

Employment and social protection in the new demographic context

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ILO Report

Background

- The new demographic context has great impact on the world of work and sustainability of social protection. A key driver of change in the world of work.

Outline

- **Report of the Director General**
 - Chapter 1: Labour market dynamics in the new demographic context
 - Chapter 2: The economic and social implications of the new demographic context
 - Chapter 3: Policy Responses
 - Chapter 4: The way forward: An integrated decent work framework for the demographic change
- **Discussion at International Labour Conference in June 2013**
- **Conclusion**
- **ILO Action**

Ch 1. 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 are women and live in Asia

Global labour force dynamics

- In the next decade, 420million more people in the labour force.
- Globally need to create 600 million jobs to integrate the 197 million currently unemployed (of which 73 million are youth)

Ch 2. The economic and social implications of the new demographic context

Impact on economic development

- * High dependency ratio (consumption $>$ labour income)
- * Old age dependency: 9-1 in 2000 ---- 4-1 in 2050
⇒ consumption financed by inter-generational transfers
- * Shrinking labour force ⇒ productivity growth
- * Aging population ⇒ 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

Ch 3. Policy responses



Economic Development

Points for Discussion

1. Social, labour market and economic policies ensuring high levels of employment, income security and gender equity
2. Comprehensive multidimensional and integrate policy mix;
 - (a) discrimination – age, disability, gender
 - (b) new technologies, preventive health & safety and lifelong learning
 - (c) providing adequate workplaces, working conditions, etc.
 - (d) maintaining high levels of productivity growth with ageing and shrinking workforces
3. Care economy
4. Tripartism contributions to policy responses
5. ILO support

Point 1. What are the key challenges of the demographic transition?

Workers

- * Sustainable pension system and inclusive societies
- * Investment for the future

Employers

- * Pro-employment Economic frame
- * Skills mismatches and shortage
- * Social protection for older workers

Governments

- * High dependency rate
- * Lifelong learning and skills development
- * Fiscal pressure by care for the aged

Point 2. What policies can ensure employment, income security and gender equity over the life cycle?

Workers

- * Promoting education and youth employment
- * Tackling gender discrimination
- * Changing pension system

Employers

- * Managing work transitions
- * Lifelong learning and skill matching
- * Investment for creating jobs

Governments

- * Providing education and job training
- * Tackling youth unemployment
- * Extending pension system to all workers

Point 3. What policies should be put in place?

Workers

- * Anti-discrimination policies and affirmative actions
- * Collective bargaining

Employers

- * Right to retire people at realistic ages when productivity declines
- * Distinguish between discrimination and worker preference to retire

Governments

- * A rights-based approach to fight against age-based discrimination
- * Improved access to health care and occupational safety and health
- * Lifelong learning programmes

Point 4. How can the care economy be promoted and sustained?

Workers

- * Developing an ILO standard on the care economy

Employers

- * No need for a specific instrument on the care sector economy
- * Investments for care sector(e.g. facilities, health monitoring and innovative technologies)

Governments

- * Providing training for health-care professionals and creating employment

Point 5. Tripartism contributions to policy responses

Workers

- * Youth unemployment is an absolute priority
- * Legal and institutional frameworks to make collective bargaining a reality

Employers

- * Collaboration at the national level

Governments

- * Collective agreements
- * Social dialogue
- * Strengthened tripartism
- * Civil society organization... etc

Point 6. How can the ILO support constituents' efforts in developing policies and plans and contribute to the development of international policies?

Workers

- * Support for the implementation of ILO standards

Employers

- * Assistance required for specific country contexts and challenges

Governments

- * Support for the development of national action plans
- * Additional research and evidence-based analysis
- * Providing technical assistance and best practices
- * Capacity building of constituents and officials

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
- * Promoting employment of young workers and overall labour force participation
- * 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

ILO Action

1 Technical Cooperation

- * Care for youth, women, the elderly and persons with disabilities
- * Promote the implementation of ILO standards

2 Knowledge Development, Dissemination and Follow-up

- * Research on employment and social protection
- * Map, analyse and disseminate good practices

3 Partnerships and Advocacy

- * Promote the integrated, inter-generational life-cycle approach
- * Strengthen partnership with other players