

1st meeting of the G20 Employment Working Group  
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# ADAPTING TO DEMOGRAPHIC CHANGE

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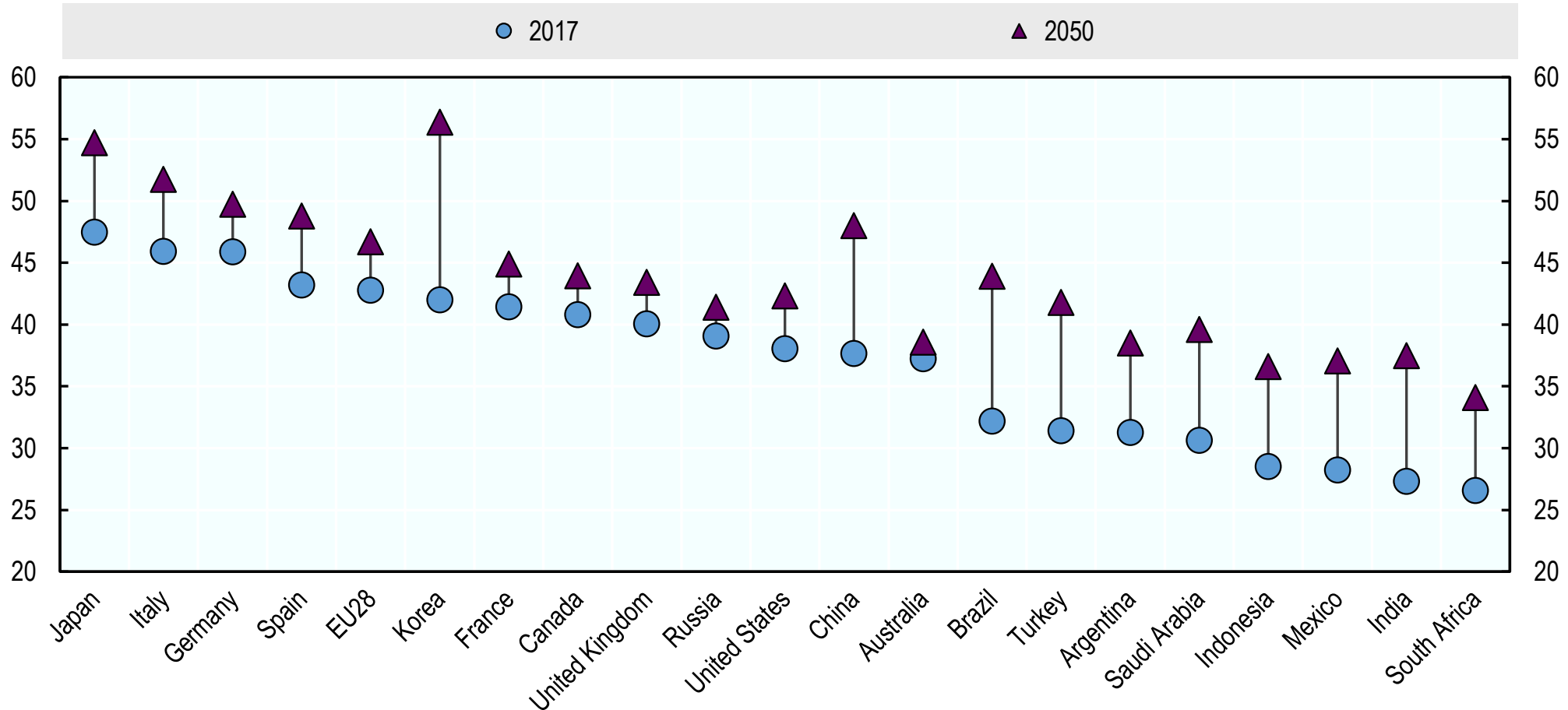
Director of Employment, Labour and Social Affairs

