

**An inclusive society for an ageing population:
The employment and social protection challenge**

Paper contributed by the ILO to
the Second World Assembly on Ageing

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Preface

At the ILO, we have a strong commitment to the success of the Second World Assembly on Ageing. This event constitutes for the United Nations system an extraordinary opportunity to define major problems and opportunities related to ageing and to agree on policies to address them properly.

We are currently in the midst of a demographic revolution, as the world's population grows older at an ever-accelerating pace. The vitality of our societies increasingly depends on ensuring that people of all ages, including older people, remain fully integrated into society. The realization of such "a society for all ages" requires the recognition and acceptance of ageing as a multi-generational and society-wide phenomenon, and not a phenomenon exclusively pertaining to older persons. It also poses new challenges for both the world of work and social transfer systems.

This report, which has been prepared on the occasion of the Assembly, highlights the role of employment and social protection as the source of inclusion in a variety of ways, and presents a set of policy issues that need to be addressed if "a society for all ages" is to become reality. The ILO wants to be a team player within a strong United Nations system that rises to this demographic challenge. We attach a great deal of importance to international cooperation, policy dialogue and strengthening of partnerships that can bring us closer to a society where "every individual, each with rights and responsibilities, has an active role to play".¹

Juan Somavia,
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International Labour Office.

¹ Programme of Action adopted at the World Summit for Social Development in Copenhagen in 1995.

Contents

Preface.....	iii
Introduction.....	1
1. Global ageing trends	2
2. Social and economic consequences of ageing	5
3. Gender and ageing	7
4. Employability of older workers	9
5. Social protection and ageing	15
6. Concluding remarks and policy considerations	20

Introduction

1. The world's population is ageing at a rapidly increasing pace. As the number of elderly people rises so does the need to ensure their social inclusion. For older people, social inclusion means a decent income from work or during retirement and the possibility of participating in the life of the community through employment, volunteer work or other activities according to their capacities and preferences. Employment and social protection have a crucial role to play in this respect. However, they can only perform this role under conditions of decent work. That is, work carried out in conditions of freedom, equity, security and human dignity.
2. 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).

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: ilolex.ilo.ch:1567/english/docs/recdisp.htm

3. Social security was an agenda item at the 89th (2001) Session of the ILO's International Labour Conference. The Committee had before it Report VI, entitled *Social security: Issues, challenges and prospects*, prepared by the Office, which, inter alia, deals with the effects of ageing on social security. The report notes that social security systems must respond to new demographic challenges, such as ageing and changing family structures, with important implications for the financing of social protection. The Committee also adopted a resolution and conclusions concerning social security.

Conclusions concerning social security
International Labour Conference, 89th Session, Geneva, 2001
(Abstract)

The ageing of the population in many societies is a phenomenon which is having a significant effect on both advance-funded and pay-as-you-go pension systems and on the cost of health care. This is transparent in pay-as-you-go pension systems where a direct transfer takes place from contributors to pensioners. It is, however, just as real in advance-funded systems, where financial assets are sold to pay for pensions and purchased by the working generation. Solutions must be sought above all through measures to increase employment rates, notably of women, older workers, youth and persons with disabilities. Ways must also be found to achieve higher levels of sustainable economic growth leading to additional numbers in productive employment.

In many developing countries, particularly in sub-Saharan Africa, the HIV/AIDS pandemic is having a catastrophic effect on every aspect of society. Its impact on the financial base of their social security systems is particularly acute, as the victims are concentrated among the working-age population. This crisis calls for a much more urgent response through research and technical assistance by the ILO.

To be sustainable, the financial viability of pension systems must be guaranteed over the long term. It is therefore necessary to conduct regular actuarial projections and to implement the necessary adjustments sooner rather than later. It is essential to make a full actuarial evaluation of any proposed reform before adopting new legislation. There is a need for social dialogue on the assumptions to be used in the evaluation and on the development of policy options to address any financial imbalance.

ILO activities in social security should be anchored in the Declaration of Philadelphia, the decent work concept and relevant ILO social security standards. Social security is not available to the majority of the world's people. This is a major challenge which needs to be addressed in the coming years. In that regard the Conference proposed that:

- (i) a major campaign should be launched in order to promote the extension of coverage of social security;
- (ii) the ILO should call on governments to give the issue of social security a higher priority and offer technical assistance in appropriate cases;
- (iii) the ILO should advise governments and the social partners on the formulation of a national social security strategy and ways to implement it;
- (iv) the ILO should collect and disseminate examples of best practice.

The main areas identified for future social security research and meetings of experts were:

- (i) the extension of coverage of social security;
- (ii) HIV/AIDS and its impact on social security;
- (iii) governance and administration of social security systems;
- (iv) equality, with an emphasis on gender and disability;
- (v) ageing and its impact on social security;
- (vi) financing of social security;
- (vii) sharing of good practice.

Source: ILO: *Social security: A new consensus*, Geneva, 2001.

1. Global ageing trends

4. The number of people aged 60 and over is growing faster than all other age groups. Between 1950 and 2050 it is expected to increase from 200 million to 2 billion. Ageing trends vary between countries and regions. Table 1 shows that developing countries still have a relatively young population while populations in industrialized countries are relatively old. However, as shown in table 2, the speed at which populations in developing countries are ageing is faster than in industrialized ones. While the developed world will age at almost constant pace when comparing the periods 1950-2000 and 2000-50, old-age dependency poses an increasing problem in the developing world.

