

## **Age friendly goods and services – an opportunity for social and economic development (Poland, 29-30 October 2012)**

### **Mobilising the Potential of Active Ageing and Silver Economy: Opportunities and Challenges for Social and Economic Development<sup>1</sup>**

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#### ***'Education is the best provision for old age'.***

*Aristotle, Greek critic, philosopher, physicist and zoologist (384 BC - 322 BC)*

*(extracted from Diogenes Laertius, Lives of Eminent Philosophers)*

#### ***'The person who has lived the most is not the one with the most years but the one with the richest experiences'***

*Jean-Jacques Rousseau, Franco-Swiss philosopher,*

*writer, political theorist, and self-taught composer (1712-1778)*

## **Introduction**

This paper describes the challenges that arise from the population ageing phenomenon observed across EU countries and points to policy measures required to promote the employment and social activities of older population, and to tap the potential of the Silver Economy. It examines the demographic and economic contexts policymakers are currently facing and the priority they assign to the policy discourse of active and healthy ageing. It also provides the latest evidence on the contributions made by older people across the EU countries, as active participants in the workforce, as family carers and volunteers. It also discusses how adaptation of the economy to the ageing society can influence positively the opportunities for greater economic growth. All of these argue a need to come up with solutions which embrace the needs of the older cohorts. Concomitant with this is the aspiration that the paper will raise awareness about how the active elderly are, far from being an economic burden on society, a necessary element of the solution to the current predicaments we face.

This discussion paper served as the background document of the Peer Review Seminar, hosted by the Polish Ministry of Labour and Social Policy, on the specific topic: "Innovative approach to demographic ageing – age friendly services and

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products – an opportunity for social and economic development”. An earlier version of this paper was distributed to the seminar participants in advance of the seminar, and peer countries and European stakeholders wrote a short reaction paper, focussing on the policy and programmes in their own countries and on critical aspects of effectiveness and transferability of these policy practices across EU countries.

### **The challenges**

The current European economic climate is not to be viewed with optimism: an uncertain recovery from the ‘great recession’, uncomfortably high levels of unemployment in many countries (particularly for youth) and the debt and banking crises in many of the Eurozone countries - all make for hard reading. Moreover, the budgetary cutbacks initiated in many EU Member States are impacting on the public benefits and services for vulnerable groups (particular risk is for children and older people and disabled persons). The impact on current and future generations of the young and the elderly will depend to a large part on how current economic problems are resolved at country, regional and European level.

Population ageing remains a long-term challenge for many European countries. The projected demographic ratio of over 65s to working age (15–64) population for the EU27 in 2060 will be 53%, and this is a staggering increase from the average of 25% recorded in 2010 and less than 20% observed in 1960. The magnitude, speed and timing of this demographic change vary across the EU countries (Lanzieri 2011; Zaidi 2012). For example, the ratio of 65+ to working age population in Poland rises from one of the lowest in 1960 (at around 10%) to one of the highest in 2060 (65%). In the absence of suitable policy and programmes from the government, and appropriate behavioural responses from people, such steep rises will exert not just significant but fairly non-sustainable additional demand on future public resources required for pensions, health and long-term care.

The implications for the size and shape of government age-related spending are indeed considerable (see e.g. European Commission 2012a). On average, solely on the basis of the abovementioned demographic development, strictly age-related government expenditures are projected to increase by about 4 percentage points of GDP by 2060 in the EU. The increase in these public age-related spending is likely to be particularly high in seven EU States: Belgium, Cyprus, Luxembourg, Malta, the Netherlands, Slovenia and Slovakia, with a projected increase of in excess of 7 percentage points of GDP by 2060. Thus, there is a risk that future economic growth and living standards, not just for the elderly but also for the rest of the society, will be affected adversely. All of this will have serious implications for the financial and social sustainability goals of public welfare systems in many of the EU countries (for more discussion, see e.g. Economic Policy Committee 2009; Zaidi 2012).

A less discussed and also less clearly defined risk is that of worsening levels of solidarity and cohesion between younger and older generations. It has become obvious that societies experiencing population ageing will have to embrace the need for mutually beneficial and satisfying relationships between generations. Without the awareness of importance of socially cohesive intergenerational relationship and public policies, a strong risk of perverse “competition” for limited resources across young and old is likely to develop – to the detriment of both generations and society in general. Fiscal stresses arising out of recent austerity measures in many European countries have put additional strains on the solidarity between young and old generations.

The problems highlighted above become alarming only if we assume a world of static policy and institutions, and continuing trends involving unchanged age-



specific behaviours and labour market outcomes. Under such presumption, the doomsday scenarios of workforce shortages, economic growth slowdowns, the financial collapse of pension and healthcare systems, and mass dependency and financial insecurity are not entirely far-fetched. The thought of inertia in policies is frightening, even in situations where there is only a lag in reforming public policies and institutions to match with the pace of changes in life expectancy and other similar societal changes. However, there is also an optimistic side of this demographic transition. If the societies respond adequately to realise the immense potential of older people, the population ageing trends would offer new opportunities for social and economic development, by making use of older people's contributions as family carers, volunteers and as active participants in the workforce.

The 2011-2012 Trio-Presidency of the Council of the EU (held successively by Poland, Denmark and Cyprus, until the end of 2012) had prioritised responding to these challenges and opportunities. The same year, 2012, had also been designated the European Year for Active Ageing and Solidarity between Generations. Within these policy contexts, the Peer Review in Warsaw (Poland) on 29–30 October 2012 discussed how encouraging older people's social activities; developing goods and services tailored to their needs; and supporting their labour market activities contribute to their personal well-being and to advances in social and economic development. The Peer Review was hosted by the Polish Ministry of Labour and Social Policy, and the representatives of the AGE-Platform Europe and the European Social Network participated as stakeholders as well as eight peer countries contributed with written papers and participation. These peer countries were: Bulgaria, Croatia, the Czech Republic, Denmark, Estonia, Italy, Slovenia and Sweden. A representative of European Commission's Directorate General for Employment, Social Affairs and Inclusion also took part.

The Peer Review provided the occasion to share information between the peer countries on measures to tackle the employment deficit among older people, such as incentives for employers to hire older workers, an increase in the retirement age). It also discussed how social activities of older people are promoted and its value highlighted for the personal wellbeing of older people and also to enhance intergenerational social cohesion. It recognised that the silver economy opens up new opportunities for the development and provision of specialised goods and services to older cohorts of the population and, therefore, for jobs and economic growth.

The idea of silver economy offers a solution to the current economic problem of stagnant growth in the European economies by untapping the potential of a rising share of older people in the society. By silver economy it is meant here that the rising share of older consumers represent a potential for additional demand for new types of products and services, such as personalised care, technological products that enable people to maintain healthy and independent lives as they age. Furthermore, the new cohorts of retirees are also expected to be wealthier than their predecessors, and thus generate more and specialised demand in the economy. The term 'silver economy' also sometimes encompass the fact that there is a rising segment of older workers who ought to be considered a resource for their employment potential for longer careers and for their other social contributions (such as transfer of skills towards younger workers) in bringing economic growth.

### **The opportunities**

Specific policies and programmes need to be designed to yield the full potential of the rising segment of older population in the society. The proactive policy actions are required, involving innovative new approaches, multiple-stakeholders working



in partnership with each other, taking a life course perspective in bringing out lasting longer term solutions, and by putting focus on gender. In line with the topic of the Peer Review Seminar, the public policy actions are required in three broadly defined areas:

- Mobilising the potential of ageing workforce by extending labour market careers and also enhancing the labour productivity growth through the transfer of experiences, skills and expertise from younger to older generations of workers, and vice versa;
- Promoting social participation of older persons, in particular in activities involving social interactions that are cooperative and mutually beneficial for both older and younger generations, contributing to easing of childcare and health and social care challenges arising from population ageing and participation of older people on activities leading to political participation and further education and training; and
- Advance entrepreneurial and investment opportunities in the economy for new waves of growth and job creation emerging from higher demands for products and services catering the needs of the growing group of older consumers.

The critical point is that while population ageing presents serious challenges, it also presents enormous opportunities to allow generations reaching older age to experience and express their full potential. Policy makers need to understand the changed landscape and come up with new social policy measures and encourage innovations in technology, education and policy.

