

PD-SPD fourth meeting

Ageing in Context of Large Labour Market Informality: How Can Social Protection Take up the Challenge?

07-08 December 2023 – Virtual

7 December 2023 Register [here](#)

8 December 2023 Register [here](#)

13:00-16:30 (Paris, CEST time)

AGENDA

Population ageing is a global trend: the number of older persons aged 65 or over is projected to double, exceeding 1.6 billion by 2050.¹ Emerging and developing countries will likely enter an ageing society in the next 15 to 35 years, a much shorter period compared to the 40 to 120 years it took for developed countries to reach this stage.² At the same time, old age in developing countries comes with high risks of vulnerability to income poverty and inequality due to limited access to formal employment, social pensions, and retirement savings.

Informal workers, who operate outside the reach of social protection systems, often earn too little to enrol in contributory pension schemes or may be legally excluded from such schemes, facing greater income insecurity in old age compared to formal workers. Gaps in social assistance programmes may further aggravate the risk of poverty in the later stages of life. Informality in the labour market also entrenches large gender disparities in old age as women live longer than men but experience large earning gaps in employment and are more likely to engage in more precarious forms of informal employment throughout their life course.³ Furthermore, ageing populations experience a fast decline in health and thus need elder care while access to healthcare and long-term care (LTC) systems is limited.⁴ These concomitant factors raise the question about the readiness of social protection systems in emerging and developing countries to take up the challenge of rapid population ageing.

The fourth meeting of the Policy Dialogue on Social Protection and Development (PD-SPD) will focus on the role of social protection policy in providing income and health security during old age in the context of high informality in the labour market. It will provide an interactive platform for the member countries of the OECD Development Centre, USP 2030 members and partner countries, as well as social protection experts and practitioners to share policy experiences, learn from their peers, produce collective knowledge, and put forward recommendations for regional and local policy responses to the challenges of ageing in the developing world.

¹ UN DESA (2023), *Leaving No One Behind in An Ageing World*. https://www.un.org/development/desa/pd/sites/www.un.org.development.desa.pd/files/undes_a_pd_2023_wsr_fullreport.pdf

² Ibid.

³ OECD/ILO (2019), *Tackling Vulnerability in the Informal Economy*. <https://doi.org/10.1787/939b7bcd-en>.

⁴ UN DESA (2023).

Day 1: 07 DECEMBER 2023

Interpretation available in English and French

13:00-13:15

OPENING REMARKS

Ragnheidur Arnadottir, Director, OECD Development Centre

Shahra Razavi, Director of the Social Protection Department, ILO

Iffath Sharif, Global Director for Social Protection and Jobs, World Bank

13:15-14:45

SESSION 1: Lesson learnt from the expansion of social pensions

The expansion of social pensions in developing countries has yielded valuable lessons and insights for policymakers and stakeholders alike. As governments have recognised the importance of ensuring social protection for their ageing population, social pension programmes have emerged as effective tools to alleviate poverty, enhance well-being, and promote inclusive development for those with no occupational pension contributions. This expansion has not only provided financial support to vulnerable older individuals but has also generated a wealth of knowledge about the benefits and challenges associated with it. Better understanding the impacts of social pensions on poverty reduction and intergenerational dynamics and identifying best practices in social pension design and implementation in the context of large informality offer invaluable guidance for emerging and developing countries seeking to address the social and economic vulnerabilities of their elderly population.

Questions:

- How have extended social pensions affected old-age poverty and well-being at the national and regional levels?
- How have social pensions changed the intergenerational dynamics in the recipient household? How do adult children's consumption patterns and household poverty change when their parents start receiving social pensions?
- What are the key factors to enhance programme effectiveness and ensure proper targeting during the policy design and implementation stages?
- What are the possible options to ensure fiscal sustainability and financing mechanisms for extended social pensions?

Moderator:

Juan de Laiglesia, Senior Economist, OECD Development Centre

Speakers:

- **Mr Wallace Dias Freitas**, Project Manager, Brazil Ministry of Social Development and Assistance, Family and Fight Hunger (MDS)
- **Mr Andrew Kavala**, Executive Director, Malawi Network of Older Persons (MANEPO)
- **Mr Bacary Diabaté**, Director of Studies, Senegal Pension Fund

- **Mr Zulpkhar Sarkhad**, Deputy Minister for Labour and Social Protection, Mongolia

Discussants:

- **Ms Claudia Robles**, Social Development Division, United Nations Economic Commission for Latin America and the Caribbean
- **Ms Sylvia Szabo**, Portfolio Lead, Income Security, HelpAge

Open discussion

14:45-15:00 *Coffee break*

15:00-16:30 **SESSION 2: Extending contributory pensions to informal workers**

In emerging and developing economies, informal economic activity contributes to over two-thirds of employment and one-third of the output. Workers in the informal economy, such as street vendors, domestic workers, and self-employed individuals, have traditionally been legally or effectively excluded from contributory pension schemes due to the nature or status of their employment. However, recognising the importance of social protection for all, and the key role of contributory schemes in granting access to adequate benefits, policymakers and organisations worldwide are now considering various options to extend contributory pensions to informal workers. By doing so, they aim to address the pressing need for universal, inclusive and sustainable social security systems, ensuring that workers in the informal economy can enjoy a dignified and secure retirement, through a combination of contributory and tax-financed benefits. This paradigm shift seeks to promote economic resilience, reduce inequality, and enhance social well-being for a diverse workforce that plays an integral role in the economy while promoting its progressive transition to the formal economy.

