

Older workers' transitions and active ageing

A global (policy) perspective

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Some stunning facts about ageing trends

A person born today in Europe has a 50% chance to become 100 years old

Longevity has doubled since 1900, which is the fastest change ever

The rate of growth for older people (65+) is expected to far outpace the rise of the working age population (15-64): The old age population will grow by over 300% over the course of this century by comparison to the working age population which will grow by less than 50%.

Developing countries will age most rapidly: Less developed countries will see their older populations rise by nearly 350%. Developed countries are likely to see more subdued growth in their older age populations, rising by around 70%.

Population ageing is happening more quickly than in the past. In France for example it took 150 years to move from a share of older people of 10% to a share of 20%. For Brazil, China or India it will take less than 20 years.

Some stunning facts about ageing workers

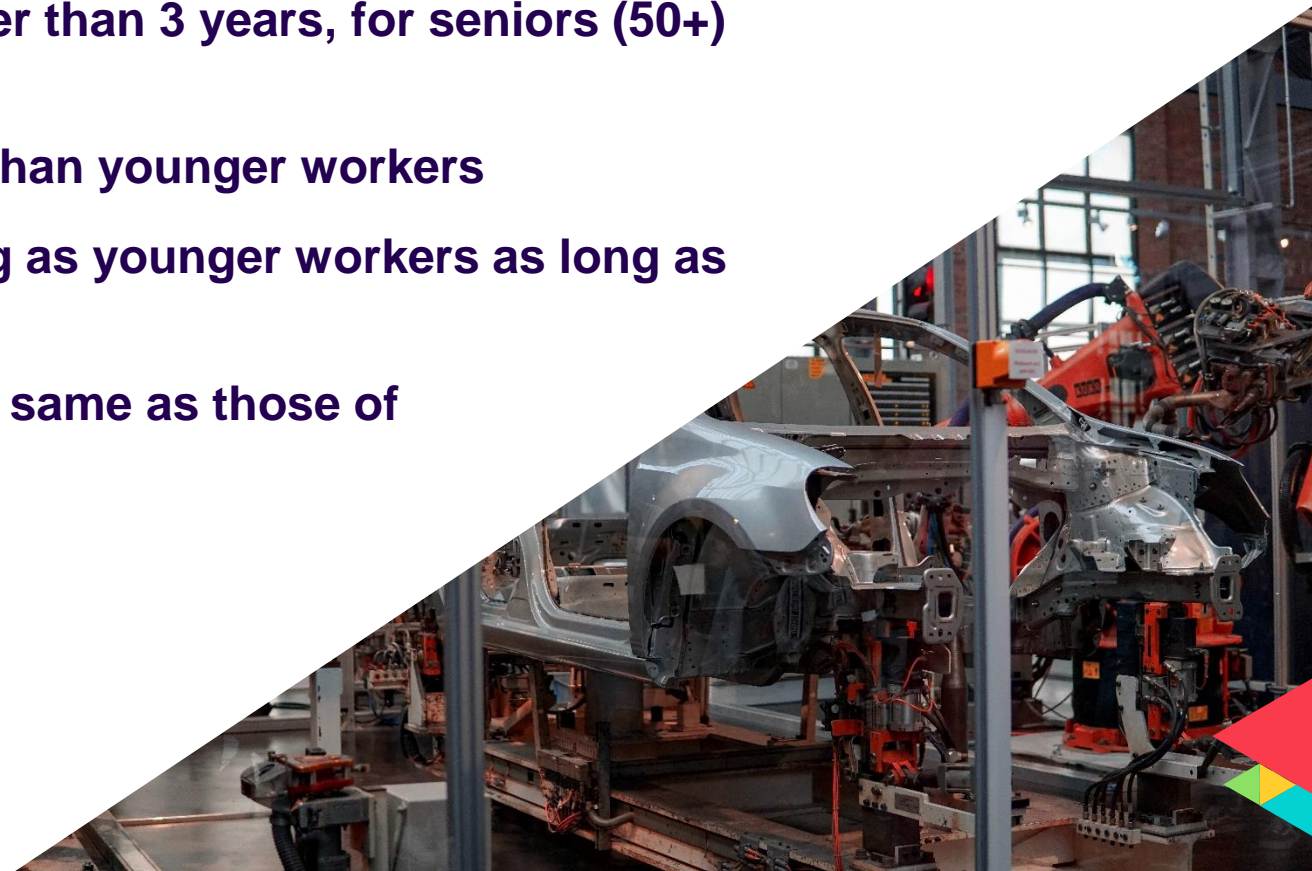
Only 30 per cent of the characteristics of aging are genetically determined and 70 per cent is the result of lifestyle

Only 28 of start-ups by younger people last longer than 3 years, for seniors (50+) the success rate is 70 per cent

