



WORLD BANK GROUP
Social Protection & Jobs

Supporting Aging with Social Protection programs

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MENARAH/IAGG Regional Symposium

EMPOWERING FUTURES: Shaping a Dignified Long-Term Care Ecosystem for Healthy Ageing and Well-being of Carers and Older Persons in the MENA

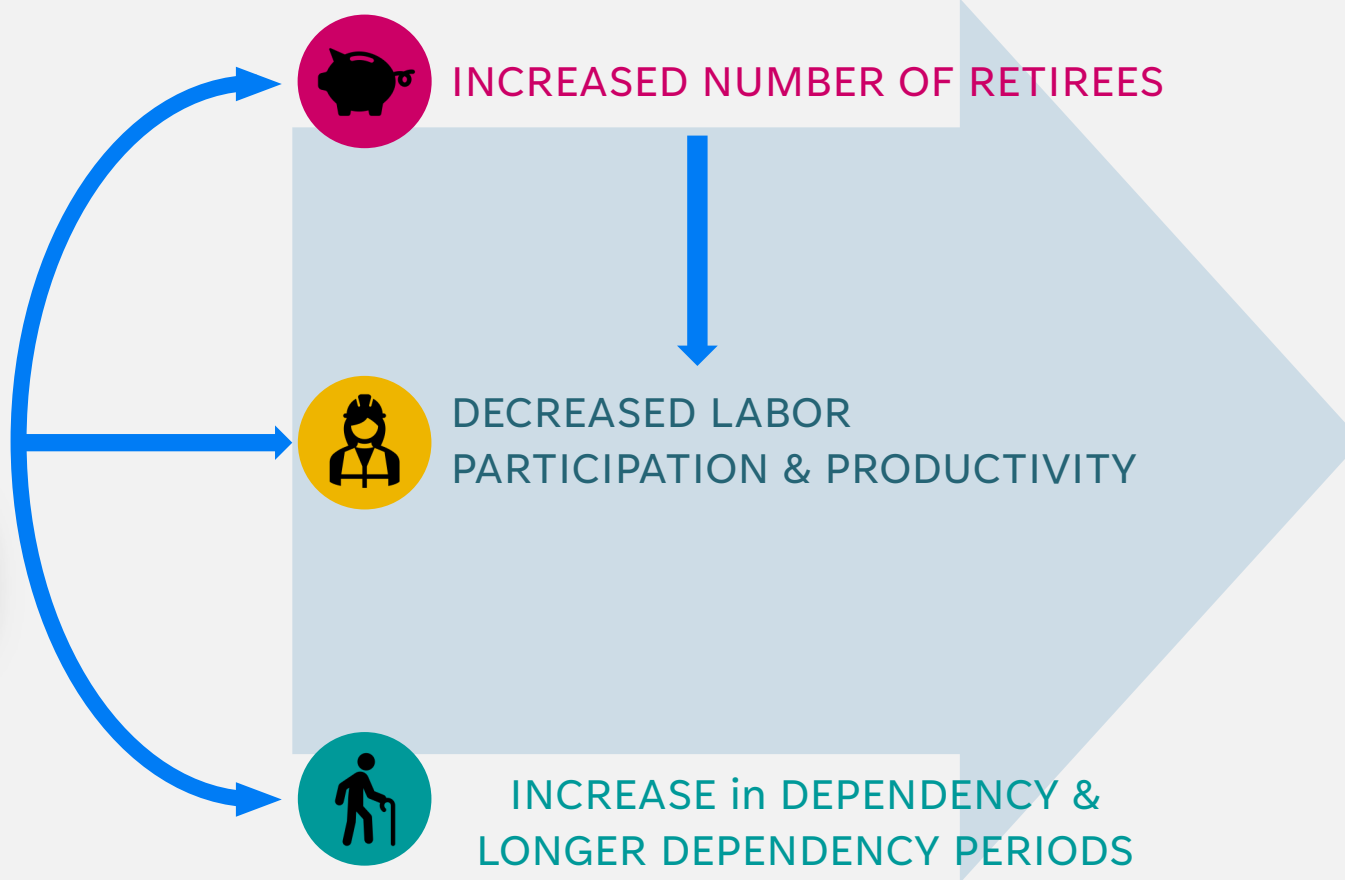
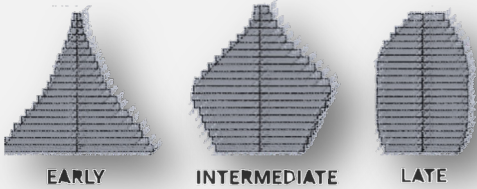
American University in Cairo, April 29, 2024

Why an aging agenda for Social Protection?