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	7.3	7.3	7.4	7.5	8.1	8.9	10.0	12.3	15.1	17.2	19.4
	Females	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 ageing¹

		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

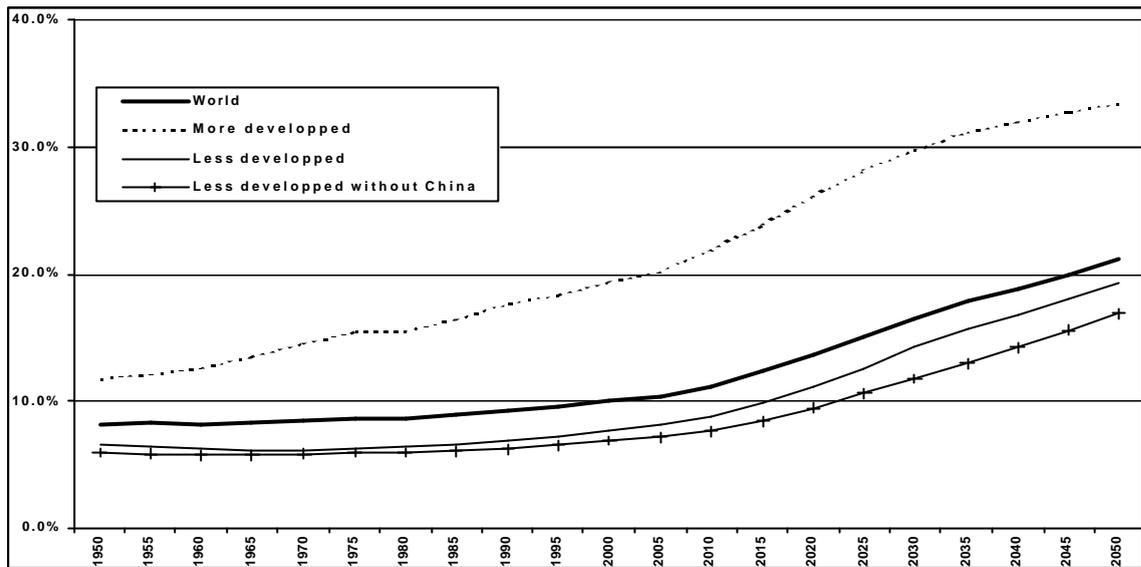
Source: *World Population Prospects*, op. cit., and own calculation.

5. This demographic shift, depicted in figure 1, is attributed mainly to the general decline in fertility rates and to improved health, which has lengthened life expectancy and reduced the share of newborns in all parts of the world. The shifting age structure towards old age gives rise to concern. Poverty and social exclusion are the greatest obstacles to a secure and decent old age. Only if people are accumulating pension entitlements from an early stage in their career do they have a good chance of escaping poverty in old age. Moreover, HIV/AIDS damages the population structure in many countries. For instance, in Zimbabwe, a 15-year-old boy today has only about a 50 per cent chance of reaching the age of 50. The implicit meaning is that a huge number of families will lose their prime-age breadwinners before the pandemic can be halted.²

¹ Increase of population share of people above age 60 and 80.

² ILO: *Social security: Issues, challenges and prospects*, Report VI, International Labour Conference, 89th Session, Geneva, 2001.

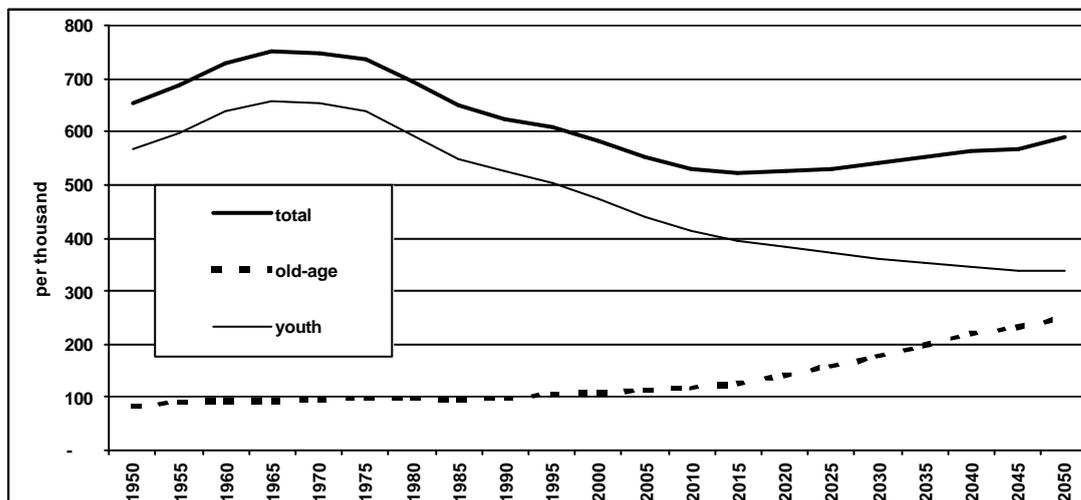
Figure 1. Rate of demographic ageing (population aged 60 or over as a percentage of total population)
(United Nations projection – medium variant)



Source: World Population Prospects, op. cit.

- Figure 2 shows that world total dependency rates will fall for some time, as a result of a decline in youth dependency. This could create scope for at least some reallocation of resources from youth to older people.

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.

- These unprecedented demographic changes call for new thinking regarding policy formulation and implementation. This new thinking requires that we view ageing as a lifelong and society-wide phenomenon, not exclusively related to older people. 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. At the Summit, member States declared that the fundamental aim of social integration is to create “a society for

all”, in which “every individual, each with rights and responsibilities, has an active role to play”.³

8. Multi-generational relationships have sustained family and community life for centuries. Older persons have the advantage of experience and knowledge of their generation’s history while younger people look to the future. We have now the opportunity to bring together the varied skills and expectations of all ages in mutually benefiting ways, including lifelong education, community planning for people of all ages, social and economic development as well as socially active efforts to eradicate poverty and social exclusion. In developing countries, family structures play a major part in the lives of older people and informal support systems are common. However, support for older relatives is not automatic and it is always determined by culturally specific norms. Increasingly, older people have to rely on themselves for all their needs. Indeed, in many cases, they also find themselves responsible for the care of younger relatives. There is a need for further research as well as an intelligent public debate about the importance of inter-generational solidarity so we can face the challenges of a multi-generational society. For most of the twentieth century, old-age policies were designed with a youthful society in mind. From this point onwards we should be looking towards “generationally aware” policies.⁴

2. Social and economic consequences of ageing

9. Over the past several decades, most industrialized countries have experienced a substantial drop in the average age at which individuals retire from the labour market. Longer life expectancy and better health have not been accompanied by longer working lives as illustrated in table 3. As a consequence, these countries are facing serious concerns about the viability of social security systems. However, what affects national social transfer systems, which redistribute income from the active to the inactive, is not the above demographic shifts alone, but rather the system’s dependency ratios. It is decisive for the viability of a pension system how many pensioners have to be maintained by every single active person. So far, the pension systems in the more developed countries have behaved as if demographic ageing is not a major concern. If it were possible to shift retirement ages gradually back to the level of the 1950s over the next five decades then at least the demographic pressure resulting from longevity could be diffused. Therefore, a key challenge is to mitigate the effects of a drop in the working age population by increasing and prolonging the participation of older people in the labour market.

