Expert Group Meeting: "Measuring population ageing: Bridging Research and Policy", Bangkok, Thailand, 25–26 February 2019

Session 6: Case studies: SDG8 – Decent work and economic growth

Chair: *Sandrine A. Koissy-Kpein, DESA*

1. Presentation: Ageing and economic growth (10-15 minutes)
   Jesus Crespo Cuaresma, Vienna University of Economics and Business
2. Presentation: Case Study Japan (tbd) (10-15 minutes)
   Naohiro Ogawa, Nihon University, Nichidai - Population Research Institute (NUPRI)
3. Presentation: The myth of an "ageing society" (10-15 minutes)
   Andrew Scott, London Business School
4. Presentation: National Transfer Accounts (10-15 minutes)
   Alexia Fürnkranz-Prskawetz, Vienna Institute of Demography

Discussion (30 minutes)

Population ageing is a well-established global demographic trend, with major socio-economic consequences. The long-term shift of the share of the population from the younger to the older ages is driven mainly by the declining levels of fertility, and also by the increases of life expectancy that are taking place almost everywhere. There is considerable international diversity in the onset and speed of population ageing, which, according to United Nations data, is most advanced in Japan and countries in Europe, followed by Northern America. Asia and the Pacific, Latin America and the Caribbean and Oceania are projected to follow similar trends over the next few decades. Even in most of African countries, whose populations are still relatively young, the absolute number of older persons is growing rapidly, and is leading to long-term shifts in the age-structure.

Traditionally, the United Nations and most researchers have used measures and indicators that are mostly or entirely based on people's chronological age, which provides a simple, clear and easily replicable way to measure and track various indicators of ageing. At the same time, there has been increasing recognition that the health status, type and level of activity, productivity, and other socio-economic characteristics of older persons have changed significantly over the last century, and even over the last several decades. This has led to the development of alternative concepts and measures of ageing, which provide different outlooks on the levels and trends of ageing, and a more nuanced appreciation of what ageing means in different contexts. At the frontline is the Characteristics Approach to the measurement of population ageing developed at IIASA.

These changes and the various approaches to understanding and measuring ageing, have important implications for the design and implementation of national development policies and programs, and for the follow-up and review of internationally agreed development goals that are related to or are affected by population ageing. Specifically, the different ways of measuring ageing affect the assessments of the evolution of the number of older persons, their living conditions, their contributions to the societies where they live and their needs for social protection. They have significant implications for labour markets, life-long education and health, and the interactions and mutual support of older persons with the younger generations.

Recognizing the diverse stages and characteristics of ageing in various regions of the world, as well as the recent developments and innovations in measurement, the Population Division the Department of Economic and Social Affairs (DESA), the International Institute for Applied System Analysis (IIASA), and Chulalongkorn University, in collaboration with the Social Development Division of the Economic Commission for Asia and the Pacific (ESCAP), are organizing an international expert group meeting on ***"Measuring Population Ageing: Bridging Research and Policy***", to be held in Bangkok, Thailand, from 25 to 26 February 2019.

This expert meeting will seek to take stock of different concepts and methodologies, and their applicability to and usefulness for various policy analyses and purposes. It will bring together experts to discuss key questions related to the measurement of population ageing, including discussion of traditional and new concepts and methods, and to assess their scope and limitations to support national policy design and implementation, as well as the regional and global review of progress in the achievement of internationally agreed development goals, as noted above. Experts from governmental and international organizations, from research institutions as well as civil society organizations will be invited to discuss the applicability of various measures of ageing in different contexts.

Goal 8 of the 2030 Agenda for Sustainable Development is "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all." This goal recognizes that economic growth – making the world more prosperous – is inextricably linked to all our other priorities. Stronger economies provide more opportunities to build a resilient and sustainable world. But this growth must be inclusive: growth that does not improve the wellbeing of all sections of society, especially the most vulnerable, is unequal and unfair.

Central to SDG 8 is the achievement of full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. While older persons are not explicitly mentioned, the call for decent work for all and the core theme of the 2030 Agenda of "No one left behind" make clear that older workers should be a topic of central concern.

But the topic of older workers enters more broadly into the debate on population aging and its likely impact on economic growth. By traditional measures of old age, population aging might be expected to have a detrimental impact on economic growth as the labor force begins to grow more slowly than the total population. When the population becomes concentrated in the working-ages, a demographic dividend is realized – a tailwind to push economic growth. As the population ages and becomes more concentrated at older ages, a demographic tax is realized – a headwind impeding economic growth.

Yet, demographers and economists have pointed toward alternative, less dystopic futures. Some have pointed to the possibility that there may be large increases in savings in response to expectations of longer life and a second demographic dividend (through financial markets) may occur. Other have pointed to the possibility that the decline in cohort size which generate population ageing also brings a silver lining – smaller cohorts which receive better levels of educational investment, leading to greater productivity and longer working lives – an education dividend. Still others point to the growing equalization of economic roles of men and women – with increased equality leading to both a larger labor force, better educated, and with increased efficiency as discrimination is eliminated – a gender-equality dividend. Finally, others point toward possible changes in public policy on retirement ages – which have generally not kept pace with the trends in longevity and have discouraged older workers.

Some key questions that might be discussed are the following:

- Would it be accurate to characterize traditional measures of ageing (e.g. dependency ratios) as reflecting a status-quo scenario for the future, while new measures of ageing (e.g, prospective age, thanatological age) as reflecting possible policy/behavioral change scenarios? Could one be considered "too pessimistic" and the other "too optimistic"?
- Is there any evidence that the "demographic tax" is being paid in those economies most advanced in the process of population ageing, such as Japan?
- Given increases in longevity, should individuals be encouraged to work longer? Or should public policy remain neutral in this regard (i.e., perhaps removing barriers to longer work such as mandatory retirement ages)?
- Which public policies are best suited to encourage inclusive and sustainable economic growth in the midst of population ageing in order to generate greater productivity (e.g, gender-equality dividend, education dividend, second demographic dividend, etc)?
- Are there any indications that population ageing itself will generate technological innovations to boost productivity and hence economic growth?
- Coupled with the rise in longevity has been a disquieting trend toward greater inequality in life expectancy by income group, how should this inform our approach to measuring population ageing and evidence-based policies to respond to ageing and inequality?
- Is there any evidence that population ageing is being accompanied by growing equalization of economic roles of men and women?

Please note that all speakers are requested to adhere to the 10-15 minute time limit to allow for discussion after the session.

Should you have additional questions, please contact either Ms. Stefanie Andruchowitz (andrucho@iiasa.ac.it) or Ms. Karoline Schmid (schmidk@un.org)