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Proposal for the [B20 Employment Task Force](#)

**The Silver Economy:  
How 21st-Century Longevity Can Create Markets, Jobs  
and Drive Economic Growth**

Based on a World Economic Forum White Paper

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A Working Document

The views expressed in this White Paper are those of the author(s) and do not necessarily represent the views of the World Economic Forum or its Members and Partners. White Papers are submitted to the World Economic Forum as contributions to its insight areas and

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## Executive summary

Population ageing is globally taking place in all countries, most rapidly, however, in developing countries. This welcomed development is due to many reasons, particularly improved access to advanced health care, better nutrition and social protection. In many countries this success could be achieved through social policies that provide protection in case of ill health and poverty. As a result, the positive fact that people live longer is often misunderstood as a cost for societies. However, ageing can be seen as a driver of growth if appropriate policies and measures are well designed and implemented.

This paper highlighting trends, opportunities and challenges of global ageing. It provides insights into new economic prospects for the so-called “silver economy”. This relates among others to the fundamental changes of demand patterns for goods and services resulting from a larger number of old-age consumers, and related multiplier effects in employment.

More and more businesses today are awakening to one of the most formidable market opportunity of the 21st century, which is offered by the ageing of populations. While areas for investments and for responding to ageing markets vary in developed and developing countries, they generally include the following core areas:

- Medical and long-term care goods and services, including pharmaceuticals
- Leisure, life style and living support for consumers aged 60+
- Food industry
- Financial services industry
- Construction and transport industry

The “silver economy” is going to be a driver of growth and is expected to generate millions of jobs. Further, the employability of older persons due to better access to health care will contribute to increased productivity if enabling macroeconomic policies and age-friendly business activities are developed and implemented, including core principles for age-friendly businesses such as non-discrimination of older workers and create employment opportunities for older persons.

However, not all older persons will be able to work. Old-age poverty is extensive in both advanced and emerging countries. Thus, it is necessary to ensure purchasing power in old age by extending public pensions and social protection support, including affordable health, to ensure demand for goods and services in the silver economy.

Recommendations are presented for business and governments to realize the economic opportunities of global ageing:

- For businesses, it will be necessary to develop market opportunities through new products and services to respond to an ageing demand and align with non-discriminatory age-friendly workplace practices.

- For governments it will be important to more closely align with 21st-century longevity in core areas as health, social protection and employment policies to ensure old-age income security.

Specifically, the paper puts forward three recommendations:

- **Recommendation 1:** Implement the Guiding Principles for Age-Friendly Businesses to create employment opportunities for older persons
- **Recommendation 2:** Ensure purchasing power and income security in older age by providing adequate pension and health systems
- **Recommendation 3:** Generate growth and jobs through the silver economy

## A. Introduction

The demographic transition – moving from a situation of high mortality and high fertility to a situation of low mortality and low fertility – is sine qua non with development. The shift from one to the other is attributable to remarkable social and economic progress, including access to modern medicine, income security and poverty reduction through pensions and other social benefits, access to clean water, sanitation and electricity, rising levels of food security and better nutrition, and this shift thus reflects the success of human endeavour. Yet, what should be a reason for celebration is often also seen as challenge to development. This is because in the process of their demographic transitions, countries witness fundamental demographic changes, including population ageing. Population ageing has become a fact of life around the world.

THE DEMOGRAPHIC TRANSITION – MOVING FROM A SITUATION OF HIGH MORTALITY AND HIGH FERTILITY TO A SITUATION OF LOW MORTALITY AND LOW FERTILITY – IS SINE QUA NON WITH DEVELOPMENT.


Today, the developed countries continue to have the highest share of older persons, but the developing countries see the most rapid rates of population ageing. The discussion of population ageing thus far has largely focused on economic challenges – mounting pressures on pensions systems, rising cost of health care, potential decline in the active labour force, etc. -- and it has largely ignored the economic opportunities that can come with an ageing population. This situation has changed only in the past few months when an increasing number of financial institutions and consultancy firms, as well as international agencies and think tanks have begun to put a spotlight on the so-called silver economy.

