industrialized ones. Over the next fifty years the older population in the developing world is expected to multiply by four.¹ Data on ageing trends is included in the Annex.

Longevity is one of the most positive, crucial and relevant demographic phenomena ever in both the history and the future of humankind. Ageing trends are inverting the traditional pyramid in which there are many youths and few elders. We are in the midst of a “silent revolution”² which extends well beyond demographics. The ageing of populations and the new intergenerational relationships that it brings about are radically changing the human landscape of our societies.

¹ *World Population Prospects, The 2000 Revision, Volume II: The Sex and Age Distribution of Populations*, United Nations, New York, 2001. and Opening Statement from the Secretary-General, Kofi Annan, at the Second World Assembly on Ageing, Madrid, Spain 8-12 April 2002. www.un.org/ageing/coverage/pr/socm3.htm

² Message from the Secretary-General Kofi Annan, launching the International Year of Older Persons, 1999.

A fundamental objective is to build a society fit for all people of all ages. A society for all ages³ is first and foremost multigenerational. It is not fragmented with children, young people, adults and older people going in all different directions. Rather it is age inclusive with different generations living together and recognizing their common interests. Individuals begin their ageing process at the moment of birth and go through the life course accumulating a range of experiences that may positively or negatively affect their capabilities and wellbeing in later years. A clear priority for ageing policies are the younger generations who may have to renew their roles several times in fast changing societies. Unemployment in early life may permanently impair young people's employability, demoralize them and undermine social cohesion. Youth employment is both an integral part of the Millennium Declaration and a key contribution to meeting other Millennium Development Goals including those relating to poverty reduction. In order to meet the youth employment challenge, the ILO Director-General has joined the UN Secretary-General and the World Bank President in forming a High-Level Panel on Youth Employment. As stated in the UN Secretary-General's Millennium Report, the network draws on the most creative leaders in private industry, economic policy and civil society (including youth leaders) to explore imaginative approaches to promote youth employment.

We have now the opportunity to bring together the varied skills and expectations of all ages in mutually benefiting ways. In the past, old-age policies were designed with a youthful society in mind. From now onwards we should be looking towards "generationally aware" policies.⁴ All and all, we are facing a new challenge which requires an urgent awareness and imaginative action in the economic, political, social, cultural spheres as well as within nations, communities and families.

Gender issues

Women make up the majority of the over 60 population in many countries. A large part of the economic contribution of women specially in low income countries is through household and informal economy activity which means that they benefit less from pension schemes. Social security schemes including minimum pensions and/or weighted benefit formulae are particularly relevant to women workers whose entitlements can otherwise be very low due to low pay and/or to part-time jobs often interrupted by family responsibilities and unemployment.

Poverty in old age has a strong gender dimension. Life expectancy for women is higher than for men. Therefore, women might stay in poverty longer at the end of their lives. In some countries, widows are often denied access to or control over resources and women's inheritance rights are poorly established in many societies. The husband's resources, including house, land equipment and money may be distributed among other family members. The increasing number of widows over the next century will challenge societies in not only

³ The concept of a "society for all ages" is rooted in the Programme of Action adopted at the World Summit for Social Development in Copenhagen in 1995.

⁴ A. Walker: *Intergenerational solidarity, the foundation of a society for all ages*, Paper presented at the UNFPA (UN Population Fund) Expert Group Meeting on Population Ageing and Development, Valletta, Malta, October 2001, and *The world ageing situation: Exploring a society for all ages*, Economic and Social Affairs, United Nations, New York, 2001.

providing the necessary and immediately required support but also in providing them with opportunities to become more self-supportive⁵.

For older women, socio-cultural factors play a significant role in determining when a woman worker is considered "old". Older women may also experience double discrimination in the form of sexist and ageist stereotypes. Evidence suggests that women working in certain countries, are especially vulnerable to age and sex discrimination⁶. As these women workers grow older it appears that they are more likely to be made redundant, and less likely to find alternative employment than other groups within the labour market.

Meeting the challenge: employment creation in decent conditions

Over the past decades, developed countries have experienced a substantial drop in the average retirement ages. Longer life expectancy and better health have not been accompanied by longer working lives. As a consequence, these countries are facing serious concerns about the viability of social security systems. However, national social transfer systems are not affected by the above demographic shifts alone, but rather by the actual relationship between the size of active and non-active groups of the population.

It is decisive for the viability of a pension system how many pensioners have to be maintained by every single active person. The labour market thus plays a crucial role for meeting the ageing challenge. Many of the concerns raised over the financing of social security systems tend to be made from a static view of the development of the economy. They are based on the assumption that growth will not create enough jobs and that, there will be fewer people contributing to the social security system, and an increasing number seeking to benefit from its services, for a longer period of time. At the Second World Assembly on Ageing the ILO⁷ stressed the importance of placing greater emphasis on dynamic policies of economic growth designed to provide a positive response, focusing on the creation of decent work. This is important for developing countries, where no more than 20% of the labour force is included in regular social security systems, retirement is a luxury few older people can afford⁸. The promotion of full employment is the best way to ensure such welfare provision and to afford people the guarantee of a pension when the time comes to leave active employment behind.

In developing countries old age poverty is an issue of increasing concern. In low income countries older workers show higher rates of labour force participation but these are found predominantly in informal and precarious employment. It is common to explain the rise in poverty and vulnerability in later life by reference to a declining capacity of older people to "earn life for themselves." This is the flip side of undervaluing of the contribution of older people to their households and communities. This view is based on the segmentation of lives into young, "prime age" and old, with correlates of dependence and independence, and on a purely instrumental valuation of lives. The development of an appropriate perspective on old age poverty requires focusing on whole lives, rather than segments, and adopting a perspective on the value of lives. Poverty in later life is a significant issue for developing countries and current demographic trends, combined with the impact of migration and HIV/AIDS, are bound to make this even more significant in the future. Reducing poverty in

⁵ *The State of World Population, 1998, UNFPA*

⁶ *ILO: Realizing decent work for older women workers, 2000, Geneva.*

⁷ Statement by ILO Director-General, Mr. Juan Somavia, at the Second World Assembly on Ageing, Madrid, April 2002

⁸ *ILO: World Labour Report, 2000.*

later life requires facilitating older people's contribution to the development process⁹. Employment creation has a central role to play in poverty reduction strategies. The ILO's Global Employment Agenda endeavours to make full, productive and freely chosen employment central to economic and social policies in line with the Employment Policy Convention, 1964 (No. 122).

