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Resolution concerning employment and social protection in the new demographic context¹

The General Conference of the International Labour Organization, meeting at its 102nd Session, 2013,

Having undertaken a general discussion on the basis of Report IV, *Employment and social protection in the new demographic context*,

Recognizing that demographic transitions have major implications for labour markets and social protection systems,

Affirming that coherent and integrated employment promotion and social protection policies that build on the virtuous cycle of employment, social protection and development are crucial to address the demographic challenge,

1. Adopts the following conclusions; and
2. Invites the Governing Body of the International Labour Office to give due consideration to them in planning future work and to request the Director-General to take them into account when preparing 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.

Conclusions on employment and social protection in the new demographic context

I. DEMOGRAPHIC TRANSITIONS AND THEIR CHALLENGES

1. Demographic change, including population ageing, is a universal trend in all countries and regions, although demographic transitions take place at different paces and over different time horizons. The human development index, in particular the life expectancy component, provides a benchmark. Living longer and healthier lives is one of the most important achievements of human development, while it should be acknowledged that there is still much work to be done to ensure that everyone benefits.

2. The world's population is growing and ageing. By 2050, it is expected to have surpassed 9 billion and the population aged 60 years and over will have tripled. Three-quarters of the world's older population are expected to be living in developing countries. The majority of older people are women. 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.

3. Countries and regions at different stages of demographic transition face different challenges and therefore different levels of urgency are attached to aspects of ageing, youth employment and the impact of HIV/AIDS.

4. The new demographic context has profound implications for the labour force and for labour market dynamics, social security systems, employment and economic development.

5. Over the next decade, it is estimated that 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, where the majority of people currently work in the informal economy. In contrast, working-age population growth will stagnate or even decline in many developed countries. Globally, it

¹ Adopted on 19 June 2013.

will be necessary therefore to create more than 600 million jobs to integrate the 197 million currently unemployed (73 million of whom are young people) and newcomers to the labour market.

6. Only about 20 per cent of the world's working-age population is estimated to have effective access to comprehensive social protection. In developing countries, 342 million older people lack adequate income security and, if nothing is done, the number could rise to 1.2 billion by 2050. Food security, nutrition and access to safe drinking water and sanitation are dire problems for many families without sufficient income security. Older people often have to maintain their economic activity to survive and earn a living.

7. Increasing formal employment and labour force participation rates is essential to meeting social protection and economic development needs. However, informal employment and other forms of inadequately protected work remain pervasive for large segments of the labour force and the transition to decent work is slow and difficult. This also puts at risk access to social security.

8. For many countries, the global economic crisis, subsequent adjustment measures and the slowdown in growth continue to impact labour markets and social security systems, affecting the social fabric and economic sustainability. In some countries, high levels of unemployment, a growing proportion of youth who are neither in employment nor in education or training, job insecurity, growing inequalities, an increasingly uncertain environment for enterprises, increasing demand for social protection and the weakening of social dialogue add to the challenges caused by the demographic transition. The crisis is exerting pressure on public finance and debt. It puts at risk achievements in social protection and complicates needed reforms. In other countries, public policies have managed to reconcile economic growth, employment and redistribution of wealth, generating a virtuous cycle based on comprehensive social protection systems.

II. GUIDING PRINCIPLES AND POLICIES

9. Effective policies are necessary to tackle the challenges of demographic transitions. The wide range of ILO standards relevant to the context of demographic change provide policy guidance. The following provide further guidance:

- (a) A comprehensive multidimensional and integrated policy mix that recognizes the interdependency between demographic shifts, employment, labour migration, social protection and economic development.
- (b) Guided by the fundamental principles and rights at work of the ILO and pursuing the objective of decent work over the life cycle, policies will be context specific, taking into account the diversity of country situations, including demographic structures, economic development, legal frameworks, labour market needs, social security systems, and fiscal space.
- (c) Integrated and coherent approaches to training linked to labour market needs, education, employment promotion and social protection policies that promote the virtuous cycle of employment, social protection, productivity, inclusive growth and development.
- (d) 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.
- (e) Innovative policy packages responsive to change.
- (f) Effective and efficient social dialogue and collective bargaining in accordance with national policies and practices based on mutual trust and respect.
- (g) Preventing and combating age discrimination.
- (h) Promoting gender equality throughout the life cycle.
- (i) Promoting the inclusion of workers with disabilities.