The key elements to make these measures successful are:

- Education and lifelong learning of older people;
- Society to appreciate and activate the aspirations and potential of older persons;
- Promote social, economic and technological innovations in bringing about comprehensive changes that make age-friendly the future living environment, workplaces and markets (for both products as well as services) and;
- Continuation of reforms in social policies and institutional changes that facilitate realising the full benefits of life expectancy gains and the potential of active and healthy ageing.

In particular, the future competitiveness of our economies depends, to a large extent, on how we continue to develop skills, in particular of older people in keeping them employable and maintain their productivity and also catalyse their potential for social contributions and their consumption power in developing new products and services. The successful implementation of these measures requires that an effective partnership of key stakeholders is formed between state, business sector and the civil society organisations. Thus, the strategies to be adopted will have to be comprehensive and multilevel, taking into account the needs of older people as well as profit and productivity motives of enterprises and financial and social sustainability of public policy institutions.

Moreover, it cannot be emphasised enough that a life course perspective must be adopted for these measures to bring about genuine sustainable improvements in the labour market. Thus, in my view, the limited resources available in the public purse during current austere times should not go all out to force the current generations of inactive older workers back into employment. Instead, the need is that the labour market becomes more age-friendly, principally through age-management policies of enterprises, so as to generate a level playing field for old and young workers to compete for (scarce) jobs. Thus, with life course perspective



emphasised, the focus should therefore be on those who are now reaching the age of 45-50 (like my own self), and introduce measures that will make them more employable and productive as they age. The time for such interventions is now so as to enhance the working careers and also social contributions of future older workers. Such early interventions will prepare countries to be more prepared for the population ageing challenges of the future.

Also, it is important to focus on specific categories of workers and also identify specific policy measures appropriate for their activation. For instance, highly skilled workers are well-remunerated and their concerns are mainly the financial implications of retirement. Thus, the reforms towards making public pension systems actuarially fair, and in offering tax incentives to delay retirement in private pensions, will continue to be the most effective policy tool for this specific subgroup. The real concern in most countries is how to increase activity among the group of low skilled workers, especially in sectors that are fast progressing (e.g. in the health and social care industry). The policy tool appropriate for this subgroup is new lifelong learning programmes, in developing skills most suitable for the sectors in which these workers have the highest chance to be employed in the future, late in their working careers. Specific policy solutions also needed to be sought for older workers with disability.

In fact, there will be reinforcing benefits in improving and sustaining the activity of older people. In terms of economic benefits, their labour market involvement will raise their purchasing power, which in turn would generate additional demand for products and services more often consumed by older people. Moreover, given reduction in their duration of retirement time, the taxes required to finance pensions will not increase (over the long run), which will encourage employment in general but also for older workers.

It is crucial to dispel a myth right at the outset, especially in view of the current context of high youth unemployment in many EU countries. A longer working career does not imply less employment opportunities for younger people. Many people argue mistakenly that the old should get out of the way so that the young can take their jobs, and this belief is held by thinking that the total number of jobs in the economy is fixed, and there is zero-sum interaction between young and old for the limited jobs available. Such "lump of labour" fallacy implies that there is only limited work to go around in the economy. The same argument was used in the past to discourage women from joining the workforce, and also in arguments of anti-immigrant politicians that foreign workers will be a threat to domestic jobs.

The problem with the lump-of-labour fallacy is that it is so hard to resist, and it is for this reason such questions pop up over and over again in many political arenas. These questions also become a serious concern for the intergenerational conflict. The most quoted evidence against it comes from the OECD, which shows that the high employment rate among the older workers (55-64) is associated with the high employment among the youth (15-24). If the lump-of-labour argument were correct, the opposite is to be expected that a high employment rate among the older workers would be offset by a low employment rate among the youngsters, and vice versa. More rigorous empirical research to refute the lump of labour fallacy can be found in Kapteyn et al. (2004).

Moreover, the skills offered by older people are very often distinct and cannot always be fully replaced by younger workers. For instance, patients tend to prefer older carers; older retail assistants often are more knowledgeable and also more likely to be patient. It cannot therefore be expected that the early retirement will generate more jobs for new young job entrants. In fact, it can be expected that a well-functioning labour market, one that make use of the full potential of older



workers and reap the benefits of the demographic shifts in the demand of products and services will create more jobs, both for old and young. Development of sectors for products and services specific to needs and aspirations of older people will also have an export market, which in turn would give a boost to further growth potential of the European economy.

### Outline of the Paper

In accordance with the three areas of actions mentioned above, this discussion paper has three distinctive parts in addressing these interlinked issues.

- **Part 1** discusses the labour market participation of older workers in EU countries at present. It also discusses what policies and initiatives are currently being introduced by the state, employers and social partners to mobilise the potential of a rising share of older workers in the workforce and in countering the shrinking labour force problem (e.g. removing employment obstacles, improving employment conditions, addressing premature exits from the labour market, fighting against discrimination and investing in lifelong learning).
- **Part 2** highlights the social contributions that older people make in society, through their involvement in volunteerism, in providing care to their own children and grandchildren and to adult members of their families. It also discusses what measures are introduced in peer countries to promote the recognition of social contributions in seeking greater solidarity between generations.
- **Part 3** discusses how the demographic change can influence positively the opportunities for greater economic growth? What conditions and actions may be necessary to unlock the growth potential of demographic shifts in demand (of products and services), arising from the rising share of older consumers in the economy (the so-called silver economy phenomenon)? How the development of the silver economy can generate opportunities to create new, decent jobs for all working age groups as well as to improve the competitiveness and growth potential of the whole European economy?

The paper begins by highlighting the context of differential experiences of population ageing across EU countries and the impetus on active and healthy ageing policy discourse in the EU countries. The gender aspects of the empirical evidence are highlighted throughout the paper. Whenever relevant, special steps taken to ensure equal opportunities for women and men in implementation have also been mentioned.

### The EU and International Context: Active and healthy ageing

The active and healthy ageing policy discourse links specifically with the calls for adjustments in the retirement age legislation (e.g. abolition of mandatory retirement age) and adjustments in the work environment and practices adapted to the ageing workforce so as to enhance the labour force participation of older workers (see UNECE 2012 and EUROSTAT 2011). The agenda also demands a proper facilitation and acknowledgement of other activities, such as unpaid, non-marketed activities that older people undertake (for arguments, see e.g. European Commission 2002; Walker 2010). Likewise, health maintenance activities have been an integral part of the experience of healthy and active ageing, and they point not just to the physical health but also to mental well-being and social connections (these wider aspects of activity and health have been emphasised in particular by the most quoted formal definition of active ageing from World Health Organisation's Ageing and Life Course Programme, included in the document to the 2nd World Assembly on Ageing (WHO 2002). As mentioned below, these diverse aspects of



active and healthy ageing are highlighted in many different EU and global policy frameworks.

### *Designation of 2012 as the European Year for Active Ageing and Solidarity between Generations*

In the EU policy debates, the emphasis has indeed moved on to ensuring that the potential of older people is fully realised and, increasingly, political agendas emphasise the need for the promotion of active and healthy ageing across the EU States. Consistent with this, in September 2011, the EU designated 2012 as the European Year for Active Ageing and Solidarity between Generations (Decision 940/2011/EU). The main goal of the European Year 2012 has been to highlight 'the useful contribution older people make to society and the economy, to identify and disseminate good practices, and to encourage policy makers and stakeholders at all levels to promote active ageing'. For example, László Andor, Commissioner for Employment, Social Affairs and Inclusion has noted that 'the key to tackling the challenges of an increasing proportion of older people in our societies is "active ageing": encouraging older people to remain active by working longer and retiring later, by engaging in volunteer work after retirement, and by leading healthy and autonomous lives' (European Commission, 2011, pp.8).

In this context, Sven Alkalaj, the Executive Secretary of UNECE, emphasize that policy and institutional development should not lag behind the other social developments (such as longevity gains) in order to develop active and healthy ageing as a strategy to leverage the potential of older people: 'to allow individuals to live and age actively, societies have a responsibility to invest in conducive frameworks. Such investments can take place in the prevention and health care sectors, in education and labour markets. At the same time, citizens should be able to rely on supportive infrastructure in case of real need and frailty' (UNECE 2012b).