Extending working lives: an option for older people who wish to do so

Older people have good reasons for wanting to remain in active employment beyond the retirement age and society needs their support. However, the extension of working life demands complementary measures such as those related to the updating of skills of older people in a lifelong learning framework, to the improvement of conditions of work, to combating age discrimination and to a new attitude among employers, colleagues and the older workers themselves.

Education and skill development are key to providing improved employment opportunities for older workers. There is a strong relationship between activity rates of older workers and their level of education: better educated older people remain longer in employment. Technological and organizational change may render an employee's skills obsolete. Training and retraining are therefore essential if older workers are to remain competitive. The importance of education and training throughout the life cycle is further emphasized by the extension of working lives. Education and training within a lifelong learning framework is of crucial importance. Implicit in the concept of lifelong learning is the rejection of a society structured on the basis of age in which education and training are only experienced early in life. However, participation in training declines in general with age. Research undertaken in 11 developed countries shows that young adults in the 25-34 age group are almost twice as likely to undergo training as older people aged 55-64.¹⁰ This suggests that serious attention needs to be paid to accessibility issues if adult training is to be an equitable component of lifelong learning.

Employability of older workers is strongly influenced by individual and occupational factors which are essential to a person's ability to cope throughout the working life. That is the individual's "workability". Promotion and maintenance of workability have to be regarded as an active strategy for coping with the challenge of demographic change in the labour market, particularly with the rising age-related health risks.¹¹ Reorganization of working time offers opportunities to reduce work-related stress on the elderly. Job rotation on the other hand is an integral part of the principle of lifelong learning. Some companies have already started development of measures that aim at full-scale exploitation of the work contribution of ageing workers with an emphasis on management and work organization. Gradual and flexible transition from active working life to retirement through for instance the implementation of flexible working hours can contribute to improve workability of older workers and help them to remain active longer should they wish.

⁹ World Development, Volume 31, Issue 3, March 2003, Pages 555-570 "Old Age Poverty in Developing Countries: Contributions and Dependence in Later Life" Mark Gorman and Amanda Heslop, University of Manchester, UK and HelpAge International, London, UK

¹⁰ ILO: *Lifelong learning in the twenty-first century: The changing roles of education personnel*, April 2000, Geneva.

¹¹ *Active Strategies for an Ageing Workforce*, Conference report, Turku, 12-13 August 1999, European Foundation for the Improvement of Living and Working Conditions.

Attitudes towards older people are the main obstacle to opening up employment opportunities. Stereotypes are numerous such as, older workers are less productive, physical capacities decline with age or older workers are slow to learn. Much of them are myths and even those that have some foundations are often irrelevant to job requirements. Also, negative stereotypes often label the discussion about older workers and information technology. These are often related to older workers being unable or unwilling to adjust to new technologies.¹² Legislation to prohibit age discrimination is crucial to building equality of opportunity especially for women since as we already mentioned, they to experience double discrimination in the form of sexist and ageist stereotypes.

Key Actors and Partners

Private companies: "Corporate success through older people"

Investing in older workers, be it in terms of adjusting working conditions or training, has a cost and employers may have doubts about the need for such an investment. Some employers may not see the need to adapt to demographic changes because they believe that the oversupply of labour will continue, as technological improvement will further reduce the need for labour. Other employers may hesitate about the returns of investment in older workers because, for instance, they have a shorter period of service remaining in the enterprise or because they question their learning ability.

Myths about older people

Do older workers cost more? It is commonly believed that, for companies, older workers are more expensive than younger ones, because of higher remuneration, fringe benefits and social contributions. While it is true that wages and fringe benefits often rise with age, there is no reason to believe that performance and accumulated know how of older workers does not compensate for the higher cost. There is also the perception that it may not be worthwhile to invest in older workers due to their shorter working lives and therefore the shorter time to recoup costs. However, young people tend to change jobs more frequently than older employees therefore having shorter job tenure. No studies exist that provide a full cost benefit analysis of the employment of older workers.

Are they less productive? Poor health is stated as one of the main reasons of low productivity at old age. The risk of poor health rises with age, and the beginning of health problems affects the timing of retirement for a significant number of older workers. However, increases in life expectancy have been accompanied by significant health improvement at older ages. Age has been reported to account for a small percentage of the variance in workers' abilities, when experience, education and occupation were controlled for. A research study on 60-64 year old bus drivers reported that they had fewer accidents than drivers in any other age group. It concluded that the judgement and patience of older workers, compensated for any deterioration in reaction time or visual acuity. Concerning organizational behaviour issues such as turnover and absenteeism, empirical evidence suggests that older workers demonstrate less absenteeism, lower turnover, fewer accidents, higher job satisfaction and more positive work values than younger workers.

An important aspect concerning ageing and productivity, is whether older workers have greater difficulty in learning new skills. Even if ageing typically does not reduce a worker's ability to perform familiar job tasks, a declining ability to adapt to changing skill requirements would tend to lower their productive contribution over time. "Trainability" is not easy to measure, but the International Adult Literacy Survey (IALS) is an important source of evidence about the relationship between age, productivity and trainability. The IALS indicates that literacy skills improve with practice and deteriorate if not used. Therefore, workers employed in a learning environment appear much less susceptible to a decline in trainability. Evidence proves that the productive potential of older people does not appear to be substantially impaired by ageing per se. A decline in performance may be falsely attributed to age, when in fact it may be due to skill obsolescence or a burn out phenomenon which may occur at any age and can be remedied through appropriate training practices.

Source: ILO Employment Paper 2000/2: "Ageing of the Labour Force in OECD Countries" (Auer and Fortuny)

¹² Companies interviewed for an ILO survey in the EU accession countries, the Russian Federation and Ukraine claimed that, despite the important role of new technologies in the workplace, older workers present difficulties in using new technologies. This opinion was unanimous regardless of the sector and size of the company. *ILO Employment Paper, 2003/50*: "Employment promotion policies for older workers in the EU accession countries, the Russian Federation and Ukraine" (Fortuny, Nesporova and Popova). Forthcoming.

Studies confirm that older workers are a valuable resource for companies. Therefore, it is critical that companies turn their attention to strategies to reach this sometimes under-appreciated and under-utilized segment of the labour force. More and more enterprises are already taking a long-term view of their staffing needs and recognize older workers as a valuable resource. Companies increasingly recognize older people's contribution to work shadowing and mentoring. This allows older workers to help organizations preserve their institutional history and values by passing such elements on to newer and younger employees.