- (j) Good governance based on accountability and transparency.
- (k) Promoting employability and labour force participation by creating an enabling policy environment conducive to sustainable enterprises and job-rich growth.
- (l) Effective youth employment and training schemes.
- (m) The right to social security is a human right.
- (n) Provision of essential health care and long-term care.
- (o) The strengthening of tripartite efforts for the effective elimination of child labour.

III. A COMPREHENSIVE POLICY MIX

10. It is the primary responsibility of the State to implement policies to tackle effectively the challenges of demographic transitions. With the right combination of policies and with the commitment and action of relevant stakeholders, demographic transitions not only become manageable and sustainable but can be turned into opportunities.

11. Employment and social protection policies should be developed in such a manner as to reinforce one another in response to the specificities and diverse employment, income patterns and needs of the population. Social protection should be viewed as a long-term investment, providing stabilization and offering social and economic returns over time.

12. Employment-centred economic policies and development strategies are needed to generate decent and productive jobs for all working-age groups, a fair distribution of income, and increase the overall level of employment. These include pro-employment macroeconomic and regulatory frameworks that promote public and private investments, an enabling environment for sustainable enterprises, skills development, entrepreneurship and active labour market policies. The Employment Policy Convention, 1964 (No. 122), Human Resources Development Recommendation, 2004 (No. 195), and Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189), and other relevant standards provide guiding frameworks.

13. Serious consideration should be given by member States to the implementation of the multi-pronged policy portfolio included in the ILO Call for Action on the youth employment crisis (2012).

14. Well-managed migration policies taking into account the ILO Multilateral Framework on Labour Migration can contribute to mitigating labour and skills shortages, promoting the rights of migrant workers and addressing challenges such as brain drain.

15. Collective bargaining and minimum wage setting in accordance with national policies and practices can ensure a fair income distribution in society, including closing the gender pay gap, and improve the contributory capacity.

16. 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.

17. The Social Security (Minimum Standards) Convention, 1952 (No. 102), and Social Protection Floors Recommendation, 2012 (No. 202), as well as other ILO social security standards, provide an international reference framework for the establishment of comprehensive social security systems that ensure protection throughout the life cycle. They also contain principles crucial for ensuring the sustainability of social security systems and the adequacy of benefits.

18. Labour markets need to function in a way that allows for adjustments to changing circumstances, recognizing that all parties have legitimate interests.

This should occur in an enabling framework that provides workers the stability and security to engage positively in change and provides employers with the necessary flexibility to be competitive and innovative.

19. Policies to increase productivity can compensate for shrinking labour forces in ageing societies, and can boost development in all countries. Such policies include, among others:

- Education, training and lifelong learning.
- Social protection, including effective access to public health and social services.
- Improved working conditions and sound occupational safety and health.
- Non-discriminatory practices that embrace diversity and sensitivity in relation to age, gender and disabilities.
- Frameworks for work practices conducive to improvements in productivity.
- Policies that support innovation.

20. Skills mismatches and skills shortages are a common challenge across countries and development stages. Skills policies are therefore an essential part of the policy mix.

21. Governments, employers and workers should work together to increase lifelong learning opportunities to foster employability and productivity and to prevent skills obsolescence. Measures could include:

- Upgrading skills in the use of new technologies.
- Removing age limits in access to learning and training.
- Providing and viewing training as an integral part of career planning.
- Supporting a conducive environment for learning and development, for example through mixed-age teams and mentoring.

22. Targeted policies are necessary to increase the labour force participation of vulnerable and/or under-represented groups. Policies for family support, work–life balance, childcare and old-age care facilities, maternity protection, paternity and family responsibility-related leave, flexible working time and home work are possible options. These options can also increase overall labour force participation. Increasing the labour market participation of older workers is of great importance and can benefit from tripartite efforts to agree on measures and incentives that enable employers to provide more jobs for older workers and workers to stay in employment until they reach their retirement.

23. Policy measures to address the plight of workers in the informal economy and to facilitate multiple pathways for transition from informal to formal, decent and productive work are a priority in the new demographic context, including by extending social security.

24. In many countries, ageing is leading to increasing pension costs. There is a need to ensure the financial, fiscal and economic sustainability of pension systems through appropriate and well-designed policies, financing mechanisms and enforcement measures. They should be complemented by access to affordable, quality public health and social services. Policies should strive to ensure the adequacy and the predictability of pensions and a gradual and flexible transition from active working life to retirement through measures such as phased-in retirement, part-time work and job-sharing.