This paper builds on the previous work of the World Economic Forum’s Global Agenda Council on ageing, and underscores the positive aspects of an ageing population for business, economies and societies.

Previous work considered in this paper include the publications of the World Economic Forum *Global Population Ageing: Peril or Promise*.<sup>1</sup> In this seminal work the authors drew attention to the dynamic demographic transformations upending all aspects of social and economic life and the need to rethink the assumptions that underpin our behavioural norms, social expectations, and policies and institutions<sup>2</sup> within the context of a world with more people over 60 than under 15 years of age. Two years earlier Standard & Poor’s issued its own clarion call: “No other force is likely to shape the future of national economic health, public finances and policy-making as the irreversible rate at which the world’s population is ageing.”<sup>3</sup> The Organisation for Economic Co-operation and Development (OECD), G20 and Asia-Pacific Economic Cooperation have joined the ranks of the World Health Organization (WHO), the International Labour Office (ILO), the United Nations Population Fund (UNFPA) and others that significantly contributed to the discussions and engaged on the subject.

For all the talk of “crisis” and “demographic cliffs,” many business leaders, policy-makers, non-governmental organizations, academics, economists and others are recognizing that population ageing can be, given the right strategic framework, a supremely powerful market driver. Evidence from the private sector is beginning to mount as major global have embedded “ageing” as a key strategic driver of their commercial goals. Yet it is not only a question of commercial goals. Equally, these global businesses have positioned ageing as a lever for attracting and retaining top talent, as well as building out frameworks of sustainability and shared value.

With its mandate “to invent, innovate and dare to move forward fast”<sup>4</sup> and its convocation of public and private cooperation, the World Economic Forum is well positioned to assume a major leadership role in global action on ageing. Is it possible, at the global level, to ensure that ageing is a driver of national and global economic growth, innovation, enhanced prosperity and wealth?<sup>5</sup> How can public policy be structured to align 21st-century demographics to both personal and national economic security? How can the adverse consequences of ageing be mitigated – including increases in non-communicable diseases such as Alzheimer’s<sup>6</sup> – and prevented from derailing our growth and prosperity prospects? How can the foundations of economic growth best be configured on a planet that may soon sell more adult diapers than baby diapers, as Japan will do in just five years?



QUITE SOON, THE WORLD WILL REACH A RECENTLY UNIMAGINEABLE MILESTONE IN THE HISTORY OF HUMANITY: BY MID-CENTURY, THERE WILL BE MORE PEOPLE ON THIS PLANET OVER 60 THAN UNDER 15 YEARS OF AGE.

In the following sections, this paper briefly outlines demographic trends and emerging policy responses, identifies the evolution of new market opportunities, and addresses challenges to sustained economic growth, and on this basis the paper draws up two recommendations for consideration by emerging market economies, which are witnessing rapid population ageing, including the members of the G20, and the subgroup of the BRICS.

## **B. Opportunities, responses and challenges**

The demographic data is inarguably compelling. Quite soon, the world will reach a recently unimaginable milestone in the history of humanity: by mid-century, there will be more people on this planet over 60 than under 15 years of age. In many OECD countries, this reality will arrive far sooner and for some is already here. The once exceptional prospect of “growing

old” has become the norm. As societies modernize and urbanize, birth rates throughout the world are falling. Already some 80 countries have fertility rates below replacement levels.

Many mistakenly believe that ageing is principally a phenomenon in industrialized nations. In fact, currently, emerging markets are experiencing the most dramatic impacts of ageing.<sup>7</sup> What took a century to unfold in Europe, Japan, the United States and other G7 nations is transpiring in only a few decades in China, Brazil, India, Turkey and a host of other developing and emerging market countries. It will surprise few that Japan is placing ageing at the centre of its 2016 G7 leadership agenda or that one of the EU’s key 2020 growth goals is related to healthy and active ageing. But many would not have predicted that China would position ageing high on the agenda of its 2016 G20 leadership.

Notwithstanding the remarkable changes that population has already brought about, the McKinsey Institute’s recent No Ordinary Disruption contends that population ageing has only begun to emerge as a “global force breaking all the trends”.<sup>8</sup>


### **1. Emergence of new economic opportunities**

Population ageing involves large business opportunities: The fast growing over-60 segment will constitute close to 30 per cent of the total population in all developed and many developing countries before 2050, when the number will exceed 2 billion. This demographic already controls a vast portion of global wealth and spending power. The Silver Economy is estimated at US\$ 7.1 billion p.a.

In the United States, for example, by 2017 around 70 per cent of disposable income will be in the hands of those over 60.<sup>9</sup> According to the US Government Consumer Expenditure Survey, baby boomers outspend other generations by approximately \$400 billion each year on consumer goods and services.<sup>10</sup> In other developed economies, older populations hold a relatively large share of wealth, and spending power, as well.

Business opportunities were first tapped by providers of health care and extended care options, but now many more businesses focus on the markets of and older population. Population ageing does not only mean to develop goods and services to older persons, but also to the younger generations that are expecting to live well into their nineties. Someone who anticipates living for 90 or more years will plan, work, learn, play and go through life differently than someone who has a shorter life expectancy.<sup>11</sup> Businesses need to have a more intuitive understanding of a newly emerging mind set across all the age groups as the impact of longevity can underpin competitive business strategies.

Indeed, given this unique set of circumstances, it is possible to see that, as markets



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respond to population ageing, a virtuous cycle begins: the population ages, business leaders and innovators design strategies to capture the market opportunities, and the strategies are executed, which further creates conditions that sustain the ageing market. Done right, markets can become both the driver and beneficiary of population ageing.

More and more businesses today are awakening to one of the most formidable market opportunity of the 21<sup>st</sup> century, which is offered by the ageing of populations. While areas for investments and for responding to ageing markets vary in developed and developing countries, they generally include the following core areas:

- **Medical and long-term care goods and services, including pharmaceuticals**  
Returns of investments are expected to be significant for age related diseases and functional impairments such as chronic diseases as well as hearing aids, dental care etc. Further, markets for devices such as home-based dialysis technology and IT-based care and smart homes integrating assisted living systems such as triggering alarms in case of e.g. heart failure and health monitoring are forecasted to grow significantly.
- **Leisure, life style and living support for consumers aged 60+**  
Huge business opportunities are expected in the areas of assisted living communities that provide services for daily living such as cleaning, dressing and cooking. Similarly, all age-adapted products offered to older persons for stress relieve ranging from specific holiday arrangements such as comfortable cruises with doctors on board to age-specific cosmetics involve important business opportunities. Also new products based on technological innovation such as driverless vehicles, age-adjusted phones, TVs and PCs involve significant economic potentials if older persons can afford them.
- **Food industry**  
The demand for dietary food, food for persons with allergies and other eating constraints, food with enhance flavour and soft food will grow with the ageing of the population. Related business investments are likely to develop high returns of investments given the largely under-developed markets for age-specific food to date.
- **Financial services industry**  
Serving the greying baby boomers on investments and insurance such as voluntary pensions. Businesses opportunities focusing on this area are enormous as they will have to deal with the important amount of wealth held by ageing populations in advanced economies.
- **Construction and transport industry**  
Developing age-friendly environments in public and private areas will soon be a booming area of investments demanded by ageing societies. This includes work places that need to be adapted to older persons' needs, private homes constructed with a view to addressing age-related impairments as well as public spaces including theatres, cinemas, public buildings, streets and pavements which will have to be accessible for people at all ages. The public and private



investments needed are enormous and cannot be overestimated.

## 2. Responding to ageing markets

Realizing the returns of investments in ageing societies requires taking into account some key principles that allow making most of the opportunities provided. This includes for businesses focusing on innovation and product development of suitable medical, leisure, food, financial and environmental goods and services.