Enterprise investment in older workers	
<u>Recruitment</u>	RAPID –A company employing older skilled metal workers (Sweden): This medium sized company has focused on recruiting a number of older workers both to ensure an age mix and in response to shortages of skilled labour. According to the personnel manager the reasons to employ persons 50+ were i) "The aim of the company is to have a mix of age groups, qualifications, cultures and competencies. Qualification and experience not age has been the main criterion in selecting new personnel" and (ii) availability: machine operators have to be well trained and they are hard to get hold of.
<u>Retention</u>	Fidisco NV: Flexible working hours (Belgium): The company is in the financial sector. It has provision for a reduction in working hours for older staff: men aged 60 and above and women aged 55 and above may work two hours per week less without loss of earnings. It is also possible to convert this reduction in working hours into extra holidays.
<u>Retraining programmes for older workers</u>	Hellas Can (Greece): Participation and involvement. Older workers participate in all the training programmes offered by the company. Older workers' experience is valued by management. Thus older workers are frequently involved in providing on-the-job training. In addition, workers with particular skills may remain with the organization past the normal age of retirement.
	Fontijne Holland (Netherlands): Training of production workers aged 40+: This company has set up a refresher course in workplace technology for staff aged 40 and over. The course is intended for older employees who have not attended a course on the production process for a considerable time, feel less involved in the production process, want to study new techniques in depth or expand their professional knowledge. Those attending the course are expected to show commitment and motivation, since two thirds of it takes place in employees' own time.
Source: A. Walker and P. Taylor, "Combating age barriers in employment: a European portfolio of good practice", European Foundation for the Improvement of Living and Working Conditions	

Getting a diverse age workforce is beneficial for business. Sometimes it is argued that diversity in the composition of the workforce based on age gender or race can create conflict if employees hold strong prejudices. However, such obstacles are not insurmountable if workers are given sensitivity training and are encouraged to work in diverse teams to overcome their prejudices. Furthermore, research shows that diversity can improve workgroup performance in many tasks because it brings a wide range of information, resources, and decision making approaches that lead to better outcomes. An executive from Xerox noted "Managing diversity=managing productivity". The goal of managing a diverse workforce is to create a culture in which each employee has the opportunity to make a full contribution to the organization and to advance on the basis of excellent performance. Diversity programmes, by recognizing and valuing the different backgrounds of employees and seeking to attract and retain the best qualified workers place equal opportunities at the heart of the human resource management approach. Moreover, non discriminatory practices of diversity management are increasingly recognized as a managerial tool to increase efficiency and productivity¹³. This is a priority topic for the ILO research agenda. The ILO

¹³ ILO: "Corporate Success Through People. Making International Labour Standards Work for You" by Nikolai Rogovsky and Emily Sims, 2002.

has stressed that “further research should be conducted into intervening variables that determine the link between equity and economic performance”¹⁴.

The Grey Revolution at B&Q

B&Q is the leading British Do It Yourself and garden centre retailer. In the early 90s the company began to expand internationally. B&Q's efforts to promote diversity in its workforce are strongly rooted in commercial realities. The link between diversity and business benefits is at the heart of B&Q's approach. A shortage of skills and the need to keep experienced workers were the main economic drivers behind B&Q's so-called “Grey Revolution”, launched in 1989. B&Q argues that discriminatory employment practices related to age disregard significant social and demographic changes. In order to address changing demographics and the need for well motivated staff with practical DIY home improvement and gardening experience, B&Q launched its “Grey Revolution” with a number of measures aimed at attracting and retaining older employees, including the introduction of the new over 50s stores. When Warwick University evaluated a new over -50s store against other stores, it found that the over 50s store topped the list in most measures. Other figures are cited by B&Q to demonstrate the success of the over 50s store compared with other B&Q retail outlets: Profits 18% higher; Staff turnover 6 times lower; Absenteeism 39 % lower; Shirking 59 % lower; Improved customer perception of service; Increased skill base in the staff team.

Source: ILO: “Corporate Success Through People” (Rogovsky and Sims) 2002.

The establishment of partnerships may also be beneficial to companies and their older workers as each player can bring to the table particular qualities and strengths.

Rabobank (Netherlands): A Century for 50+: Computer and Internet courses for people over 50

Rabofacet, the ICT division of the Rabobank supports the initiative of SeniorWeb, a foundation that aims to enlarge the participation of elderly and their organizations within the community by encouraging and training them in the use of ICT. Rabofacet created the opportunity for local Rabobanks to cooperate with SeniorWeb and organize internet courses for people over 50. SeniorWeb sends a volunteer, usually a person over 50, to give the course. Rabobank provides computers and a place to give the courses. Also, employees of the bank volunteer to coordinate, organize and assist in the courses.

Source: <http://www.rabofacet.nl/>

The ILO Tripartite Declaration of Principles concerning Multinational Enterprises¹⁵ (MNEs) and Social Policy is an essential document on corporate social responsibility. It was developed by governments, workers and employers organisations and is an important statement of the responsibilities of MNEs, governments, employers and workers organizations on employment and labour issues. When considering the aging population specifically MNEs and other enterprises should be guided by the general policy framework established by the government and consult with the appropriate employers and workers organisations on the subject and be guided by the general principles of non-discrimination and equality of opportunity as they apply to aging workers¹⁶.

Governments

¹⁴ ILO Global Report: Your Voice at Work, 2000.

¹⁵ The text of the *Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy* is available at www.ilo.org/public/english/employment/multi/index.htm

¹⁶ The Information note on corporate social responsibility and international labour standards presented at the last ILO Governing Body is available at <http://www.ilo.org/public/english/standards/relm/gb/docs/gb286/index.htm#WPSDG>

Governments have the primary responsibility to respect, protect and fulfil the human rights and fundamental freedoms of their citizens, including older persons, through formulation and implementation of appropriate legislation, policies and programmes aimed at the full realization of human rights, including non-discrimination. As States Parties to international and regional human rights instruments, Governments must take all necessary measures to achieve the realization of the provisions stipulated under such instruments¹⁷.

Virtually all industrialized countries have enacted legislation prohibiting discrimination in employment or occupation on the basis of race, religion, sex and various other grounds. Very few have laws banning age discrimination. Within the OECD countries, the United States has one of the best established legislation. The principal federal legislation is the Age Discrimination Employment Act (ADEA) of 1967. ADEA seems to have been effective at eliminating the most blatant forms of discrimination, particularly in hiring and has also made mandatory retirement age generally unlawful. An important development in late 2000 was the promulgation by the European Union of a major Directive on Discrimination which includes age among several other grounds not previously covered by EU texts. The Directive requires all the Member States to introduce legislation prohibiting direct and indirect discrimination at work based on age and other grounds within the next five years. An important issue, however, will be how this legislation will be enforced. According to the ILO study on older workers older workers in the EU accession countries, the Russian Federation and Ukraine, out of the 15 countries analyzed only 5¹⁸ have prohibition of discrimination based on age in their labour legislation. According to the study, the Slovak Republic has the most comprehensive legislation prohibiting age discrimination¹⁹.