OECD



# G20 countries are getting older

## Median age of the total population (in years)

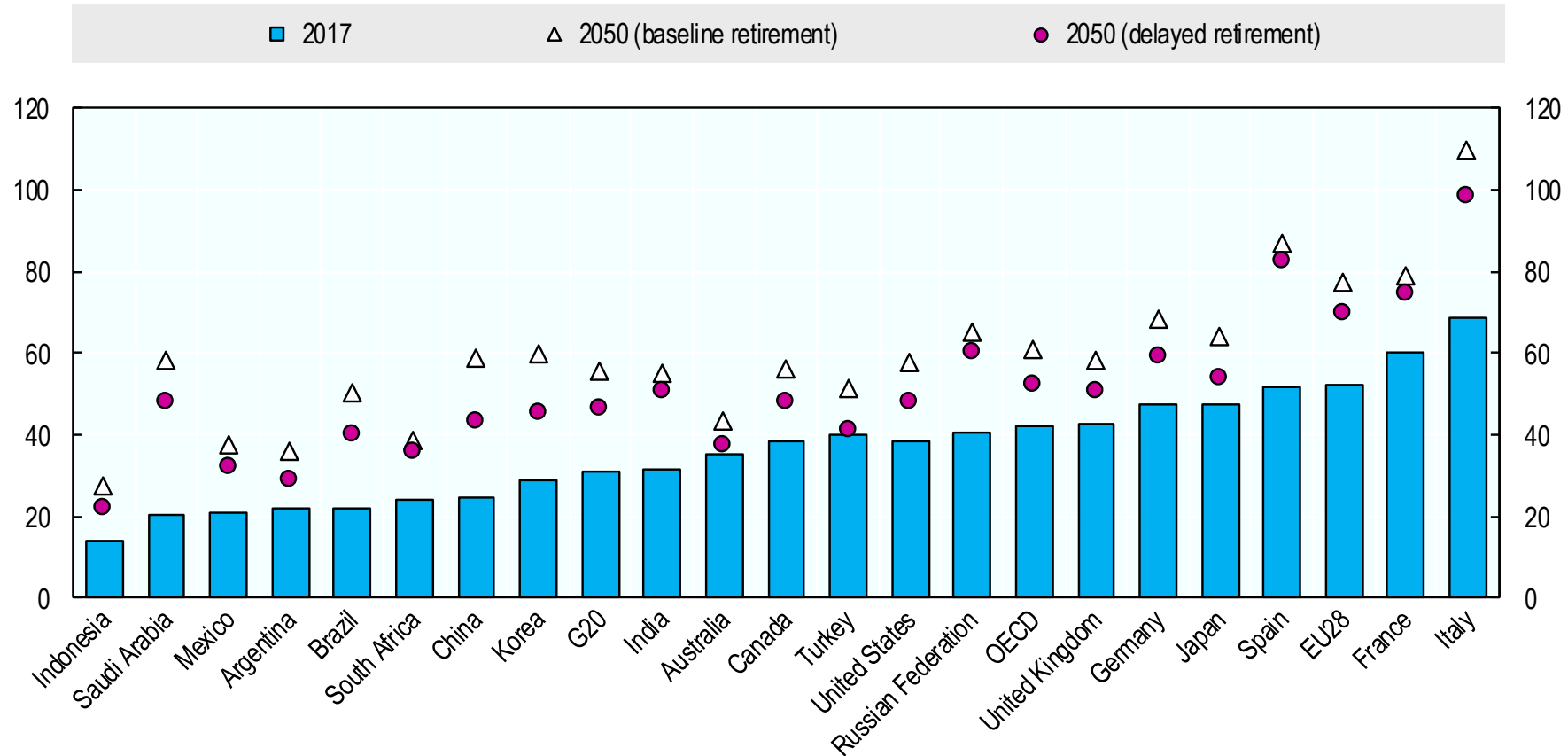


Source: EU28: Eurostat estimates and projections; Australia, Brazil, Canada, France, Germany, Italy, Japan, Korea, Mexico, Spain, the United Kingdom and the United States: national estimates and projections; and, for the other countries: United Nations (2017), *World Population Prospects: The 2017 Revision*.