25. In reforming social security pension systems, countries often face difficult choices among available options but should always pay attention to the related social outcomes. The best choice for each country will take into account accrued pension-scheme rights, be based on inter-generational fairness and solidarity and be founded on well-informed consultation, substantive dialogue and shared responsibility among social partners. For some countries, the choice might include effective increase of pension age. If so, transitional implications for workers, particularly those close to retirement, must be addressed on a fair basis, respecting workers' and employers' interests. When such a reform

involves a delay in retirement age, there will be specific concerns and opportunities for employers, workers and society. Such reforms must recognize that some workers or groups of workers have reduced capacities and life expectancies, notably those who spend their lives in arduous or hazardous occupations. It should be a matter of choice for a worker to delay retirement. The employment of older workers may be beneficial for workers and employers alike. Health and related issues should be addressed.

26. Policies to combat discrimination based on age and practices of diversity and age sensitivity are central to human dignity and to increasing productivity. They could include:

- Promoting, enforcing and/or enacting employment legislation that combats discrimination on the basis of age.
- Awareness-raising campaigns conducted by governments, social partners and the media to combat negative attitudes about older persons and to increase appreciation of their value to society.
- Enterprise-level initiatives such as company-run diversity programmes.

27. Measures that foster preventive health and safety at the workplace and healthy lifestyles should be promoted throughout the life cycle including, but not limited to, the development of occupational safety and health legislation with appropriate compliance mechanisms, and taking into account age-, gender- and disability-specific health and workplace needs.

28. Policies to provide for flexibility in working time and work organization according to needs specific to age groups, gender and disability, while maintaining adequate social security coverage, should be considered. Collective bargaining in accordance with national law and practice can facilitate the introduction of these policies.

29. 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. The care sector also presents new opportunities for investment, innovation and job creation. Good management of the sector is necessary to ensure the provision of quality care. Professionalization of the delivery of care should be promoted.

30. Traditional care systems, which rely heavily on female family members to bear the main burden of providing care services, are under increasing strain. The provision of care requires the recognition of the complementary and fundamental roles of family, community and professional care services. Care structures need to be developed that address the diverse demand for care services. Accreditation and regulation of professional care services should be promoted.

31. The right of care workers to decent work should be promoted, including by improving working conditions, skills development and recognition and promoting gender equality.

32. 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.

IV. TRIPARTISM AND SOCIAL DIALOGUE

33. Social dialogue in all its forms is necessary to finding effective, equitable and sustainable answers to demographic challenges and can offer a key contribution to inclusive, sustainable growth and development. Necessary reform processes can be best managed through social dialogue to balance employment, social protection and related financial and fiscal requirements.

34. Collective bargaining, based on freedom of association and mutual trust and respect, is an important tool for the development of specific collective agreements to meet the challenge of demographic change at different levels.

V. ACTION BY THE OFFICE

35. The ILO has an important role to play in providing global leadership and acting as a centre of excellence on demographic change and its implications for the world of work. With due regard to approved budgets, the Office should support actions by governments and social partners and work with the multilateral system in the following areas:

- (a) Technical cooperation, including capacity building to support:
 - (i) Development of integrated national action plans on demographic change.
 - (ii) Development of labour market information systems, identification and forecasting of skills needs and monitoring and evaluation mechanisms.
 - (iii) Mainstreaming of responses to demographic challenges in all relevant national employment and social protection policies, in particular to implement the ILO Call for Action on the youth employment crisis (2012) and the Social Protection Floors Recommendation, 2012 (No. 202).
 - (iv) Strengthening of the capacity of governments, employers' and workers' organizations, and social security institutions to better address demographic challenges and to develop holistic policies, including through social dialogue and tripartism.
 - (v) Strengthening of employment services and the delivery of targeted active labour market policies for young people, women, older people and persons with disabilities.
 - (vi) Development of well-managed labour migration policies and their implementation.
 - (vii) Facilitation of transitions from the informal economy to formality, taking into account the standard-setting discussions at the International Labour Conference in 2014 and 2015 on this matter.
 - (viii) Awareness-raising on and promotion of the implementation of relevant ILO standards.
 - (ix) Requisite training at different levels.
- (b) Knowledge development, dissemination and follow-up:
 - (i) Undertake research and evidence-based comparative policy analysis on the interaction between employment and social protection policies at the micro and macro levels.
 - (ii) Map and analyse good practices and facilitate their dissemination.
 - (iii) 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 the consideration of the Governing Body.
- (c) Partnerships and advocacy:
 - (i) Promote, in partnership with the relevant global, international and regional organizations and institutions, the integrated, inter-generational life-cycle approach, notably in the context of the Post-2015 Development Agenda.
 - (ii) 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.