

## 1 Reaching 65

2 (original at <http://www.economist.com/debate/days/view/329>)

3 In the beginning, as we might say, there was no retirement. Even in 1800, life  
4 expectancy at birth in richer countries was only 30-40 years. By the time Bismarck  
5 introduced retirement pensions in 1883—for those few lucky enough to reach the age of  
6 65—life expectancy was still only 40-50 years. The rest, as they say, is history.

7 By 1995, the retirement age in OECD countries had fallen to 60-62 years, while life  
8 expectancy had risen to 70 years. Today, many countries plan to increase the retirement age  
9 to 65-68 years in the next decade, but life expectancy is already 77-80 years and expected  
10 to approach 85-87 by 2050. In short, most people retiring at age 65 can expect to depend  
11 on their pensions or income from other assets for about 20 years and more by 2050.

12 No one envisaged such an outcome in the last century, or what the financial implications  
13 would be for companies or the state. The whole notion of what is known as cliff-edge  
14 retirement is outdated, inefficient and needs to be rethought, for four reasons.

15 First, forced or mandatory retirement at 60 or 65 discriminates against older citizens who  
16 wish to continue working. This is not to argue that society should force people to work  
17 until they are 70 or older. However, improvements in health and the greater capacity of  
18 older people to work beyond the retirement age mean that it is both wasteful and even  
19 harmful not to allow them to do so, if they wish. Moreover, working longer in the  
20 information and service-dominated economy, where physically demanding jobs account  
21 for little more than 10% of total jobs, seems perfectly reasonable.

22 Second, existing retirement patterns clash with the challenges posed by ageing societies.  
23 There are not enough children to support the doubling of the population aged over 65. As  
24 we face possible labour and skill shortages, we will need to try to encourage older  
25 citizens to work for longer or encourage them back into work after they formally retire.

26 Third, the archaic nature of existing retirement patterns has been thrown into sharp  
27 focus by the economic and financial crisis. Current pension plans are, for the most part, a  
28 giant Ponzi scheme, in which governments will have to borrow substantial amounts of  
29 money to fulfil their pension and health-care obligations.

30 Fourth, what this all comes down to is the extension of working lives, partly because we  
31 can, partly because we may want to, and partly because we must. Under flexible  
32 retirement, individuals could work until their late 60s and then perhaps gradually retire  
33 via flexible working arrangements, including part-time work and working from home. By  
34 working longer, the supply of labour input will expand. This will raise consumption in the  
35 economy and contribute to the expansion of capital investment.

## Questions:

- 1) A very easy one. This text is taken from a debate on whether or not retirement in its current form should be abolished. Do you think the author argues for the abolishment of the current system or against it?
- 2) What main assumption in the concept of retirement has changed since the times of Bismarck?
- 3) What are 'implications' (line 12)? Give a synonym that fits in the context.
- 4) What is 'cliff-edge retirement'? (lines 13 and 14)
- 5) What are the author's main arguments?
- 6) What is a 'retirement pattern'? (line 22)
- 7) What does 'clash with the challenges' mean? (line 22)
- 8) What is a 'Ponzi scheme' (line 28) and why does the author liken current pension systems to it?
- 9) What is 'the supply of labour input' (line 34)? Is there a simple synonym for this word in the context given?
- 10) Back to Nr. 1. Do you agree with the author of this text?

## Vocabulary:

discriminate **against** sb. (15)

depend on st. (10-11)

to retire (25)

part-time work/job (33)

Přejeme Vám mnoho studijních úspěchů.

Tým jazykové skupiny Spěváček: