International Labour Organization

Strategies and policies for resilient labour markets in ageing societies

EWG – Session 3

Celeste Drake, Deputy Director-General

Date: Thursday / 8 / February / 2024

G7 ITALIA 2024

Changing demographics raise the demand for care

- ILO estimates that by 2030 the share of older workers in the labour force will increase by:
  - 76 per cent in developed economies
  - 80 per cent in emerging economies
  - 2.5 per cent in developing economies

- Due to the ageing population, by 2030, 2.3 billion people are expected to need care, up from 2.1 billion people in 2015. This includes 1.9 billion children under the age of 15.

- While longer life expectancy implies that older persons can remain active in the workforce for longer periods, this presents challenges for skills, pensions, work-life balance, healthy ageing and long-term care.

- For the G7, increasing life expectancy has direct implications for care demand and supply.

Recognizing care as a public good

- **Long-term care services** are essential parts of the continuum of care policies and services and imperative in an aging population

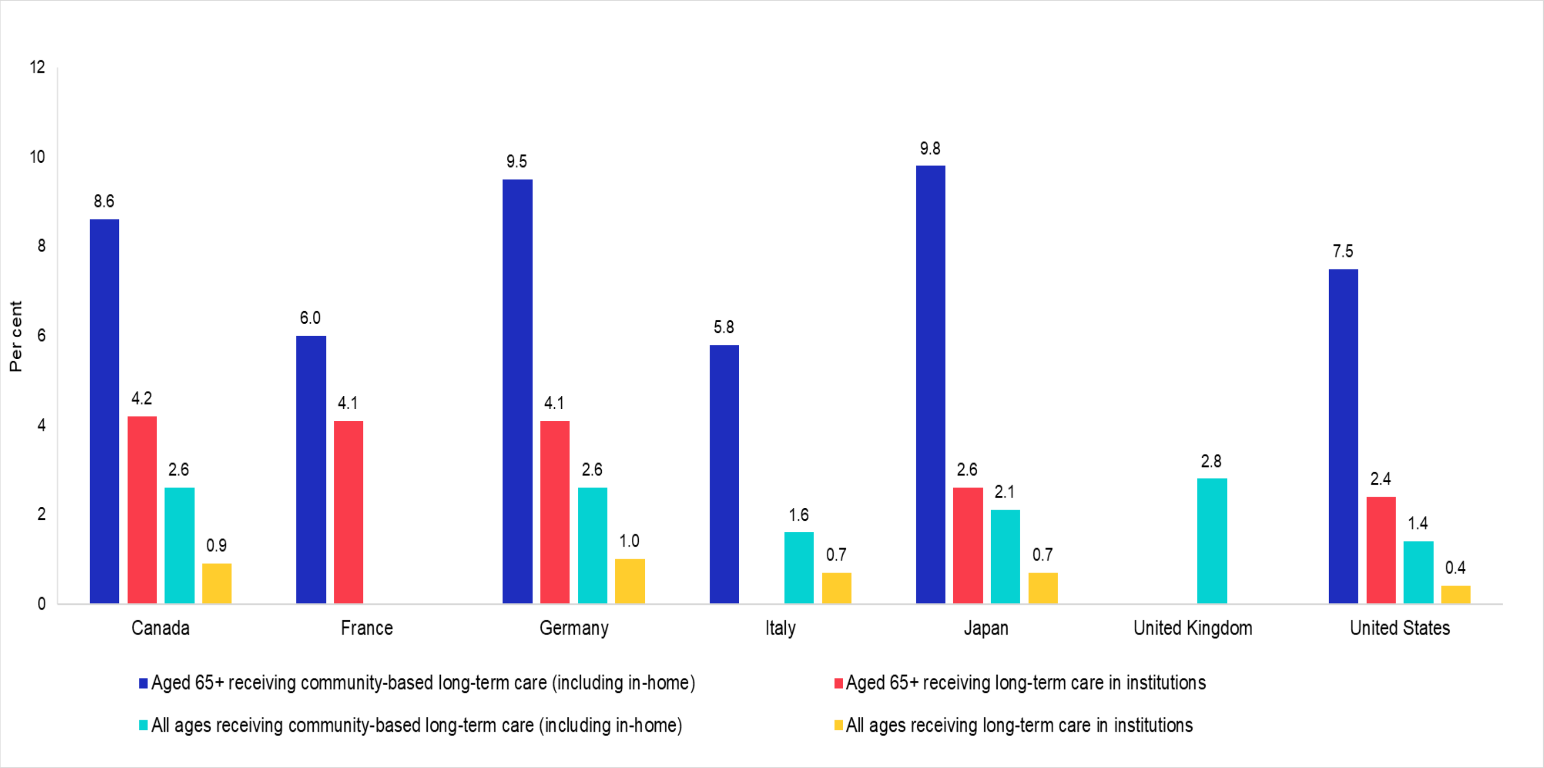
- International labour standards on social security call for principles of universality of protection based on social solidarity; entitlements to benefits prescribed by national law, and the respect of rights and dignity; more specifically for the availability, accessibility, acceptability and quality of health care (R202, paras 3 and 5(a)).

- ILO and WHO recommend governments to take “overall and primary responsibility” for ensuring long-term care service functioning and to guarantee “integrated long-term care that is appropriate, affordable, accessible and upholds the rights of elderly people and caregivers alike”.

Diversity in the provision of long-term care services

- Intensive institutional care (e.g. nursing homes)
- Less intensive institutional care (e.g. short stay respite care)
- Community services (e.g. day centres, nurse and professional carer visits)
- Home-based services (e.g. cash benefits for carers, home care)
- Remote telecare
- Cooperatives

Share of the population aged 65+ and of the total population receiving long-term care in G7 countries, by type of service, latest year



ILO, 2022. Care at Work:Investing in care leave and services for a more gender equal world of work.

The gender dimension of long-term care

- Women account for more than 70 per cent of the global care workforce and **90 per cent of the long-term care workforce**.

- 34 countries provide statutory right to paid long-term care leave & 89 countries have statutory provision for public provision of long-term care services for older persons

- Inadequate policy frameworks and gaps in public provision place the **burden for long-term care on workers with family responsibilities**, mainly women. This limits their labour market opportunities and adversely affects their health and well-being.

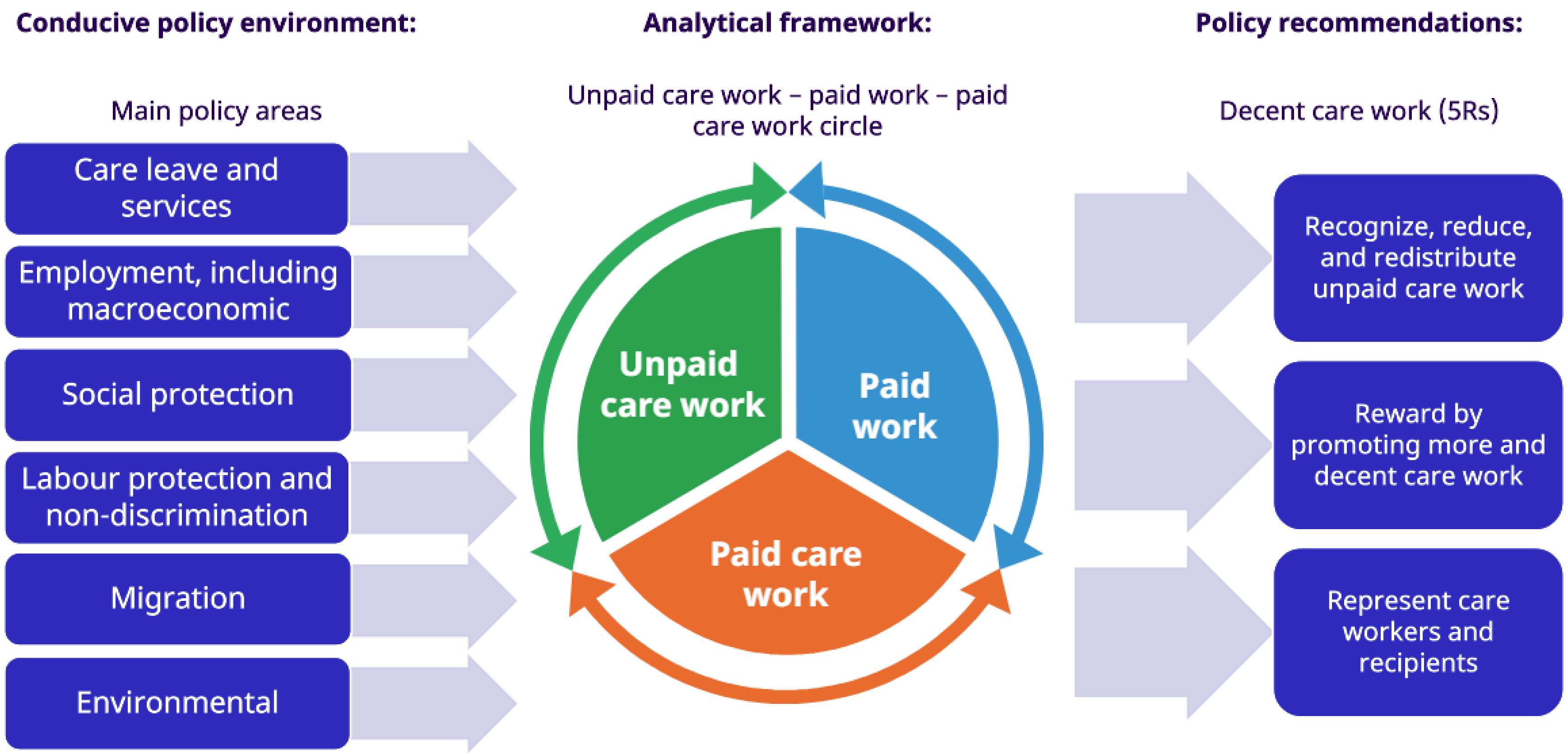
- Ca. **57 million unpaid care workers** are providing the bulk of LTC work, the majority women. This labour force could be activated or relieved by universal access to adequate, affordable and quality LTC services.