At the close of 2012, the EU Social Affairs Ministers endorsed a Council declaration on the European Year 2012 and the guiding principles on active ageing and solidarity between generations. These principles reaffirmed that active ageing need to be promoted in the three domains of employment, participation in society and independent living (Council of the European Union, 2012). The key messages coming from these guiding principles are:

- Public policy and private social initiatives should be implemented taking into account diversities across Member States and the specific legacies, circumstances and challenges they face.
- Active involvement of multiple stakeholders is required, comprising not just public authorities at national, local and provincial levels but also businesses and social partners, civil society organisations, service providers and the media.
- The opportunities for active ageing need to be advanced for all groups of older people, regardless of gender, ethnicity, cultural background and possible disability.
- Active ageing also should allow for greater social solidarity among older people themselves. This is because a rising number of older people taking care of their own needs and caring for each other will allow more support to those older people in greatest needs.

These principles will serve as a checklist for national policymaking authorities and other stakeholders on what needs to be done to promote active ageing. As emphasised by Commissioner László Andor in his speech at the Cyprus Presidency conference closing the European Year 2012, 'it will be for the national governments,



regions, cities, companies, trade unions and civil society organisations to apply the guiding principles to their own situations and challenges'. It is becoming clear that the European Year 2012 has generated a wealth of activities and awareness about the role of older people and its effects will continue into 2013 and beyond.

#### *Europe 2020 – A Strategy for Smart, Sustainable and Inclusive Growth*

Also, active ageing is referred to in Europe 2020 Strategy, which specifically highlights the importance of meeting “the challenge of promoting a healthy and active ageing population to allow for social cohesion and higher productivity” (European Commission, 2010: pp.18). Following on from the Lisbon Strategy, under the Europe 2020 Strategy, one of the five headline targets that EU Member States have agreed to implement is to increase the employment rate of 20-64 year-olds to 75% by 2020. Such target can be achieved by increasing the employment rate of both young and older workers and by raise the statutory and effective retirement age. Another common European target under the Europe 2020 Strategy is to lift at least 20 million people out of poverty and social exclusion in the next decade, to be steered by the European Platform against Poverty and Social Exclusion. One of the crucial measures in achieving this target will be the ensuring of adequate pensions for older people of current and future generations.

Another key objective of Europe 2020 Strategy is to develop more efficient health, long-term care and social services for the ageing populations and support social innovation and social inclusion of older people. Measures aimed towards this objective will support cost efficient health systems reducing the cost of population ageing on public health and social spending. Likewise, the Europe 2020 Strategy's New Skills for New Jobs flagship initiative emphasises better training and skills through occupational training and lifelong learning opportunities for older workers. In line with the Europe 2020 Strategy, the European Employment Strategy also promotes policies and measures targeted at older persons to support longer working lives.

#### *European Innovation Partnership on Active and Healthy Ageing (EIP-AHA)*

The Innovation Union is another flagship initiative under the Europe 2020 Strategy and offers an integrated innovation strategy with specific commitments. The Innovation Union announced European Innovation Partnerships (EIPs) in 2011, so as to mobilise key stakeholders across the innovation cycle and across sectors in speeding up innovative solutions to societal challenges. This EIP concept is being tested with a pilot European Innovation Partnership on 'Active and Healthy Ageing' (AHA). The EIP-AHA sets out the objective to increase the average healthy lifespan of Europeans by 2 years by 2020 (Eurostat 2011, pp. 12). The target is admittedly ambitious, but the measures introduced to attain it will help older people to remain healthy and autonomous as they age.

#### *Social Investment Package*

Active ageing as a policy discourse is also aligned with the social investment approach, promoted by the European Commission's Social Investment Package (European Commission 2013). It revolves around the idea that activating certain forward looking social policies at earlier stages of life can yield high economic and social returns. It promotes the idea that social policies should empower people and enhance their opportunities to participate in society across the life course. The Package explicitly refers to the active ageing as a measure to support the





implementation of this social investment orientation in social policies. Its recommendation towards 'strengthening people's skills and capacities' falls in line with the public policy measures identified in this paper: education and lifelong learning of older people.

#### *The second 5-year Review and Appraisal of the Implementation of MIPAA / RIS*

The Political Declaration signed at the end of the 2nd World Assembly on Ageing (in Madrid, April 2002) emphasized the two essential elements directly relevant to active ageing policy discourse: the empowerment of older persons and the promotion of their fullest participation. Moreover, the Madrid International Plan of Action on Ageing (MIPAA) contains several policy recommendations concerned with the active participation of older people in society; access to knowledge, education and training; and health promotion and well-being throughout life. The year 2012 also coincided with the end of the second 5-year cycle of review and appraisal of MIPAA and its UNECE Regional Implementation Strategy (RIS). To mark this occasion, the UNECE Ministerial Conference on Ageing took place in Vienna during September 2012, titled: "Ensuring a society for all ages: promoting quality of life and active ageing". The declaration adopted at the conference includes crucial references to active ageing to be promoted across the European countries.

#### *The WHO Age-friendly Environments Programme*

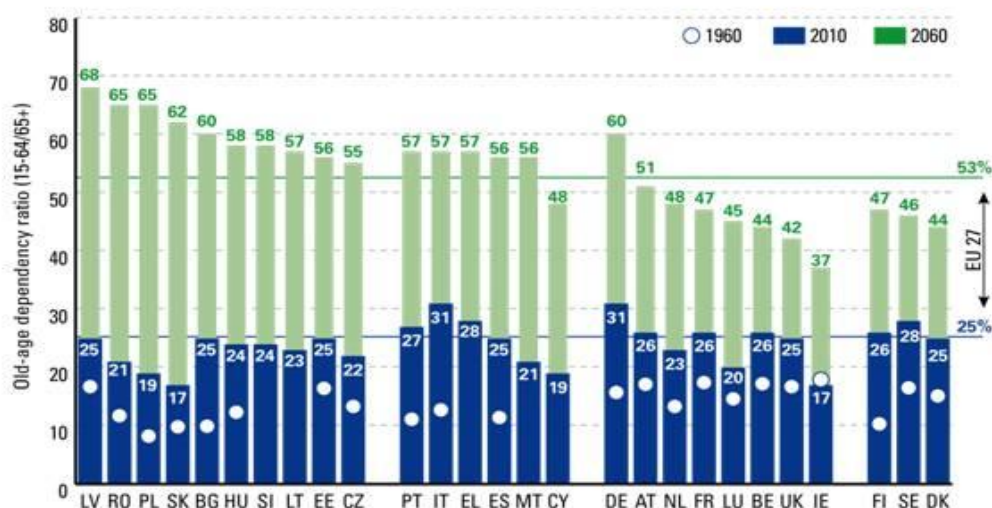
WHO identifies making cities and communities age-friendly as one of the most effective local policy approaches for responding to the population ageing challenges. This emphasis is predicated on the fact that the physical and social environments are key determinants of whether people can remain healthy, independent and secure into their old age (WHO 2007). The creation of age friendly communities is a crucial prerequisite to ensuring the contributions made by older people, by their engagement in paid work or volunteering activities, in transmitting experience and knowledge, and helping their families with caring responsibilities. The WHO Age-friendly Environments Programme has gradually become an international effort to address the environmental and social factors that contribute to active and healthy ageing (WHO 2007).

#### **The context: Differential challenges of population ageing in EU countries**

An essential starting point for this paper is to assess the varying extent of population ageing observed in the EU countries. Figure 1 shows the ratio of over 65s to working age (15–64) population in the 27 EU countries, with the trend between 1960 and 2010 (actual, black) and between 2010 and 2060 (projected, light grey). The year 2010 is the central year from which we look half a century backwards as well as forwards. This evidence is best presented by clustering countries into four groups: Central and Eastern European countries (CEECs); Southern-Mediterranean European countries; Central-Western European countries; and the Nordic European countries. During 1960, this demographic ratio was about 19% for Ireland and France, implying 19 older persons for every 100 working age persons. Belgium, Austria, Sweden and the UK were only marginally lower, but most other countries, in particular those belonging to the CEECs, had lower values. The most notable rise during the period 1960 to 2010 is observed for Italy and Germany, where the ratio almost doubled to about 31%.