Table 3. Retirement age and expected duration of retirement in OECD countries

	Males		Females	
	1950	1990	1950	1990
Retirement age	68.5	62.2	66.0	60.0
Expected duration of retirement	10.8	16.8	14.1	22.6

Source: D. Latulippe: *Effective retirement age and duration of retirement in the industrial countries between 1950 and 1990*. Issues in social protection, Discussion Paper No. 2, Geneva, ILO, Social Security Department, 1996. www.ilo.org/public/english/protection/socsec/publ/dispp2.htm

³ www.un.org/esa/socdev/docs/summit.pdf

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.

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10. The challenges facing older workers in developing countries are very different. In most developing countries, where no more than 20 per cent of the labour force is included in regular social security systems, retirement is a luxury few older people can afford. Even if the formal sector requires them to retire, insufficient transfer incomes force many older workers to continue working in the informal economy as long as possible. About 40 per cent of people above 64 in Africa and about 25 per cent in Asia are still in the labour force, mostly in the agricultural sector, whereas this rate in the more developed parts of the world is less than 10 per cent.⁵ In the developing world, older people, in particular women, continue to make a very important “invisible” contribution to their families and society so that other members of the household may engage in “visible” economic activity, yet the rapidly growing shares of the very old will become a problem for societies which have to maintain at least informal income transfers to the very old – a problem that is often overlooked in the present debate.
11. In many parts of the developing world, informal sector employment, where a large number of older people are concentrated, has dramatically expanded. In Latin America, the urban informal sector was the primary job generator in 1990-98. In Africa, it is estimated that urban informal employment absorbs 61 per cent of the urban labour force, and was expected to generate more than 93 per cent of all additional jobs in the region in the 1990s. In Asia, before the 1997 financial crisis it was estimated that the informal sector typically absorbed between 40 and 50 per cent of the urban labour force, with differences between the newly industrializing countries and countries such as Bangladesh, ranging from less than 10 per cent to an estimated 65 per cent.⁶ This reflects the sluggish growth of formal sector employment and the need for older workers to supplement or to replace retirement income. In many countries, a high proportion of older women work in the informal economy, to some extent because there they can more easily combine work with family responsibilities, and partly for reasons related, for example, to discrimination encountered in the formal economy. Informal economy workers have little or no security of employment or income. Their earnings tend to be relatively low and to fluctuate more than those of other workers. A brief period of incapacity can leave the worker and her/his family without enough income to live on. The sickness of a family member can result in costs which destroy the delicate balance of the household budget. Work in the informal economy is often intrinsically hazardous and the fact that it takes place in an unregulated environment makes it still more so. There is, therefore, a pressing need to find effective ways to extend social protection to informal sector workers.⁷
12. By the year 2010, approximately 27 per cent of the world population will be over 45 – the age at which the incidence of disability begins to increase significantly. Unemployment rates of people with disabilities vary with their specific disability, but are significantly higher than that of the workforce as a whole, usually double, with some countries reporting an unemployment rate as high as 80 per cent. In developed countries, the increase in the number of older workers leaving the labour force prematurely due to disability has aroused considerable concern. The human cost of so many without work cannot be quantified, but the outcomes are isolation and marginalization of a significant proportion of the

⁵ ILO: *World Labour Report*, 2000, Geneva.

⁶ *Employment and social protection in the informal sector*, Committee on Employment and Social Policy, Governing Body, 227th Session, Mar. 2000 (GB.277/ESP/1/2), www.ilo.org/public/english/standards/relm/gb/docs/gb277/pdf/esp-1-2.pdf

⁷ ILO: *Social security: Issues, challenges and prospects*, op. cit.

population.⁸ Governments in countries with comprehensive and efficient systems of social protection spend considerable amounts on disability benefits.⁹ In addition to the direct costs involved in the payment of disability benefits, there is a significant opportunity cost to the national economy in having so many people out of the active labour market.

13. Given the shortage of jobs in the labour market, it is a common perception that the old should make room for the young, who should be spared the frustration and possible psychological harm of feeling rejected by the world of work at the very start of their working life. In developing countries, where formal employment is very scarce, it is difficult for the numerous young unemployed to find a job in the formal sector. It is believed that if older workers were to stay longer in activity, it would be even worse. In many developed economies, early retirement is often encouraged, in the hope that it can improve job prospects for the young unemployed. However, whether these early retirement schemes did create employment for the young remains doubtful. A first reason for this is that entry and exit flows in the labour market do usually not occur in the same sectors, companies or occupations. Early retirement schemes have been popular in the industrial sector while entries have been more concentrated in the service sector and smaller firms. On a macroeconomic level, there is therefore no reason to believe that those leaving give place to younger entrants in the labour market. Consequently, the extension of retirement age would not lead to rising unemployment among most young entrants. A different case is retirement options with a replacement condition. In such schemes, workforce renewal is the main target and the schemes have been successful to some extent, but take-up has not been high, probably because of the abovementioned problem of diverging profiles of entry and exit flows. Whether young and older workers are interchangeable remains doubtful and further research on this issue is needed. However, youth unemployment problems (or the unemployment problems of any other population group for that matter – such as women) should not be addressed at the expense of another population group, e.g. older workers. The ILO's Older Workers Recommendation, 1980 (No. 162), adopted the principle that strategies and policies should ensure that employment problems are not shifted from one group to another.

3. Gender and ageing

14. One can note in table 4 that women make up the majority of the over 60 population in many countries. Older women are more likely than men to lack basic literacy and numeracy skills especially in some developing countries. A large part of the economic contribution of women 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.

⁸ ILO: *World Employment Report 2001*, Geneva.

⁹ A. Samodorov: *Indicators of cost-effectiveness of policy options for workers and disabilities*, 1996, Geneva, ILO.

Table 4. Proportion of women amongst the elderly

		1950 (%)	2000 (%)	2050 (%)
World	Amongst 60+	56	55	54
	Amongst 80+	62	65	62
More developed	Amongst 60+	58	59	56
	Amongst 80+	63	69	64
Less developed	Amongst 60+	54	53	54
	Amongst 80+	59	61	61

Source: *World Population Prospects*, op. cit.