Older workers do not take more sick leave days than younger workers

Older workers are just as successful in upskilling as younger workers as long as they never interrupt their learning paths

Productivity levels of older workers are often the same as those of young people



Some economic consequences of ageing

Changes in labour supply

Changes in consumption

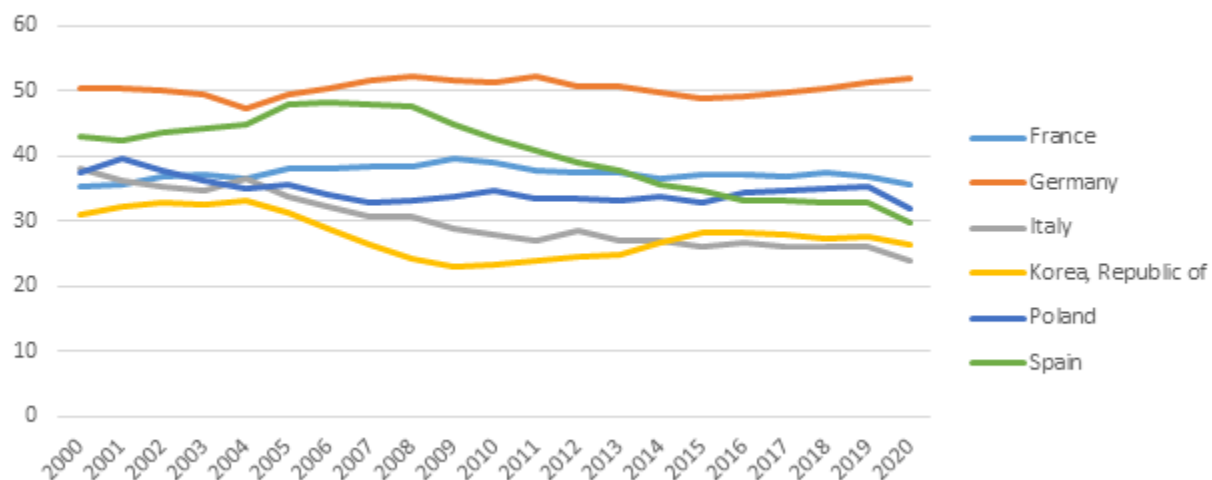
Changes in dependency ratios

Changes in transitions

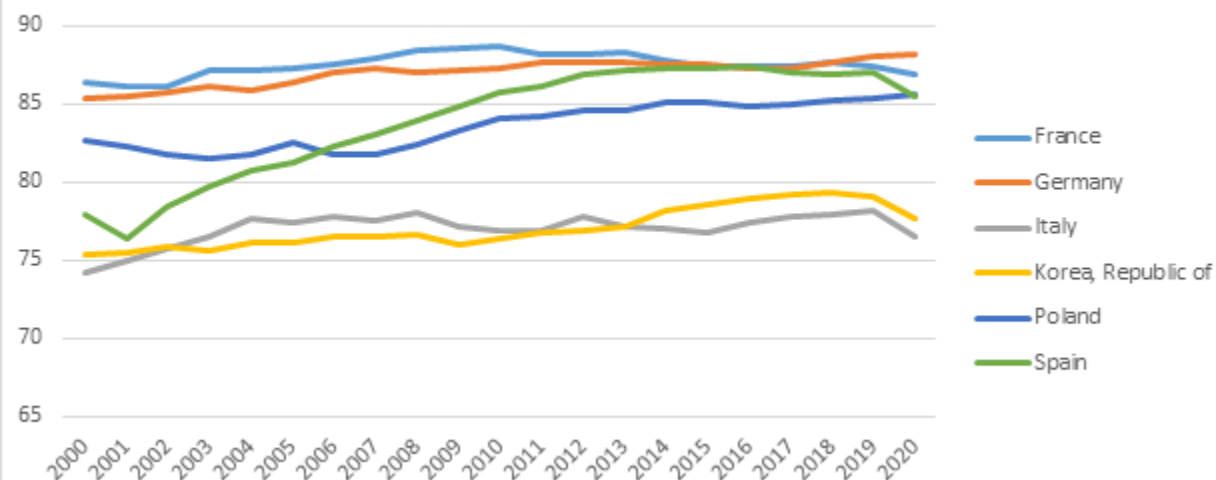
Changes in spending relative to tax revenues