Further, increasing employment opportunities that meet the requirements for older persons is a key strategy when aiming at profiting from emerging markets. This includes the development of adequate work places, wages and salaries to achieve inclusion and enhance productivity by using the full potential of the silver economy.

Companies need to revisit the value proposition of older workers as mentors and key information players. “The retention, recruitment and full participation of older workers may well become a necessity for companies accustomed to attracting most new hires in their 20s and 30s and focusing development on the first part of a young employee’s career.” Companies will see the dynamics of their work environment shifting with more intergenerational collaboration and the need for better work/life balance as people live and work longer. The World Economic Forum’s Global Agenda Council on Ageing Society has created a set of principles for age-friendly businesses that can and should be adopted by businesses looking to stay vibrant in the future (see box 1). A commitment to incorporate these seven business principles today will lead to a more attractive and productive business in the future.

### BOX 1: GUIDING PRINCIPLES FOR AGE-FRIENDLY BUSINESSES

#### An Age-Neutral Workplace

Recognize the value of employees of all ages

#### A Supportive Working Environment

Create work environments that will provide access and sustain employees regardless of age

#### An Inclusive Culture

Accept and embrace employees across all ages

#### Life-Long Learning and Participation

Keep opportunities available and open for learning and mentoring

#### Contributes to Employees Health and Pension Schemes

Retirees will be future consumers and drivers of the silver economy

#### Financial Planning for Longer Working Lives

Inform all employees to gain more financial literacy to better serve their increasing needs over time

#### Healthy Ageing

Encourage and support an active and healthy lifestyle

#### Supportive Caregiving

Support employees as they honour their caregiving responsibilities

## **BOX 2: G 20 PRINCIPLES ON SILVER ECONOMY AND ACTIVE AGEING**

- 1.** Mainstreaming national policies and strategies for the inclusion of older persons into the society at all times.
- 2.** Ensuring better access to a healthy, safe and active life for ageing population, preventing old age poverty and promoting a healthy lifestyle among all age cohorts of the population.
- 3.** Improving the working environment and enhancing older workers' productivity with a view to ensuring better access to employment opportunities for older people and preventing the early loss of skills.
- 4.** Fighting against age discrimination and negative stereotypes of older people, especially in hiring and firing of workers.
- 5.** Promoting inter-generational solidarity through sustainable pension systems and integrating older people in all spheres of social life, allowing them to make a greater contribution to the economic social and cultural development of our societies in line with their experience and potentials.
- 6.** Taking advantage of the opportunities of the "Silver Economy" and its potential in terms of sustainable and inclusive growth, in particular for SMEs and better integrating "Silver Economy" into corporate as well as political agendas at the local, regional, national and international level.
- 7.** Fostering investment in infrastructure and innovative technologies, especially in the fields of healthcare, home assistance, transportation, internet of things, domotics and robotics, to satisfy -among others- the needs of autonomy and high quality life for the elderly people.
- 8.** Taking action against the digital divide and developing new policies involving seniors as a source of innovation and developing age-neutral products and services that offer value to elderly people while also attracting younger customers.
- 9.** Encouraging innovation in facilitating access to financial services for seniors and addressing the new needs of senior customers, including in the financial sector.
- 10.** Promoting the lifelong learning starting with the development of adequate competencies among the future workforce, to better meet "Silver Economy" related skills; providing tailored vocational education and training devoted to assist and support increasing needs of ageing society; and developing the "Silver Economy" focused labour-market and employment services specifically targeting job opportunities for the youth.
- 11.** Improving the quality of a prolonged active life of both urbanized and rural seniors and fostering a building and urban environment designed, organized and connected through Information and Communication Technology (ICT) that contributes to including and not secluding the older people.
- 12.** Including emerging and developing countries in the development of products and services devoted to the ageing society, including medical treatments, healthcare and long-term care.
- 13.** Facilitating the transmission of knowledge in traditional professions and local handicrafts from older to younger workers through specific programs.
- 14.** Ensuring effective participation of all relevant actors including public and private actors, civil society and charity organizations, community-based centres and representatives of senior citizens while developing policies on population ageing.
- 15.** Enhancing coordination between studies on health, macro- and labour- economics, and innovation carried out by relevant international organizations and institutions, as well as cooperation between the research and the business sector to better inform policy design.