# Economic burden will increase unless participation is raised

## Retirees per 100 workers, 2017 and 2050

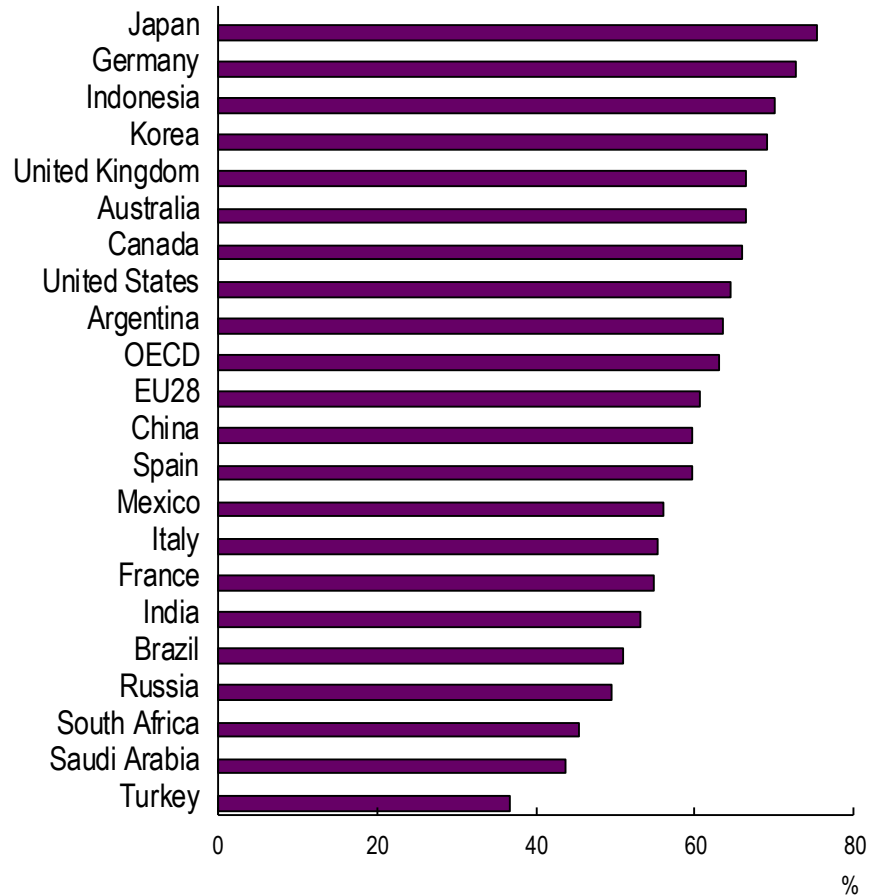


Note: Retirees refer to all people aged 50 and over who are not in the labour force and workers to the total labour force. The baseline projections of the labour force are obtained by assuming that labour force entry and exit rates over a 5-year period by gender and 5-year age groups remain constant at their average rate observed in the period 2008-17. The projections with delayed retirement are obtained in the same way but with exit rates from age 55 onwards adjusted downwards by 20% (10% in India, Indonesia, Japan, Korea and Mexico, where participation rates for men and/or women are already very high at older ages), phased in over the period 2017-30. Source: OECD population and labour force projections database.

