

Social protection in the new demographic context



Plenary Panel

Social Protection and Security

12th Global Conference on Ageing

Hyderabad, 11 June 2014

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Structure of the presentation

- 1) Key demographic trends
- 2) Global labour force dynamics and social protection
- 3) Demographic dividend and life-cycle deficit countries
- 4) Decent Work considerations in the context of demographic changes
- 5) An ILO proposal for an integrated policy framework

Key demographic trends



- Key global demographic characteristics of the 21st century: Population growth, youth bulges, ageing, migration and urbanization.
- Global population will increase from 6.9 billion (2010) to 9.3 billion (2050) despite decreasing fertility trends (decrease from 2.5 children/woman (2005-10) to 2.2 (2045-50)).
- The population of 60+ will grow from 10% to 21.8% of the total population from 2000 to 2050, respectively. Three quarters of the elderly will be living in developing countries where the majority of people currently work in the informal economy.
- Old-age dependency is on the rise: in 2000, there were nine persons of working age for every person over 65; by 2050, there will be only four.
- Feminization of old age (55% of the elderly and increasing).

Global labour force dynamics and social protection



- By 2020, the global labour force will be about 420 million workers larger than it was in 2010.
- There are important asymmetries in labour force growth between regions and countries depending on demographic trends. Labour force growth will be particularly strong in Asia.
- Only about 20% of the world's working-age population is estimated to have effective access to comprehensive social protection.
- The effects of the global economic crisis add to the challenges caused by the demographic transition.
- The crisis has put financial pressures on social security systems. Austerity measures that followed to resolve public budget issues have a potentially negative impact on social progress previously achieved.



Demographic dividend and life-cycle deficit countries

- Two main categories of countries:
 - **Countries with a demographic dividend:**

High fertility, rapid population growth and high youth unemployment (emigration). The realization of the dividend depends on existence of institutions and policies (e.g. redistribution).
 - **Life-cycle deficit countries:**

Low fertility, rapid ageing, labour shortage (immigration).



Key Decent Work considerations in the context of demographic changes (1)

The policy mix at the national level should be tailored to the demographic profile:

Countries with a demographic dividend:

- Priority on productive employment and decent work, namely equitable income redistribution; must anticipate ageing and set up social security systems by building national floors of social protection.

Life-cycle deficit countries:

- Must strengthen redistribution of an adequate proportion of national income to inactive and vulnerable groups through comprehensive social security systems.
- Economic growth depends on making labour force supply sufficient and more productive.

Key Decent Work considerations in the context of demographic changes (2)



- Policies to be sensitive and responsive to the way that factors such as age, gender and where people live affect equality, access to social protection and the enjoyment of labour rights across the life cycle.
- More public and private investment in education, training, health, OSH throughout life.
- A nationally determined Social Protection Floor as key to the virtuous cycle between growth, employment and social protection.
- Role of social dialogue as a means to make difficult choices on social and economic priorities.

An ILO proposal for an integrated policy framework



1. Complementarities between employment and social protection policies for all age groups spanned over the life cycle.
2. Integrated approach to be guided by the Decent Work Agenda, the Declaration on Social Justice for a Fair Globalization (2008) and the Global Jobs Pact (2009).
3. Importance of the Social Protection Floors Recommendation, 2012 (No. 202).

Elements of an integrated framework (1)



1. Pro-employment demand-side policies
2. Creating decent jobs and extending social protection in countries with a demographic dividend
 - Gender equality
 - Youth employment
 - Transition from informality to formality
 - Social Protection Floors
3. Managing labour and skills shortages and ensuring the financial sustainability of social security systems in ageing countries
 - Women's labour market participation
 - Tapping the talents of people with disabilities

Elements of an integrated framework (2)



- Migration
- Extending working lives
- Redefining rules for retirement
- Minimum pension and health benefit guarantees
- Investing in employability
- A comprehensive approach for older workers