

Line Vreven
Director, AARP International
UNECE Ministerial Conference on Ageing
Panel Discussion: “Living Longer – Working Longer: Challenges for Education, the Labor
Market and Social Protection”
Leon, Spain
November 7, 2007

Good morning and thank you for participating in this important session on living longer and working longer. I am Line Vreven, Director of AARP International, based in Washington, DC. On behalf of AARP, I am honored to be part of this distinguished panel, and I wish to thank the UNECE Secretariat and the government delegations for the opportunity to present. As one of only eight NGOs invited to offer remarks at the conference, we are grateful for the chance to share our views.

As many of you know, AARP has, since its founding in 1958, served as a primary source of global information and advocacy on issues affecting ageing populations. AARP International continues this work by catalyzing policy discussions, disseminating research, and strengthening the network of opinion leaders, policymakers, and advocates who believe that everyone should age with dignity and purpose. Ours is a classic civil society role and we treasure it, particularly at forums such as this one

Before I continue, I would like to thank in particular Mr. Dirk Jarre, whose unwavering support for the role of NGOs in this process has been so important, to AARP and to the NGO community on ageing, more generally.

####

The conventional wisdom is that workforce ageing presents us with opportunities as much as it presents us with challenges. We at AARP continue to subscribe to this way of thinking. Indeed, in the five years since the adoption of Madrid International Plan of Action on Ageing (MIPAA), we have been encouraged to see enlightened policymaking on the part of governments and innovation on the part of employers, examples of which I will refer to later in my remarks.

Commitment #5 of the MIPAA calls on countries in a very diverse UNECE region to “enable labor markets to respond to the economic and social consequences of population ageing.” In broad terms, this will require fundamental adjustments in pension law, social security programs, and macroeconomic policy that are geared to produce one crucial outcome: getting people to work longer. More specifically, Commitment #5 sets out the following policy objectives:

1. Seek a significant reduction in rates of unemployment, especially for older persons;
2. Improve the employability of older workers;
3. Raise participation rates for all women and men;
4. Take steps to raise the average effective age at which people stop working and make retirement more flexible and gradual.

To be sure, all of this is no small feat. As governments, employers and other stakeholders roll out incentives, best practices, and policy initiatives, it should be kept in mind that it is, above all else, behavior modification that we are after. For this is precisely what it takes to re-engineer markets.

In this case, the hope is that buyers and sellers in UNECE labor markets can be induced to “think big picture” as they make transactions. If so, stakeholder decisions – about life/work balance, diversity, the workplace environment, and investing in experience – would be made partly in the name of the public good and with a view to creating a society for all ages. This would entail changing the way people see themselves, as consumers and as citizens. And this means revisiting what they see as possible.

Put another way, Commitment #5 of the MIPAA calls for something of a modest paradigm shift that alters the way we think about career evolution leading to retirement. In a new ageing worker universe, “early retirement” would not necessarily be an enticement and “mandatory retirement” would not necessarily be a default employer policy. On the contrary, variations on a theme – the enhanced older worker milieu – would emerge in throughout the UNECE region in response to demographic realities.

How would this milieu be manifest?

- ✓ It would be manifest in employment norms and attitudes that favor flexibility and choice in how older people structure their work arrangements in relation to other meaningful commitments in their lives such as education, family and retirement.
- ✓ It would be manifest in a policy/regulatory environment that stimulates economic growth, employment opportunities, competition, and labor force participation, while at the same time eliminates age discrimination in the workforce.
- ✓ It would be manifest in investment – by governments and employers – in lifelong learning initiatives that counter the depreciation of human capital by upgrading skills, encouraging second-chance education, and improving employability.

Such an enhanced older worker milieu would generate a windfall of societal benefits, namely: greater productivity from an expanded workforce that welcomes the contributions of older workers; greater freedom and independence for older citizens who wish to make life-course decisions on *their* terms; and a more positive public perception of the capacities, talents, and experience of older workers. In short, big picture notions such as intergenerational solidarity and active, participatory ageing could very well become realities.

