

UNECE Ministerial Conference on Ageing 2017

Lisbon, 21-22 September 2017

Keynote Speech

“Achieving a Sustainable Society for All Ages: Global goals require national and local action”

Mr Heinz Koller, ILO Regional Director for Europe and Central Asia

Ministers,

Ladies and Gentlemen,

Dear colleagues,

Let me first express my gratitude to the Portuguese Government and in particular **Minister Vieira da Silva**, for its kind invitation to attend. I would also like to extend my thanks to our colleagues from the UN family, especially **Ms Olga Algayerova**, Executive Secretary of the UNECE.

During my last visit to Lisbon last year for the Centenary of the Ministry of Labour and Social Security, we have had the opportunity to look back at what has been done over the last 100 years but even more to look at what will need to be done in the future.

This is precisely the purpose of the reflections initiated by the Director General under the seven Centenary Initiatives set up in view of the ILO Centenary in 2019. In particular, the ILO Future of Work Initiative that almost everybody knows is now entering a new and decisive phase with the ILO Global Commission on the Future of Work just starting its work.

Ladies and Gentlemen,

We live in a rapidly changing world. The world of work is also going through a lot of transformations triggered by mega-trends such as globalisation, technology, environmental changes and of course demography.

Whereas technological progress and its potential impact feed various speculations especially in the media, let us not forget the importance of other factors and drivers of change. In Europe and especially in the light of the refugee crisis, we are well placed to understand and discuss the impact of the demographic factor, its opportunities and challenges for people and societies in general, and the world of work in particular.

Let me set out to test three working hypothesis:

1. The impact of demographic change on the world of work is profound
2. Older people have a right to work, often want to work and in many cases are compelled to continue working
3. The “Silver Economy” holds both growth potentials and decent work risks.

Where are we today?

Globally, the world population continues to expand. At the same time, the world population is ageing due to medical progress and longer life expectancy, on the one hand, and to low fertility rates especially in Western old industrialized countries, on the other.

In any case, the share of older workers aged 55 and above in the global workforce expanded from 10.5 per cent in 1990 to an unprecedented 14.3 per cent in 2014. According to forecasts, it could reach 18 per cent by 2030, with 750 million older workers throughout the world (compared to around 480 million today).

Consequently, the working age population tends to slow down. By 2050 there will be only four people of working age for every person over 65, compared to nine in the year 2000. The largest slowdowns is expected to occur in the Middle East and North Africa as well as in Latin America. Only the Sub-Saharan region should see labour supply continue to rise at earlier pace. In Europe and Central Asia, labour supply is stagnating and expected to decline further.

From the ILO’s perspective, this situation raises a number of questions and challenges for the future of work. How will countries cope with such challenges?

Ladies and Gentlemen,

In 2013, the International Labour Conference held an interesting discussion on “Employment and social protection in the new demographic context”. The conclusions adopted by the

Conference rightly point out the need for a “comprehensive, multi-dimensional, integrated and innovative policy mix” that takes full account of such interdependent factors such as **demographic changes, employment, labour migration, social protection and economic development**. The importance of a **life-cycle approach** to the world of work has been emphasized in order to ensure at the same time skills development and jobs for youth; adequate working conditions and social protection for those unemployed; jobs and training for older workers and sustainable pensions for retirees. The conclusions adopted also mentioned the need for a “gradual and flexible transition from active working life to retirement through measures such as phased-in retirement, part-time work and job-sharing”.

In various countries, including in Europe, this is already the case. Many see active ageing as an opportunity for people and society. Today, various reforms are underway almost everywhere in our region, at various stages of development and also depending on the specific demographic situation of each country, including life expectancy.

In EU countries, various recipes have already been used, including working longer and postponing the retirement age. However, this issue of pension age is highly controversial everywhere, not only in the EU but also in Central and Eastern European countries. Indeed, at a moment when the sustainability of social security systems and their financing is clearly questioned, **active ageing** has truly become an important policy tool. Incentives for early retirement have been gradually phased out, and retirement ages of women and men have been equalized in a number of countries. Concerns remain regarding the adequacy of future pension levels for women due to their lower contribution periods during their working life. In this sense, the European Pillar of Social Rights provides a framework for anticipating the new challenges while promoting fairness and solidarity between the generations.

At the same time, and especially in EU countries, the ageing process is going fast. Fostering **labour migration** is increasingly considered as a solution to ageing workforce. Another part of the solution lies in fostering **female participation** in the labour market. Incidentally, this may be a powerful anti-poverty instrument due to the possibility given to receive social protection, maternity and childcare benefits and also reconcile work and family. It also allows to find a solution to **unpaid work** performed mainly by women, especially care-giving, and to recognize the right of unpaid workers to decent work including social protection. Here, we are really talking about the concept of work, its importance for the society as a whole and how much it is worth to us, i.e. how can we also financially appreciate these countless hours for looking after children, parents and other relatives.