Source: G20 Labour and Employment Ministerial Declaration, Annex VI, Ankara, 3-4 September 2015

At the same time politicians need to adjust labour market policies that are hindering equal employment of older persons and address age discrimination by legal and regulatory measures. Further, public and private funds need to be made available for investments e.g. in accessible infrastructure and transportation.

Finally, it should be considered that older persons need health and income support in order to be fit for purpose. As the increasing demand for pensions and health care is met, economic opportunities will grow as older persons will take up business services offered.

A comprehensive summary of “Principles on the Silver Economy and Active Ageing” just issued in the context of the G20 Labour and Employment Ministerial Declaration can be found in Box 2.

### 3. Challenges to the silver economy

Population ageing can mean rising costs to pension and health care systems. It is often suggested that economies cannot bear these costs, and that far-reaching reforms of pension and health care systems are needed. From a macroeconomic perspective however, social protection plays a major role in supporting consumption and promoting aggregate demand. For example, the public sector might need to increase its spending on health care, but this in turn will result an expansion of the health care industry. It will contribute to higher investment in care and pharmaceutical instruments, and to the creation of new jobs. Further, by ensuring affordable health and adequate pensions for older persons, the resulting purchasing power will promote demand for old-age services and a prosperous silver economy.

Despite the increase of wealth in this generation of older persons, there remain massive inequalities between and within countries. Poverty and extreme inequalities are a drag on economic growth in general, and poverty and inequality among the old age population is a drag on the silver economy. Even if there are many more persons of old age, if they do not adequate purchasing power, the aggregate consumption of this population group will grow slowly at best, and this will negatively affect investment in the silver economy.

Public policies to support adequate social security and jobs are critical instruments to ensure improved income to older persons.<sup>12</sup> Without major efforts to provide national social protection floors, expand the coverage and adequacy of sustainable pension systems, and promote jobs, older people will continue to suffer from poverty, they will have a very limited purchasing power, and the silver economy will suffer from seriously restricted demand to drive it.

Population ageing is one of the most powerful forces of our time, which will fundamentally change the demand patterns for goods and services. We will see an expansion of the health care industry, as well as leisure, and the development of new goods and services that we might not even think of at this point. Health care is a billion dollar business which creates employment and income, like many other businesses as well. Rather than seeking to stop

these trends, which are fundamentally positive and virtually unstoppable, countries might want to focus on shaping and benefiting from these developments.

Central to the answer to these questions is the notion that businesses must – and will – respond to this new billion-large consumer base.

### **C. Implications for policy makers and business: Scaling up the silver economy and driving economic growth**

An historical shift is turning global ageing into a positive development on the basis of longevity, driving consumer demand for new markets and our ability to capture and retain the experienced worker. There are certainly challenges that need to be addressed in workplace environments and retirement policies but, in acknowledging those challenges, there is still a perceptible change in the overall doomsday outlook on this demographic realignment. The promise of strength, sustainability and prosperity is evident when viewed within the context of history and our ability to shift perspectives and realign business strategies. Many companies are well on their way to showing the rest of the world through example how to prosper and not perish. But the work is not yet complete, and powerful questions remain:

- How will governments rethink their retirement strategies to better reflect the ageing of their societies and how will they manage their populations' expectations?
- How will informed public policies ensure adequate income security in old-age and enable these market developments to expand further to the less economically advantaged populations, outside and inside the G20 richer nations?
- How will tax policies be adjusted to serve the needs of the older worker, and reward and incentivize silver entrepreneurship?
- How will governments enable employment, including jobs for older persons?
- How will national health systems and the healthcare industry respond to the rapid increase of age-related non-communicable diseases?
- How will societies educate their younger populations on the issue of longevity to better prepare them financially, intellectually and physically for the demands of living longer?