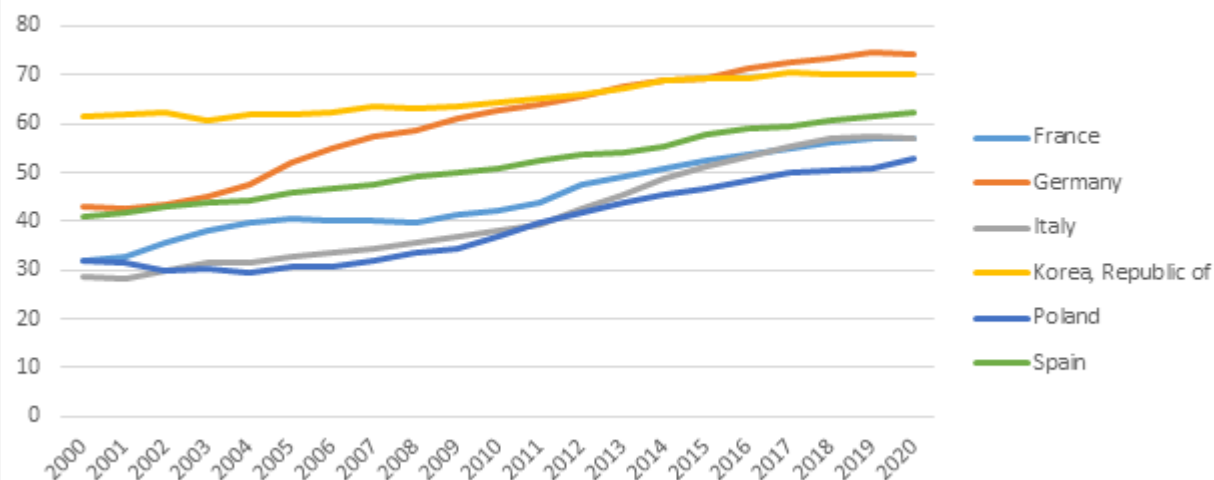
Labour Force Participation Rate (%): Age group 15-24



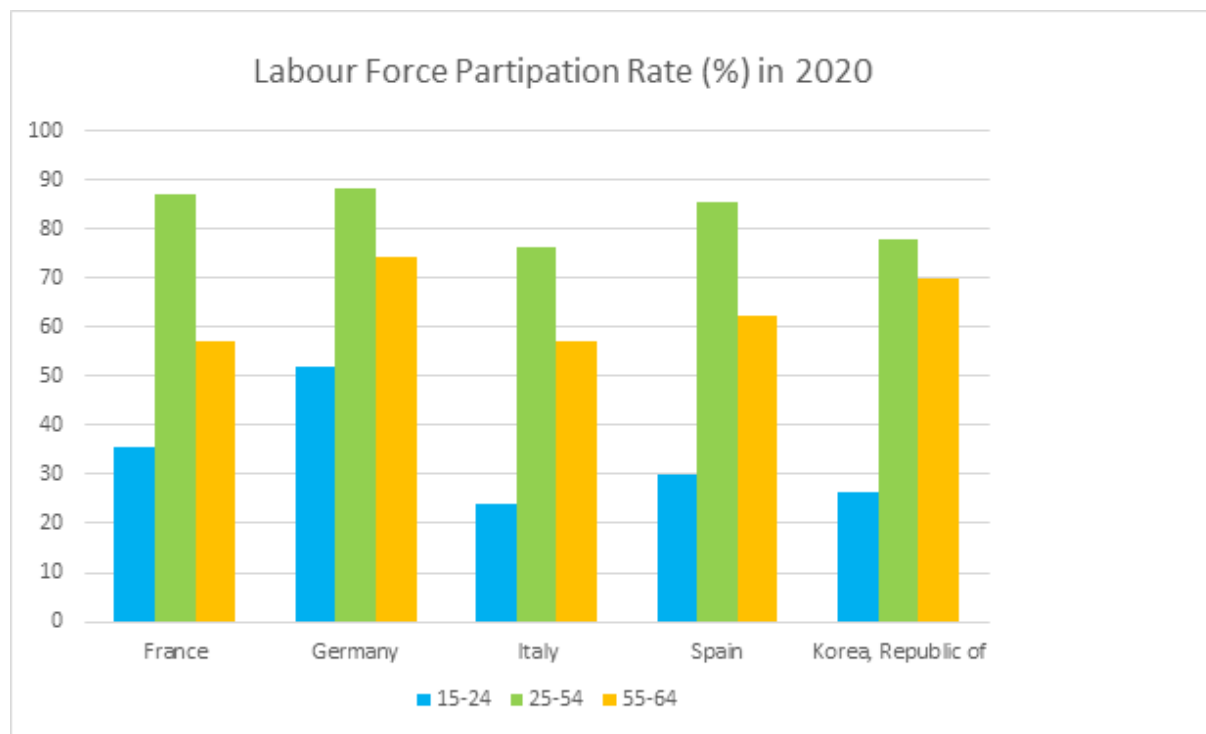
Labour Force Participation Rate (%): Age group 25-54



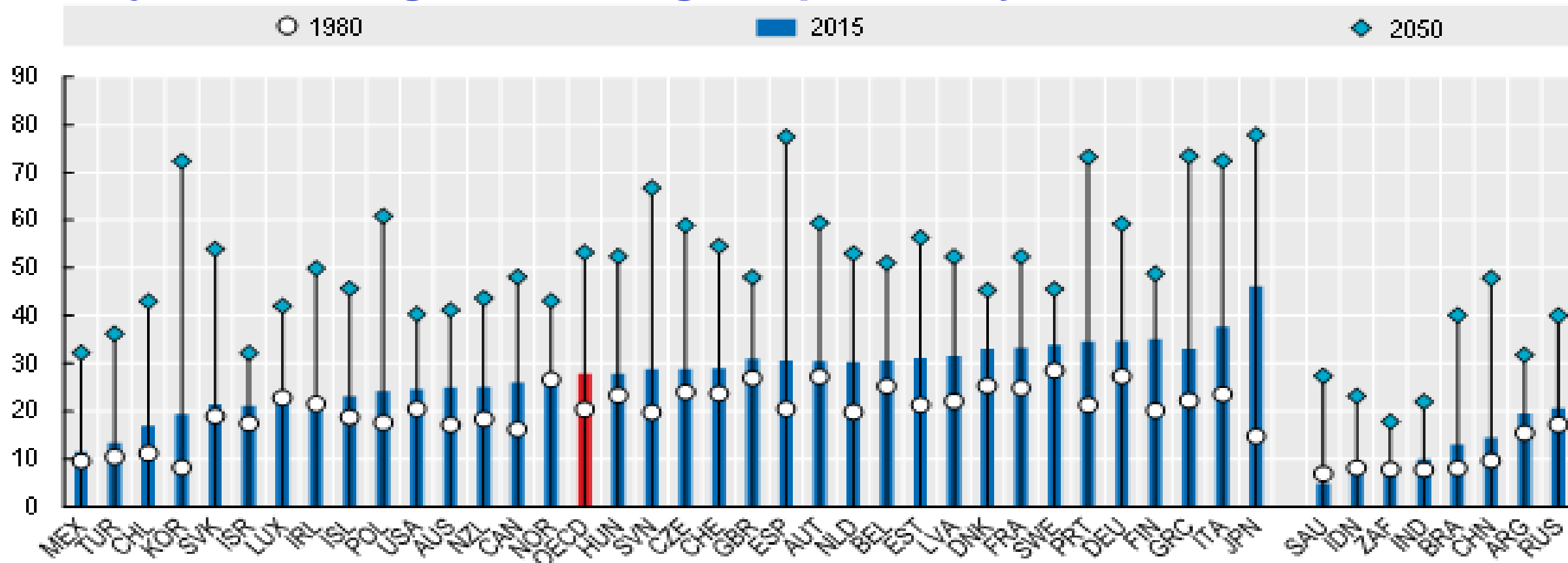
Labour Force Participation Rate (%): Age group 55-64



Different patterns of labour force participation



Projected changes in old-age dependency ratios



Note: The old-age dependency ratio is defined as the number of people aged 65 and over per 100 people of working-age (20-64).

Source: United Nations World Population Prospects: The 2017 Revision, <https://population.un.org/wpp/>.

Changes in consumption

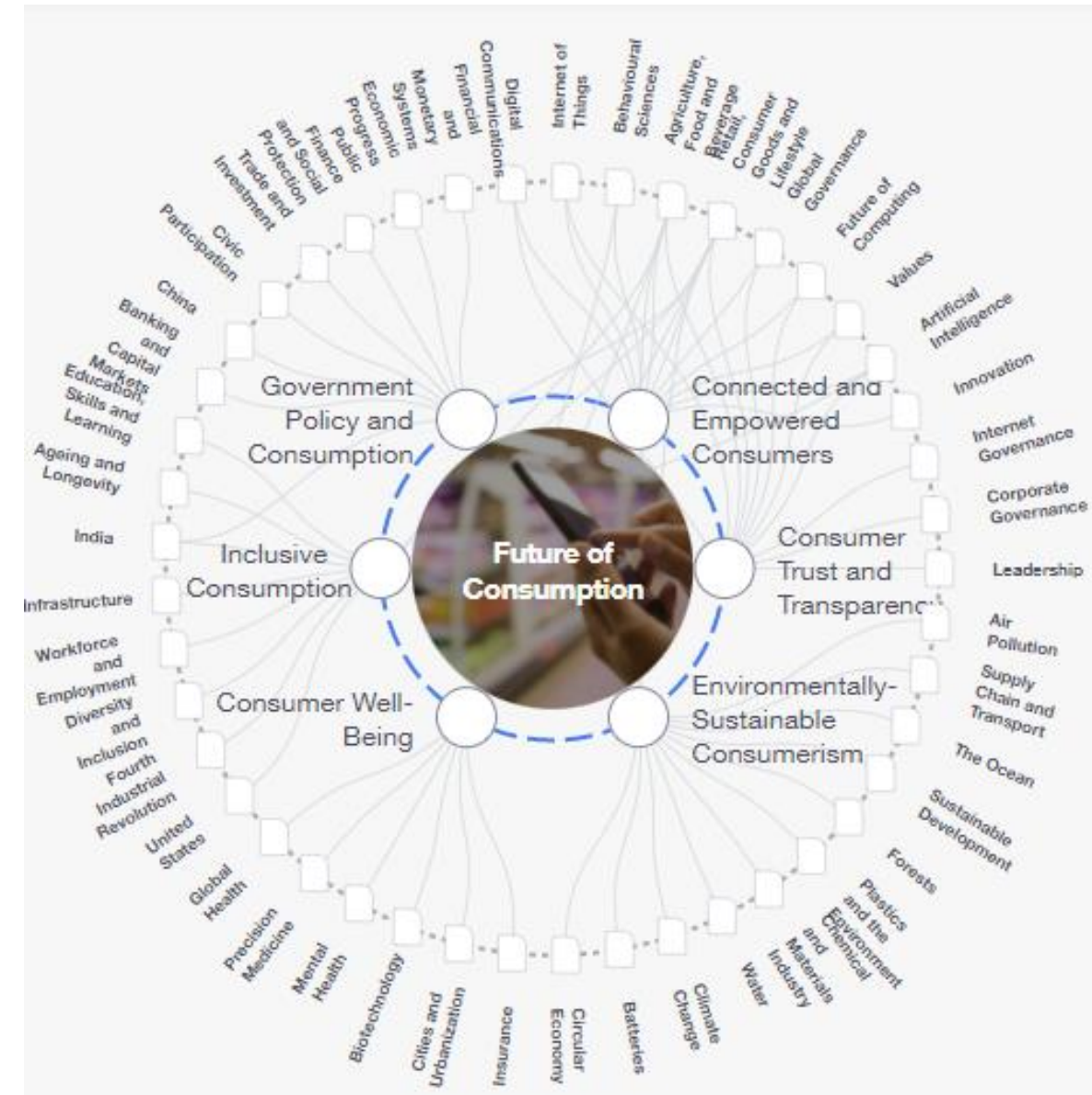
Difficult to estimate how consumer patterns will change in ageing societies:

Increase in services compared to manufacturing products

Increase in demand for care services

For societies that grow rich before they grow old:
Increase in demand for leisure services (travelling, etc)

For societies that grow old before they grow rich:
Risk of overall decreasing demand

