

# Social Development and Ageing Crisis or Opportunity?

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GENEVA 2000  
THE NEXT STEP IN SOCIAL DEVELOPMENT



This brochure has been produced by the World Health Organization in co-operation with HelpAge International, the International Labour Organization, the International Social Security Association, and the World Bank on the occasion of the panel on Ageing and Social Development held during the Geneva 2000 Forum, the Next Step and Social Development, 26- 30 June 2000.

“Social Development and Ageing: Crisis or Opportunity?”  
Monday 26 June from 16.00 to 17.45 at the  
International Telecommunications Union (ITU).

**Photos:**

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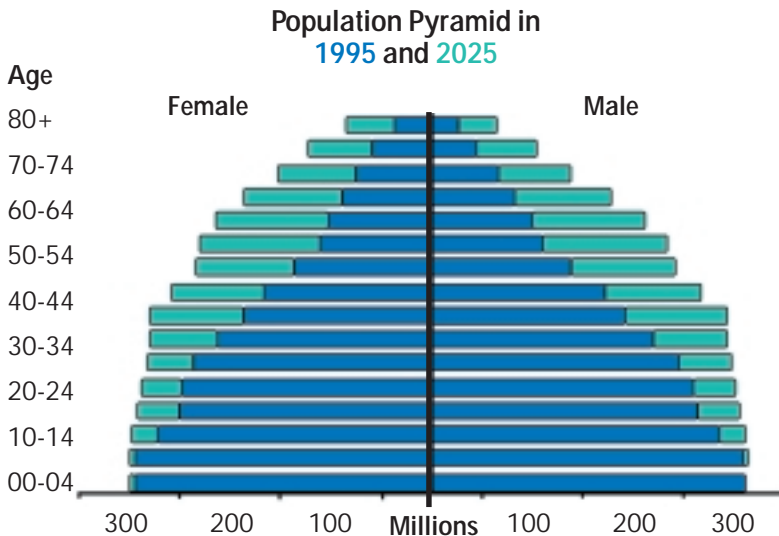
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## Population ageing is a neglected issue in social development

A common myth is that most older people live in the developed world. While it is true that the process of population ageing started to accelerate in Europe in the early 1900's, the vast majority of older people (60 plus) now live in the developing world. Today, the most rapid demographic changes are occurring in developing countries, with predicted increases of 200-400 per cent in their older populations during the next 30 years.



Source: UN Population Division. 1998 Revision

The main reasons for the ageing of populations are:

- 1) Improvements in sanitation, housing, nutrition, and medical innovations, including new vaccines and the discovery of antibiotics, all contribute to the steep increase in the number of people reaching older ages.
- 2) Fertility rates have fallen all over the world, mainly due to the development of effective contraceptive methods and improvements in women's education.

If these developments are positive, then why is population ageing most often regarded as a crisis?

## Ageing is not a crisis

In the developed world, population ageing tends to be regarded as a crisis because older people are frequently viewed as a costly burden. The common myth is that they are frail and non-productive. While older people in many developing countries still hold traditional positions of respect, they are increasingly in danger of becoming marginalized due to migration, urbanisation, globalisation and the demands of economic competitiveness. Moreover, they do not have access to the same level of income security and health care that older people in industrialised countries enjoy.

*The developed world became rich and then it became old while developing countries are becoming old before they become rich.*

The reality is that throughout the world older people continue to contribute to society as paid and unpaid workers, as consumers, as volunteers, as contributors to the well being of their children and grandchildren. The biggest obstacles to older people's contributions are marginalization, exclusion, ill health and poverty.

### Global Dimensions of Ageing - Numbers

From today's 590 million to 1.2 billion in 2025 aged 60 and over

By 2025 70% in developing countries

By 2050 one out of five persons will be over age 60

The oldest old (80 and older) increasing faster

In very old age old women outnumber men 2:1

The real issue is therefore, how older people throughout the world can sustain themselves, remain healthy, be an integral part of society and enjoy a good quality of life. Healthy older people contribute to development. In short, population ageing is not a crisis if older people are empowered to take an active role in the development process.

## Multisectoral responses

Income, health and social integration are the cornerstones of people's well being, regardless of age. Thus, at the policy level, multisectoral responses are needed. In the following pages, some of the leading international organisations dealing with policies for older people's well being present their views on approaches that will make a difference for our greying planet.