More and more countries are looking to international agencies, civil society organizations and think tanks to answer these questions. To date, the challenges and opportunities of population ageing are being addressed by a number of intergovernmental organizations, including WHO, ILO, UNFPA, OECD, G20, the World Bank and such international civil society entities as the Global Coalition on Ageing, the International Federation on Ageing, HelpAge International and the International Longevity Centre Global Alliance, in addition to many think tanks and research departments of universities. There are many other think-tanks addressing the challenges and opportunities of older populations. Each organization is building on the recognition that population ageing is a 21st-century imperative that requires a

substantial and finely calibrated response. The following are but examples of international agencies and inter-governmental alliances that are focusing on the ageing issue:

- In October 2015, the WHO released its first-ever world report on ageing and health.<sup>13</sup> This should establish a basis for ageing to become a major strategic platform of global public health for its next five-year plan. The report builds on the momentum already under way through the WHO's work leading the Age-Friendly Cities initiative, as well as the guidance on non-communicable diseases.
- The ILO works since its foundation in 1919 globally and at country level on ageing issues including health and old age protection. Monitoring, data development, actuarial studies, assessments, and policy advice were given to numerous countries as outlined in recent publications such as the World Social Protection Report 2014/2015, and Long-term care for older persons - A review of coverage deficits in 46 countries.<sup>14</sup>
- At the request of more and more countries, UNFPA is supporting the analysis of the social and economic implications of population ageing, including through the construction of National Transfer Accounts (NTAs), and it emphasizes the importance of investing in human capital throughout the life course in order to support healthy and active ageing.
- The OECD, for its part, has put together a set of ground-breaking reports on ageing and big data,<sup>15</sup> the silver economy<sup>16</sup> and – before long – ageing and the digital economy.

As demographic ageing will create new opportunities for the public and private sector that result in significant growth and jobs, related developments should be anticipated and accordingly prepared: If ageing is understood as a structural change of societies both the private sector, particularly enterprises, and the public sector need to adopt and adapt their current approaches as regards older persons, be they employees or consumers:

- For businesses, it will be necessary to develop market opportunities through new products and services to respond to an ageing demand and align with non-discriminatory age-friendly workplace practices.
- For governments and public policy institutions in all countries and regions of the world it will be important to more closely align with 21st-century longevity in such core areas as health, social protection and employment policies.

## **D. Conclusion and recommendations**

While some see demographic ageing with anxiety, it is a highly welcome development – for the society as well as the economy as a whole – since it provides immense opportunities: The ageing of populations is a sign of social and economic progress, of good health and rising living standards. Ageing is not a cost to economies but a reality that has the potential to

develop sustainable and inclusive economic growth if embedded in enabling business and policy environments.

Responding to the challenges posed by population ageing, and realizing the social and economic opportunities, requires progress adjustments in the private and the public sector. Against this background, the paper puts forward three recommendations:

- **Recommendation 1: Implement the Guiding Principles for Age-Friendly Businesses to create employment opportunities for older persons**
- **Recommendation 2: Ensure purchasing power and income security in older age by providing adequate pension and health systems**
- **Recommendation 3: Generate growth and jobs through the silver economy**

These recommendations focus on actions that aim at measureable progress. The annex details the associated targets, indicators and actions.