- **The world population is aging faster than ever before**
- **An increase in the population eligible for pensions (coverage), is an important component, although not the sole factor.**
- **All else equal, aging will also decrease labor participation and productivity and increase dependency, including needs for long-term care and disability support.**
- **The combined dynamics will increase the demand for social and health care services, exacerbate gender and inter-generational inequalities, create public financing pressures, and lower economic growth.**
- **International labor mobility can address demographic aging by expanding the workforce and bolstering social security, while also alleviating labor shortages in the care sector**
- **Challenges are multiple and strongly linked to each other. The agenda has to be cross-sectorial.**

Why an aging agenda? The challenges

POPULATION
AGING: increase
of older age
groups

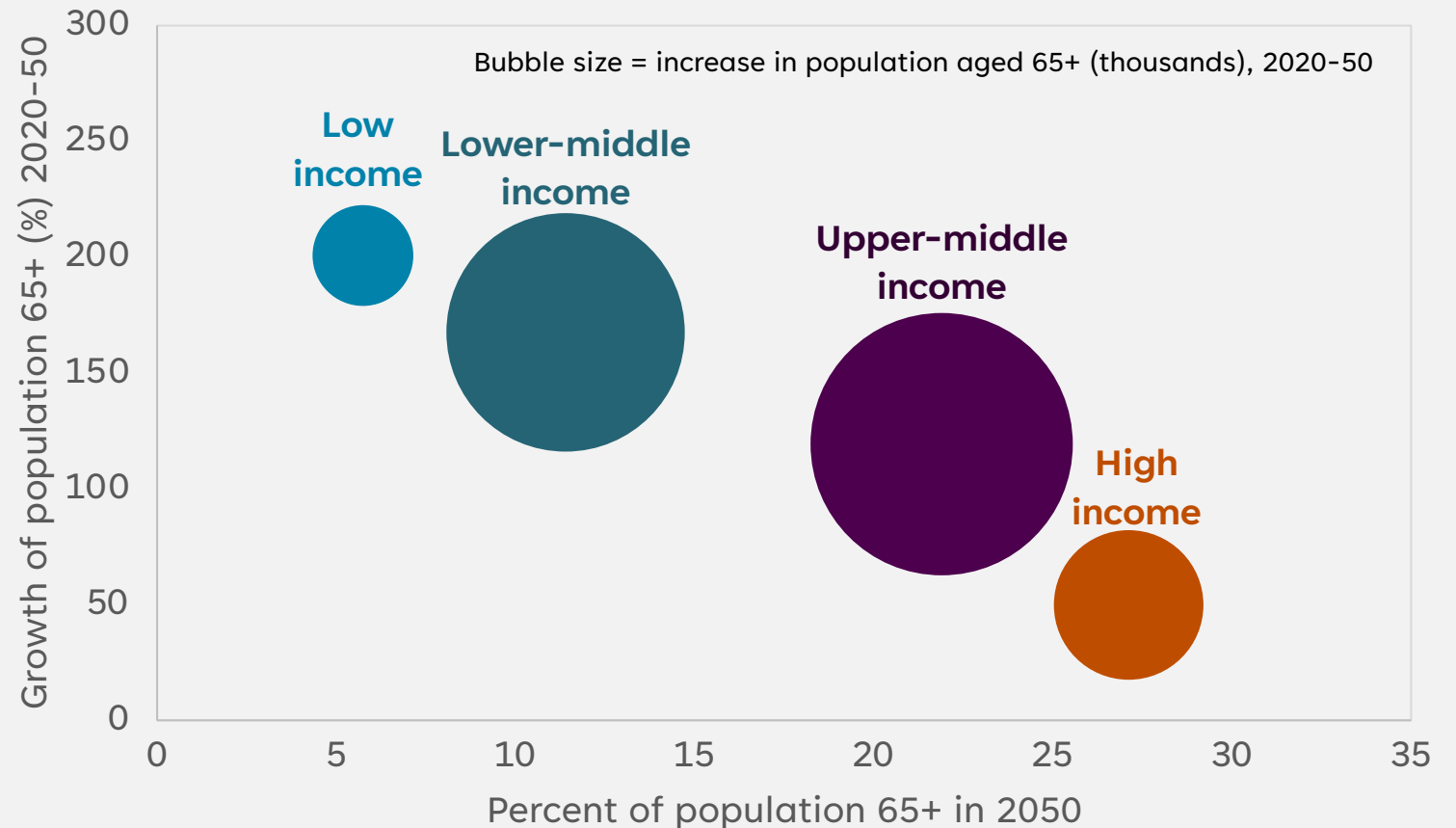


- HIGHER DEMAND FOR SOCIAL AND HEALTH CARE SERVICES
- EXACERBATED GENDER AND INTER-GENERATIONAL INEQUALITIES
- PUBLIC FINANCING PREASSURES
- LOWER ECONOMIC GROWTH

Aging present and future, by income level

- Between 2022 and 2050, the 65 and over population in **low- and middle-income countries (LMICs)** will grow over 2.5 times faster than in high-income countries.
- By 2050, 77% of people aged 65 and over will live in **LMICs**.