- 15.** Poverty in old age has a strong gender dimension. As presented in table 5, life expectancy for women is higher than for men. Therefore, women might stay in poverty longer at the end of their lives. A woman's chance of losing her partner is higher and women are less likely to remarry than men. Women over 60 who have lost their partners greatly outnumber their male equivalents.¹⁰ In some countries, widows are often denied access to or control over resources. Also, 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. In these countries, widowhood is usually accompanied by a loss of status and therefore means more than the loss of a husband – it also means the loss of a separate identity. The increasing number of widows over the next century will challenge societies in not only providing the necessary and immediately required support but also in providing them with opportunities to become more self-supportive.¹¹

Table 5. Life expectancy at birth

		1950-55	1995-2000	2045-50
World	Males	45.2	62.9	73.7
	Females	47.9	67.1	78.5
More developed	Males	63.6	71.1	79.0
	Females	68.6	78.6	85.1
Less developed	Males	40.2	61.4	72.9
	Females	41.8	64.5	77.3

Source: *World Population Prospects*, op. cit.

- 16.** 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, such as those in the Baltic States and China, are especially vulnerable to age and sex discrimination.¹² As these women workers grow older it appears that they are more likely to be made redundant, and less likely to find alternative

¹⁰ Among the countries with at least five times as many female as male widows are Algeria, Bangladesh, Botswana, Burkina Faso, Burundi, Cameroon, Côte d'Ivoire, Egypt, Jordan, Mali, Morocco, Senegal, Tunisia and Zimbabwe. *The State of World Population*, 1998, UNFPA.

¹¹ *ibid.*

¹² ILO: *Realizing decent work for older women workers*, 2000, Geneva.

employment than other groups within the labour market. However, some governments are taking steps to combat stereotypes and discrimination. The box below presents the case for Estonia.

Older women in Estonia

In transition countries, the socio-economic transition process has taken place against the backdrop of the feminization of later life. Women account for over 64 per cent of the over 60 population. Of the older female population, approximately one in four do not have children and many are currently experiencing a long period of widowhood. For both women and men, unemployment increases with age. For older men, unemployment rates are highest among those with primary education. But for older women, those with secondary education experience the highest levels of unemployment. Following the International Year of Older Persons in 1999, the Estonian Government officially endorsed the Policy of the Elderly and established a Commission of Policies for the Elderly. 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: Gender Promotion Programme, ILO.

17. Older women provide an indispensable contribution to the economy and society as they are often primary care providers. In the developed regions, a significant model of caregiving is emerging for working women in the 45-60 age bracket: caring for both their children and elderly relatives.¹³ Likewise, in the less developed regions, particularly Africa, women in a similar age bracket are finding that their caregiving role is also increasing but due to different circumstances. Many older African women care for a range of relatives, especially their children and grandchildren with HIV/AIDS, in the absence of any government support.¹⁴

4. Employability of older workers

The importance of education and skill development

18. Many current employment problems of older workers are rooted in their low levels of basic or core skills such as literacy and numeracy. A disproportionate share of older people with disabilities have less education and lower skills than the workforce at large. While there are many education and literacy programmes, these tend to be targeted at children and younger people. In many countries, educational attainment is strongly correlated with employment.¹⁵ Educational level provides the basis for workers to acquire skills throughout their working life, and thus enter their older age well equipped. For older

¹³ *ibid.*

¹⁴ “Gender and ageing”, edited by D. Ewing, in *The Ageing and Development Report*, 1999, HelpAge International, London.

¹⁵ P. Auer and M. Fortuny: *Ageing of the labour force in OECD countries: Economic and social consequences*, Employment paper, 2000, ILO, Geneva.

people with disabilities, longer lives should mean greater opportunities for constructive training and life experience and more time to achieve self-determination. Empirical research¹⁶ foresees that future older workers will be better educated than today. Although this trend is likely to occur for developed countries, large international differences in the distribution of education levels will persist.

19. The demand for new skills and knowledge places many older workers at a disadvantage, as their training earlier in life is likely to be obsolete. Older people with disabilities face additional barriers in accessing employment and training opportunities. Age discrimination underlies many of the difficulties faced by older workers in the labour market. 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 55-64.¹⁷ Evidence shows that prejudices towards the abilities of older workers are unfounded. The conclusion being drawn from research is that the average difference in work performance between age groups tends to be significantly less than the differences between workers within each age group.¹⁸
20. The realization of an all-inclusive workforce across age groups has clear advantages for business. It 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 next box presents some of the advantages for employers of having an “age diverse” workforce.

The business case for age diversity
Seizing the opportunity

According to the Employers Forum on Age, by abandoning their prejudices about what makes a “younger” or “older” worker, “smart” companies are gaining competitive advantage and financial benefit:

Employee	Reduced costs as a result of improved employee retention Access to a wider labour pool
Market	Increased focus on new opportunities in their marketplaces Opportunities to get closer to customers and reflect their interests and needs
Reputation	Exemplary corporate citizenship helps build commitment from all stakeholders and supports and encourages brand loyalty

“Prepare for change” would be a good motto for the twenty-first century, at a time when businesses are constantly reinventing themselves to cope with the fast-moving global economy.

In such an environment, where every opportunity for commercial advantage must be seized, age diversity would seem heaven-sent as a means of coping with change.

Businesses that undergo periods of rapid and frequent evolution make rigorous demands on the people employed to make it happen: the workforce. Senior executives need to recognize opportunities for competitive advantage and to exploit them quickly and efficiently, while their employees must have the experience, flexibility and imagination to turn opportunity into reality.

Source: Employers Forum on Age, www.efa-agediversity.org.uk/

¹⁶ *OECD Employment Outlook*, June 1998, OECD, Paris.

¹⁷ ILO: *Lifelong learning in the twenty-first century: The changing roles of education personnel*, April 2000, Geneva, www.ilo.org/public/English/dialogue/sector/techmeet/jmep2000/jmep1.htm

¹⁸ ILO: *World Employment Report 1998-99*, Geneva.

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21. Older workers do not represent a significant proportion of the recipients of public employment and training programmes, but they are an increasingly important target group. In Europe, one of the more integrated policy programmes to promote the employability of older workers is the Finnish National Programme for 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 raise the actual age of retirement. Its slogan, “experience is national capital”, emphasizes the ageing workforce as a resource. In Latin America, Chile’s Division of Social Services of the *Instituto de Normalización Previsional* (INP) is undertaking several projects that aim at improving the skills, quality of life, integration and social participation of older people, including those with disabilities.