## Annex: Recommendations

### **Recommendation 1: Implement the Guiding Principles for Age-Friendly Businesses to Create Employment Opportunities for Older Persons**

#### ***An Age-Neutral Workplace***

Recognize the value of employees of all ages

#### ***A Supportive Working Environment***

Create work environments that will provide access and sustain employees regardless of age

#### ***An Inclusive Culture***

Accept and embrace employees across all ages

#### ***Life-Long Learning and Participation***

Keep opportunities available and open for learning and mentoring

#### ***Contributes to Employees Health and Pension Schemes***

Retirees will be future consumers and drivers of the silver economy

#### ***Financial Planning for Longer Working Lives***

Inform all employees to gain more financial literacy to better serve their increasing needs over time

#### ***Healthy Ageing***

Encourage and support an active and healthy lifestyle

#### ***Supportive Caregiving***

Support employees as they honour their caregiving responsibilities

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<b>Recommendation</b>	<b>Implement the Guiding Principles for Age-Friendly Businesses to Create Employment Opportunities for Older Persons</b>
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<b>Reference</b>	L 1
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<b>Owner</b>	Individual G20 Governments, Business leaders
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<b>Timing</b>	Status update in the context of SDG monitoring and reporting
<b>Value</b>	Realize the opportunities provided by active and healthy ageing.
<b>KPI</b>	Legislation to eliminate age consideration in recruitment and other business processes.
<b>Target</b>	100 % Elimination of age discrimination in recruitment practices, as well as in insurance contracts and loans.

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### Context:

While guiding principles for age-friendly businesses are generally agreeable, only joint efforts and monitoring involving all parties will allow for effective progress. Key areas focus on non-discrimination of older persons in employment, sufficient numbers of decent jobs in the health and social sector and adequate contribution payments to social protection schemes and systems, particularly pensions and health. Related action will result in greater labour force participation by older persons, particularly women, as well as lower levels of youth unemployment.

### Actions:

#### L1.1. **Creating national dialogue on adequate ageing policies with governments, businesses, trade unions and NGOs.**

Ensuring the creation of decent jobs for older persons including universal coverage and equity in access to needed services

#### L1.2. **Zero tolerance for businesses that encourage age discrimination by removing related discriminatory practices, clauses and regulations.**

Ensuring absence of discrimination of older persons in recruitment process, private insurance policies, taking out loans, refused medical treatments due to age, etc.

#### L1.5. **Increasing labour force participation by ending the formal and informal discrimination of older-persons, particularly older women in legislation.**



Ensuring equal pay for equal work and fighting discriminatory customs and practices, which undermine the independence of older persons and women to take charge of their lives.

**L1.6. Develop placement service programmes for older workers**

Offer counselling and job search assistance to older persons within enterprises, at regional and national level to ensure job opportunities for those who wish to work.

**L1.7. Ensuring contribution payments of employers to pension and health care costs of employees**

Address evasion and payment avoidance of employers to social protection schemes and systems that aim at providing health, long-term care and income support

**L1.8. Every 5 years, produce a report to evaluate progress towards age-friendly business principles and increase in employment of older persons in G20 countries**

Enable progress focusing on social, employment and labour market policies.

**Recommendation 2: Ensure purchasing power and income security in older age by providing adequate pension and health systems**

<b>Recommendation</b>	<b>Ensure purchasing power and income security in older age by providing adequate pension and health systems</b>
<b>Reference</b>	L 2
<b>Owner</b>	Individual G20 Governments, business leaders
<b>Timing</b>	Status update on increased social protection coverage of older persons in the context of SDG monitoring and reporting
<b>Value</b>	Increase the demand for goods and services of the “silver economy” and by ensuring adequate pensions and affordable health care
<b>KPI</b>	% of older persons receiving old-age pensions  % of older persons covered for health protection and long-term care
<b>Target</b>	In G20 countries <ul style="list-style-type: none"><li>• 50 % increase in health, old age pension and long-term care coverage by 2020</li><li>• 100% decrease in old age poverty by 2030 in accordance with the Sustainable Development Goals 1, 3, 5 and 8 .</li></ul>

**Context**

Realizing the economic opportunity of an ageing population requires the extension of national social protection systems, particularly pensions and health, as outlined in ILO Recommendation 202 on national social protection floors. Many goals and targets to this end, are already spelled out in the 2030 Agenda on Sustainable Development, and notably goals 1 on poverty alleviation through national social protection floors, 3 on health, 5 on gender equality, and 8 on growth and employment.

