



The 12th ASEAN & Japan High Level Officials Meeting on Caring Societies

ACTIVATING OLDER WORKERS IN THE NEW DEMOGRAPHIC CONTEXT

2014

Keiko Kamioka

Director, ILO Office for Japan





Labour market dynamics in the new demographic context

Global and regional trends

- By 2050...
 - Population over age 65 will nearly triple
 - Size of child component \approx Size of old-age component
 - Great majority of older people will live in Asia and the majority of them will be women.

Global labour force dynamics

- Labour force participation of older people declines in countries with higher expenditures
 - \Rightarrow the higher the per capita GDP, less need for people over 65 years old to work
- Long-term unemployment rate is higher and increasing in the majority of OECD countries
 - \Rightarrow older workers discouraged and drop out of labour market.

Economic and social implications of the new demographic context

Impact on economic development

- High dependency ratio (consumption $>$ labour income)
 \Rightarrow consumption financed by inter-generational transfers
- Shrinking labour force \Rightarrow productivity growth
- Aging population \Rightarrow public spending on education, health care and pensions

Poverty and informality

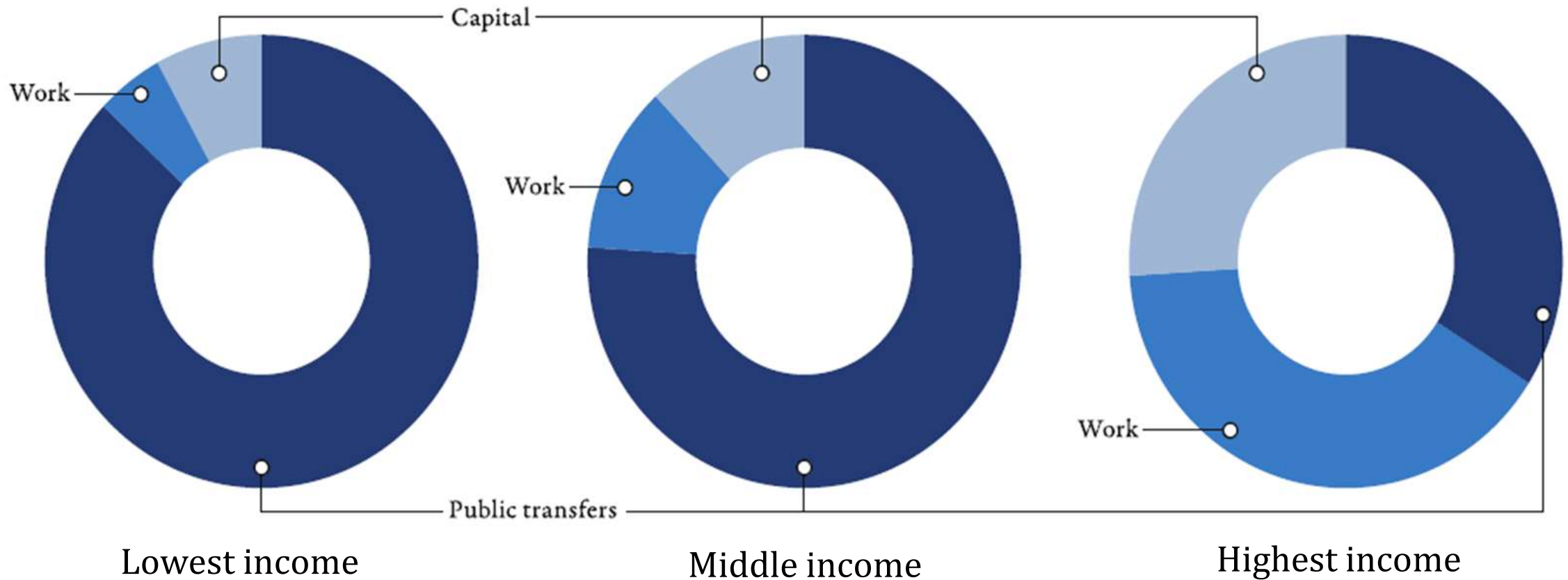
- Old-age income poverty rates $>$ population poverty rates
- Public pension programmes not providing sufficient income

Labour skills shortage, labour productivity

- Labour shortages in Industrialized countries - eg. Germany, Sweden
- Poor incentives for employers to invest on older people



Sources of income of people aged 65 and over, OECD countries





Policy responses





COMBATting PREJUDICE AND AGE DISCRIMINATION

- ILO Discrimination (Employment and Occupation) Convention, 1958 (No. 111)
- ILO Older workers recommendation, 1980 (No. 162): explicit inclusion of age as a form of discrimination
- Overall increased efforts to enact age discrimination legislation
 - ILO study: Substantive progress made. In 2008 about 30 countries (24 from UNECE) had enacted age discrimination legislation which prohibit direct and indirect age discrimination.
- Legal framework is part of the solution and awareness raising has a role to play



ACTIVATING OLDER WORKERS

Older Workers Recommendation : guidance, training and placement services

- UK move towards individually tailored support
- Denmark older unemployed no longer exempted from activation measures
- Germany «Perspektive 50plus» -employment pacts for the elderly
- United States: One-Stop Career Centers and the Senior Community Service Employment Program provide job search assistance to older workers

FOSTERING EMPLOYABILITY

- Importance of lifelong learning and consistent with life cycle approach
- Measures targeted at improving the employability of older workers as a response to the crisis
 - Italy : Programme on income and skills support (2009)
 - Slovenia: Integrated package that included training, awareness raising and measures on health and safety (2010)
 - Canada's Targeted initiative for older workers (2009)
 - Displaced older workers (normally aged 55-64) in small vulnerable communities have access to the training and employment programmes
 - Positive results:74% found a job during or after the programme



Working time and work organization

- Working time and work organization: affected by demographic change other factors: Linear working life vs more flexible organization of working life
- ILO Older workers' recommendation provisions on working time and work organisation
- Increasing availability of working time arrangements for older workers, positive step but..
- Before implementing age specific measures, need for detailed assessment and important to note that older worker's capabilities and preferences a function of past and present



Conclusions

A COMPREHENSIVE POLICY MIX

- Policies to reinforce one another in employment, social protection and economic development
- Appropriate correspondence to the present situations of each country
- Long-term objectives and support throughout the life cycle
- Policies to increase productivity: education, training and lifelong learning; social protection(e.g. medical services); Improved working conditions and sound OSH; non-discriminatory practices (e.g. age, gender and disabilities)



Conclusions

- Policies for skills mismatches and skills shortages
- Development of the care sector
- Fiscal sustainability of pension systems and flexible transition from active working life to retirement

TRIPARTISM AND SOCIAL DIALOGUE

- Reform processes for employment and social protection can be best managed through social dialogue
- Collective bargaining is an important tool



Decent Work provides

- Means of income
- Dignity & Pride
- Reason for living

