



Governing Body

319th Session, Geneva, 16–31 October 2013

GB.319/INS/3/3

Institutional Section

INS

Date: 29 August 2013

Original: English

THIRD ITEM ON THE AGENDA

Matters arising out of the work of the 102nd Session of the International Labour Conference: Follow-up to the resolution concerning employment and social protection in the new demographic context

Purpose of the document

The paper provides a brief summary of the resolution and accompanying conclusions concerning employment and social protection in the new demographic context, adopted by the 102nd Session of the International Labour Conference, and establishes the priorities of a possible strategy for action aimed at giving effect to the conclusions.

The Governing Body is invited to provide guidance on the follow-up strategy (see the draft decision in paragraph 45).

Relevant strategic objective: Employment and social protection.

Policy implications: The guidance of the Governing Body will inform the planning and implementation of future Office work on the implications of the new demographic context.

Legal implications: None.

Financial implications: Implications for further priority setting within the Programme and Budget for 2014–15 and for reflecting new priorities or ways of working within future programme and budget proposals. Extra-budgetary resource mobilization for the implementation of the follow-up plan.

Follow-up action required: See paragraphs 19–22.

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Related documents: “The youth employment crisis: A call for action” (2012); Matters arising out of the work of the 101st Session (2012) of the International Labour Conference: Follow-up to the adoption of the resolution – “The youth employment crisis: A call for action” (GB.316/INS/5/2); Social Protection Floors Recommendation, 2012 (No. 202); Social Security (Minimum Standards) Convention, 1952 (No. 102); Older Workers Recommendation, 1980 (No. 162).

Part I. Introduction

1. At its 102nd Session (June 2013), the International Labour Conference adopted a resolution concerning employment and social protection in the new demographic context with accompanying conclusions.¹ The Conference invited the Governing Body to give due consideration to the conclusions in planning future work and to request the Director-General to take them into account in future programme and budget proposals and to give effect to them, to the extent possible, when implementing the programme and budget for the 2014–15 biennium.

Context

2. The new demographic context is characterized by declining fertility and increasing life expectancy worldwide, resulting in population ageing. This trend is affecting all countries, industrialized and developing, albeit at different rates and within different time horizons. By 2050, it is projected that the population over 65 will triple, while the population under 15 will stabilize. Three-quarters of older people will live in developing countries and the majority of them will be women. At the same time, it is estimated that over the next decade there will be 420 million more people in the labour force than today. Labour force growth is anticipated to be particularly strong in developing countries. In most of these countries the majority of people work in the informal economy. In contrast, working-age population growth will stagnate or even decline in many developed countries.
3. The new demographic context has implications for labour markets and social protection systems. It poses challenges and opens opportunities.
4. At the same time, the global economic crisis, subsequent adjustment measures and the slowdown in growth continue to impact labour markets and social security systems, creating new challenges and adding to some longer term structural challenges, such as the youth employment crisis, growing inequalities, an increasingly uncertain environment for enterprises, increasing demand for social protection and the weakening of social dialogue.
5. As underscored by the ILO Director-General in his Report to the International Labour Conference in June 2013, demographic change is one major driver transforming the world of work. It is key for the Office to understand this driver and assist countries in turning the change into an opportunity. The Director-General identified five areas in which the Office's own work will need to address the consequences of demographic changes: job creation, social protection, labour migration, fragile and conflict-affected States, and planetary limits. This means an active commitment from the Office to intensify and extend all work related to demographic transition and the impacts on the world of work.

Guiding principles and elements of a comprehensive policy mix

6. The resolution emphasizes that, to address the demographic challenge, integrated employment promotion and social protection policies that build on the virtuous cycle of employment, social protection and development are crucial. The conclusions provide guiding principles and spell out an innovative and comprehensive policy mix that can guide the tripartite constituents. This policy mix needs to recognize the interdependency

¹ ILO: *Provisional Record* No. 13, International Labour Conference, 102nd Session, Geneva, 2013.

between demographic shifts, employment, labour migration, social protection and economic development.