Very often, such jobs are also performed by female migrants: in particular domestic workers, child-minders, nurses and other occupations in personal care service, in response to care shortages in ageing higher income countries.

In this connection and in relation to a recently published ILO paper, it is important to have in mind the existing gaps in long-term care for older persons everywhere, including in Europe, as well as the insufficiently affordable quality care where it exists. Urgent action from governments is needed here to fill the gap and avoid further pressure on unpaid work of family members.

Ladies and Gentlemen,

One generally considers that ageing has a negative impact on economic growth, due to skills mismatches but also to new investment needed by enterprises to adapt to specific needs of older workers. At the same time, such economies may also experience growth accelerations, due in particular to the capacity of older workers to build on their experience and make decisions. There is this nice phrase that “younger workers run faster, but older workers know the shortcuts”.

And the figures prove it: If looking at the EU for instance, the employment rate for older workers (55-64) ranged in 2015 from 34.3% in Greece to 74.5% in Sweden, with the EU average at 53.3% in 2015, and 55.3% in 2016, compared with 66.6% for those aged 15–64 as a whole. These figures constantly improved over the last 10 years and closed the gap. When interpreting this data, it is however important to avoid mixing up data on aging with knowledge on ageing. Ageing today is not the same as aging in the last century. Indeed, people are living longer without the mental and physical impacts that are typically associated to old age by medical sciences.

Also interesting, older workers tended to be less affected during the crisis –at least in the EU– than the average working age population and young workers. Unlike previous downturns, when older workers were often encouraged to choose early retirement, enterprises gave preference to their most experienced workers. However, for those older workers who did lose their jobs, it is clearly extremely difficult to find a new job. Indeed, with the current pace of technological development, the skills of older workers may become obsolete rapidly -or even be replaced by technology- and **developing appropriate lifelong learning systems** will be key to cope with an ageing working force.

Another aspect and potential source of future growth is the more and more mediatized “**silver economy**”. Age is becoming a **market as such**, though its boundaries are not clearly defined. Senior entrepreneurs are a potential driver of enterprises development and also a potential source of job creation. This is the case in particular for the “care economy” for the oldest segment of the population, especially people aged 80 and above. This is also the case for the professions related to occupational safety and health with a strong demand expected to occur in developed economies for physicians, nurses, medical technicians, physical therapists, and various workplace ergonomics expert jobs, and even “healthy old-age consultants” as mentioned in recently published Russian Atlas of Emerging Jobs.

Now, **what types of jobs are we talking about?** In the ILO perspective, it can only be decent jobs.

Indeed, as discussed last year in the World Economic Forum, it is not just the young who are vulnerable, older workers in ageing economies are often failing to find viable livelihoods as industries evolve. In the US for example, it was noted that older workers are more likely to be

in **alternative work arrangements** like on-call jobs than younger people with a risk of increasing inequality.

Moreover, and although active ageing has become usual, old bias tend to persist – especially the myth according to which older workers would “steal” the jobs from the young.

In this connection, the ILO had quite well anticipated our current concerns if considering the adoption -more than 25 years ago in 1980- of a Recommendation specifically devoted to Older Workers. This Recommendation no. 162 is still valid and promotes the right to work for older workers, including equality of opportunity and treatment, decent working conditions and protection adapted to their needs and capabilities, and access to retirement benefits. It also underlines the need for proper access to vocational guidance and placement services, social security measures and welfare benefits, conditions of work, including occupational safety and health measures and access to housing, social services and health institutions.

At **universal level**, another powerful instrument to reach decent work for all, including women and men senior workers, is the 2030 Sustainable Development Agenda that the ILO is also actively implementing. In particular, Goal 8 on decent work states the objective of achieving full and productive employment and decent work for all by 2030. Moreover, ageing is at the crossroad of several objectives set up by the 2030 Agenda, in particular Goal 1 on eradicating poverty, Goal 5 on gender equality and Goal 10 on reduced inequality, which also implies designing sustainable social protection systems for all – the latter being of particular importance for the European countries.

Ladies and Gentlemen,

There are definitely a lot of opportunities and challenges in front of us throughout the 21st Century and I look forward to our today’s discussions as a contribution to the ILO Future of Work Initiative. There is, as recently stated by the ILO Director General, a good reason for that. It is indeed **“a fundamental desire of people across the world, above all in this period of transformative change and sometimes of uncertainty, that they can look forward and contribute to a better future of work – one with social justice and prosperity and decent work for all”**.

We will also pursue this debate until 2019 and, very soon, in Istanbul during the ILO 10th European Regional Meeting that will also focus on the challenges and opportunities of the Future of Work in Europe and Central Asia.

Thank you.