**Figure 1: The demographic ratio of 65 to the number of 15–64 across EU countries, 1960, 2010 and 2060**



The projected average for the EU-27 in 2060 is 53%, and this is a staggering increase from the average of 25% recorded in 2010 and less than 20% observed in 1960. In the absence of suitable policy and behavioural responses, this steep rise will exert not just significant but fairly unsustainable additional demand on future public resources required for pensions, health and long-term care. Note also the above-average rise in CEECs (a unique conjunction of rising life expectancy, low fertility and emigration) make population ageing a truly challenging phenomenon in many of these countries. For example, the ratio of 65+ to working age population in Poland rises from one of the lowest in 1960 (at 9.5%) to one of the highest in 2060 (65%). Similar drastic rises are expected in Latvia, Romania and Slovakia. This situation will greatly impact on the ability of these Eastern European countries to address the challenges of pension income adequacy and sustainability in the future and in provision of health and social care, and they may require support from the rest of the EU in meeting these challenges.

Population ageing challenges can also be viewed in terms of rising age-related public expenditures, pertaining to pensions, health care and long-term care (see European Commission 2012 for more details). On average, solely on the basis of the demographic development, strictly age-related government expenditures are projected to increase by about 4.1% points of GDP by 2060 in the EU.<sup>2</sup> There are however notable differences across EU countries. The increase in public age-related spending is likely to be considerable in seven EU States (Belgium, Cyprus, Luxembourg, Malta, the Netherlands, Slovenia and Slovakia) with a projected increase of 7+ percentage points of GDP by 2060. In contrast, there is hardly any increase in Estonia, Italy and Poland and there is even a decrease in Latvia. These trends reflect inter alia recent measures taken by the authorities to ensure

<sup>2</sup> This estimate is obtained using the AWG reference scenario which focuses only on the budgetary impact due to demographic developments. The AWG *risk scenario* which projects a higher rise (about 5%) gives not just the impact of demographic changes but also that of additional non-demographic drivers of expenditures on health and long-term care.



sustainability of public pension systems (see OECD 2011 for a detailed discussion on pension reforms). These reforms were targeted towards measures to motivate workers to extend their working careers but also involving a partial switch to private funded pension schemes (e.g., in Bulgaria, Estonia, Latvia, Poland and Sweden). Clearly, the scale of reforms has been insufficient in many other countries to stabilise public finance trends.

Another important context is the recent financial and economic crisis. The shocks to economic systems caused by the crisis have now begun to regress, but their effects are likely to linger with us in the decades to come. Many European economies are now saddled with structural debts, partly as a result of implementing the unavoidable and for the most part effective stimulus packages during 2009/2010. Although signs of economic recovery are visible, as most European economies are now returning to positive economic growth, it is as yet not clear how steady this development is. Most noticeably, the effects on employment are lagging behind, as unemployment is persisting at around the 10% mark for the EU on average. Moreover, most EU countries embarked on various budgetary consolidation measures (starting during late 2010, and taking on a momentum of their own during 2011 and 2012) and the impact of cutbacks required for fiscal consolidations on the vulnerable groups of society, particularly children and pensioners, and on economic growth could run deep.

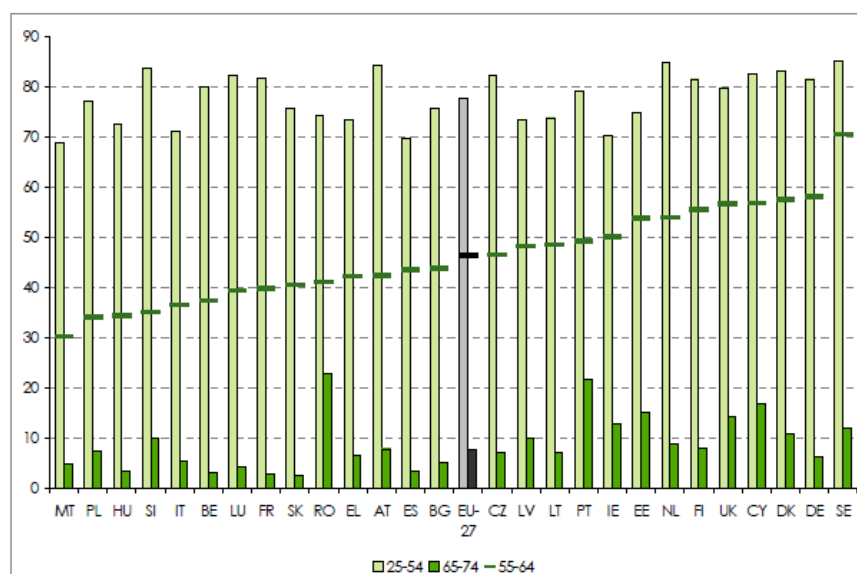
## **Part 1: Labour market participation of older workers**

### **1.1 Employment rate by age groups**

The comparative evidence presented here on the labour market participation of workers of different age groups is estimated from the European Labour Force Survey (LFS), and drawn from Zaidi and Zolyomi (2011). As shown in Figure 2, on average, only around 46% of those in the age group 55-64 were employed in 2010 and in some of Central and Eastern European countries this proportion is significantly lower (e.g. the employment rate for this age group of older workers in Poland, Hungary and Slovenia hovers around only 35%). Note also that in many countries these employment rates are far below the 2001 Stockholm target in which EU member States aimed towards ensuring that half of those in the age group 55-64 will be employed by 2010. Still, employment rates for those aged 55-64 did increase over the past decade, particularly for women, but the employment growth for this subgroup has been halted by the crisis.



**Figure 2: Employment rate by age groups (%), 2010**



Source: Labour Force Survey 2010

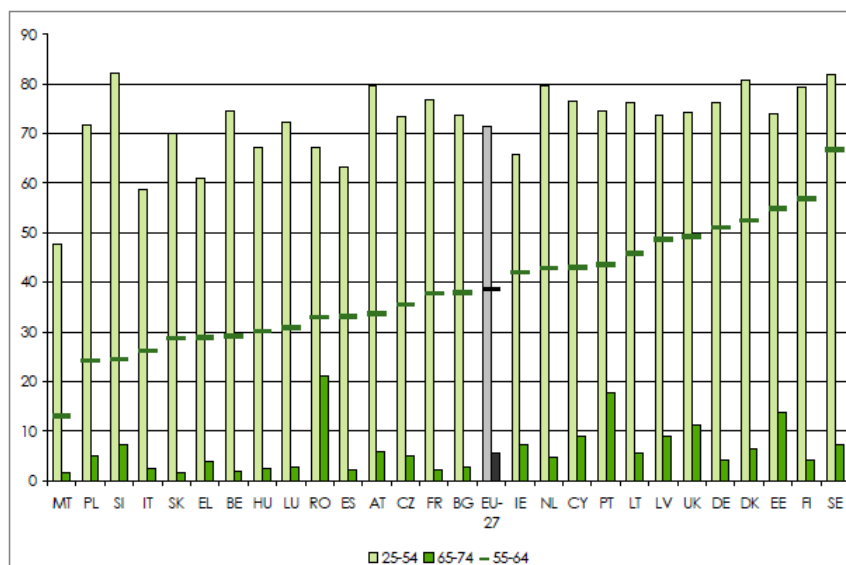
The cross-national differences in the employment rate for the age group 65-74 (the so-called silver workers) is of special interest as it points to institutional contexts in which a longer engagement with the labour market of older workers is encouraged (Eurofound 2012). Such a formal engagement after retirement also serves as a possible means to remain actively included in other social and civic engagements (Giarini 2009). Results presented in Figure 2 also show that the propensity for the 65-74 age group to be employed is highest in Portugal and Romania: around 22% of workers in this age group are employed, although these workers are mostly employed in agriculture and in subsistence farming. Cyprus and Estonia are other countries with high propensity of employment for this age group – around 16%. This may be because of inadequate levels of pension income entitlements and social welfare payments and thus employment in late ages is a means to additional income after retirement. Denmark and Sweden and (possibly) Ireland and the UK, which also report relatively high employment rate for workers aged 65-74, point to contexts in which bonus incentives in the public pension system to delay retirement are high and there are clear improvements in the work environment for older workers.