7. Guided by the fundamental principles and rights at work of the ILO and pursuing the objective of decent work over the life cycle, policies need to be context specific.
8. Policies need to prevent and combat age discrimination, promote gender equality throughout the life cycle, promote the inclusion of workers with disabilities, eliminate child labour and ensure well-managed labour migration.
9. Policies need to have a long-term vision that spans the life cycle and promotes personal responsibility, shared responsibility of the tripartite partners and solidarity among generations and population groups. They need to be based on good governance, accountability and transparency.
10. Youth employment remains an absolute priority in most countries. The promotion and implementation of the multi-pronged policy portfolio included in the ILO call for action on the youth employment crisis adopted by the Conference in 2012² is central to tackling the challenge of demographic transitions.
11. The increase in labour force participation of under-represented groups is an essential element of the responses. This can be achieved through employment-centred economic policies and development strategies to generate decent and productive jobs for all working-age groups of the population. This includes pro-employment macroeconomic and regulatory frameworks that promote public and private investments and an enabling environment for sustainable enterprises, policies on skills development, entrepreneurship, well-managed labour migration, a fair income distribution and active labour market policies.
12. The quality of jobs and policies for family support and work–life balance (including childcare and old-age care facilities, maternity protection and mutually agreed and freely chosen part-time work) are key to raising labour market participation.
13. Integrated and coherent approaches to training linked to labour market needs and lifelong learning opportunities, taking into account the impacts of demographic changes, are essential to create the virtuous cycle of employment, social protection, productivity, inclusive growth and development.
14. Social security is a recognized human right. Comprehensive, adequate and sustainable social security systems should be established and maintained. As a matter of priority, national social protection floors are needed to guarantee that all persons have access to education, essential health care and basic income security. In accordance with the Social Protection Floors Recommendation, 2012 (No. 202), higher levels of social security should be progressively ensured to as many people as possible.
15. Policy measures to address the plight of workers in the informal economy and to facilitate multiple pathways for transition from informal to formal work are a priority in the new demographic context. This includes extending social security to workers in the informal economy.

² ILO: *Provisional Record* No. 20, International Labour Conference, 101st Session, Geneva, 2012.

16. Demographic transitions increase demand for the care sector. The promotion of this sector and its long-term sustainability is essential to protect people and to ensure that they live and age in dignity.
17. Through a variety of means, such as the effective enforcement of tax and contribution obligations, including measures to prevent tax evasion, the resources necessary to effectively implement the policy mix can be mobilized.
18. Effective and efficient social dialogue and collective bargaining in accordance with national policies and practices based on mutual trust and respect to tackle the challenges of the new demographic context will be central. Social dialogue is necessary to find effective, equitable and sustainable answers to demographic challenges. Reform processes can be best managed through social dialogue to balance employment, social protection and related financial and fiscal requirements.

Part II. Proposed follow-up strategy

19. The conclusions (paragraph 35) highlight the role that the Office can play in providing global leadership and acting as a centre of excellence on demographic change and its implications for the world of work. This document outlines the main components of the follow-up strategy.
20. A more detailed workplan for the next three biennia (2014–19) will be prepared following the Governing Body's guidance. This work is led by the Employment Policy Department and the Social Protection Department in cooperation with all other relevant departments.
21. The identified actions for the Office with regard to the development of a comprehensive policy mix are grouped under three headings:
 - (i) technical cooperation, including capacity building;
 - (ii) knowledge development, dissemination and follow-up; and
 - (iii) partnership and advocacy.
22. The next recurrent discussion on employment, planned for the 2014 session of the International Labour Conference, will also include a focus on the demographic challenges.

Technical cooperation, including capacity building

23. Technical and policy advisory support will be deepened and expanded to ensure that countries are able to develop policies that take into account a life-cycle approach and recognize the interrelation between employment and social protection policies. The Office's continued efforts to assist countries in the implementation of the ILO call for action on the youth employment crisis will be essential to this end; so too will be the advisory and capacity-building work regarding the establishment and maintenance of comprehensive, adequate and sustainable social security systems guided by the Social Security (Minimum Standards) Convention, 1952 (No. 102), and the Social Protection Floors Recommendation, 2012 (No. 202). Responses to demographic challenges will be mainstreamed in all relevant technical cooperation and capacity-building activities in support of national employment and social protection policies.