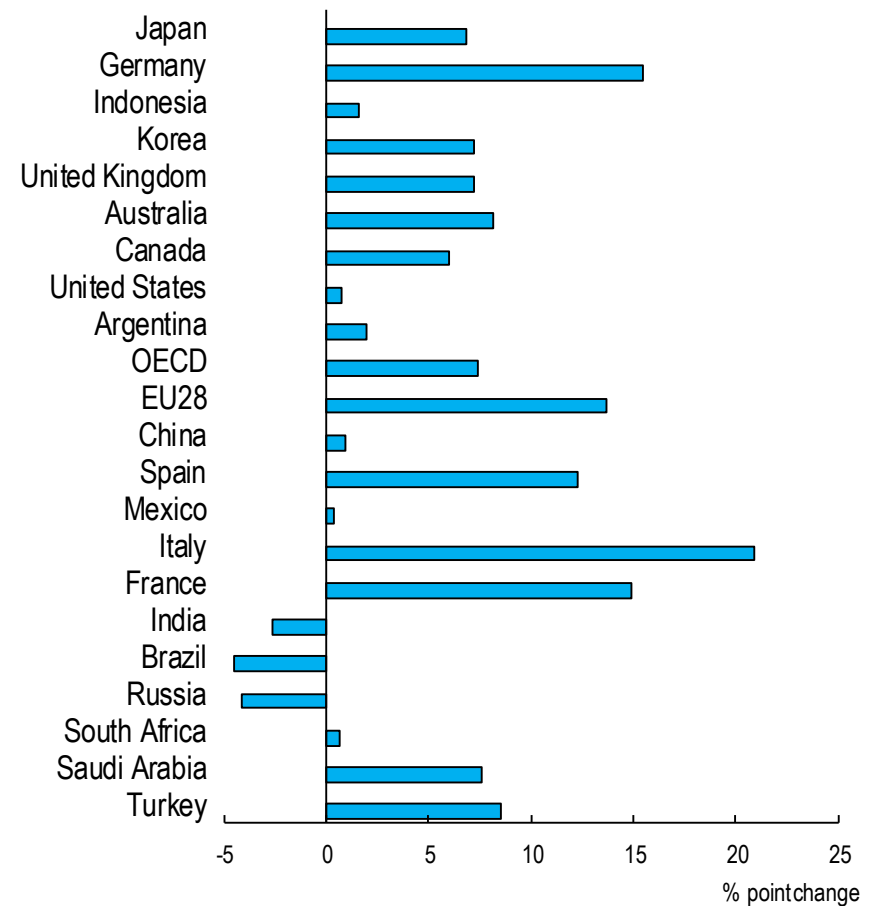


# Participation of older people is rising

Participation rate of persons aged 55-64, 2017



Change in participation rate of persons aged 55-64, 2007-2017

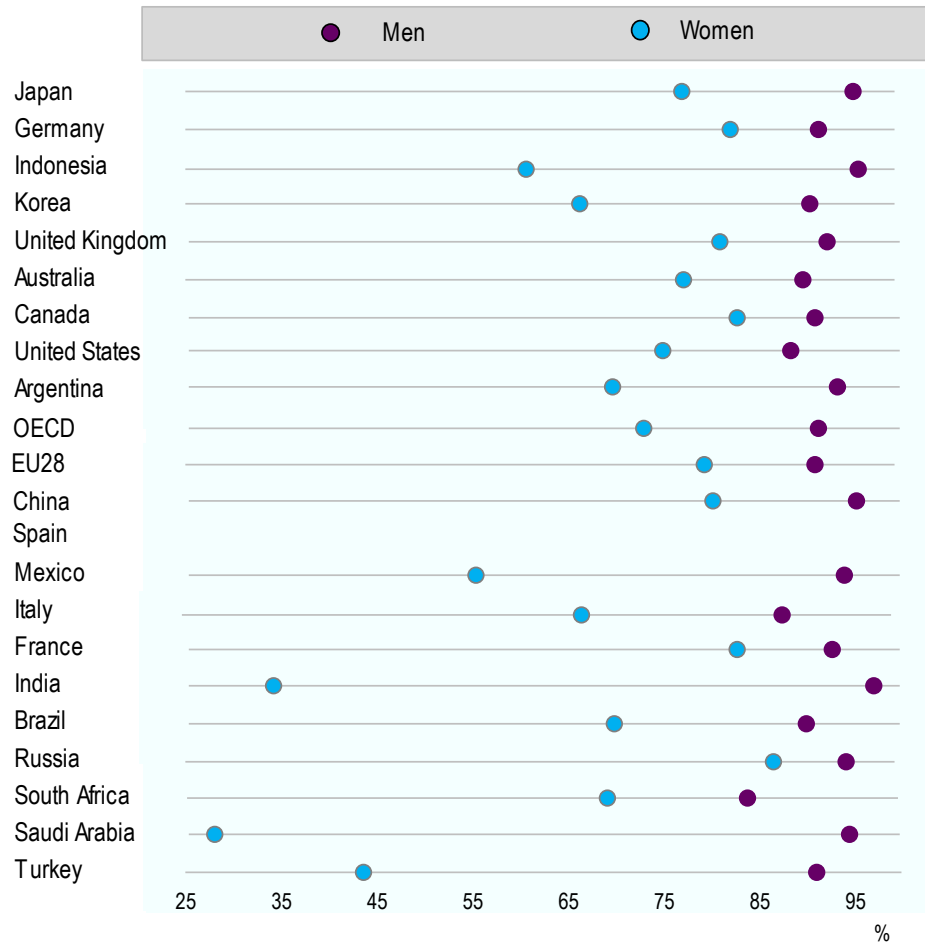


Note: Data for 2007 refer to 2005 for China and 2006 for India. Data for 2017 refer to 2010 for China and 2012 for India. OECD is a weighted average.  
 Source: OECD Dataset on LFS by sex and age - indicators, <http://stats.oecd.org/Index.aspx?QueryId=64197>.

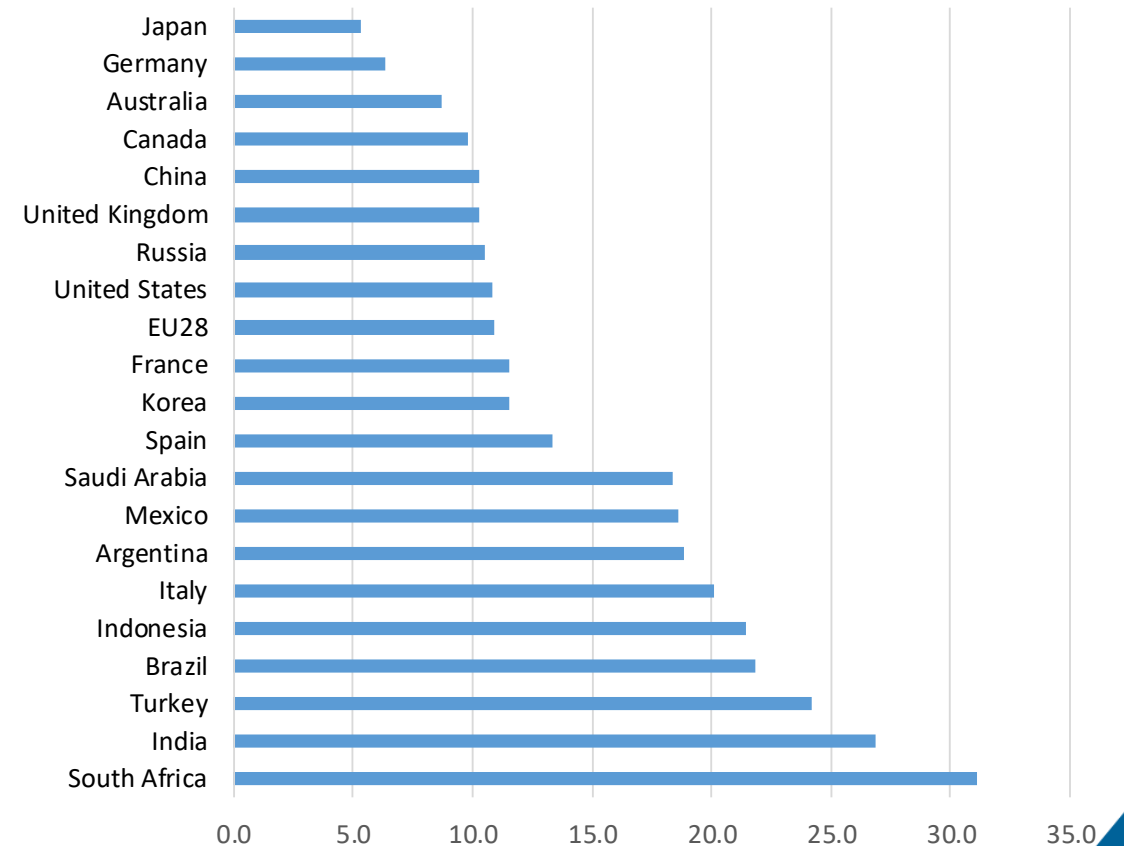


# But all labour resources need to be well-utilised

Participation rate by gender of persons aged 25-54, 2017



Share of young people (aged 15-24) who are not in employment or in education and training (NEET), 2017

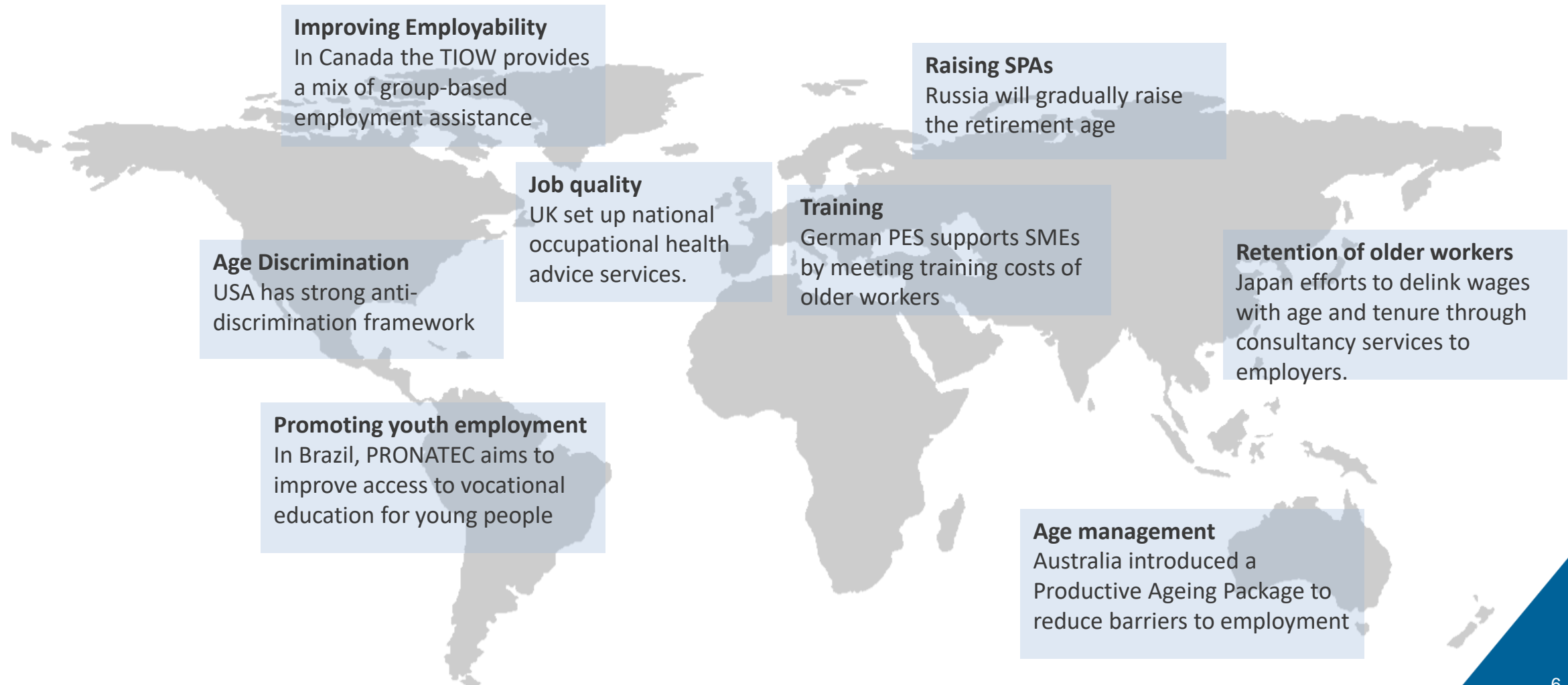


Note: The data refer to 2010 for China, 2011-12 for India and 2015 for Brazil.

Source: Eurostat for EU28 and European countries; and national labour force and household surveys for the other countries (census data for China).



# Countries have been taking action





# A comprehensive approach to tackle challenges of demographic change (I)



## Prevent disadvantages early on

- ✓ Promote a good start in working life by ensuring a smooth school-to-work transition by strengthening vocational education and labour market programs to connect disadvantaged youth with jobs.
- ✓ Tackle barriers to the acquisition of basic skills needed in the labour market by individuals from disadvantaged backgrounds, through targeted interventions during (pre-)school years.



## Reward working lives and later retirement

- ✓ Enhance incentives working at an older age by: i) an old-age pension system that encourages and rewards later retirement; and ii) promoting more flexibility in work-retirement transitions.
- ✓ Restrict use of publicly funded early-retirement schemes by workers still in good health and able to work.
- ✓ Discourage or further restrict mandatory retirement by employers in close consultation and collaboration with employers' and worker's representatives.
- ✓ Ensure access to welfare benefits irrespective of age, but avoid their use for those still able to work as a pathway to early retirement.



# A comprehensive approach to tackle challenges of demographic change (II)



## Encourage employers to retain and hire older workers

- ✓ Address age discrimination in recruitment, promotion and firing of older workers.
- ✓ Promote a better match between labour costs and productivity of workers; and avoid age-based rules in employment protection and unemployment benefits.
- ✓ Encourage good practice by employers in managing an age-diverse workforce.



## Promote employability throughout working lives

- ✓ Improve access to lifelong learning, especially for low-skilled and older workers; and better recognise skills acquired throughout working lives.
- ✓ Improve working conditions and job quality at all ages through: i) better regulations of working-time & safety at work; ii) promotion of healthy working conditions; iii) well-designed sickness schemes; and iv) improving role of labour inspection bodies and occupational health care services.
- ✓ •Provide effective employment assistance to jobseekers at all ages via a package of counselling and training measures targeted at those most at risk of long-term joblessness





# Thank you

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For further information on OECD work on ageing and Employment Policies:

[www.oecd.org/els/employment/olderworkers](http://www.oecd.org/els/employment/olderworkers)

