The impact on labour markets of an Ageing Society

EIB Roundtable
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How aging in cities/regions is perceived and approached?

Demographic change is underpinning all work in the OECD – significantly labour market analysis.

**Changes elderly rate (+65) 1960-2010**

**OECD**
All OECD member countries are aging (positive rate change 1960 to 2010) *Japan* is aging faster - largest positive elderly rate change (17.4%) followed by *Italy* (11.4%), *Greece* (10.8%), *Finland* (10%), and *Germany* (8.9%)

**G20**
*Saudi Arabia* was the only G20 country that is getting younger (-0.7%)

**MENA**
*United Arab Emirates* is getting younger (-3.03%) followed by *Qatar* (-1.71%)
*Israel* is aging faster (5.3%) followed by *Morocco* (2.9%)

*Most countries in Asia are aging but at slower pace than OECD countries (including India and China)*

OECD (2012) *Demographic Change and Local Development*. 
Demographic Change and Local Development Report (OECD 2012)

- **Achieve Successful Active Ageing in Dynamic Societies**
  - Further pension reform is required to simplify the system and encourage later retirement (67) while ensuring adequate incomes in retirement
  - Take further steps to prevent disability-related benefits being used as a “de facto” early retirement scheme
  - Measures to increase the willingness of employers to hire and retain older persons
  - Making employers aware of the challenges of ageing and the benefits of investing in their staff and stimulating age-friendly HR policies
  - Organising initiatives aimed at eradicating negative perceptions of age
  - Encouraging guidance and counselling services that incorporate a lifecycle perspective, that promote employability and that are adapted to the needs and abilities of the ageing population
Policies and initiatives:

**China** – *Targeting elderly Social Exclusion* by developing supporting systems in villages and establishing a welfare system to cover the whole population

**Canada** - *Targeted Initiative for Older Workers (TIOW)*. Provides support for unemployed older workers in shrinking towns. 5-26 weeks training in group setting and with work experience. Income support while participating in the project.

**Germany** - *Perspective 50 Plus: Regional Employment Pacts for Older Long-term Unemployed Persons*. Set incentives for regional and local actors to form alliances (regional employment pacts) in order to develop and implement new and effective strategies and instruments for sustainable integration of older long term unemployed. Employment pacts involve all relevant stakeholders with a region such as job centres; training providers, non-government organisations, employers, social partners, welfare organisations, churches and health insurance.
The Netherlands - Strengthen the work incentives embedded in the retirement and welfare systems; remove obstacles to hiring and retaining older workers; raise the employability of older workers (promoting better health at work, employment services for older workers).

Australia - package of measures: (1) Facilitate later retirement while removing incentives to early retirement; (2) Take further steps to prevent disability benefits being used as a pathway to early retirement; (3) Enhance the effectiveness of anti-age discrimination legislation; (4) Strengthen older workers’ employability.
• **The challenge of health systems reform:**
  - making hospitals more efficient
  - changing community practices: from ‘going’ to hospital to caring for the elderly at home
  - building skills for home caring and changing the perception of low-skilled low-wage jobs

• **The ‘avalanche’ of mental health issues:** depression is often hided behind isolation and loss of skills to deal with everyday life + fragile bodies. Community groups and local governments have a significant role to play in addressing the social implications of ageing.

• **Intergenerational fairness:** measures, initiatives, programs to address some of the social issues + labour market limitations
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• Local Scenarios of Demographic Change
https://community.oecd.org/community/demographicchange