- 24.** Subject to the availability of the necessary resources, the Office will assist countries in developing integrated national action plans on demographic change, using well-tested and updated tools and approaches.³ Attention will be paid to improving national regulatory frameworks so as to support non-discriminatory practices that embrace diversity and sensitivity in relation to age, gender and disabilities. These tools build on strong social dialogue, solid analysis, partnerships and national priorities and specificities. Whereas youth employment and social protection are priorities in most Decent Work Country Programmes, the linkages between the two and specific policies for older people are often not. Hence there is a strong need to raise awareness and sensitize policy-makers.
- 25.** Technical cooperation support will include a strong focus on pension systems and social health protection systems, the sustainability of which must be ensured through appropriate and well-designed policies and financing mechanisms, to address the needs for adequacy and predictability of pensions. Such support should help countries to address the often difficult choices to be made, and where transitional issues arise, to address those on a basis respecting workers' and employers' interests.
- 26.** Technical cooperation will also include support for constituents concerning the integration of migration issues in employment policies.
- 27.** In terms of capacity building and tools development, the Office will pay special attention to strengthening monitoring and evaluation functions of national institutions such as ministries of labour and statistical offices. Existing tools will be adapted to monitor performance of employment and social protection policies, including those linked to labour migration policies, and to assess their impact within the new demographic context; new tools will be developed if needed. In addition, the International Training Centre of the ILO in Turin (the Turin Centre) will review the possibility of residential and distance-learning programmes on ageing societies.
- 28.** In the ongoing and future assistance to countries in the area of labour market information systems and analysis, the Office will put a stronger focus on age-disaggregated data and analysis that is relevant for the development of policies as identified above. Special attention will be given to further developing means for the identification and forecasting of skills needs, including tools on anticipation and matching of skills needs at national and sectoral levels and through a variety of methodological approaches currently under development by the Office.
- 29.** Intensified assistance to countries in strengthening their employment services will play a key role in the actions by the Office. The effective implementation of targeted labour market policies depends on well-functioning labour market institutions and specifically employment services.
- 30.** In the context of demographic change, a continued focus on issues linked to the informal economy is needed. The facilitation of transitions from the informal economy to formality is one of the areas of critical importance (ACIs) in the Programme and Budget for 2014–15. This ensures that additional resources will be available to intensify the work and the possibility for assistance in this area. This work will take into account the standard-setting discussion at the International Labour Conference in 2014 and 2015. Existing tools

³ These tools include: ILO: *Guide for the formulation of national employment policies* (Geneva, 2012) and ILO: *Guide for the preparation of National Action Plans on Youth Employment* (Geneva, 2008).

such as the Resource Guide on the Informal Economy⁴ will be instrumental in providing necessary assistance at the country level.

31. Actions by the Office will include raising awareness and promoting the implementation of all relevant ILO standards.⁵ The Office will support Members in meeting their constitutional obligations with regard to all ILO standards related to demographic change.
32. Gender equality will be mainstreamed throughout.

Knowledge development, dissemination and follow-up

33. Policy-oriented research will be initiated and/or expanded to explore emerging issues in the new demographic context and to better understand the linkages between employment and social protection policies in the new demographic context at micro and macro levels. Such research may include:
 - (a) thematic studies, including the analysis of the impact of shrinking and ageing labour forces on economic performance, social protection systems, the availability of skills, the impact of migration on demographic development and the employment-migration nexus;
 - (b) country assessments and reviews on demographic trends and the impact on labour markets and social security systems. In youthful countries, for which many assessments have been undertaken in the past, a stronger focus will be given to the linkages to informality;
 - (c) collection and analysis of policy approaches and good practices of what works in response to the new demographic context; and
 - (d) evidence-based comparative policy analysis to identify policies that can mitigate the impact of demographic changes.