Slovak Republic legislation prohibiting age discrimination

The Act of the National Council of the Slovak Republic prohibits employers to publicise job offers containing age limitations and discrimination based on race, skin colour, language, sex, social origin, age, religion, political or other opinions, political membership, professional activity, allegiance to nation or ethnic group or other status. The National Labour Office monitors the observance of these statutory provisions. The National Employment Plan approved by the Government of the Slovak Republic in November 2000 contains measures to ensure the implementation of legal and institutional measures to eliminate discrimination and to monitor the implementation of the right to employment by groups at risk of discrimination in the labour market. The new Labour Code which entered into effect on April 1, 2002 stipulates that: Natural persons shall have the right to work and the free choice of employment, to fair and satisfying working conditions and to protection against unemployment. These rights belong to them without any sort of restriction and direct or indirect discrimination on grounds of sex, marital and family status, race, colour of skin, language, age, state of health, belief and religion, political or other conviction, trade union activity, national or social origin, national or ethnic group affiliation, property, lineage or other status, with the exception of cases established by law, or in the case of tangible reasons for the performance of the work consisting in aptitudes or requirements and the nature of work, which the employee is to perform.

Source: ILO Survey. *ILO Employment Paper, 2003/50*: "Employment promotion policies for older workers in the EU accession countries, the Russian Federation and Ukraine" (Fortuny, Nesporova and Popova). Forthcoming.

Governments also have an important role to play in implementing active labour market policies targeted to older workers. These active measures can cover job counselling, labour market training, subsidized employment, self-employment promotion measures, and mobility promotion measures. Vocational counselling and job search assistance are indeed among the

¹⁷ See Committee on Economic, Social and Cultural Rights, General Comment No. 6 "The economic, social and cultural rights of older persons" (Thirteenth session, 1995)

¹⁸ Bulgaria, Slovakia, Malta, Latvia and the Czech Republic.

¹⁹ *ILO Employment Paper, 2003/50*: Employment promotion policies for older workers in the EU accession countries, the Russian Federation and Ukraine. (Fortuny, Nesporova and Popova). Forthcoming.

most effective active labour market measures according to a number of studies.²⁰ According to a progress report of the OECD Career Guidance Policy Review²¹, OECD countries have not yet addressed the potential role of guidance services in helping older workers to remain integrated in the labour market.

More and more governments realize about the important potential that older people represent and are taking steps to adopt comprehensive action plans for their older workforce. Within the accession countries Estonia has one of the most comprehensive government policies for older people.

Estonian Policy for the Elderly

Following the International Year of Older Persons in 1999, the Estonian Government officially endorsed the Policy for the Elderly in Estonia and established a Commission of Policies for the Elderly. The policy for the elderly focuses on the following issues: family and environment; healthcare and social welfare; employment and coping; education, cultural activities and sports; non-governmental organisations and self-help, and regional and international co-operation.

The policy provides an excellent starting point for raising awareness of age discrimination in Estonian society, and is the first official acknowledgement that age discrimination is "unethical". The policy "deems it unethical to discriminate against people on the basis of their age" and addresses, to some extent, discrimination in employment. In order to facilitate the implementation of the Policy for the Elderly in Estonia, the Gender Promotion Programme (GENPROM) of the ILO has developed awareness-raising-cum-training materials on older women workers. These materials have been used in the context of a National Plan of Action for More and Better Jobs for Women in Estonia. The project entails awareness raising and capacity building of local stakeholders, including grass-roots women's groups, on women workers' rights and employment creation. The project has a special focus on the problems of older women workers in rural areas. Group discussions with older women revealed several examples of age and sex discrimination.

Source: Estonian Ministry of Social Affairs www.sm.ee/gopro30/Web/gpweb.nsf/pages/indexeng.html and ILO Gender Promotion Programme.

In the EU, the most integrated and comprehensive policy programme on older workers is the Finnish National Programme on Ageing Workers (FNPAW). The programme aims to build a wide consensus at the policy level, both to value the experience of the ageing workforce and to rise the actual age of retirement. Its slogan "Experience is National Capital" emphasizes the ageing workforce as a resource. The main goal of the FNPAW is to promote the employability of people over 45 and to reduce their exclusion and premature retirement.

²⁰ See e.g. Phan-Thuy, Ellen Hansen et al, *The Public Employment Service in a changing labour market*, ILO, Geneva. A. Dar and Z. Tzannatos. *Active labor market programs: A review of the evidence from evaluations*. January 1999, Social Protection Unit, The World Bank.

²¹ The OECD Career Guidance Policy Review: A Progress Report -Paper prepared for the World Congress of the International Association for Educational and Vocational Guidance, Warsaw, 29-31 May 2002.

The Finnish National Programme for Ageing Workers

- The main responsibility for the programme as a whole is borne by the Ministry of Social Affairs and Health, which is responsible together with the Ministry of Labour and the Ministry of Education for the implementation of the programme. Other agencies taking part in the project are the Ministry of Trade and Industry, the Ministry of Finance, the Ministry of Agriculture and Forestry, the most representative labour market organisations, the Association of Finnish Local Authorities, the Social Insurance Institution, the Institute of Occupational Health, and pension companies.
- FNPAW believes in the importance of skill development for older workers. For this purpose, regional training pilot projects are organized, embracing, for example, the need to update skills due to information technology progress as well as to discover innovative methods for training older workers.
- Specific measures to prevent displacement and discrimination of older workers are also being promoted.

Source: *Ageing workers and changing working life*, Ministry of Labour and Institute of Occupational Health, Helsinki, 1999.

Other EU countries have also put forward initiatives to ensure economic and social inclusion of the older population. In 1996, the Danish Government set up an independent council with the purpose to monitor and assess the conditions of older people in Denmark in all relevant areas²².

Social partners

Employers and workers organizations have also a key role to play in the design and implementation of policies and programmes targeting older workers. In many countries, both the access to and content of training are the outcome of social dialogue between trade unions and employers' organizations, with or without the presence of government. The negotiation of training occurs at enterprise, industry or, indeed, national tripartite levels. Trade unions have long had training among their core services and functions. In fact, evidence from developed countries shows that more training occurs in unionized workplaces than in non-union ones. Lifelong learning has become the new employment security objective on trade union agendas. In fact, increasingly it is being argued that lifelong learning is becoming as important an entitlement for today's employee as the right to a pension became in the past.²³

There are clear signs that some trade unions are placing employability high on the list of services they offer as well as at the bargaining table. The British public-sector union, Unison, for example, has 39 education and training officers. In a project backed by the European Commission, Union-Network International (UNI) Europa is working with the European Federation of Direct Marketing Associations to develop common training standards and qualifications for people working in call centres. UNI-Europa has also made its own contribution to the EU "eEurope Action Plan" in the area of employability and lifelong learning.

²² <http://www.aeldreforum.sm.dk/english.htm>

²³ ILO : *World Employment Report 2001*.

**Union Network International - Europa:
Employability recommendations for the EU's eEurope Action Plan**

- Provide training and retraining in ICT to the unemployed and those working in industrial or service areas which will become obsolete through industrial change;
- enshrine lifelong learning as a key to the information society;
- support initiatives to maintain and sustain skills development, such as expanding the pool of supply of employees from non-traditional areas available to the ICT sector through skilling of unemployed people, women, older employees, etc.

Source: www.union-network.org

The ILO Convention on Human Resources Development, 1975 (No. 142) stresses the importance of the involvement of employers' and workers' organizations in human resource policy formulation and implementation. In Canada, an interesting study on collective agreements and older workers²⁴ concluded that although no training provisions specifically designed for older workers have been found in major Canadian collective agreements, some contract language can help protect the interests of ageing employees or even give them an advantage in obtaining a fairer share in training, retraining and education resources. This is typically the case when provisions stipulate that age cannot be used as a criterion to exclude older workers from training. Even more important is the use of seniority to determine eligibility for training or retraining. Furthermore, the study reveals that many training and education provisions specifically refer to senior workers.

Employers and their organizations have a key role to play in combating stereotypes and mind sets regarding older workers. An impressive example is the Employers Forum on Age (EFA)²⁵ from the United Kingdom whose purpose is to provide employers with information and services aimed at promoting age diversity and overcoming age related stereotypes and age discrimination. The EFA promotes the realization of an all-inclusive workforce across age groups and stresses the clear advantages for business. An all-inclusive workforce brings into the company a wider and more diverse range of skills and abilities and contributes to avoid skills vacuums caused by a number of skilled and experienced employees leaving the business. It can also help companies adapt successfully to new markets, and keep them aligned with evolving legislation and social trends.

The society as a whole

Changes in attitudes should also come from colleagues, older workers themselves and the society as a whole so that the enormous potential of older workers may be fulfilled. In this sense, the media has a key role to play. During the last years the media has been portraying the desirability of a youth culture, which has contributed to negative perceptions of older people. This eagerness of reaching young people is based on past evidence that younger people are the biggest consumers. However, this is no longer the case and therefore, media attitudes are changing slowly. The increasing importance of "grey" consumers is nowadays

²⁴ Collective agreements and older workers in Canada: <http://labour.hrdc-drhc.gc.ca/worklife/caowc-dftacc/presentation.cfm>

²⁵ Employers Forum on Age, www.efa-agediversity.org.uk

more and more recognised.²⁶ If advertisers and marketing specialists are to have any success with older consumers, they will have to stop treating age as a social stigma. Recognizing and reflecting the validity of older people in society through their advertising strategies is the first step. This will require research and development of advertising messages which are relevant to the over-50s. Below, two a good practice example on media campaigns that shows that attitudes are changing.

**UK Advertising Campaign and
The Body Shop Australia Campaign on Self-Esteem**

An advertising campaign which is currently proving successful in the UK is that for **Bachelors Pasta'n'Sauce Helpline**. The product is targeted at advertising-literate young single people who want to eat in a hurry, but has also appealed to the older market as a result of the advertisements depiction of a middle-aged figure who constantly gets the better of her nervous young assistant (Mills, 1999). The success of the campaign lies in the fact that it uses an older woman to reach a younger audience, but does so without patronising or stereotyping.

As part of **The Body Shop** campaigning on self- esteem, in 1999 The Body Shop Australia celebrated 1999, International Year of Older Persons with a Body Image and Ageing Campaign. The campaign celebrated ageing and encouraged people to respect the differences in ageing. The Body Shop Australia also produced 'The Body and Ageing' Full Voice magazine. Distributed Australia-wide, this publication aimed to raise awareness of the issue of self-esteem, ageing and generate debate.

Source: "In pursuit of youth: what's wrong with the older market?" Marylyn Carrigan and Isabelle Szmigin, Department of Commerce, University of Birmingham, Birmingham, UK, 1999.
<http://www.thebodyshop.com.au>

In many countries senior citizens are organizing themselves into associations and organizations to help themselves and others to remain active. In the United States several such organizations operate training and placement services (eg. The American Association of Retired Persons (AARP), the National Council of the Aging (NCOA), Operation ABLE). Focus Hope in Detroit uses retired industry experts to pass on skills to unemployed young people. Future Perfect in the United Kingdom specializes in life and career development in the third age and organizes events such as conferences and workshops as well as individual counselling. Don't Overlook Mature Expertise (DOME) in Australia is a self-help organization that assist older people in finding re-employment. Federations and networks of organizations such as Eurolink Age, which disseminate information on older people's issues are also very active²⁷.

International action

The ILO has long been committed to the issue of older workers and population ageing, specifically elaborating international labour standards on older workers in employment, invalidity, old-age and survivors' benefits, standards and guidance on retirement policies, the level of pension entitlements, and maintaining the standard of living of pensioners. By far, the most comprehensive instrument on the subject is the Older Workers Recommendation, 1980 (No. 162).

²⁶ A research study undertaken by a UK based consultancy firm noted that "a key target market for many firms should be mature people aged 50-64, most of whom are still in work, have relatively high disposable incomes, are frequently demanding but loyal customers, and who spend more on many items such as holidays than do younger people". www.business-strategies.co.uk/consumerfutures/matureconsumers.php

²⁷ ILO: *World Labour Report*, 2000.

Older Workers Recommendation, 1980 (No. 162)

The Recommendation was adopted at the 66th Session of the International Labour Conference on 4 June 1980. It defines "older workers" as all those who are liable to encounter difficulties in employment and occupation because of advancement in age.

At the outset it states the principle that employment problems of older workers should be dealt with in the context of an overall and well-balanced strategy for full employment, which gives due attention to all population groups and ensures that employment problems are not shifted from one group to another. It calls on all member States to adopt a national policy to promote equality of opportunity and treatment for workers of all ages and take measures to prevent discrimination against older workers, particularly with regard to access to vocational guidance and placement services; access to employment of their choice that takes into account their personal skills, experience and qualifications; access to vocational training facilities, in particular further training and retraining; and employment security.

