Stakeholder Group on Ageing

Response to Open Working Group Working Document Focus Area 8: Economic growth, employment, and Infrastructure May 2014

The most important target for older persons is 8b). We especially like the formulation "for all who seek employment including for marginalized groups". This language is clearly inclusive of older persons and to us is superior to the language about employment in target 1e) under poverty eradication. This is good example of how one target can serve to achieve separate goals. We applaud the broad support this target has received from the member states.

We offer a new target for consideration: **By 2030 all workers, particularly older workers, are provided access to education, vocational training, re-skilling or other means to retain their employability.** None of the other proposed targets addresses this important issue of keeping employed persons attached to the labor market as long as they desire.

The need for, social desirability and means of engaging and keeping older persons in the work force is detailed in the Madrid International Plan of Action on Ageing, Priority direction I: Older persons and development, Issue 2, Work and the ageing labor force, paragraphs 23 – 28 and Issue 4, Access to knowledge, education and training, paragraphs 35-40.

As noted in Standard & Poor's *Global Aging 2010: An Irreversible* Truth, "no other force is likely to shape the future of national economic health, public finances, and national policies as the irreversible rate at which the world's population is growing older."

Through a series of global policy dialogues, the Global Coalition on Aging found that there are clear targets countries can embrace that would enable all citizens, including older adults, to remain active and productive economic contributors. These include:

1. Investment in wellness and prevention initiatives;
2. Age-friendly businesses and incentives for entrepreneurship;
3. Innovation in personal care and technology to improve the current costly, inefficient, and overly institutionalized models;

4. Age-friendly environments that enable continued social and economic participation of older adults.[1]

Allowing, if not encouraging, older persons to remain in the workforce beyond a country's minimal or normal retirement age will not only help to reduce the pressures of pension and healthcare costs but can promote economic growth. . A 2005 study by the Nihon University Population Research Institute concluded that increasing the retirement age to 65 from 60 could raise per capita GDP 10% by 2025. Similar studies in the U.K. have revealed similar conclusions, showing that a modest increase of workers over 65 could boost per capita output by as much as 6% in 2037.

Hiring older workers or keeping them in the workforce longer is ***not*** at the expense of youth! This flawed argument is based on the "lump of labor" fallacy that there is only so much work to go around, that person "A" (older person, or woman, or migrant) is employed at the expense of person "B" (younger person, man, native born). OECD 2010 data show that employment rates of elders and youth are related to the state of the general economy, not in inverse relation to each other. Countries in top quartile with the highest average elder employment rates had the highest youth rates; those in lowest quartile with the lowest elder rate had the lowest average youth rates.[2]

This is another reason why we older persons can fully support target 8c) to halve by 2020 the number of youth not in employment, education or training: Youth employment is no threat to elder employment.

Our current policies were created in a different era with very different demographic realities. We must embrace the demands of the 21st century demography and encourage policies that embrace this profound structural shift.

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[1] "Revitalizing Sustainable Growth in Emerging Markets – Insights on Levering an Aging Population", Global Coalition on Aging, 2014

[2] "Keep on trucking: Why the old should not make way for the young", The Economist, 11 Feb 2012.