### 1.2 Gender differences

Are these patterns different between men and women? Results for women across age groups are presented in Figure 3. These results show that the employment rate for women is lower in all age groups, particularly in older age groups – on average, only around 39% of all women were in employment in 2010. As is shown in Figure 3, the employment rates for younger age groups of women (25-54) hover around 70% (on average), but the employment rate for older female workers (age group 55-64) is low in many countries. This percentage is remarkably low in Malta (13%), but also in Poland (24%), Slovenia (25%) and Italy (26%).



**Figure 3: Employment rate of women by age groups (%), 2010**



Source: Labour Force Survey 2010

Latvia and Estonia are the only two countries where women are more likely to be employed than men in the age group 55-64. The three Nordic EU countries, as well as the UK, also do not show significantly different employment rates among men and women in the same age group. Where employment rate is higher in the age group 65-74, it is mainly because of the male participation; for example, in Italy and Malta the employment rate for men aged 65-74 is more than three-times as high as it is observed for women.

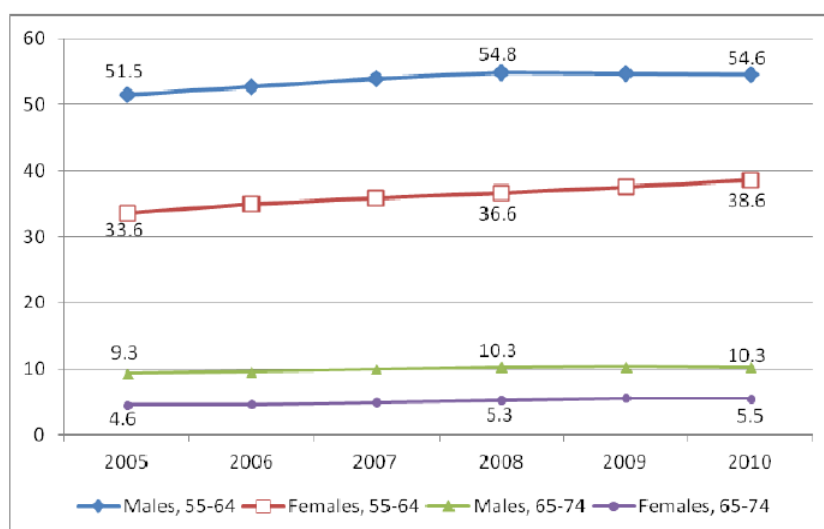
Figure 4 shows the year-on-year differences for older persons' work participation between 2005 and 2010, and it shows a rising trend during this time, although this trend has been either halted (for men) or slowed down (for women) due to the recession in 2008. For both men and women of age 55-64, employment recorded a 3 percentage point (p.p.) increase between 2005 and 2008. The rising trend for women in this age group continued beyond 2008 but it stagnated for men. The employment rate among the so-called silver workers, aged 65-74, is much lower, but there has also been a rising trend during the period 2005-2008 and a stagnation during 2008-2010.

Across many EU countries, the rising trend of employment among male workers of age 55-64 (during the period 2005-2008) was halted, slowed down or reversed due to the recession that started late in 2008 (for detailed results, see Table B.5, Annex B, in Zaidi and Zolyomi 2011). For example, in Austria, the employment rate for men in this age group recorded a remarkable rise of 10 p.p. during 2005-2008 and no significant change was observed in the subsequent two years. In Bulgaria, older male workers of this age group experienced a similar rise as in Austria during the period 2005-2008, but then experienced a contraction of -5 p.p. during 2008-2010. In Germany, the growth in employment for this group during 2005-2008 has been an impressive +8 p.p., and it slowed down considerably during the following two years (to almost +4 p.p.). Latvia offers the most staggering reversal of the trend: from a change in p.p. that is almost similar to that of Germany during the period 2005-2008 (+8 p.p.), it moved to a contraction of -15.5 p.p., which took the employment rate among this group to even lower than that observed in 2005.



Bulgaria and Lithuania also show similar reversal of fortunes for older male workers after 2008.

**Figure 4: Trends in the employment rate, workers aged 55-64 and 65-74, by gender, EU27 average**



Source: Labour Force Survey 2005-2010

The trend observed on average in EU27 for older female workers aged 55-64 is also observed in the majority of countries: there was a rising trend of employment during 2005-2008 and it slowed down afterwards due to the recession in 2008 (see Table B.5, Annex B, in Zaidi and Zolyomi 2011). The impact of the recession is clearly less for older female workers than that observed for older male workers of this age group. There are also some exceptional results: In Slovenia and Poland, the female employment picked up even more after the recession, and in Denmark there is reversal from a contraction in employment of female older workers during 2005-2008 to a growth in the employment rate for this age group during 2008-2010.

### 1.3 European countries approaches in promoting labour market activity of older workers

Currently the Social Protection Committee (SPC) and the ministries responsible for social policy at the national level are focusing on the Europe 2020 agenda. As mentioned above, active involvement of people 50+ is one of the key priorities for the programme on active ageing and social inclusion in this context.

The comparative policy experiences across European countries show that there are in effect two broad types of measures:

1. Promotion of the employment of older people, through financial incentives for work in the pensions and social old-age benefit systems and through phasing out early retirement schemes, and by raising retirement ages (in some case abolishing the default retirement age, such as in the UK);
2. Improvement of work conditions for the recruitment, retention and productivity of older workers. This involves effective age management policies at the company level; public measures for the improvement and modification of



qualifications and competences (especially for people over 45); reductions in labour costs of employment of older workers and effective labour market activation programmes, with the effective involvement of public institutions, such as Public Employment Services.

Many countries have been able to successfully implement the first type of policy measures during late 1990s and early 2000s, and have now been embarking on complementing them with the second type of measures. A good example is indeed Poland, which (after successful pension reforms) has now prepared a comprehensive programme, (called 'Solidarity across generations. Measures aiming at increasing the economic activity of people over 50'), of measures directed at increasing the employment of people over 50. The main goal of the programme is to achieve the employment rate target of 50% for people aged 55-64 set by the Lisbon Strategy by 2020. The detailed goals for this programme provide a good picture of comprehensiveness of the programme design (whose implementation is currently being negotiated) – for details see the synthesis report of the Peer Review Seminar.

To avoid repetition, and for the sake of brevity, readers are referred to the summary section of the European Employment Observatory Review 'Employment Policies to Promote Active Ageing 2012' (European Commission 2012b)<sup>3</sup>. The full report provides the most comprehensive review of diverse strategies followed in European countries to promote the labour market participation of older workers. As emphasised in the best practice example of Poland above, and also in the introduction part of the discussion paper, the single message coming from the EEO Review is: the measures such as raising the statutory retirement age, phasing out early retirement schemes and introducing financial incentives into pension systems are important and already used in many EU Member States, but the issue needed to be addressed more comprehensively by putting focus on the supply and use of lifelong learning opportunities by older people, and making workplaces and markets age-friendly. The reconciliation of work and family life strategy also stands out in many countries.

## **Part 2: Social participation of older people**

The analyses undertaken above show that less than half of older workers in EU countries in the age group 55-64 are in employment. It is obvious that the rest are not idle, especially given the fact that the longevity gains of the recent past have accompanied gains in the healthy life expectancy. Across many European countries, the recent retirees have become more active, especially those who have taken early retirement. Most are involved in other social activities – for example, a 60-year old woman outside the labour force is in many instances a child-minder for her grandchildren, nurse to her ageing mother and at the same time she will cook for her husband. These women put in more hours of activity than those who choose to stay in the labour market.

It is important therefore to measure the social non-market contributions of older people in the society, through (for example) their involvement in volunteerism, in providing care to their own children and grandchildren and to adult members of their families. Also, it is crucial to highlight measures that can be introduced to promote the recognition of such social contributions in seeking greater solidarity between generations. This is the subject matter of this section, and covers social non-market productive activities of older persons aged 55 or more, with respect to volunteerism, care services to their own children and grand-children and care

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<sup>3</sup> <http://www.eu-employment-observatory.net/resources/reviews/EEORReview-ActiveAgeing-2012-published.pdf>



provision to older adults, drawing from the indicators constructed using data from the European Quality of Life Survey in the context of the active ageing index project for the EU countries (for more details, see European Centre Vienna 2013; Zaidi et al. 2013).