## **Actions:**

### **L.2.1. Developing and implementing social protection systems**

Enabling legislation for universal coverage in pensions, health and long-term care schemes and systems in the context of national social protection floors. This requires creating inter-generational solidarity in social protection financing by applying broad risk-pooling and minimizing out-of-pocket payments for health and long-term care services.

### **L.2.2. Ensure adequate pension benefits for older persons**

Adequate pension and other benefits to allow consumption of goods and services in the silver economy.

### **L.2.3. Increasing social spending for social protection, including health.**

Enabling emerging economies with the greatest needs to address issues related to ageing and lesser fiscal resources. It requires developing fiscal space and monitoring the generation and commitment of domestic funds for social protection.

### **L.2.4. Make a sufficient amount of international aid available for funding technical cooperation in social protection in lower income countries**

Allow for rapid returns of investments into purchasing power of older persons in low income countries and assign international organizations such as the UN to develop efficient and effective programmes.

### **Recommendation 3: Generate growth and jobs through the silver economy**

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<b>Recommendation</b>	<b>Generate growth and jobs through the silver economy</b>
<b>Reference</b>	L 3
<b>Owner</b>	Individual G20 Governments, business leaders
<b>Timing</b>	Status update on quality of economic growth with a view to inclusiveness by 2030
<b>Value</b>	Achieving inclusive growth and an increasing number of jobs based on the silver economy
<b>KPI</b>	Number of full-time formal health care workers available per 1000 older persons  Number of full-time formal long-term care workers available per 1000 older persons
<b>Target</b>	In G20 countries <ul style="list-style-type: none"><li>• 50% increase of full-time formal long-term care workers available per older person in institutions by 2020;</li><li>• 50 % decrease in informal long-term care workers by 2020</li><li>• 50% increase in economic growth due to age-specific products provided in the care economy, the food and leisure sector</li></ul>

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#### **Context**

A pro-employment and investment-friendly macroeconomic framework should allow the silver economy to flourish and create decent jobs that provide services to older persons such as health and long-term, as well as jobs in the tourism, food industry and others. It also includes addressing potential labour and skill shortages through well managed labour migration policies. Currently the gap of health care workers is estimated at 10.3 million workers. The number is even higher as regards long-term care workers, where today many informal care workers such as working age female family members fill the gaps. Closing these

gaps will relief many informal care workers from the burden to care, allow participation in the labour market, income generation and provide a contribution to inclusive economic growth.

**Actions:**

**L.3.1. Create a significant number of decent job opportunities in the care economy.**

Boosting employment, ensuring decent job opportunities and addressing e.g. youth unemployment while responding to the demand of older persons for more and better health and long-term care services.

**L.3.2. Provide incentives to informal long-term care workers to move to the formal economy**

Enable informal care givers to contribute to the formal economy by providing leave for long-term care, flexible working hours and job re-entry after periods of care

**L.3.3. Promoting economic growth and jobs through jobs in financial services, construction and transport industry, wellbeing, food, tourism, IT and other economic sectors serving older persons**

Ensuring innovative and responsive business opportunities and creating jobs that contribute to the development of inclusive economic growth through products and related jobs based on goods and services adjusted to the demand of older persons, senior travel and leisure, new technologies etc.

**L.3.4. Align labour market and migration policies for care workers**

Develop a sufficient number of national workers to address care needs and readjust labour market and migration policies for care workers accordingly

## Endnotes

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- <sup>15</sup> Organisation for Economic Co-operation and Development. "Anticipating the Special Needs of the 21st Century Silver Economy". 2012, <http://www.oecd.org/sti/ieconomy/workshoponanticipatingthespecialneedsofthe21stcenturysilvereconomyfromsmarttechnologiestoservicesinnovation.htm>
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