## WHO advocates a life course approach to ageing and health

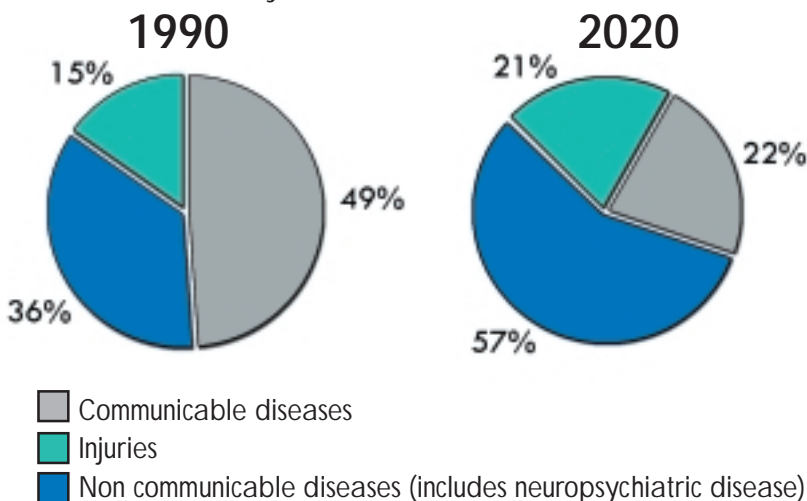
Longer life expectancy is generally regarded as a key indicator of improved health status of the population. The global ageing of the population is therefore first and foremost a success story for humanity.

But paradoxically, longer life expectancy is often regarded as a challenge to health systems as longer lives are commonly associated with a prevalence of non-communicable and chronic diseases.

The steep projected increase in the burden of non-communicable diseases is thought to be largely driven by population ageing combined with the exposure to tobacco and other risk factors, such as obesity, physical inactivity, alcohol consumption, and injuries. Research has shown that these factors are linked with poverty and low educational status. Poor adult populations in developing countries are therefore increasingly at risk, while at the same time still suffering from the long term effects of infectious diseases. Further, injuries related to traffic accidents and occupational hazards are on a steep rise in developing countries causing long term disability and premature death.

### Burden of disease 1990-2020

By disease group in developing and newly-industrialised countries



Source: The Global Burden of Disease, Murray, Lopez 1996



Quality of life at older ages can and must be improved. To ensure that longer lives are also healthier lives WHO is committed to policy solutions that eliminate risk factors and stimulate healthy behaviours throughout the life course. Only as people age do the effects of cumulative exposure become apparent for most conditions. Income, gender and health inequities - all endemic in developing countries - further exacerbate the risk factors leading to ill health at older ages.

To make sure the messages for a healthy and active older age are heard, WHO has launched a Global Movement for Active Ageing.

## **The Global Movement for Active Ageing**

### **KEY MESSAGES**

Ageing is part of the development agenda.

Promote healthy life-styles for an active older life.

Prevent risks that lead to the loss of independence in older age.

Maximise the quality of life for older persons with disabilities.

# International Social Security Association Demographic ageing: The mythical time bomb



Social security policies have always been the target of intense public debate since their initial implementation by governments over a century ago. What is striking in the present circumstance is the growing intensity of the debate about the future of social security policies. Particularly worrying is the apparent fatalism among decision makers around the world about the capacity of governments to effectively tackle the problems of ill health and income insecurity. Among the arguments used to criticise the welfare state, one of the most powerful has been the charge that population ageing, in both industrialized and developing countries, will inevitably result in higher social security costs and a dwindling working population to support these costs.



Most security observers would agree that demographic ageing is not the major threat facing social security at the beginning of the new century. What is often overlooked is the capacity of a society to provide an adequate standard of living for all of its members of all ages. *The principal determinant is consequently the level of productive activity.*

Labour market factors have a far more dramatic impact on a nation's ability to pay pensions than demographic aging. Many older persons would like to work and to be economic contributors to their communities, but they are prevented from doing so either because of age discrimination or stagnant labour markets. The real demographic fact is that people stay much fitter and healthier to older ages than in the past. This underlines the critical importance in developing societies of providing basic health care services to the widest possible population from birth onwards.



The real danger of the ageing timebomb arguments may well be in the lowering of people's expectations about what is possible and about the degree of inter-generational sharing that we would like to foster for current and future generations. The ISSA, through its membership of nearly 400 social security institutions around the world, endeavours to promote a better informed debate about what level of social security protection is both possible as well as desirable.

The mission of HelpAge International (HAI) is to achieve lasting improvements to the lives of disadvantaged older people world-wide. It is a global development organisation involved in direct programme implementation, research, advocacy and policy development. Key strategies include the strengthening of local organisations committed to the needs and rights of older people and contributing to the formulation of national strategies and legislation on ageing.