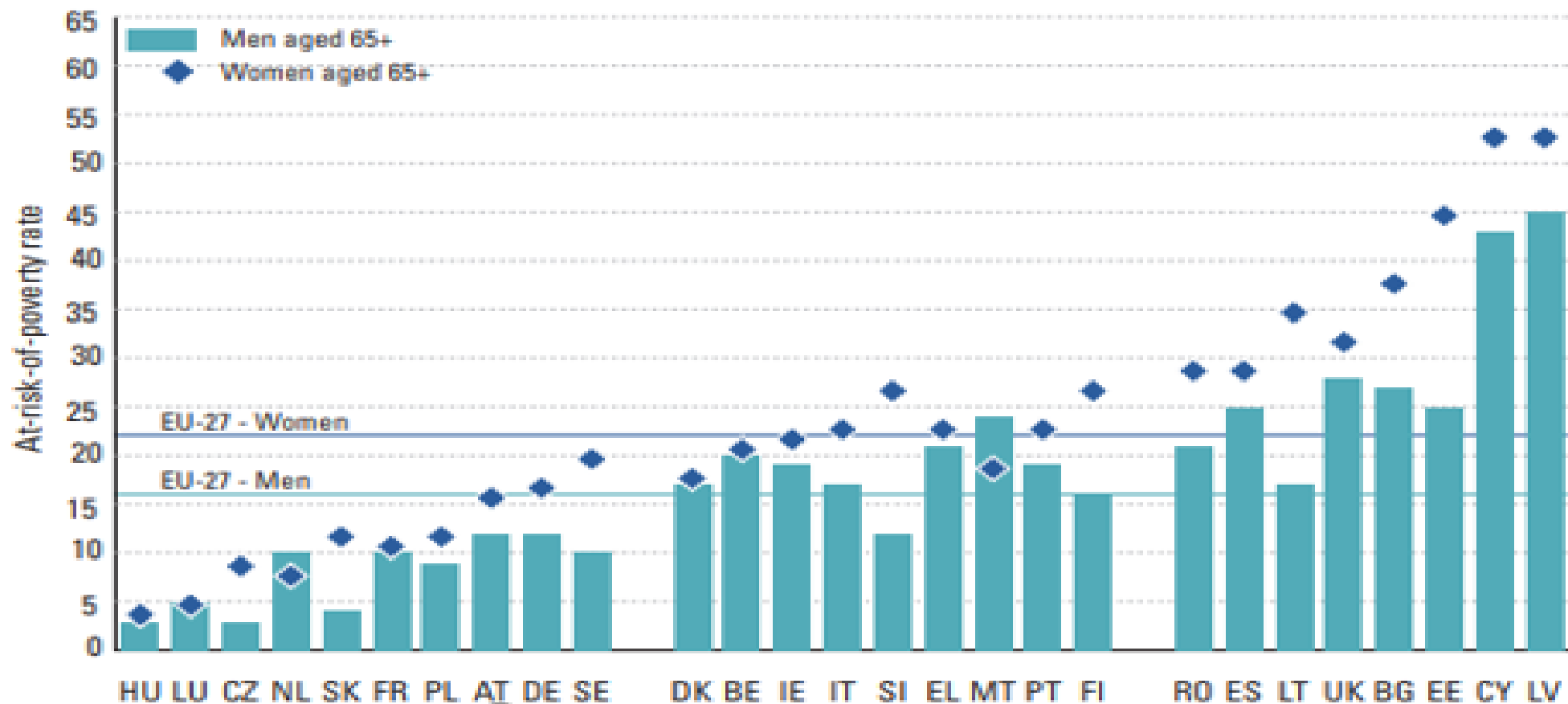


Transitions: Are they getting more and more difficult?

- We know very little (lack of data, lack of interest)
- Transition to retirement:
 - Old age poverty increasing in many European countries
 - Inequalities are increasing
 - Income inequalities
 - Services inequalities
- Transitions into inactivity
- Transitions into unemployment
- Transitions back into employment



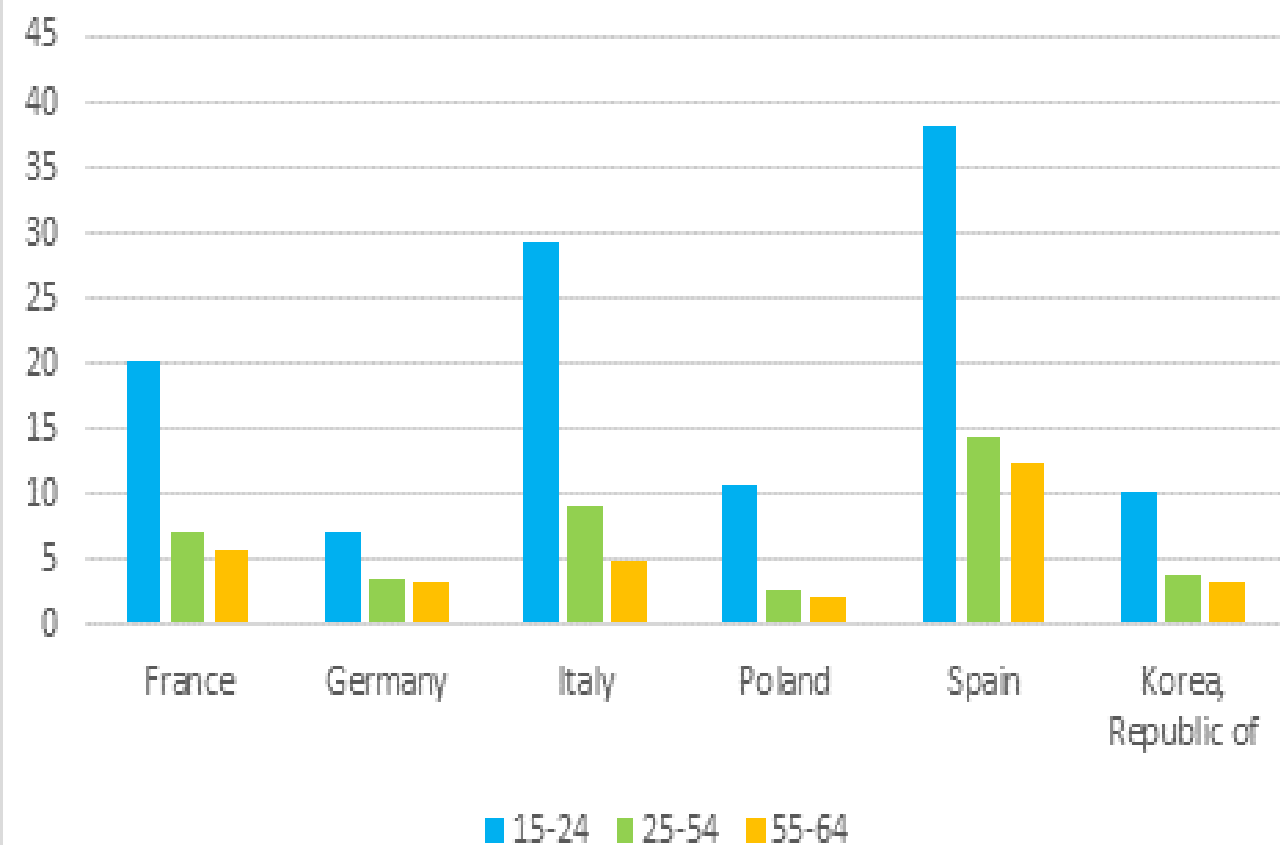
Old-age poverty: At-risk-poverty rates among men and women 65+