The Finnish National Programme for Ageing Workers, 1998-2002

- The main goal of the FNPAW is to promote the employability of the over 45s and to reduce their exclusion and premature retirement.
- FNPAW is led and run in an integrated way. The Ministry of Social Affairs and Health, the Ministry of Labour and the Ministry of Education, in cooperation with major labour market organizations, are responsible for its implementation.
- 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.

Projects from the Division of Social Services of the INP in Chile

- **Literacy programmes:** In three years, in all regions of Chile, more than 1,000 elderly persons have learned or recuperated the capacity to read and write. In Chile, 15 per cent of older people are illiterate – this rate is three times higher than the overall illiteracy rate.
- **Personal development:** The programme includes training on topics such as self-esteem, communication skills, problem solving as well as on the general process of ageing and its consequences. The programme has two phases. The first phase took place in 2000 when 23 retired professionals were trained in the aforementioned topics. During the second phase, these trainees will replicate what they learned to groups in their communities, undertaking the role of Counsellors on Personal Development for the Third Age.
- **Internet training:** In 2000, 160 older persons and 60 persons with disabilities were trained in the use of new technologies. Since many of the participants are members or leaders of trade associations, such training helps to improve their work in these bodies.
- **Meeting houses (*Casas de Encuentro*):** Seven buildings, in different regions of the country, have been equipped to be used by older people, who are organized to develop programmes that encourage partnerships and their social integration.
- **Fostering partnerships:** Through the unit related to trade association issues, the INP develops initiatives to foster partnerships and to encourage social participation of the users and retirees of the Institute, maintaining a permanent link with trade associations. Some of the workshops have titles such as “Communication techniques in organizations for the elderly”, “Strengthening elderly organizations” and “Learning to age”.

Source: www.serviciosociales.cl

22. The ILO’s resolution concerning human resources training and development, adopted at the 88th International Labour Conference in June 2000, noted the crucial role of high-quality education and training to prevent and combat social exclusion and discrimination, particularly in employment and that, in order to be effective they must cover everyone, including older workers. The Resolution also stresses the importance of training as one of

the instruments that, together with other measures, can address the challenge of the informal sector where many older workers are concentrated.

**Resolution concerning human resources training and development
International Labour Conference, 88th Session (Geneva, June 2000)**

“Training can be one of the instruments that, together with other measures, address the challenge of the informal sector. The informal sector is not a sector in the traditional sense of economic classification but a name given to the economic activity of persons in a variety of situations, most of which are survival activities. Informal sector work is unprotected work that is, for the most part, characterized by low earnings and low productivity. The role of training is not to prepare people for the informal sector and keep them in the informal sector; or to expand the informal sector; but rather it should go in conjunction with other instruments, such as fiscal policies, provision of credit, and extension of social protection and labour laws, to improve the performance of enterprises and the employability of workers in order to transform what are often marginal, survival activities into decent work fully integrated into mainstream economic life. Prior learning and skills gained in the sector should be validated, as they will help the said workers gain access to the formal labour market. The social partners should be fully involved in developing these programmes.”

Source: www.ilo.org/public/english/standards/relm/ilc/ilc88/resolutions.htm#III

The role of lifelong learning

- 23.** Lifelong learning is a long-term preventive strategy far broader than just providing second-chance education for those adults who did not receive quality education and training earlier in life. For those adults – many of whom are older women with insufficient initial education and training – lifelong learning is about delivering job-relevant learning and building the foundation for further learning.
- 24.** The inclusion of older workers relies on equipping them with the skills that they need and the knowledge on how to renew them. The trend to lifelong learning is an important cultural asset as well as an economic need. 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 one-off undertakings experienced early in life. At the level of the individual, as well as the organization, an attitudinal shift toward the expectation of lifelong learning could in itself be a powerful tool in propagating the fact that lifelong learning applies to all workers of all ages. Younger workers have on average more years of schooling and have more access to training programmes than their older counterparts. As a result, it may be more difficult for older workers to keep up with technological change. Adapting and upgrading skills will be more fruitful than learning new ones, given the shorter time to recoup costs.
- 25.** Only in a learning society will all workers, women and men, be able to continually upgrade their skills and knowledge needed to maintain employability. While the United Kingdom is one of the countries at the forefront of initiating action in this area, lifelong learning is being well accepted across a range of industrialized countries as the strategy required for continued development.

Lifelong learning in the United Kingdom

The Access to Learning for Adults Division of the Department for Education and Skills (previously the Department for Education and Employment) is undertaking several actions to promote lifelong learning. For example:

The Learning and Skills Council

The national Learning and Skills Council and its 47 local councils have been set up to take responsibility for planning and funding all post-16 education and training (excluding higher education) in England. The importance of learning for older people has been highlighted in the Learning and Skills Council remit letter which sets out the Government's priorities for the Council:

... I look to the Council to increase the demand for learning by adults, and to increase the supply of flexible, high-quality opportunities to meet their needs ... This includes provision for the growing proportion of older people (paragraph 46).

... many adults, including large numbers of older and retired learners, will want to pursue high-quality and rigorous study for its own sake, and I expect provision to be made available to meet their needs (paragraph 26).

Demonstration projects

Over the past four years, the Department for Education and Skills has funded a number of demonstration projects. These have explored innovative ways of encouraging older people into learning, highlighted the benefits of learning in later life and celebrated the achievements of older learners. These projects have seen the Department work in partnership with a range of organizations, including the University of The Third Age and Age Concern.

26. 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.¹⁹

Information and communication technologies (ICT) and older workers

27. The overall importance of investment in education and skills is underscored by the structural changes societies and economies are undergoing. Rapid technological developments call for a continuous renewal and updating of skills. At the same time, new technologies can contribute to extend working lives, allowing older workers to maintain their ties to the labour market. ICT is also helping to open employment possibilities for older people with disabilities at all skill levels. On the other hand, stereotyped attitudes against older workers often prejudice the discussion on new technologies and older workers. The next box presents some examples of European companies that undertake training in ICT for older workers.

¹⁹ *World Employment Report 2001*, op. cit.