National policy should further aim to improve working conditions and the working environment at all stages of working life and devise measures designed to enable older workers to continue in employment under satisfactory conditions.

It further recommends that measures be taken with a view to ensuring that the transition from working life to freedom of activity is gradual, that retirement is voluntary and that the age qualifying a person for an old-age pension is flexible.

Source: www.ilo.org/ilolex/english/recdisp1.htm

The ILO Declaration on fundamental principles and rights at work²⁸ declares that all Members, even if they have not ratified the eight Fundamental ILO Conventions, have an obligation to respect, to promote and to realize, the principles concerning the fundamental rights which are the subject of those Conventions, *inter alia* the elimination of discrimination in respect of employment and occupation. As part of the Declaration Follow-up, the ILO Director-General submits a Global Report on one of the four categories of Fundamental Principles and Rights at Work to the tripartite International Labour Conference each June. This year's report submitted to the Conference is entitled "Time for equality at work" and deals *inter alia* with age discrimination issues.

The issue of ageing is currently high in the international agenda. The United Nations General Assembly, at its 54th Session, decided to convene the Second World Assembly on Ageing in Madrid, from 8 to 12 April 2002. Its objective was to respond to the opportunities and challenges of a rapidly ageing population and to promote the development of a "society for all ages", the theme of the 1999 International Year of Older Persons. The ILO was actively involved in both the preparations as well as the Assembly itself. The statement by the ILO Director General is included in the Annex. The Assembly adopted two outcome documents: The Madrid International Plan of Action on Ageing 2002 and a Political Declaration²⁹. The Madrid Plan calls for changes in attitudes, policies and practices in all sectors to realize the enormous potential of ageing. According to the text, all older persons should be able to age

²⁸ www.ilo.org/public/english/standards/relm/ilc/ilc91/reports.htm

²⁹ www.un.org/esa/socdev/ageing/waa/

with security and dignity, and continue to take part in society as citizens with full rights. The recommendations for action are organized according to priority directions designed to guide policy formulation and implementation.

Madrid International Plan of Action on Ageing 2002
<p>Priority direction I: Older persons and development</p> <p>Issue 2: Work and the ageing labour force; Objective 1: Employment opportunities for all older persons who want to work. Actions include:</p> <ul style="list-style-type: none"> • Place employment growth at the heart of macroeconomic policies; • Enable older persons to continue working as long as they want to work and are able to do so; • Take action to increase participation in the labour market of the working age population and to reduce the risk of exclusion or dependency in later life; • Make special efforts to raise the participation rate of women and disadvantaged groups; • Promote self-employment initiatives for older persons; • Promote a new approach to retirement that takes account of the needs of the employees as well as the employers, in particular by applying the principle of flexible retirement policies; • Remove disincentives to working beyond retirement age; • Promote new work arrangements and innovative workplace practices aimed at sustaining working capacity • Promote a realistic portrait of older workers and their skills and abilities by correcting damaging stereotypes about older workers or job candidates; <p>Issue 4: Access to knowledge, education and training; Objective 1: Equality of opportunity throughout life with respect to continuing education, training and retraining as well as vocational guidance and placement services. Actions include:</p> <ul style="list-style-type: none"> • Achieve a 50% improvement in levels of adult literacy by 2015, especially for women, and equitable access to basic and continuing education for all adults; • Encourage and promote literacy, numeracy and technological skills training for older persons • Implement policies that promote access to training and retraining for older workers and encourage them to continue to use their acquired knowledge and skills after retirement; • Ensure that the benefits of new technologies, especially information and communication technologies, are available to all, taking into account the needs of older women; • Develop and disseminate user-friendly information to assist older persons to respond effectively to the technological demands of everyday life; • Encourage further research to better determine the relationship between training and productivity so as to clearly demonstrate to both employers and employees the benefits of continuous training and education of older persons; • Raise the awareness of employers and workers organizations of the value of retraining of older workers

Resulting from an initiative of the Federal German Government, a Ministerial Conference on Ageing was held in Berlin, 11-13 September 2002. The Conference was organized by the United Nations Economic Commission for Europe and it was convened as a regional follow-up to the Second World Assembly on Ageing. The UNECE member States adopted two outcome documents: The Regional Implementation Strategy of the Madrid International Plan of Action on Ageing 2002 and the Berlin Ministerial Declaration³⁰. The Regional Implementation Strategy includes ten commitments which include (i) to enable labour markets to respond to the economic and social consequences of population ageing; (ii) to

³⁰ www.unece.org/ead/pau/age/conf2002frame.htm

promote life-long learning and adapt the educational system in order to meet the changing economic, social and demographic conditions.

Conclusions

The vitality of our societies increasingly depends on active participation by older people. Therefore, a central challenge is to promote a culture that values the experience and knowledge that come with age. We must foster economic and social conditions that allow people of all ages to remain fully integrated into society, to enjoy freedom in deciding how to relate and contribute to society, and to find fulfilment in doing so.

Enterprises have a key role to play in building up a “society of all ages”. Older employees should not be thought of as a cost but as a corporate investment. Human resource practices that promote an “enterprise of all ages” can be a valuable source of competitive advantage. International labour standards can help managers to develop the goals and principles they need in order to achieve this competitive edge. The values contained in international labour standards – respect, fairness, trust, freedom and equality - are critical. There is no doubt however, that a business case must be made. Business must be economically viable to survive. An internally consistent set of management policies and practices should be not only a reflection of aforementioned fundamental values, but also a part of the company business model that makes economic sense.

Governments, social partners and civil society, all have key roles in the promotion of an enabling, supportive and above all, inclusive society for our ageing populations. This short paper has explored a number of essential issues, and has presented examples on how all partners can assume their "share of responsibility". In conclusion, it is our opinion that two fundamental challenges have emerged.

The first challenge is related to the "sharing of responsibilities" and to working together in a coordinated and sustainable fashion. We presented examples of important actions which key actors have taken to promote decent work for the ageing workforce. However, we have not been able to find many examples on how such actors work successfully in partnership. Ministers may wish to exchange experiences on the following issue:

- **"What mechanisms can enable partners to work together in a coordinated manner effectively and efficiently?"**.