The research work is aimed at informing policy-makers and contributing to major reports. A dissemination and communication strategy will ensure outreach to a wide audience.

34. Building on existing and ongoing work, the Office will, over the next 12 months, develop a research agenda on the care sector, including an evidence-based analysis of the potential gaps in current international labour standards for consideration by the Governing Body. The focus will be on the analysis of the potential and challenges of the care economy. Issues related to the potential of the sector to create jobs, the type of investment needed for this sector, the possible role of cooperatives, linkages to existing social protection systems and working conditions will be analysed. Research on the care sector will take into account the Domestic Workers Convention, 2011 (No. 189), and the ongoing follow-up action, which includes working conditions of workers providing home-based care.
35. The collection, monitoring and analysis of age-related labour market information will be extended and will become an integral part of the Office's country and global analyses.

⁴ ILO: *The Informal Economy and Decent Work: A Policy Resource Guide supporting Transitions to Formality* (Geneva, 2013).

⁵ For a list with the relevant ILO instruments concerning demographic change, see ILO: *Employment and social protection in the new demographic context*, Report IV, International Labour Conference, 102nd Session, Geneva, 2013.

Partnership and advocacy

36. The 2013 conclusions highlight the ILO's leadership role in promoting policies to mitigate the impacts of the new demographic context on the world of work. The Office will aim to increase awareness of the challenges and opportunities of the new demographic context for the world of work among the multilateral and regional institutions.
37. For many countries the priorities are youth employment and the extension and building of social protection systems. In both areas, the Office will build on existing partnerships and engage in new ones at national, regional and global levels to support the implementation of the ILO call for action on the youth employment crisis (2012) and Recommendation No. 202.
38. The conclusions provide a sound, balanced and comprehensive framework for the Office and constituents to advocate for and strengthen the linkages between employment and social protection policies in the new demographic context. The Office needs to make sure that the issue of demographic change is high on all national agendas, and particularly the policy agendas of developing countries with large youth bulges but rapidly ageing populations, through, inter alia, the provision of information, tripartite conferences and capacity-building activities at the global, regional and national level. In partnership with the relevant global, international and regional organizations and institutions, the inter-generational, gender-responsive, life-cycle approach will be promoted by the Office, especially in the context of the post-2015 development agenda. Partnerships with the Turin Centre will again be forged here.
39. The Office will strengthen partnerships with the United Nations and other relevant global, international and regional organizations with respect to the follow-up to the Madrid International Plan of Action on Ageing, adopted at the Second World Assembly on Ageing in April 2002, and its regional implementation strategies.
40. The development of well-managed labour migration policies and their implementation will continue to be a priority of the Office's work. With the United Nations General Assembly High-level Dialogue on International Migration and Development in October 2013, the Office should be instrumental in contributing to improving migration governance which is truly respectful of the rights of the working people involved.

Implementation arrangements and resource mobilization strategy

41. The Office will increase efforts to identify and redeploy the human and financial resources required for the implementation of the follow-up strategy, within available resources, through outcome-based planning and programming. Activities are also considered to increase the capacity of the ILO global team of specialists to deliver the priorities of the follow-up strategy.
42. Given the cross-cutting nature of demographic issues across several ACIs, especially those on promoting more and better jobs for inclusive growth, on creating and extending social protection floors and on formalization of the informal sector, ACI-related resources could be used for the follow-up work.
43. In addition, mobilization of extra-budgetary resources is needed in order for the Office to raise awareness and to meet the increasing requests for assistance and capacity building from ILO constituents in all the regions.

44. The Office's work on employment and social protection in the new demographic context will be monitored and evaluated through the Conference's recurrent discussions on the strategic objectives of employment and on social protection.

Draft decision

45. *Subject to any guidance decided in its discussion, the Governing Body requests the Director-General to take into account the follow-up strategy for implementation of the conclusions concerning employment and social protection in the new demographic context in preparing future programme and budget proposals and in developing resource mobilization initiatives, and to give them effect, to the extent possible, when implementing the programme and budget for the 2014–15 biennium.*