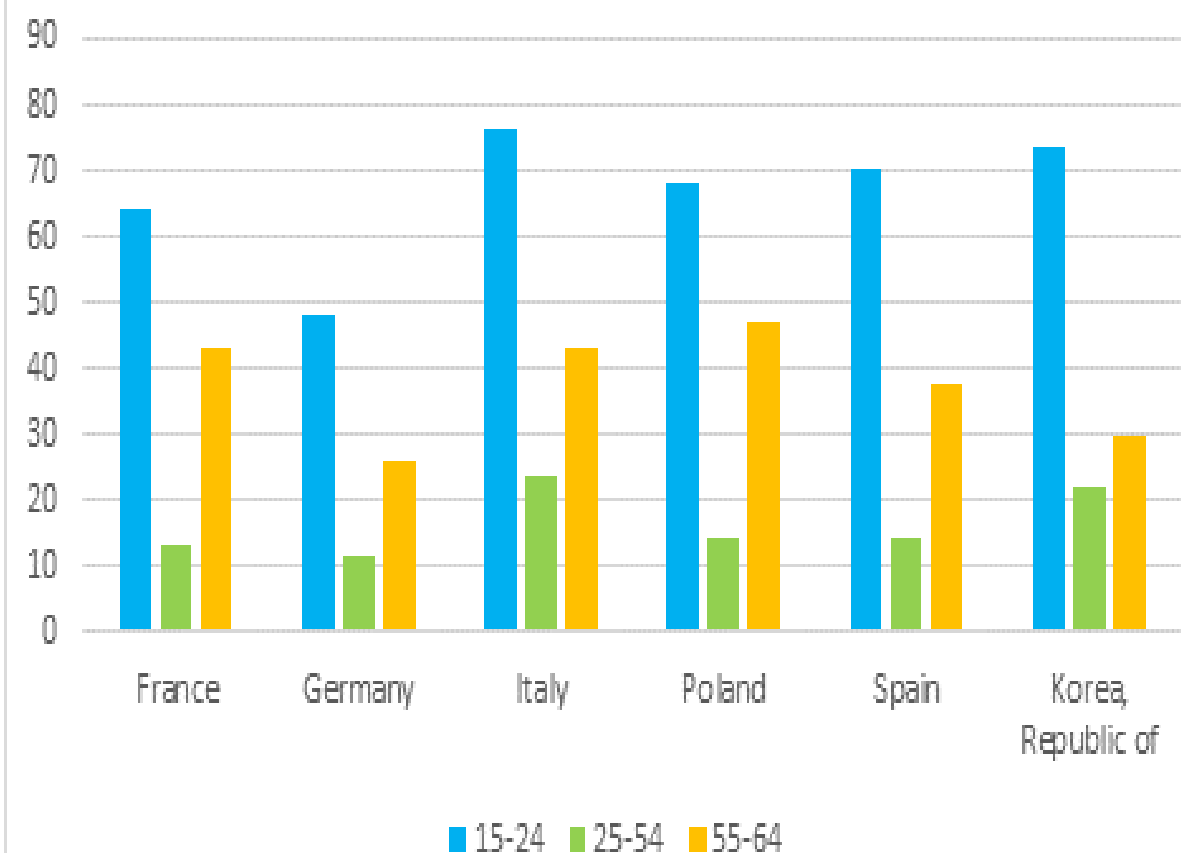
Note: Poverty threshold at 60% of the median income, data from 2008

Old-age unemployment and inactivity

Unemployment Rate (%) in 2020



Inactivity Rate (%) in 2020



Ageing is happening in combination with other mega-trends

Digitalization

De-
carbonisation

Other structural
transformations



Different countries, different challenges

Countries are at different stages of ageing

Countries are at different stages of development

Labour market conditions determine challenge

- **LA: high levels of informality**
- **Europe: High level of inactivity**
- **Asia: Low levels of pensions**
- **Etc.**



