

G8 Compliance Report  
Okinawa 2000  
**Aging**

**Commitment**

Para. 52. “The central challenge is to promote a culture that values the experience and knowledge that come with age. To this end, we will make further efforts to remove inappropriate disincentives for people below retirement age to stay in the labour market.”

**Assessment**

<b>Country</b>	<b>Lack of Compliance -1</b>	<b>Work in Progress 0</b>	<b>Full Compliance +1</b>
Britain			+1
Canada		0	
France			+1
Germany			+1
Italy			+1
Japan			+1
Russia			N/A
United States			+1
<b>Overall</b>			<b>+1</b>

**Britain**

Since the G8 Okinawa Summit, Britain has played an active role in those EU forums that have been devoted to the development of social policies, many of which intend to tap into the benefits of active aging by removing disincentives for individuals of working age to retire early. During the EU Employment Week held in Brussels in November 2000, support for the policies of increasing the workforce by decreasing mandatory retirement was vocalized and discussed by all EU countries. Such discussions were carried through to the European Council Meeting in December 2000 and, finally, to the EU Presidency Conclusions meeting in Stockholm in March 2001, during the inter-Summit period.

Britain is considered one of the G8 countries with an advanced tax system that would require little reform to reach the policy objectives of “removing disincentives” as put forth in the G8

Okinawa Communiqué. Britain's score of +1 is based solely on its participation in the EU process, while its record for policy change in the past year has not yet reflected any timely shifts that would coincide with the recommendations made during its cooperation in these forums.

## **Canada**

In working from the conclusions put forth by the Chair of the G8 Labour Ministers Conference held in Turin November 10–11, 2000, the policy of active aging was heralded, since the Cologne Summit as an incipient part of strengthening and building social policies of modern societies.

Canada's contribution toward developing a policy of active aging in the period between Okinawa 2000 and Genoa 2001 and, more specifically, since Turin, has been neither evident nor clear. Although the Liberal Party, which was re-elected in Canada's November 2000 election, supported a platform of investment in education and health care, no specific commitments were made within the Ministry of Labour or within the annual budget to support active aging. This, however, may be due to the fact that of all the G8 countries, Canada's taxation and transfer system is the one most conducive to bearing the burden of an aging population. Investing in active aging is already part of the Canadian social fabric, as exemplified by the social mandate of the Canada Pension Plan. Therefore, there is little incentive for Canada to pursue a policy of integrating the elderly back into society when those individuals are already included in society. It was difficult for Canada to move toward incorporating active aging into its social policy over the past year as it is already a leader and a model for its seven counterparts in this particular area. Many of Canada's counterparts (namely Germany, the U.S., and Japan) are implementing programs and policies that emulate those of Canada in an effort to increase their investment in active aging.

## **France**

With a French president heading the EU in 2000, France led the way to the Nice European Council Meeting and the advancement of the new European social policy agenda that was proposed in June 2000. This policy strongly supports the establishment of "the new economy," which highlights the importance of active aging. Since this goal was outlined in the days before the Okinawa Summit, it has since been advanced in many forums in the EU processes.

During the EU's Employment Week, held in Brussels in November 2000, the opening speech was made by France's Odile Quintin, Director General of Employment and Social Policy of the EU, in which she highlighted the need to reduce the number of retirees. The speech also emphasized the need to increase the number of people in the job market by removing mandatory retirement age policies. Specific policy suggestions were made to design retirement systems that would promote increased labour force participation.

In December 2000, there was movement toward implementing these suggestions at the Nice European Council Meeting. At the meeting, member states of the regional EU were invited to explore the possibilities of implementing the policies outlined during Employment Week 2000. As a result, feasible policy changes were recommended in Stockholm during the EU Presidency Conclusions meeting in March 2001. The recommendations promoted active aging and the pursuit of the European policy of increasing labour force participation.

### **Germany**

In meeting the recommendations put forth at the 2001 EU Presidency Conclusions meeting in Stockholm, Germany succeeded in introducing a tax reform expected to alleviate tax burdens on families and to bring more opportunities for the pursuit of small business ventures. Tax Reform 2000 is outlined in Germany's National Action Plan, which was submitted to the EU Council in Stockholm. It strives to "structure Germany's ability to meet the challenges of the future." The country's 2000 Tax Reform is intended to contribute much to Germany's goal of modernization, and will work in tandem with the objectives of the EU as they were demarcated from November to March 2000/2001.

### **Italy**

Similar to its member EU countries, Italy participated in the EU's Employment forums from Brussels to Stockholm that led up to the EU Presidency Conclusions meeting in March 2001. Italy contributed to the process of developing social policy throughout this inter-Summit period by this participation. It brought suggestions and recommendations to the discussion of which social policies would take precedence over others in creating a modernized European society. Such discussions identified the importance of pursuing active aging as a policy of diversification for both the European society as well as the economy, which would result in a more sustainable European society and economy.

### **Japan**

In September 2000, the Japanese Institute of Labour released *The 2000 White Paper on Labour*, the second part of which addressed "How Best to Mix the Young, the Middle-aged, and the Elderly in an Aging Society." Much emphasis was placed on the changing demographics of the Japanese population and, in particular, of the Japanese workforce. Because there are fewer young people and more elderly in Japanese society, the white paper recognized the need to adjust social policies in order to make the best use of these overlooked members of what has become a

shrinking Japanese labour force. The paper also looks forward to the next 10 years when aging baby boomers will increase the number of elderly available to work., The report heralds a social change inherent to Japan that will address the weak relationship felt by the aged with their local community and that often leads to “low levels of satisfaction with their life in retirement.”

To mitigate these rising dilemmas in Japanese society, the report makes four main recommendations to the government: 1) to call on management and employers to voluntarily raise the retirement age to 65 over the next ten years, 2) to make gradual efforts to ensure that employment opportunities are available to the elderly, 3) to support efforts to dispel stereotypes held by companies about standard recruitment ages of employees and to broaden these criteria to include the aged as well as the young, and 4) to support the efforts of individuals to increase and improve their skills.

Consequently, the Japanese Ministry of Finance set forth a budget plan for the year 2001 that emphasizes allocation of funds to policies that promote active aging, along with the environment, information technology, and the provision of urban infrastructure.

## **Russia**

Information on the Russian Ministry of Labour’s efforts to advance the mandate set forth in the Turin Meeting of G8 Labour Ministers was not readily available during the time of this compliance study.

## **United States**

Since the Okinawa Summit in July 2000, the United States has undergone a presidential election and a consequent change in White House administration, with the election of Republican George W. Bush to the presidency. This new administration’s Secretary of Labor, Elaine L. Chao, did not hesitate to address the issue of active aging in the U.S. during her inaugural speech. The U.S. is facing the prospects of entering into the next few decades with a workforce that will not be large enough to meet the demands of a growing economy. To compound this urgency to stimulate the workforce, current policies do not provide a sufficient tax base to take care of the next generation of retirees.

The resulting effect is the need to create a “New 21st Century Workforce.” Movement toward this goal has begun with the Department of Labor’s creation of the Office of the 21st Century Workforce, which will focus on addressing the changing dynamics of the country’s workforce and meeting those changes with social policies. The department also plans to convene a group of

business, labour union, and government leaders to address the structural changes, such as an aging populace, that are affecting the U.S. workforce and the U.S. economy.

### **Sources**

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