Training older workers and ICT

Hellas Can (Greece): Participation and involvement. Older workers participate in all training programmes offered by this organization, including training in the use of ICT. Management values older workers' experience and they are frequently involved in providing on-the-job training. Also, workers with particular skills may remain with the organization past the normal age of retirement.

Computer Service Dienst (Germany): Integration of older employees by expanding into new business areas and training with others of a similar age. This organization has developed an alternative strategy to enable older employees to remain within the company. It has expanded into a new area of activity and opened a "repair service centre". The centre has provided alternative work for about 30 per cent of its older service engineers, who have been trained to work on new computer systems. In addition, approximately 20 per cent of the older service engineers have been transferred to consultancy and customer care functions within the sales department.

Fontijne Holland (Netherlands): Training of production workers aged 40 and above. 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 some time, feel less involved in the production process, want to study new techniques or expand their knowledge. Two-thirds of the course takes place in employees' own time.

Source: *Combating age barriers in employment: A European portfolio of good practice*, European Foundation for the Improvement of Living and Working Conditions, 1998.

28. Beyond older workers, the inclusion of older people into the information society is the broader challenge. If there is one risk that older people are likely to experience, it is isolation and, thus, marginalization. The Internet and other ICT offer possibilities for overcoming isolation among older people.²⁰ The next box presents the *eEurope* initiative of the European Commission, which aims to bring the benefits of the information society to all Europeans, including older people.

eEurope Action Plan 2002

Objective 2c: Participation for all in the knowledge-based economy

The accessibility challenges of the Internet faced by the disabled and older persons can to a large extent be solved by means of appropriate coding when constructing web sites and content, and the application of some simple rules of layout and structure when designing web pages.

The European approach to ensuring the availability of accessible information on public web sites is encapsulated in the *eEurope Action Plan 2002*. Under objective 2c, the Action Plan includes five targets for promoting "Participation for all in the knowledge-based society"; the Action Plan emphasizes that, "... Public sector web sites and their content in member States and in the European institutions must be designed to be accessible to ensure that citizens with disabilities can access information and take full advantage of the potential for e-government".

Source: europa.eu.int/information_society/eeurope/action_plan/actionplantext/index_en.htm

29. There is no doubt about the positive potential of the technologies for older workers. However, the level of national income is strongly related to ICT diffusion and is clearly the distinguishing feature of the digital divide between industrialized and developing countries.

Adequate and safe working conditions

30. The ability and willingness of older workers to continue working depend also on their personal state of health, conditions of work and motivation. The ILO's Older Workers Recommendation, 1980 (No. 162), aims to identify and eliminate the occupational health hazards and working conditions which hasten the ageing process and which reduce the

²⁰ *ibid.*

working capacity of older workers. The growing concern over the increase in the number of older workers leaving the labour force prematurely owing to disability or rather inability to cope, has aroused considerable interest in examining how age relates to work demands.²¹ There is also a growing awareness that many of the obstacles that people with disabilities face at work and in their search for jobs arise from the way employment is structured and work is organized, rather than the disability itself.

31. Employability of older workers is strongly influenced by individual and occupational factors which are essential to a person's ability to cope throughout their working life. That is the individual's workability. Workability is the result of the interaction between the individual's resources, working conditions and work organization. A person's individual resources include health, functional capacity, basic and professional education and skills. The resources are also influenced by the person's values and attitudes, motivation and job satisfaction. 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. Improving workability is also a tool to prevent both a premature loss of functional capacities and disability.²²
32. The Finnish model of workability encourages the implementation of flexible working hours and job rotation. Reorganization of working hours offers opportunities to reduce work-related stress on the elderly. 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 the ageing workers with an emphasis on management and work organization.

5. Social protection and ageing

Income security in old age

33. Old age poses major problems in terms of income security, especially in developing countries and in particular for women. In sub-Saharan Africa and South Asia, statutory social security personal coverage is estimated at 5 to 10 per cent of the working population and in some cases is decreasing. In Latin America, coverage is very different from country to country, ranging from 10 to 80 per cent. However, there does seem to be a general stagnation. In South-East and East Asia, coverage can vary between 10 and almost 100 per cent, and in many cases was, until recently, increasing. Moreover, a significant proportion of this population is covered for only a few contingencies. People who have been working in the informal economy, predominantly women, are likely to have very low or no incomes in old age. This is not a new problem but, as the informal sector has recently been expanding, it may become even more serious in the years ahead. Relatively few developing

²¹ A substantial amount of research on how working conditions and the working environment affect ageing workers' capacity to cope with the demands of the job has been undertaken by the Finnish Institute of Occupational Health, the University of Amsterdam and other occupational safety and health institutions. *World Labour Report*, 1995, Geneva, ILO.

²² *Active Strategies for an Ageing Workforce*, Conference report, Turku, 12-13 August 1999, European Foundation for the Improvement of Living and Working Conditions, <http://www.eurofound.ie/publications/EF9962.htm>

countries provide a minimum income for their elderly, but examples exist in some Latin American and Caribbean countries, India, Namibia and South Africa.²³

Universal pensions in Namibia

The universal pension system in Namibia is based on flat-rate benefit regardless of other income for rich and poor alike. Four types of benefits exist in the universal pensions' scheme: old-age grants, disability grants, child maintenance grants and foster parent grants.

Every Namibian citizen, resident in Namibia and aged 60 years or more, is entitled to an old-age benefit of the scheme. The non-contributory Universal Pension Scheme, which was established in 1992 by the National Pensions Act, in March 2001 provided 111,789 benefits, of which 96,767 were in the amount of N\$200 per month to persons aged 60 or older.

Currently about 98,000 persons are 60 years or older; therefore the total coverage of elderly persons is almost 100 per cent.

Presently the expenditure for old-age benefits without administrative cost is about N\$230 million per year, that is 0.8 per cent of gross domestic product (GDP). If an annual adjustment of benefits in line with inflation is assumed this share will steadily decline to 0.55 per cent during the period 2040-44; thereafter it will start increasing. In the year 2050 it is calculated to be 0.6 per cent.

This may be an example that ageing does not always put a burden on old-age pension schemes, e.g. in Namibia and other countries in Africa that have a very young population. In the case of Namibia, it is projected that the average age of the population will increase from about 22.5 years in 2000 to 27 years in the year 2050. This indicates that in this case the pressure of ageing is not on old-age pension schemes but on the labour market. Since persons of working age constitute a growing part of the population, hence the need to create more and more jobs. The chosen example also shows that (almost) universal coverage of anti-poverty measures for the elderly is possible and affordable.