Fifteen years experience of working with older people has taught HAI that most disadvantaged older people, although poor, are independent and can and do support themselves and their families. Support for age friendly credit, development and accessible health services is critical. Older people play a crucial role in their communities as earners and through unpaid work in family homes as carers, leaders, teachers and primary carers of AIDS orphans and PWAs. This work is often unacknowledged, but is vital as it releases other family members to take paid employment outside the home. HAI's experience demonstrates that older people lead productive lives well into old age.

**Enabling and empowering older people to develop their multiple contributions to family and community is an effective strategy to reduce their and wider community poverty.**

Through its global network HAI advocates on and promotes the rights of older people as laid down in the Universal Declaration of Human Rights, the Right to Development and the UN Principles for Older Persons, so that older people can develop their potential as well as be assured of the basic necessities of life. The network comprises over 200 member/partner organisations in 70 countries. Funding resources are focussed on the most vulnerable older people in developing countries and in East and Central Europe.



## International Labour Organization Ageing, Globalisation and Flexibility: Dancing Around Pensions

There is a need to challenge the view that the ageing of societies, which is a reality, is a “demographic time bomb”, threatening the viability of public pension systems. The perceived crisis for pensions is somewhat exaggerated. However, economic and labour market developments are raising fundamental questions about the desirable character of income support systems in general.

The ILO’s Programme on Socio-Economic Security has been established to look at new ways of enabling people in all types of economy to have secure working lives that allow for flexible working patterns throughout their entire life, depending on capacities and aspirations. In this regard, the old-style pension system by which people retire fully at a certain age should be reconsidered.

There are various options for policymakers wishing to respond to ageing and the apparent squeeze on pension finances. It should not be

presumed that the optimal response is to roll back pensions by raising the standard age of retirement, lowering pensions or privatising pensions. Above all, the ageing process should not be seen as a purely adverse phenomenon. It offers an opportunity and pressure to make labour markets and labour force participation more flexible in the positive sense of that term.



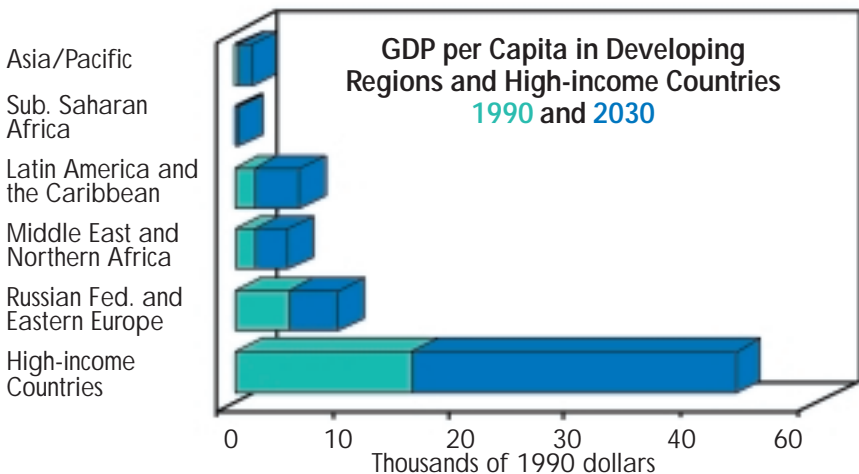


# The World Bank and Ageing

The World Bank addresses ageing directly through its work on old age income support. In 1994 it published a seminal study, *Averting the Old Age Crisis*, which examined population ageing and pension provision throughout the world. The study recommended a “multipillar” approach in which old age income would derive from a public scheme financed from contributions or general revenue, mandatory contributions that are invested, and voluntary savings.

Over the past 15 years the World Bank has been involved in around 60 countries with products and services relating to pension system reform. These include lending, technical assistance, analytical and advisory activities, and generation and dissemination of knowledge. During this period 36 countries have taken 70 loans amounting to approximately \$3.4 billion for pension reform activities.

Broadly, the World Bank works on issues of ageing whenever they intersect with poverty reduction and economic and social development. For example, the World Bank’s health sector promotes a “lifecycle” approach to designing interventions and assessing health outcomes, which gives special attention to the elderly. Social protection projects have included support for community-based or home-based care for the elderly. The World Bank is also concerned with the topics of informal care patterns; gender and ageing; social capital provided by the elderly; non-contributory, means-tested pensions; expansion of pension system coverage; and possibilities for increasing savings for old-age consumption.



Source: World Bank, World Bank Development Report 1992

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