## **2.1 Volunteering activities**

The countries with one of the highest proportion of volunteers among older people are Austria, the Netherlands, Ireland and the three Nordic EU countries (Finland, Sweden, and Denmark), with at least one out of four elderly persons active in providing volunteer work (which is identified to be a non-paid activity undertaken for non-family members out of one's free will). Austria stands out (as shown in Figure 5), as both Austrian men have very high rates of volunteering activities, much more than Austrian women or men in any other country.

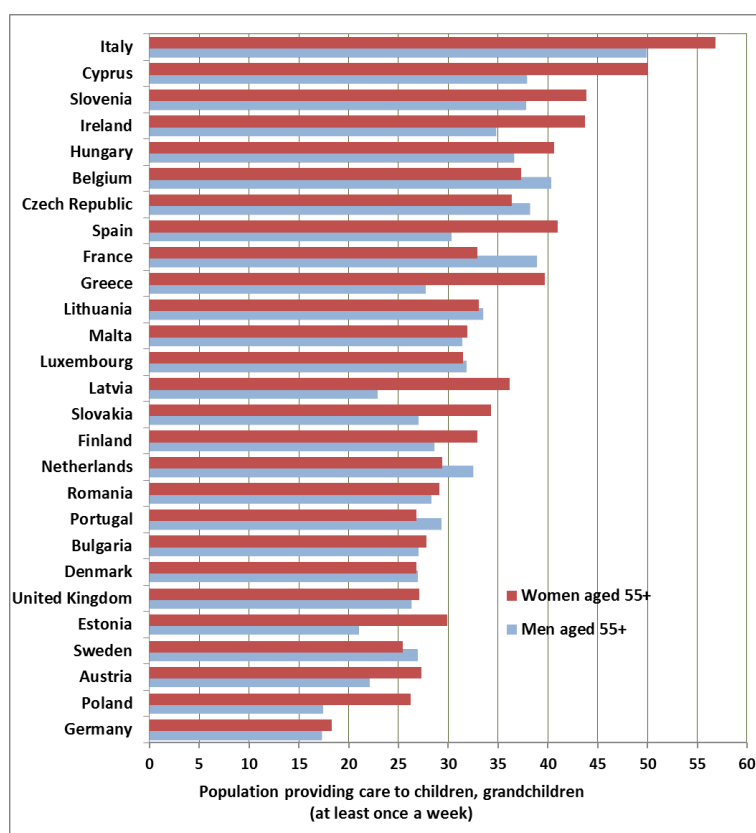
The lowest values occur for Bulgaria, Greece and Romania, with less than 5% of the population involved in volunteering activities. This may partly be a reflection of the fact that the people fail to report in these countries activities that are regarded as voluntary help.

In almost all countries, men offer volunteering activities more than women, most notably in Austria (as mentioned above) but also in Denmark, Luxembourg, Germany and Slovenia. These gender differentials may partly be due to fact that men are more likely to offer their volunteering services in a formal setting and thus their contributions are more often recorded in the datasets than the contributions of women whose contributions come more often in informal situations. Most frequently, women tend to provide informal help to others, including cooking, taking care of people of their communities in hospitals or at their homes, taking people for a walk, or shopping, and these personal voluntary activities often go unreported.





**Figure 5: Percentage of older persons (aged 55+) undertaking voluntary activities through organisations (during the past 12 months), data from the 2011 EQLS**



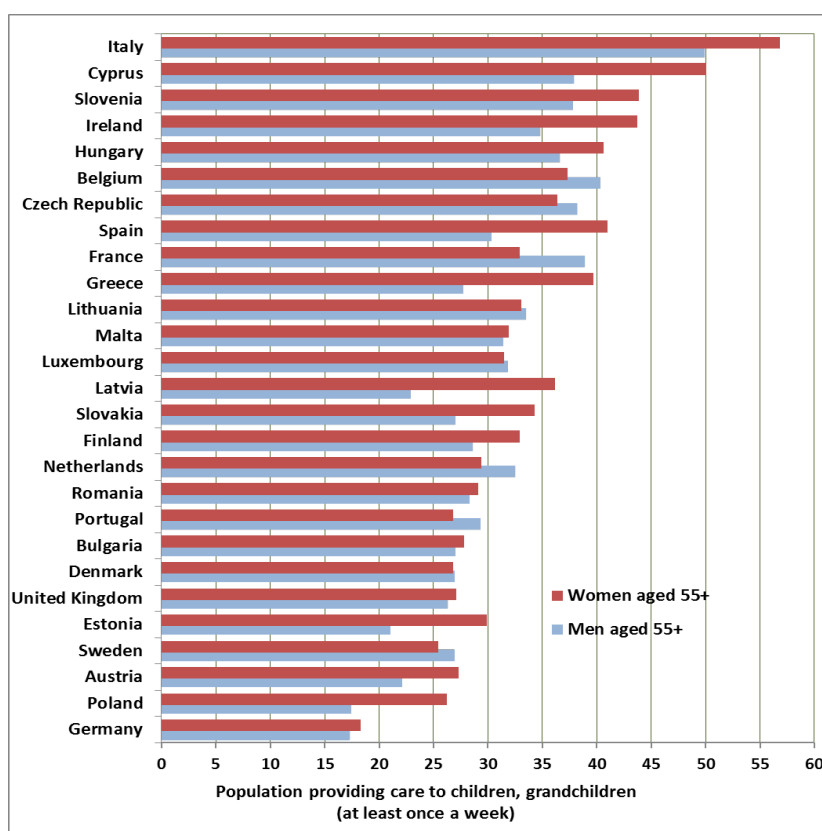
**Source:** Author's own calculations using the 2011 European Quality of Life Survey (EQLS), in the context of the Active Ageing Index project (for more details, see European Centre Vienna 2013; Zaidi et al. 2013).

## 2.2 Care provision to own children and grandchildren

A relatively higher share of the older people provides care for their own children and grandchildren, reflecting the fact that this form of intergenerational support is more prevalent in many EU countries. The top most countries are two Southern European countries, Italy and Cyprus, where as many as 50 to 55% of all women in the age group 55+ provided childcare support. The Italian older men are also not far behind, at around 50% of them are involved in providing care to children. The next in line are Slovenia, Ireland, Hungary and Belgium, where every close to 40% of older persons are engaged in childcare activities. In many countries, there are no significant differences between men and women, and women are more often involved in providing the childcare than men. The gender differences are particularly large in Southern European countries (except Portugal), but also in Latvia.



**Figure 6: Percentage of older persons (aged 55+) providing care to their children, grandchildren (at least once a week), data from the 2011 EQLS**



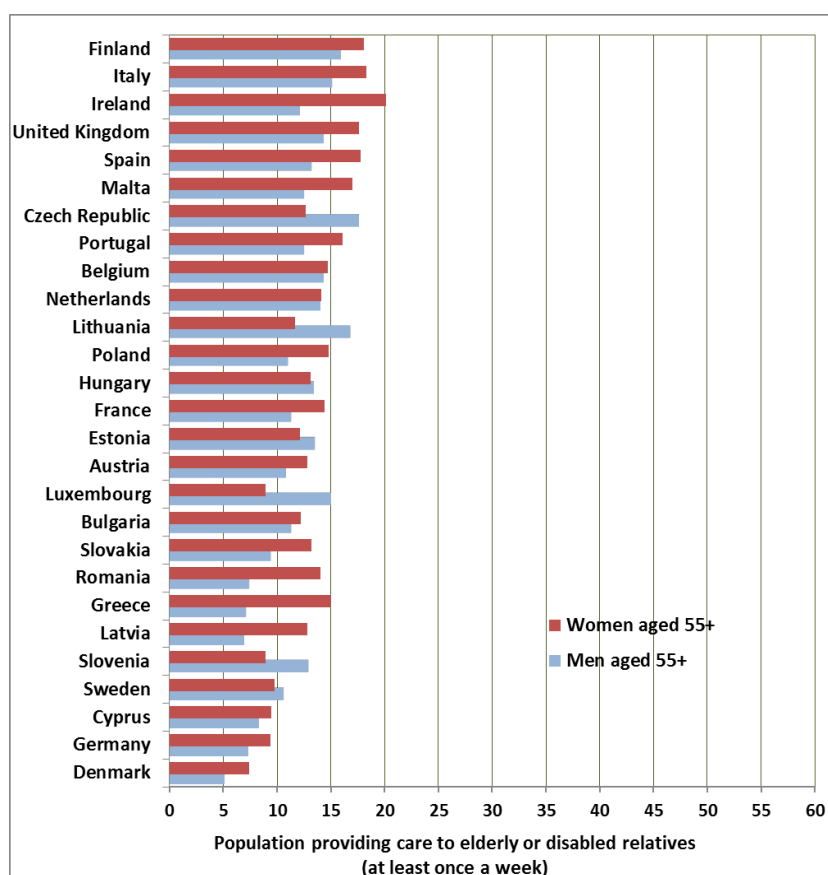
**Source:** Author's own calculations using the 2011 European Quality of Life Survey (EQLS), in the context of the Active Ageing Index project (for more details, see European Centre Vienna 2013; Zaidi et al. 2013).