- Promoting care packages that advance gender equality entails the legal and social recognition of long-term **care as a public good.**

Challenges facing the long-term care sector

- Care delivery at the intersection of health, social protection systems and social care services: lack of coordination often leads to fragmentation
- Acute recruitment and retention issues affecting operations and sustainability, leading to excessive working hours and workloads
- Physical and emotional intensity, unsafe work environment and exposure to violence and harassment
- Limited access to education, training and lifelong learning, career prospects and opportunities
- Vertical and horizontal gender-based occupational segregation. Undervaluing care work results in low pay with high gender pay gap. Intersecting discrimination on the basis of race, colour, sex, national extraction or social origin
- High shares of non-standard and informal work as well as erosion of social dialogue

Solutions require a comprehensive and integrated approach to care: 5Rs framework for Decent Care Work for gender equality and social justice



Source: Adapted from ILO, *Care Work and Care Jobs for the Future of Decent Work*, 2018.

Policy responses to improve labour supply and employment quality

- Fiscal space to invest in quality care policies, services and infrastructure, with decent work for the care workers
- Address job quality to retain workers and break occupational segregation
- Freedom of association and the promotion of social dialogue and collective bargaining a precondition to improving working conditions and the quality of care (e.g. wages, OSH)
- Professionalize the workforce and ensure continuous learning opportunities to make the sector more attractive
- Leverage technology to reduce the work burden and improve the quality of care and provide digital skills for aging workers to be able progress in their career
- Promote healthy ageing and rehabilitation
- Prioritize care in foreign development policy

Investing in long-term care for job generation

	Canada	France	Germany	Japan	Italy	US	UK
Baseline spending LTC (% GDP) 2019	1.56	1.79	1.53	1.80	0.69	0.55	1.47
Net additional annual investment (% GDP)	0.04	-	0.54	0.24	1.06	0.75	0.04
Net total employment generated (without induced effects)	52,932	263,032	727,238	1,573,874	1,213,350	1,947,792	26,342
direct (%)	81.2	86.8	82.3	76.9	78.7	81.1	77.9
women (%)	85.6	83.4	79.9	83.4	80.6	79.9	81.5
formal (all) (%)	97.2	98.7	98.2	95.7	96.0	96.5	97.0
formal (women) (%)	98.0	99.1	98.7	97.3	97.6	98.1	97.9

By ILO Care Policy Investment Simulator