The main rationale for the Namibian Government to introduce a universal flat-rate pension scheme is that of redistribution. The Government designed the pension scheme to be redistributive in order to guarantee adequate retirement income for retirees who were unemployed or underemployed, in low-paid employment while working or whose accrual of pension benefits was reduced because they were temporarily out of work for reasons such as sickness, unemployment or family responsibilities. Redistribution between generations is also seen as desirable in order to share the benefits of economic growth.

Currently, the authorities intend to have the payments of the universal scheme means tested, in order to be able to pay higher benefits to those who are actually in need. In addition, the Government intends to establish a contributory pension scheme, in order to better address the needs of invalids, widows and orphans and to provide old-age benefits higher than the basic anti-poverty measures of the Universal Pension Scheme.

Source: *Extension of social protection: Assessing the impact of the Universal Pension Scheme in Namibia*, Draft ILO report, and own calculations.

²³ ILO: *Social security: Issues, challenges and prospects*, op. cit.

India's innovative social assistance network

India provides social support to many workers in the formal sector. For the poor, however, there is a lack of formal programmes. Thus, older people in India are often confronted with the uncertainty of how to survive.

India has created a variety of income maintenance programmes. The destitute elderly are covered by state social assistance programmes targeted to their needs.

Two major programmes are those of Maharashtra and Kerala States. Maharashtra State has a population of about 70 million, almost two-thirds in the rural sector. The social assistance programme for the destitute elderly provides benefits to those over age 59 (women) or age 64 (men) who have no property or any other support, and who have been residents of Maharashtra State for at least 15 years.

In the State of Kerala, there are several special social assistance programmes. The two most important are the Kerala Destitute Pension Scheme (KDPS) and the Agriculture Workers' Pension Scheme (AWPS). The KDPS provides destitute pensions to the elderly, the widowed or those with disabilities. The AWPS provides an old-age pension to low-income agricultural labourers.

Social assistance programmes operate in most other States of India. Eligibility conditions for each State vary but the "means test" to assess financial resources is very strict in all of them.

The social assistance programmes in India do not completely solve the problem of how to support the destitute elderly but do reflect an explicit recognition of the poverty problems facing old people.

Source: *Ageing in Asia: The growing need for social protection*, 1997, ILO, EASMAT, www.ilo.org/public/english/region/asro/bangkok/paper/ageing.htm.

- 34.** In most industrialized countries, social security coverage is close to 100 per cent. Poverty amongst the elderly is often smaller than amongst working-age populations, except in some countries in transition.

The financing of social protection

- 35.** Contemporary social protection financing systems are often said to be ill equipped to deal with the ageing of populations. In fact, all pensions systems, whether pay-as-you-go, pre-funded or a combination of the two, are mechanisms for dividing current national income between active and retired workers. If the ratio of the retired to the active rises, changing the financing mechanisms will not solve the problem of rising pension costs. A genuine solution is to be sought by increasing participation in the labour force – notably among women, older workers, young people and people with disabilities and thus through job creation. An ageing society need not face any crisis, as long as it is able to provide jobs for its ageing workforce. Modern and more flexible lifetime working patterns should be able to better accommodate the ageing workforce.

Impact of increasing labour force participation rates

ILO model calculations show that in a typical rapidly ageing European country with a de facto retirement age of 60 and a female labour force participation rate like that of the Netherlands, the combined unemployment and old-age pensioner dependency ratio would have been in the order of 62 dependants per 100 employed persons in 1995. If the country were to raise the de facto retirement age to 67 by 2030 and increase female labour force participation to the present highest levels in Europe (i.e. the Swedish level), then the combined dependency ratio in 2030 would amount to about 68 per 100 employed. Under status quo conditions (i.e. unchanged de facto retirement age of 60 and unchanged female labour force participation) that ratio would be 80 to 100, or about 18 per cent higher. This may suggest that employment is the key to the future financing of social protection.

Source: ILO: *Social security: Issues, challenges and prospects*, op. cit., and *World Labour Report*, op. cit.

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36. However, financing and benefit systems have to be tuned for ageing, as both pay-as-you-go defined benefit pension systems and funding systems of individual savings accounts will be affected by ageing. Old-age benefit systems are long-term commitments of a society to which people are affiliated for seven to eight decades. To be sustainable, the financial viability of social security systems must be guaranteed over the long term. It is therefore necessary to implement needed adjustments sooner rather than later to avoid financial crises. This also has to be done through a consensus between the different generations ensuring that the cost is correctly shared between the active and the inactive.
 37. HIV/AIDS is also having a substantial impact on the financing of social protection. On the expenditure side, while the number of old-age pensions to be paid should be reduced in the long run, the number of invalidity and survivors' pensions should significantly increase in the short run. On the income side, lower economic growth as a consequence of HIV/AIDS could negatively affect social security contributions. Traditional social protection networks could be strengthened to ease the burden of HIV/AIDS which implies a deep involvement of the extended family and among them the elderly. The informal social protection mechanisms (extended family, local community) are being stretched well beyond breaking point by the large numbers of adult breadwinners now being struck down in their prime. Social solidarity is vital in order to ensure that all the necessary help is channelled to the family, groups, communities and regions most directly affected.

Long-term health-care implications of ageing

38. Ageing is having an important impact in health services of different countries. Health-care investments in prevention are crucial to keep workers healthier for a longer time. Only if workers age healthily will they stay active longer. Health services also need to adapt to the demands of the ageing population as well as to associated costs. The rapid growth of the share of the oldest old population may serve as an indicator of the growing demand for long-term nursing service of dependent elderly. Health care constitutes an integral part of the network of social protection in any society.
39. Evidence suggests that, in countries where there are few social services, informal support systems, such as family structures, play a major role in the daily lives of older people. However, if the labour force participation – notably of women – is increasing, then such informal systems have to be increasingly replaced by professional services.
40. Health-care costs significantly increase with age. Applying the pattern in table 6 worldwide (assuming it stays constant) to the United Nations population projections would show that the overall cost of health care, due to ageing alone, would increase by 41 per cent between 2000 and 2050. The increase is 36 per cent for the more developed countries and 48 per cent for the less developed. The effect does not take into account the overall future increase of utilization and cost across the whole pattern of consumption. Neither does it take account of the “catching-up” effect that one might expect in the developing world. On the other hand it is not clear whether the future increase of health-care consumption in early ages would reduce consumption in older ages. However, an uncontained increase of excess medical inflation by 1 per cent per year, or a 1 per cent per year average increase of utilization, has greater effects on the overall cost of health care than ageing. Furthermore, health care is a labour-intensive industry. Whether in the long run this is a positive or limiting effect to growth depends on how countries solve present overall employment problems. Therefore, more research is needed to assess the effect of ageing on overall health-care cost.