Policy entry points to profit from ageing societies

Increasing labour supply



Active (work) ageing



Better understanding and better data

Fight against ageism

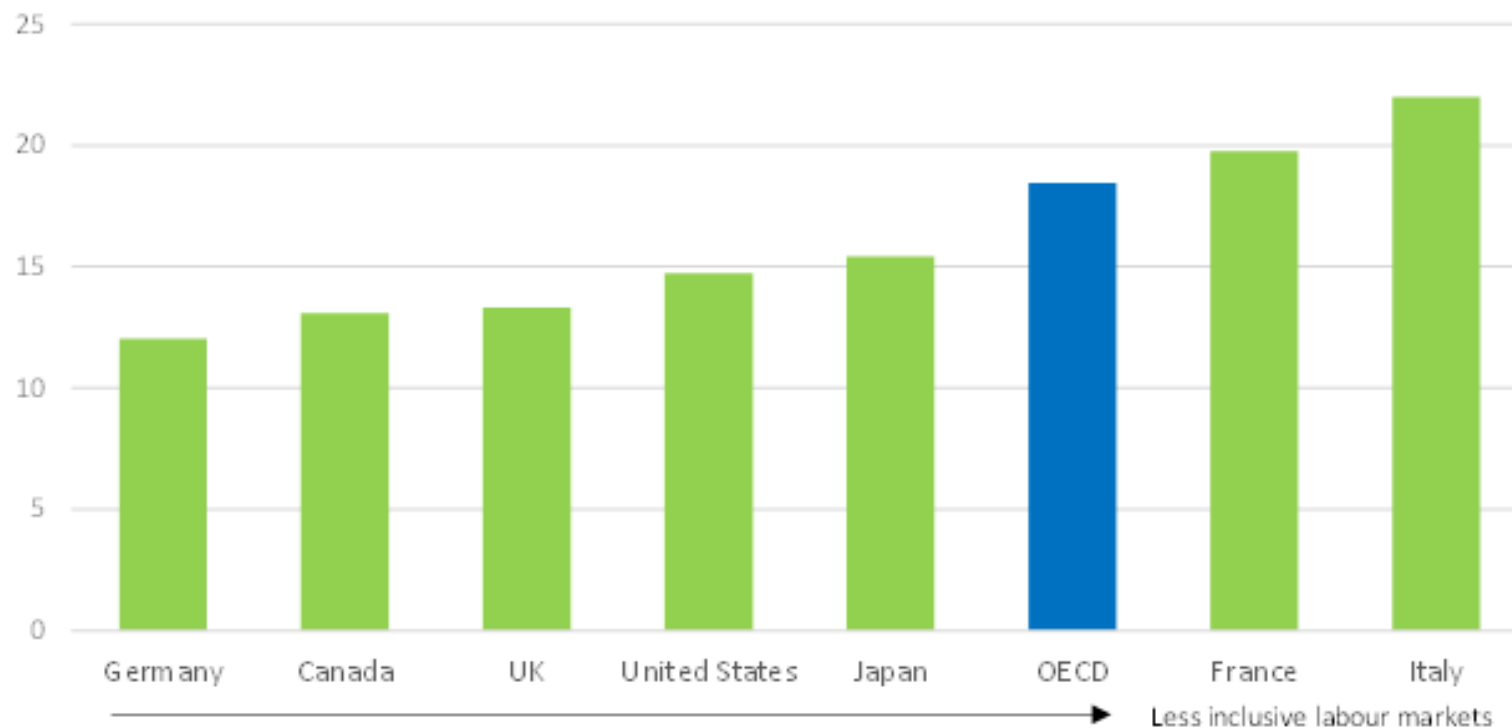


Life course approaches



Increasing labour supply

Difference between the employment rates of men aged 25-54 and all persons aged 15-64, 2020 (% points)



Note: The data indicate the percentage point increase in the share of the working-age population (15-64) employed if all groups in the population had the same employment rate as for prime-age men (25-54).

Source: OECD calculations based on data from: Eurostat, European Labour Survey for EU countries and the UK; and national labour force surveys for Japan and the United States.



Active (work)ageing

Extending working lives

Incentivize longer working (on worker and employer side)

OSH measures

Flexible working arrangements

Measures at enterprise level (mixed-age work groups, two-side mentoring programmes, etc.)

Legal reforms (including pension reforms)



Fight against ageism

- **Build an adequate policy and legal framework**
- **Provide and disseminate facts to reduce misconceptions and educate people**
- **Promote intergenerational solidarity through intergenerational interventions**

(WHO Global Report on Ageism)



Life course approach

Lifelong learning

Lifelong career development

Life perspective

Protected transitions



Conclusions

WE NEED TO KNOW MUCH MORE BUT WE KNOW ENOUGH TO PREPARE SOCIETIES FOR AGEING AND TO ENSURE THAT SOCIETIES PROFIT FROM AGEING POPULATIONS

THERE IS NO ONE SIZE FITS ALL SOLUTION, DIFFERENCES ARE HUGE

ACTIVE AGEING NEEDS TO BE A CONCEPT THAT IS HUMAN CENTERED AND THAT WILL IMPROVE THE QUALITY OF LIFE OF ALL GENERATIONS AND SOCIETIES AS A WHOLE

THANK YOU