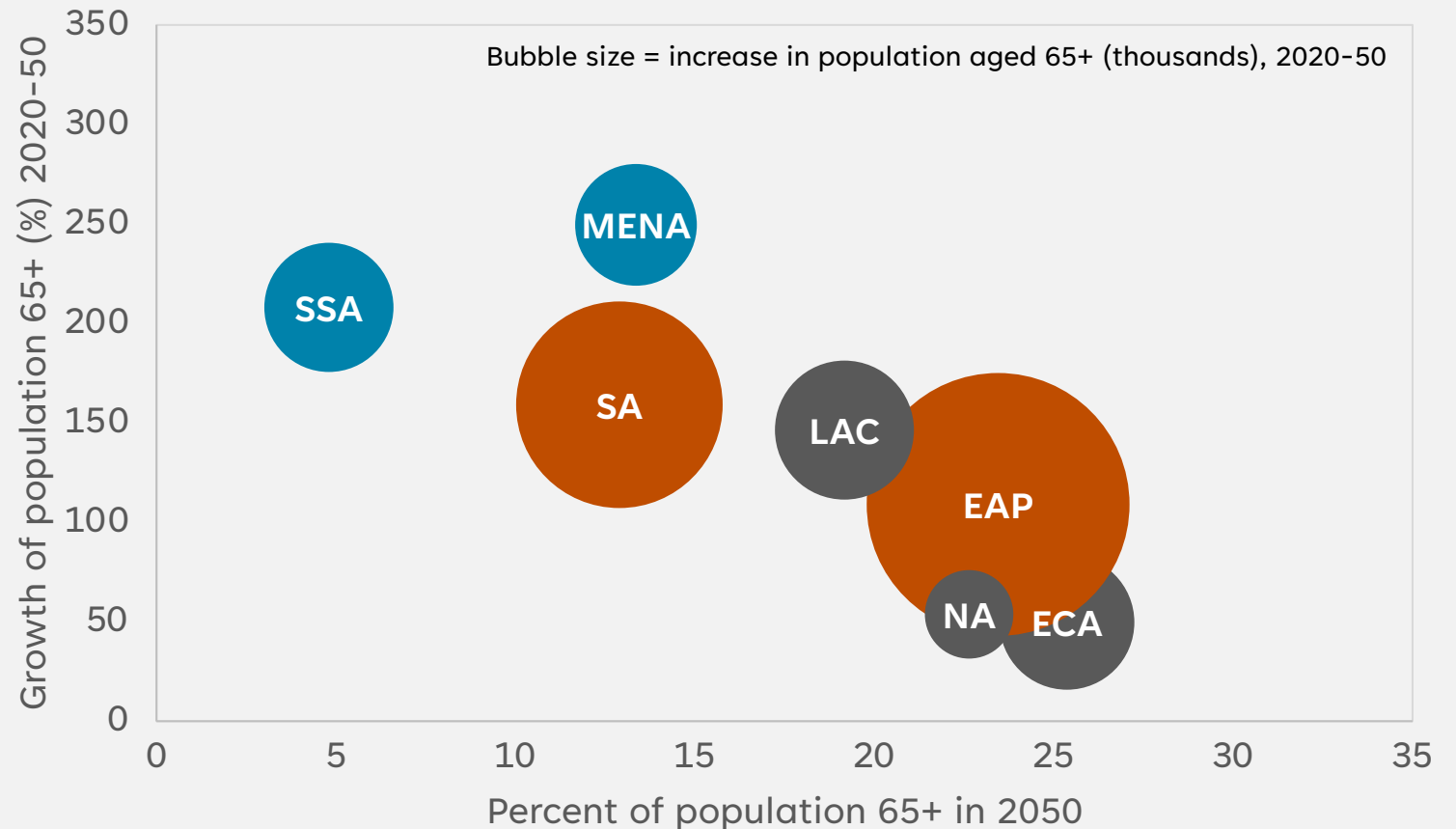
Aging across the world, by income



Aging present and future, by region

- **Mena and Sub-Saharan African** countries will experience the fastest growth.
- **Asian countries (SA and EAP)** will contribute to over 70% of the global increase of the older population.

Aging across the world, by region



Main Building Blocks of an aging agenda



Prevent Old Age Poverty and Support Predictable Income

- Pension systems equity, affordability, sustainability
- Coverage expansion and adequacy improvements.



Longer working lives

- Retraining of older workers
- Compatible incentives and regulation



Long-term care and Disability

- Access, Quality and Affordability of Services for advanced age
- Sustainability of Financing
- Support for Family Care



Migration

- Optimize Labor Mobility to mitigate demographic imbalances and deficits in fiscal systems, focusing on the care economy
- Address social protection and integration challenges

Pillar I: Adapting social insurance programs



The paradigm change **may imply a greater space** for:

- ❖ Flexible retirement
- ❖ Savings schemes
- ❖ Broad-based (targeted) non-contributory minimum benefit
- ❖ Use of technology for service delivery

The paradigm shift **may imply a greater need** for:

- ❖ Coordination with current social assistance programs
- ❖ IT platforms
- ❖ Lifelong education