The second challenge which ministers may wish to address relates to the apparent dilemma of "responsibility" versus "accountability", and whether "everyone's responsibility" means "no one's responsibility". Responsibility itself can be seen as an ethical concept, largely based on individual or collective morality. Responsibility however, does not automatically imply accountability. The acceptance of accountability could facilitate better identification of duty bearers (responsible actors) and rights holders (older workers), based on clearly recognized and accepted norms and standards, legal obligations and monitoring mechanisms. But in doing so, it raises the following question:

- **“For what, how, and to whom would all partners be accountable?”**

Finally, it is therefore crucial to call upon all the major actors involved to redouble their efforts, both individually and in collaboration, to face the challenges of this demographic revolution, and of the realization of a true inclusive society of all ages. At the ILO we attach continued importance to the development of alliances with governments, employers' and workers' organizations, civil society and the private sector which can bring us closer to a society where “every individual, each with rights and responsibilities, has an active role to play”.³¹

³¹ Programme of Action adopted at the World Summit for Social Development in Copenhagen in 1995.

ANNEX 1

Table 1. Rate of demographic ageing (population aged 60 or over and aged 80 and over as a percentage of total population)
(United Nations projections – medium variant)

		1950	1960	1970	1980	1990	2000	2010	2020	2030	2040	2050
World	60+	8.2	8.2	8.4	8.6	9.2	10.0	11.1	13.5	16.5	18.8	21.1
Males	60+	7.3	7.3	7.4	7.5	8.1	8.9	10.0	12.3	15.1	17.2	19.4
Females	60+	9.0	9.0	9.5	9.7	10.4	11.1	12.3	14.8	17.9	20.4	22.7
	80+	0.5	0.6	0.7	0.8	1.0	1.1	1.5	1.8	2.3	3.1	4.1
More developed regions	60+	11.7	2.6	14.5	15.5	17.7	19.4	21.9	26.1	29.8	32.0	33.5
	80+	1.0	1.3	1.6	2.0	2.7	3.1	4.2	5.0	6.4	8.3	9.6
Less developed regions	60+	6.4	6.2	6.1	6.4	6.9	7.7	8.8	11.1	14.2	16.7	19.3
	80+	0.3	0.3	0.4	0.4	0.5	0.7	0.9	1.2	1.5	2.3	3.3
Less developed regions without China	60+	5.9	5.7	5.8	5.9	6.2	6.8	7.7	9.5	11.8	14.2	16.9
	80+	0.3	0.3	0.4	0.4	0.5	0.6	0.8	1.0	1.3	1.8	2.5

Source: *World Population Prospects, The 2000 Revision, Volume II: The Sex and Age Distribution of Populations*, United Nations, New York, 2001.

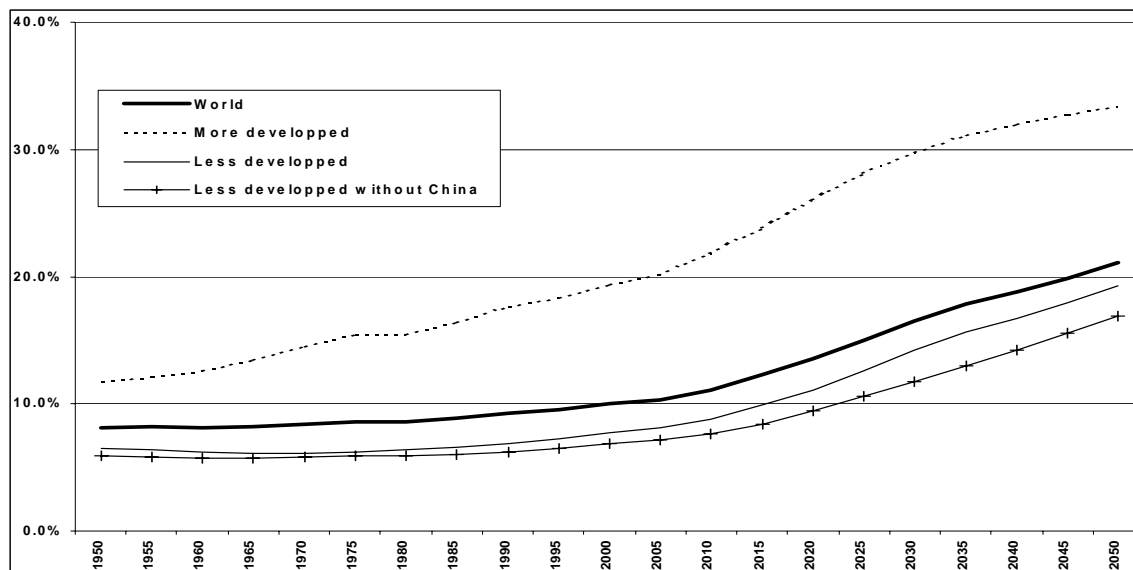
Table 2. Velocity of ageing³²

		1950-2000 (%)	2000-50 (%)
World	60+	23	111
	80+	109	256
More developed	60+	66	72
	80+	196	208
Less developed	60+	19	150
	80+	115	393

Source: *World Population Prospects*, op. cit., and own calculation.

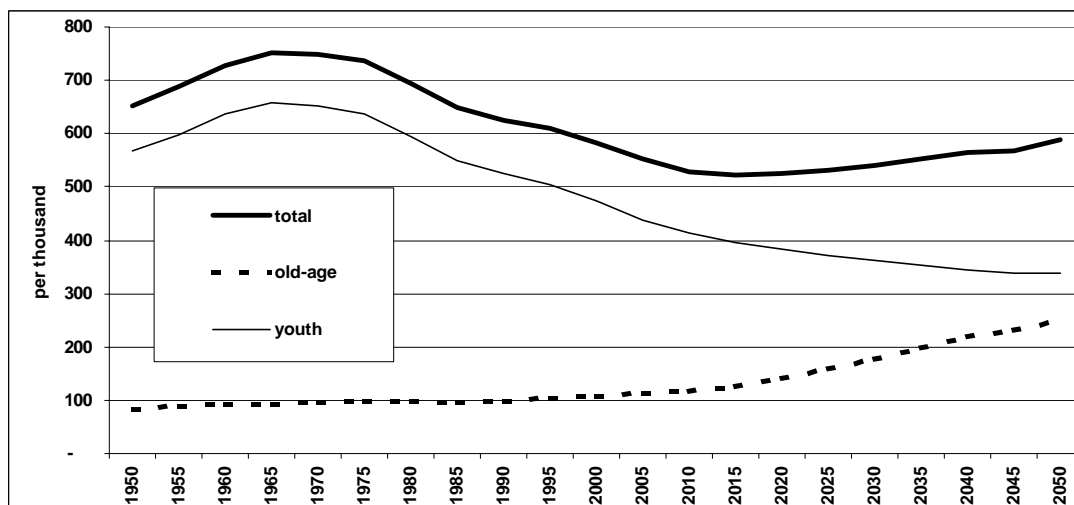
Figure 1. Rate of demographic ageing (population aged 60 or over as a percentage of total population) (United Nations projection – medium variant)

³² Increase of population share of people above age 60 and 80.