### 2.3 Care provision to older adults

With respect to care provision to older adults and disabled persons, the contribution of older persons range from, on average, as low as 6% in Denmark to 17% in Finland and Italy. It is not surprising that women are more often involved in such informal care provision in the majority of EU countries – in Greece and Ireland women are almost twice as likely to be involved in care provision to older adults as men. Ireland, Italy and Finland have the highest rates of personal care for older adults among women, and the last two are also among the top two performers in case of men. The Czech Republic stands out as the country with the highest values of care for older adults by men.



**Figure 7: Percentage of older persons (aged 55+) providing care to elderly or disabled relatives (at least once a week), data from the 2011 EQLS**



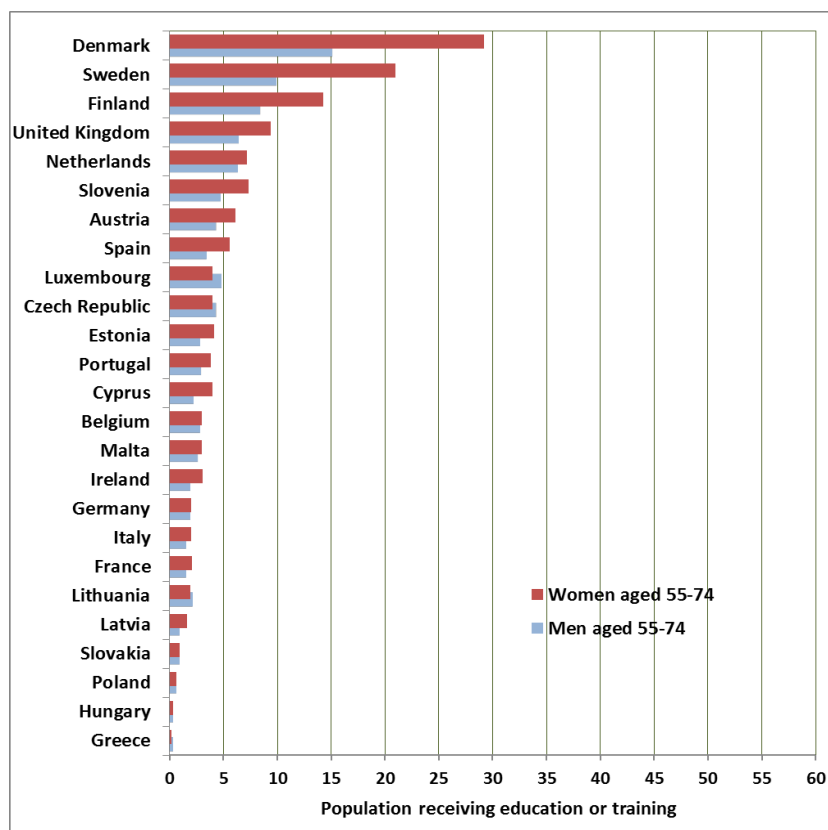
**Source:** Author's own calculations using the 2011 European Quality of Life Survey (EQLS), in the context of the Active Ageing Index project (for more details, see European Centre Vienna 2013; Zaidi et al. 2013).

## 2.4 Education and training activities by older population

One other activity of the highest interest is the participation in education and/or training by older people. Results drawn from the EU-LFS, 2010, show that very small proportions of older people are engaged in education or training activities, with the exception of three Nordic EU countries: Denmark, Sweden and Finland (see Figure 8). EU countries fall behind in this important area and this lack of lifelong learning activity, often referred to as mental retirement, is one important area of policy intervention, especially in the Eastern bloc of EU countries.



**Figure 8: Percentage of older population (aged 55-74) who received education or training in the four weeks period preceding the survey, EU-LFS 2010**



**Source:** European Centre Vienna 2013; Zaidi et al. 2013.

## 2.5 European countries approaches in promoting social participation of older persons

In many countries, it was believed to be the case that it is best to encourage people to take part in the voluntary activity while they were still in work, as this habit continues into retirement. So, in some countries employers and trade unions are organising joint initiatives to get workers involved in volunteering. Other salient programmes can be identified as:

- In Croatia, the Ministry of Social Policy and Youth has established a programme to encourage volunteers aged 50 to 70 to work in Day Centres for the elderly.
- In the Czech Republic's Strategy on Ageing, 2013-2017, there is a new emphasis on encouraging older people to volunteer as a way of helping them to participate in society and encourage intergenerational solidarity.
- In Italy, some municipalities have introduced programmes to involve older people in local activities, for which those on low incomes can receive up to €400 a month.
- In Slovenia, Estonia and Croatia the number of older people who volunteer is officially very low, but this is because they are often providing informal care services.



In some countries public care is a precondition for family care. For example in Sweden, care for the elderly provided by the municipality helps 'filling the gaps' in the care that families can provide. Municipal support is also important in Bulgaria, which adopted a new approach to social services in 2010 and where services to elderly people have nearly doubled since 2008. This has also been backed up by a national programme for people with disabilities, funded by the state and the European Social Fund, which helps to create a more dignified life for elderly people. It was emphasised that the European Social Fund is intended to support care in the community and to encourage people to move out of institutions where possible, rather than to duplicate state services.

- In Estonia informal child care is usually provided by women over 60 and this could be a concern for its effect on the children and the well-being of older people.
- In Italy, the welfare system is heavily family based and it is taken for granted that women will care for both children and elderly relatives. However, there are plans in some regions, like Liguria and Lombardy, to encourage better care of the elderly in the community, with funds for families to care for disabled relatives at home. In addition, many Italian families hire someone to care for family members. This person is often a migrant worker, employed informally without any employment protection.
- In Denmark, the local authorities are fully responsible for all care services: child care, care for the disabled and for the elderly, dispensing with the need for (informal and unpaid) family care.
- In Poland, where the government is concerned about the number of women leaving the labour market early, a new law, introduced in 2009, provides for the state to fund childcare, including nursery and non-institutional care up to three years of age, (based on the French model of childcare.).

### **Part 3: Silver economy as an opportunity for growth and development**

This part of the paper discusses how adaptation of the economy to the ageing society can influence positively the opportunities for greater economic growth. What specific sectors should be targeted and what conditions and actions are necessary to unlock the growth potential of demographic shifts in demand arising from the rising share of older consumers in the economy (the *so-called silver economy* phenomenon). The premise of the discussion is that the development of the *silver economy* has the potential to generate new, decent jobs for all working age groups as well as to improve the competitiveness and growth potential of the whole European economy.

Policymakers at EU and national level as well as the business sector are realising that the older people will be generating demand for specialised new products and services, ranging from personalised care to age-friendly technologies that enable them to maintain healthy and autonomous living in their old age. As demographic change is not exclusively a European phenomenon, European economies will also have an opportunity to become a world leader in introducing innovative products and services to the global market and sharing knowledge on how to create age-friendly environments (in the communities and in the markets).



As yet, measures to promote silver economy have been rather limited, at both EU and national level. As yet it is not realised as an endeavour that brings together key actors from all areas of society and across policy sectors.

Accenture (2011) provides the most commanding word in this respect, drawing conclusions from their own research and analysis as well as from inputs of various distinctive experts. It identifies the silver economy as one of the foremost sources of the 'new waves of growth for economies', and point to six specific sectors that stand to benefit from a rising share of older population as consumers.