Table 6. The pattern of medical care consumption by age – the case of Japan

Age group	Typical scale of medical care cost by age
0-4	0.8
5-9	0.5
10-14	0.3
15-19	0.3
20-24	0.5
25-29	0.6
30-34	0.7
35-39	0.8
40-44	1.0
45-49	1.1
50-54	1.4
55-59	1.8
60-64	2.3
65-69	2.9
70+	4.7

Source : ILO estimation based on data from Japan.

Ageing and migration

41. Migration replacement, i.e. the international migration needed to compensate the reduction of the working-age population in ageing societies, has become a major concern. A United Nations study²⁴ has calculated that the immigration required between 2000 and 2050 in the European Union would be 47 million to maintain the size of total population and 674 million to maintain the ratio of the working-age population (15-64 years) to the old-age population (65 years or older). From these figures it appears that immigration may not be a universal solution to ageing.
42. The situation of migrant workers performing work in the informal economy and ageing while falling outside the realm of social protection, not having access to pension schemes and adequate health services, is of great concern. It is also important to ensure equal treatment with nationals as well as to maintain acquired rights after transfer of residence from one country to another.
43. Emigration can also deprive sending countries of people they actually need. While it may be advantageous for individuals, this “brain drain” represents a considerable loss to countries that have invested in workers’ training and skill. This also results in an “adverse selection” of the adult population having negative implications for the national health and pension systems.
44. The emergence of new employment opportunities in urban areas has fuelled unprecedented levels of rural emigration and led to changes in family structures. In many cases, the migrants are the young adults with higher levels of education and older people remain in

²⁴ *Replacement Migration: Is it a Solution to Declining and Ageing Populations?*, United Nations Population Division, 2000.

the rural area. Migration not only exacerbates the ageing effects of fertility decline by removing the younger cohorts, but it also removes those with initiative who are most likely to improve the condition of the rural and elderly poor. Sometimes elderly people in rural areas are no longer able to cope alone and they have to migrate to the urban areas to live with their relatives, facing problems of isolation and loneliness. The box below presents the case of older Aymara who migrated to urban areas in Bolivia. However, mixed evidence exists. For instance, in the Republic of Korea, the exodus of surplus rural population to the cities generated improved standards of living in both rural and urban sectors.²⁵

Elderly Aymara living in urban areas

In Aymara indigenous communities in Bolivia, the community accepts responsibility for the care of older people who are left alone for whatever reason. Currently this traditional behaviour is being transformed as many Aymara people are migrating to the cities in search of work. Aymara migrants often end up living in marginalized areas of the city in conditions of extreme poverty. Many of them decide to move their older relatives to the city, in particular widowed mothers, because they do not want them to be left alone in their rural areas. For older Aymara people the cities are alien places. The cultural structure of their ancestors is practically non-existent there, and there is a strong feeling of insecurity and alienation.

Some years ago, in a neighbourhood of La Paz, four older Aymara women founded a group to help themselves and avoid being a burden to their children. The group enables them to meet and discuss their problems together. Originally, the main activity was spinning alpaca wool. Contacts were made with a group of older people in Sweden, who helped sell the wool there. With this income the older women began to construct a home for themselves. Now they have a house which provides a home to nine older women who have nowhere to live or who do not want to be a burden to their children. The most notable aspect of this group is their sense of selfmanagement.

Source: P. Lloyd-Sherlock: "Older people's strategies in times of social and economic transformation", in *The Ageing and Development Report*, 1999, HelpAge International, London.

6. Concluding remarks and policy considerations

45. 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.
46. While ageing is not a "catastrophe", it does pose a policy challenge. Ageing is a long-term phenomenon and coping mechanisms can be introduced gradually. Coping mechanisms have to be found in the world of work and in the social transfer systems. To this end, the ILO believes that the following challenges need to be addressed in the development of ageing policies:
 - gradual and flexible transition from active working life to retirement as a means to give older workers the opportunity to remain active longer should they wish;
 - development of necessary measures to prevent discrimination in employment and occupation with special attention to older women workers;

²⁵ R. Skeldon: "Ageing of Rural Populations in South-East and East Asia", in *The World Ageing Situation: Exploring a Society for All Ages*, Economic and Social Affairs, United Nations, New York, 2001.

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- implementation of policies to train and retrain older workers in order to help them adapt to new demands and opportunities using the guiding principle of lifelong learning as a long-term preventive strategy;
 - the potential of ICT to open up employment and training possibilities for older people, including those with disabilities, as well as the realization of this potential for the majority of the world's older people;
 - development of measures appropriate to national conditions and practice to enable older workers to stay longer in employment and to make it attractive for them to do so;
 - the social security challenge to respond to changing family structures and lifestyles by guaranteeing equality of treatment between men and women on, for instance, pensionable age and survivors' benefits;
 - development of mechanisms that keep social transfer systems in financial equilibrium by sharing the financial burden of ageing fairly between the active and inactive populations;
 - costs of ageing for health-care systems as well as the positive economic impact of healthy older workers;
 - the scope and limitations of migration replacement as a solution to population ageing;
 - importance of social integration, family links, multi-generational relationships and the rights of older people necessary to guarantee a secure and decent old age;
 - the development of work and the working environment as key issues to reduce long-term invalidity and to ensure decent retirement and health in old age;
 - ways to strengthen traditional and family-based safety networks as a means to mitigate the negative effects of HIV/AIDS.
47. This paper has attempted to suggest some promising avenues to be explored. It is with all this in mind that far-sighted solutions need to be developed and coping mechanisms have to be set into motion. Moreover, it is 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 for an ageing population. We attach continued importance to the development of alliances with governments, employers' and workers' organizations, civil society and the private sector.