Source: World Population Prospects, op. cit.

Figure 2. Total dependency ratios (population 0-14 and 65+)/(population 15-64)
 Youth dependency ratios (population 0-14)/(population 15-64)
 Old-age dependency ratios (population 65+)/(population 15-64)



Source: World Population Prospects, op. cit.

INTERNATIONAL LABOUR ORGANIZATION

Statement

by

Mr. Juan Somavia
Director-General

at the
Second World Assembly on Ageing

Madrid, Spain
8th-12th April 2002

Mr. President,

The main reason for this World Assembly is to celebrate one of humanity's greatest successes: the increase that has been achieved in the life expectancy of men and women. The preparatory work for this event has provided us with clear facts and figures that attest to this new reality. I believe we all agree that the gradual ageing of the population marks a radical change in the human fabric of our societies.

I shall therefore focus on four main aspects which I believe are crucial to any action in this area.

· First, the fact that the useful life of individuals has been extended presents us with a great opportunity, rather than an intractable problem.

We often hear that the ageing of the population creates an additional burden on already struggling systems for the provision of work, health care, food, education, housing, services, infrastructure and social protection. These are problems which obviously need to be solved, but what is truly important here is the fact that for many older people, the extension of their useful life is also accompanied by a wish to go on being useful to the entire community. Our response to this must be that we do indeed want them to be part of the future.

Older people represent an accumulation of human wealth, a vast potential, which can obviously contribute creatively to the solution of the material problems I have referred to. They are also the key element in the transmission of a society's values, a decisive factor in passing on the cultural heritage from one generation to another. They are depositories of knowledge, experience, memories and wisdom. There is nothing more perilous

than closing ourselves off from the way they look at the world. But that is what is now happening.

For instance, the progressive development of an economy that is indifferent to human needs and aspirations is also leading to a decline in the status, authority and influence of older people. The competitive dynamics of the current model of the global economy have transformed the senior citizen into a "burden" which economies try to shed at the earliest possible opportunity. This has to change.

- Secondly, the issue of ageing cannot be considered in isolation, but must be approached through integrated policies that can help people throughout their lives and contribute to strengthening the family.

Poverty and exclusion affect older people to a disproportionate degree. But the root causes of the problem do not lie only with them. On the contrary, the problems arise from a series of economic and social difficulties which affect different generations all at once, and which become concentrated within the family.

It is in the family that the consequences of unresolved problems all converge - problems such as child labour, the lack of opportunities for adolescent girls, youth unemployment, discrimination against women and inadequate provision of lifelong education and training.

Similarly, it is there that we clearly see the difficulty of integrating migrants, the problems of long-term unemployment, the growth of the informal economy, the precarity of employment and income, and the lack of social protection.

It is therefore not enough to have isolated policies aimed at solving the specific problems of older people. We have to approach the issue by way of an integrating vision which takes account of all the topics I have mentioned and other similar topics, and in which each individual problem is seen in relation to all the others when it comes to efforts to find solutions.

At the centre of this vision lies the family, and this is what makes it so important to promote policies that strengthen the family in its different forms as the fundamental unit of society, as the United Nations has defined it, with special consideration to single-parent families.

- Thirdly, full employment in decent conditions of employment is a viable and productive way of meeting the challenge of ageing.

The ageing of the population presents us with a real public policy dilemma. Countries face serious problems in terms of the viability of pensions schemes, public expenditure, implications for health care systems, and the risk of growing numbers of older people becoming marginalized and excluded.

Nevertheless, many of the concerns raised over the financing of social security systems tend to be made from a static view of the development of the economy. They are based on the assumption that growth will not create enough jobs for everybody and that, consequently, there will be fewer and fewer people contributing to the social security system, and an increasing number seeking to benefit from its services, for a longer period of time.

I believe, however, that we should put greater emphasis on dynamic policies of economic growth and sustainable development, designed to provide a positive response, focusing on the creation of enterprises and decent work. Policies on social security financing would thus be developed in the context of a greater availability of resources.

Therefore we should not be thinking in terms of distributing the jobs currently available in a world of growing unemployment, but of creating more and better jobs. This is especially important for developing countries. In most of the developing world, less than 20 per cent of the workforce is covered by the social security system, and retirement is a luxury that few older people can afford.

Consequently, we must look for a way to extend social security systems gradually, with all the innovative ideas this will require, in order to provide the whole of the population with a minimum of social welfare and a reasonable income for their later years. The promotion of full employment is the best way to ensure such welfare provision and to afford people the guarantee of a pension when the time comes to leave active employment behind.

· Fourthly, the chance to prolong one's working life is a promising alternative for society and deserves to be an option for older people who wish to do so.

Older people now have good reasons for wanting to remain in active employment beyond the retirement age. Furthermore, society needs their support. Retirement should not be brought forward artificially without taking individual decisions into account.

But an enforced prolongation of working life is not appropriate for everyone. Of course, we must take into account the needs of people who have experienced poor conditions throughout their working life, those who have contributed for lengthy periods or who suffer from health problems.

Women are especially vulnerable because, owing to the high numbers in unpaid, low-paid, part-time, frequently interrupted, or informal sector work, they tend to enjoy less access to pension schemes.

We are looking to find new ways of providing suitable conditions and settings for willing older people to continue to give up their time, energy and experience. It is possible to find gradual arrangements that combine partial retirement with partial employment, or with voluntary work to address the social problems that exist in all our societies.

The most important thing is to ensure that older people have the opportunity to pursue productive activities, either paid or unpaid, which keep them connected and provide them with a continued sense of usefulness to society.

Mr. President,

All this presupposes the adoption of public and private policies that will create ways to facilitate individual decision making, which respect the dignity of the older person and the integrity of his or her family, and adapt to the conditions of each society.

Lastly, allow me to suggest that, to ensure that the values of this World Assembly on Ageing are fully taken into account, we must rid ourselves of the subjective stigma attached to the word "retirement".

In a way that is both revealing and unjust, this term links the moment at which an individual acquires the right to a pension with final exclusion from the life of his or her enterprise, community, society, or even family.

This World Assembly is guided by the concept of a society for all age groups. Let us make this event the milestone at which the international community resolves that all societies, in the light of their particular circumstances, should invite all older people to participate actively in the of society.

In order to achieve this, we must:

Do away with the word "retirement";
Strengthen social protection;
Boost productivity through full employment and decent work,

And above all, give back the

Security, respect and love

that our senior citizens deserve.

Thank you.