1. **Third-age learning:** The sector offering specialised education and training services to older persons is expected to grow; mainly for the fact older workers will pursue education to remain competitive in the marketplace during a longer working career. These education pursuits will also be not limited to developing work skills only, as older persons will also become a great resource engaged in new hobbies, undertaking volunteer work, seeking mental stimulation and valuing the benefits of longevity gains by pursuing lifelong learning.

*Example:* The University of the Third Age (U3A) in the UK has attracted nearly 250,000 members since its inception, and it offers a good example for entrepreneurs in other EU countries of the potential growth in the provision of tailor-made education service for older persons.

2. **Experiential goods and services:** The leisure and entertainment goods is also expected to be in greater demand, especially for the fact that the new cohorts of older people are healthier, financially better off, better educated, more technology aware and have greater aspiration levels for a decent standard of living in retirement. For example, people aged 50-64 spend nearly twice as much on recreation and culture as the under-30s in the UK, and such diversification of consumer demand across age groups is also found in other EU countries, especially in those countries where a large majority of older people are entitled to a decent retirement income. Given greater heterogeneity in the circumstances of older people, new services and products must be able to cater for differences in choices.
3. **Health services and wellness products:** Older people are the main users of health and social care and major drug companies are already making a move to capitalize on this specific demographically driven demand. Also, products and services need to be developed to deal with the challenges of a rise in chronic diseases, an increasing focus on cost cutting and the use of preventive medicine. The same can be said about the greater demands for residential and nursing home care.

*Example:* Novartis and GSK (two major multinational pharmaceutical companies) have been acquiring greater stakes in the production and sale of eye-care and dental-care products, respectively, in a bid to gain greater access to the fast-growing demands of these products by older consumers. Pfizer is the first pharmaceutical company to have a dedicated programme to develop stem-cell products targeted at treating age-related illness.

4. **Connected health:** The rising demand for healthcare (within the context of efforts to control cost and improve the quality of and access to healthcare), future organizations will need to make significant investments in IT and e-health, so as to e.g. connect health records for better prevention and treatment of diseases (especially non-communicable diseases).

*Example:* Leading firms such as Google, Microsoft and Intel have been expanding into the connected health market.



5. **Lifelong finance:** The development and easy access to suitable financial services will become increasingly important for people's planning for longer lives. For instance, there is a significant opportunity for insurance companies to develop new retirement products, particularly as the public sector pension schemes are fast disappearing in many EU countries. The age barriers to certain financial products, such as taking out a mortgage, can be targeted in the design of such new financial products. Likewise, the products designed to cater for a longer lifespan will need to be developed, such as equity release schemes to convert the value of a home to a stream of retirement income.

*Example:* Aviva, the global financial services company, is focusing on the growth of equity release products and expects its sales to pick up (increase by 38% within five years). Certain banks are looking into developing biometric ATMs, which enable users to access their bank accounts with a thumb impression instead of a personal identification number (PIN), to enable older people to feel secure without the need to remember too many PIN codes.

6. **Age-inclusive consumer goods:** Entrepreneurs will have to opportunity to design new products which will reflect the changing functional conditions of the older generation. The retailers also have the opportunity to adapt their store formats for older shoppers, by (say) offering devices that facilitate better scrutiny of the products on offer (such as to see or hear price and other information about the product), especially in view of the fact that many older consumers are becoming more familiar with technology and are embracing it for personal use.

*Example:* Nissan and Ford already make regular use of specially developed clothing that fits well old age. Nissan has a waist belt that simulates "middle-age spread," while the Ford adds bulk in the knees, elbows, stomach and back to reduce flexibility. According to Ford, its Third Age design in Ford Focus played a major role in attracting older drivers to this model, although the car has wide appeal and is marketed to both younger and older age groups. This example indicates the potential of innovations that spring from age-related issues to spread into the larger, mainstream market. The Raku-Raku phone sets, made by Japan's company Docomo, offer voice-to-text conversion, clear voice technology and a large screen, and all these features have proved to be very popular among older consumers. Another example is iPhone: although marketing is still targeted towards younger people, the product in question has been more often used by older people due to its user friendly design (and also for its user friendly retailing shops). It is therefore not surprising that companies with the age friendly products and services bring the highest yields in the stock market.

In measures promoting the potential of the silver economy and thus new forms of economic growth, it is essential that the new products follow the 'design for all' approach. This way, they will not only have a greater market, but also they minimise the risk of intergenerational conflict, showing that not all the attention and resource go to the older segments of society. It is also important to seek older people's opinions when designing employment programmes or producing goods and services to cater for their needs.

Oxford Economics modelling finds that ageing populations will have significant additional growth potential over the next decade. Their simulation of the current trajectory incorporates a number of positive and negative effects of trends in population ageing, including impacts on consumption and on labour markets. They show that, if appropriate interventions are put in place, economies could boost from the demographic shifts, producing the following results by 2020:



- Raise Germany's GDP by €61 billion, 2.1% above the current trajectory in 2020. This translates to lifting employment levels by 1.5 million by 2020.
- Boost UK GDP by £46 billion, an increase of 2.5% above the current trajectory in 2020. This translates to lifting employment levels by 1.3 million by 2020.

### **3.1 Experiences of European countries in goods and services targeted towards older persons**

Sweden has a special project in the community centres which offer education to older workers about new products and services and allow them to test out new products. The municipality also buys products for use by older people, which it sells at a considerably reduced rate. The Slovenian government is investigating how to reactivate elderly people as a group of consumers for products and services which increase their independence and decrease their dependence on institutional care.

The sale of financial products is certainly a potential growth area in many EU countries, as most people are living longer and they need to reinvest their pensions and savings in order to have an adequate income to support them in later stages of their life. There is a risk that older people become a target for mis-selling of these goods. In Poland, Ireland and Italy there have been numerous cases where elderly people have unwisely invested their money, leading to financial losses.

Another relevant financial product is 'reverse mortgages', which are a popular option for many older people in Italy, France and Poland. There is concern that people are selling their family homes and deferring problems to future generations or being sold worthless packages by unscrupulous institutions or sales personnel. To prevent further cases of this happening several countries are introducing legislation to ensure that only accredited banks or insurance companies can enter into this business. For instance, Poland now has a special body that supervises banking and insurance companies.

One booming area of services for older people is care centres and homes. In Bulgaria, health and social care is being transferred from institutions into the home and new standards are being established, together with measures for sustainable care and staff training for care services in the community. This is also the case in Poland, where daily home care centres are popular and the government is considering training home-based nurses, especially those who are specialised in dementia.

ICT and new technical innovations can also support the silver economy. For example in Estonia elderly people living in remote areas are encouraged to learn computer skills to communicate with their relatives across the generations. The ICT is also facilitating use of interdisciplinary teams to improve services in nursing homes. Denmark is another country where the government is focusing on the potential in improving labour-saving technology and more efficient working processes to deliver goods and services to the elderly people.

### **Synthesizing discussion**

In promoting older people's social activity and participation, the single most important measure identified is to promote the self-motivation and self-worth of older people through well-defined measures; in particular, through their engagement in local community activities. The education and training services should go beyond what is required for employability alone, as these services enhance their well-being in general but particularly their health and dignity. Moreover, the welfare provision from the state seems to enhance private





contributions for social care, thus public services can be used to kick-start or support different aspects of private care provision. Furthermore, evaluating the value of the older people's activities and contributions to society will produce further evidence to change public awareness and attitudes and contribute to getting rid of negative stereotypes about older people.

In promoting the potential of the silver economy and thus new forms of economic growth, the new products should follow 'design for all' approach which will minimise the risk of intergenerational conflict. It is important to seek older people's opinions when designing job entry and training programmes or producing goods and services to cater for their needs. There is also considerable scope for specially-targeted financial services for older people and these must be carefully regulated by the state to avoid miss-selling frauds. In promoting incentives for employment and labour productivity growth, the use of financial incentives is shown to be very important, such as rewarding delays in going on pensions, or restricting early retirement schemes to extend older workers length of time in work. The individually designed active labour market measures for older workers, especially for less educated and low-skilled workers, have also identified to be an effective policy tool. Skills, training and education are considered the milestones for employment and active ageing and the longer people participate in the labour market, the better their chances of remaining socially active in their life post-retirement.



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