Combining non-contributory and income-related pensions

Non-contributory pensions:

To extend significantly pension coverage among the poorer. Pension systems will need to include a **combination of tax-financed basic or minimum pensions, with**

Income-related benefits:

Under the form of **retirement savings or tightly income-related defined-benefit (DB) plan** (to ensure income replacement)

Basic pensions:

Redistribute public resources with the sole objective of preventing poverty among the elderly

Income replacement (consumption smoothing):

Not the objective of subsidized non-contributory pensions. This can be achieved through **different mechanisms of contributory schemes**

Pillar II: Longer working lives

Extended working careers are a natural consequence of population aging: living longer, working longer

There is a **negative perception about extending working lives**. This is partly due to:

- **Preference for leisure** after several years of active service
- Employers' **preference for younger workers**
- **Fear of loss of work** due to diminished skills
- **Lack of policies** to retain older workers and adapt their work to their comparative advantage and skills

Actions are needed to change the negative perceptions with a **focus on the potential gains of extending careers**:

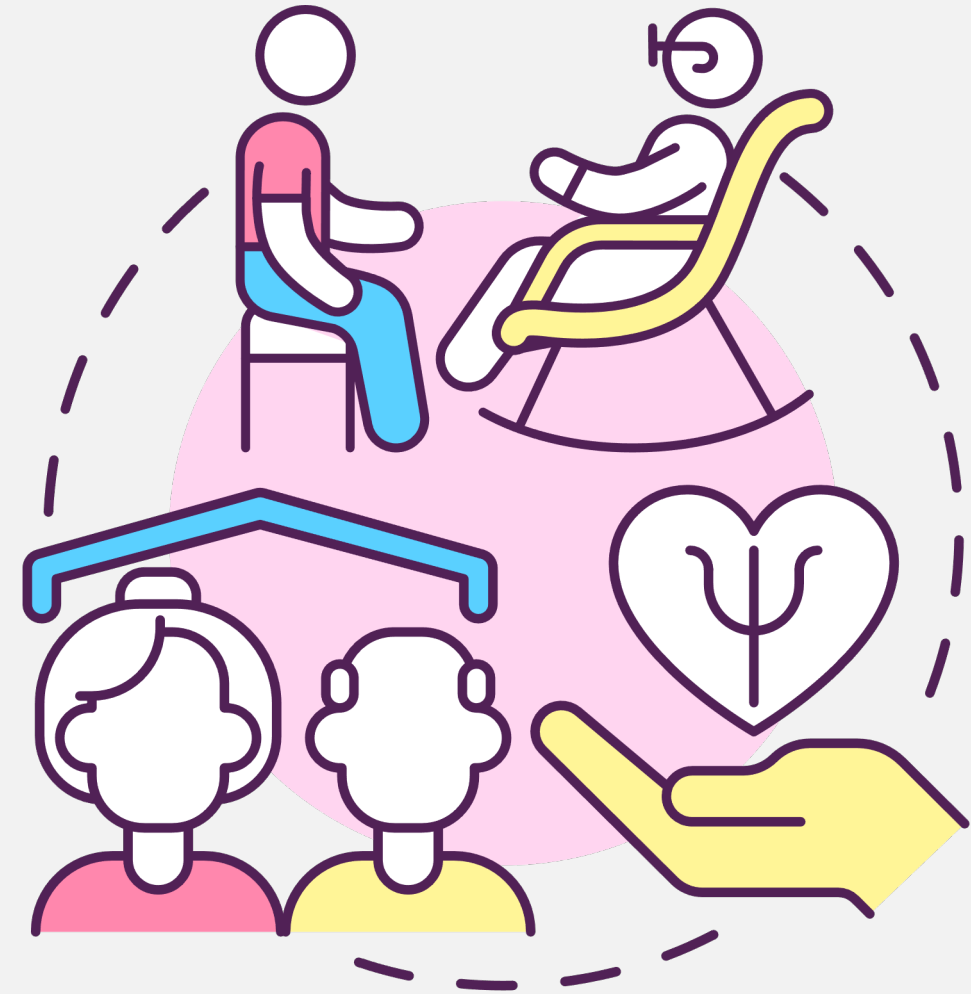
Improved **quality of life for retirees**, as a result of the increase in their monthly income