Questions:

- What steps need to be taken to ensure the inclusion of informal workers within contributory pension systems?
- What are the design elements of the contributory pensions important for accommodating informal workers' irregular income, daily realities and employment patterns?
- What are the potential approaches to ensure the affordability and sustainability of the contributory system, in terms of funding mechanisms, contribution rates, and long-term financial viability?
- What policies and programmes can increase informal workers' engagement and awareness of contributory pensions?
- How can the extension of contributory pensions to workers in the informal economy promote their transition to the formal economy?

Moderator:

Mr Gustavo Demarco, Lead Economist, World Bank

Speakers:

- **Ms Adriana Scardino**, Economic and Actuarial Manager, Banco de Prevision Social, Uruguay

- **Mr Taib Bouhouche**, Director for Social Protection, Ministry of Health and Social Protection, Morocco
- **Ms Corina Ajder**, State Secretary, Ministry of Labour and Social Protection, Moldova
- **Ms Millicent Awiti**, Manager, National Social Security Fund, Kenya

Discussants:

- **Mr Helmut Schwarzer**, Head, Public Finance, Actuarial and Statistical Services / Social Protection Department, ILO
- **Ms Laura Alfars**, Director, Social Protection Programme, WIEGO

Open discussion

Day 2: 08 DECEMBER 2023

Interpretation available in English and French

13:15-14:45

SESSION 3: Addressing the gender inequalities in old age

Women, who constitute a significant portion of the informal workforce, face unique challenges in building and accessing income security in older age. The gender retirement income gap in the later stages of life stems from various factors, including earnings gaps, limited access to gender-sensitive social protection and care systems, financial services and decent work, including formal employment, during working life. Contributory pension systems that are not gender sensitive hold the potential to transfer these inequities into older age, whereas gender-sensitive pension design can ensure gender equality. The unequal distribution of caregiving and domestic work within a household further lowers women's opportunity to secure decent incomes in the long run. By promoting equal opportunities for decent work and access to gender-sensitive pension schemes, efforts are underway to create a more equitable and inclusive system that safeguards the well-being and dignity of women in their old age.

Questions:

- What policies and programmes can best address the large gender pension income gap of today and tomorrow?
- What can be done to ensure equal pay opportunities for men and women during working life?
- What is the impact of equal pay opportunities in the context of large informality?
- How should pension schemes be transformed to be more gender-sensitive, taking into account women's career interruptions due to caregiving responsibilities, part-time work, and lower lifetime earnings?

Moderator:

Mr Anders Gerdin, Programme Manager, Sida

Speakers:

- **Mr Gbenga Komolafe**, General Secretary, Federation of Informal Workers Organization of Nigeria

- **Ms Paulina Granados**, Head of Research, Pension Regulator Authority, Chile
- **Mr André Gama**, Social Protection Programme Manager, ILO Country Office for Vietnam

Discussants:

- **Ms Paula Nolan**, Policy Lead in Social Protection/Disability, Irish Aid
- **Ms Silke Staab**, Research Specialist, UN Women

Open discussion

14:45-15:00 *Coffee break*

15:00-16:30 **SESSION 4: Meeting the care and support needs of older persons and people with disability**

In developing countries, ensuring adequate access to long-term services and support for older persons and individuals with a disability poses significant challenges, particularly within the context of high informality in the labour market. The combination of limited social protection systems, inadequate healthcare infrastructure, lack of publicly funded community support services and a large informal labour market creates obstacles to providing comprehensive and sustainable care and support for vulnerable populations. Traditionally, intergenerational support within families has been the primary mechanism in developing countries. This implies a significant gendered impact in relation to unpaid care and support provided by family members, often women and girls. However, given the growing ageing population and the rising prevalence of poor health and disabilities, along with urbanisation and migration, it becomes imperative to address the unique needs and vulnerabilities of older persons and persons with disabilities through systematic interventions, with family and community support.

Questions:

- What should be the major components when developing inclusive long-term care and support systems in countries with high labour market informality, which would both address the care and support gaps and the gender inequalities in care work?
- In what direction should policymakers invest in healthcare and social services infrastructure to provide quality long-term services and support for all, including informal workers?
- How can policies best support existing community networks and resources to promote community-based care for all?
- What are the options to develop sustainable financing mechanisms to ensure the viability of long-term services and support in the long run? What measures should be put in place to optimise resource allocation and maintain financial sustainability?

Moderator:

Mr Alexandre Côte, Disability & Social Protection Specialist, UNICEF

Speakers:

- **Ms Tamila Barkalaia**, Deputy Minister of Labour, Health and Social Affairs, Georgia
- **Mr Anderson Henao**, Manager for the Inclusion of Persons with Disabilities, Vice-Presidency of the Colombian Republic
- **Ms Nantanoot Suwannawut**, Director General, Department for Empowerment of Persons with Disabilities, Thailand

Discussants:

- **Mr Andrei Tretyak**, Senior social protection specialist, World Bank
- **Ms Meredith Wyse**, Senior Social Development Specialist (Aging and Care), ADB

Open discussion

16:15-16:30

CONCLUSION, NEXT STEPS

Alexandre Kolev, Head of Social Cohesion Unit, OECD DEV

Contacts

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