####

So, to what extent has the enhanced older worker milieu envisioned by Commitment #5 been realized in the last five years? Research drawn from OECD and from a recently-released AARP report prepared by Towers Perrin offers a snapshot of how some UNECE countries are responding to the employment challenges posed by population ageing. A sampling of highlights from this research demonstrates what is possible when all stakeholders assume a role. It should be noted here that while AARP’s research only looked at G7 countries, it is evident that there are common trends and opinions that have relevance to most UNECE countries.

In the policy realm, we have seen progress on combating age discrimination in the region, with Italy, Germany and the United Kingdom having implemented a 2000 European Union directive

on this during the last four years. The EU legislation protects workers of all ages and thus aims to promote equality of treatment and opportunity as much as to prohibit age-based discrimination.

As an aside, I would note here that AARP has been directly involved in the expansion of the EU age discrimination directive across the region. The AARP Litigation Foundation has advised EU member states on implementation of the directive, and AARP lawyers have been active on the Anti Age Discrimination Working Group, a consultative body assembled by the European NGO, AGE. AARP is honored to have contributed its expertise to this policy initiative – expertise developed over 40 years during which the United States has had anti-age discrimination legislation on the books.

Also in the policy realm, we are seeing a small ripple of governments commit to two interrelated reforms aimed at widening participation in the labor force. In Germany, France and Italy, measures to increase the minimum retirement age *and* reduce early-retirement benefits either have been implemented recently or will be in the next 20 – 40 years. The combined effect will be to entice older workers to, if they so choose, remain in the workforce and keep them contributing to the system.

Employers are key stakeholders in responding to population ageing and shaping the employment prospects for older workers. Since Madrid, we have watched forward-looking employers in the region set the bar high by adopting practices that have enhanced the retention and/or recruitment of 50+ workers. Companies such as Deutsche Bank, Air France, Anonima Petroli, and countless others are recognizing that doing so is smart business and helps them maintain a competitive advantage. Indeed, employers are finding out that older workers are experienced, motivated and highly engaged, all qualities that have a positive impact on an organization’s performance and success.

The Towers Perrin report chronicles the pioneering efforts of several employers that have contributed to an emerging set of best practices, everything from creating healthier work environments to de-linking performance standards from seniority/tenure to transforming organizational culture so that tired stereotypes of older workers are debunked.

Governments and employers together have – in the last few years – registered significant progress on improving employability. Most of the G7 countries have begun to fund and support a range of lifelong learning programs that are designed to upgrade the skills of older workers through training *and* help older workers prepare for greater job mobility at the end of their working lives. Outside the G7, we can look to the policies of our Northern neighbors in Scandinavia where policymakers have made lifelong learning and updating of skills a priority. According to recent data from Eurostat, 32% of the Swedish, 29% of the Danish, and 23% of the Finn working age populations participate in lifelong learning education and training programs – compared to 9.6% in the EU overall. These countries boast some of the highest older worker employment rates in Europe.

As if to underscore the public good “dimension” of recent progress made on Commitment #5, we have also been witnessing a spate of public information initiatives spearheaded by governments in the UNECE region that seek to influence public opinion by challenging myths that distort perceptions of older workers, showcasing the important contributions of older workers and volunteers, and providing informational resources on ageing for employers and employees. The UK, Germany, France, Denmark, Austria, Finland, as well as the EU have all unveiled campaigns and web portals along these lines.

####

In closing, I would venture to say that progress on meeting the objectives set out in Commitment #5 of the Madrid Plan has been robust, despite the challenges of initiating policy reform across a region as diverse as the UNECE. This is, I think, at least from the vantage point of AARP, attributable to the mobilization of all sectors – government, business, and civil society – toward a holistic, integrated response to the demographic realities facing so many countries in the region.

That said, experiences across the region vary dramatically. Some countries have taken comprehensive steps to prepare for an ageing workforce and have seen results, while others have not. In any case, this is a common challenge in the region; countries can learn from one another and must strive to change attitudes among employers/employees on work and retirement.

Lastly, I would commend the delegations in attendance on the bold steps they have undertaken in this regard. This is indeed a moment when practical and visionary leadership is required to stave off adverse consequences for millions of people. AARP stands prepared to offer its expertise, advice and encouragement going forward.

Thank you.