Increased **purchasing power and reduced poverty rates** among the low-income groups

Retention of valuable competencies and experiences, as older workers share a wealth of accumulated experiences and skills sets.

Pillar III: Long-term care and rehabilitation

- Quality improvement of service delivery will not change overnight, but **guidelines prepared by institutions in the context of the COVID-19 crisis** (such as the USA Centers for Disease Control and Prevention (CDC), HelpAge, World Health Organization (WHO), and other public or private agencies) **provide a framework to improve the quality of response** in elderly homes and rehabilitation centers
- In the case of rehabilitation services for persons with disabilities, **preparedness is critical to prevent disruptions** in essential treatments for many beneficiaries of disability programs
- Examples of COVID-19 preparedness plans include social distancing, staff training, investments in infrastructure and equipment, and awareness
- With different modalities, such plans were adopted in Australia, Canada, France, Germany, China, and other countries



Long-Term Care

Long-term care: institutional vs home-based

The COVID crisis showed the limitations of institutional long term care

Family and community based care will continue to be predominant for cultural reasons (notably in MENA and LAC), but public policies and private sector interventions can support caregivers

Home-based care should not prevent continuous increase in female labor force participation

Some possible **interventions include professional support, skills building and subsidies**

A space for migrant workers: develop skills, support transition, reform regulations, provide better protection to migrants

Capacity Building offered by the World Bank



Pensions and Aging Core Course

Global and Regional Modules – 1 week training complemented with E-learning (September 2024)



E-learning on Basic Pensions

5 module course in preparation. Targeted to staff and clients with little or no knowledge of pensions



Seminars

Aging Seminars (continuation of 2023 series)
SP Seminar Series
External Guest Experts seminars



Pension Modeling trainings (PROST)



Migration Core Course

Challenges: What needs to be done?

Pensions

- Difficult political economy environment in general
- Regions with advanced aging face sustainability challenges, while younger regions need to improve coverage and adequacy
- Use of new technologies to increase coverage and reduce costs (e.g. mobile money, micro-savings, etc.)

Aging and Care

- The agenda is still growing; faster in ECA, EAP, LAC and MENA; slowly in other regions
- Few “experts” ; need to raise awareness and build capacity

Longer working lives

- Overall, expand the agenda
- Promote the focus of lifelong learning to support the latest phases of careers
- Better understanding motivations behind behavioral response

Migration

- The intersection between migration policies and workers protection. The GE teams will continue to work on knowledge products and tools around the provision of SI benefits (short and long term) to migrants.
- Fear of workers “brain drain” limits ability to work with governments to increase legal pathways; continue to highlight the benefits of migration and promote programs that link migration with skills training in a way that is mutually beneficial
- Ensuring worker protections for migrants; continue to create knowledge products and tools around provision of SI benefits
- More work need to be done on the portability of social insurance benefits