

# Economic Inclusion in an Aging world

Framing presentation



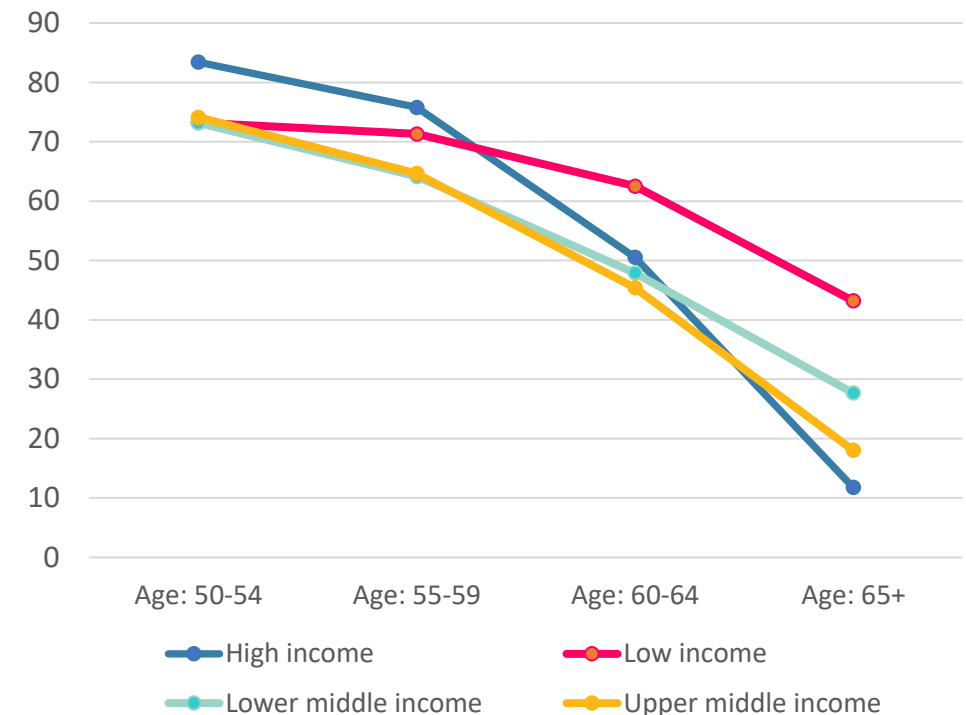
Photo: World Bank /Andrea Borgarello

# Amidst rapid global aging, policy discussions highlight the fiscal challenges but ignore the economic/social contributions, needs, and aspirations of older adults

- **The world has more older adults, and their share will continue to grow**
  - Globally, more people over 65 than those under 5
  - Global Fertility rates are reaching replacement rates this decade
- **Many of them are vulnerable, and more are likely to need support**
  - More than 2/3<sup>rd</sup> of people 65 and over are living in LMICs
  - Changing societal structures mean more elderly are likely to be alone.
  - Limited social security coverage means that aging can exacerbate inequality, particularly for women
- **Significant shares of older adults continue to work, particularly in lower-income countries.**
  - Reason to continue working in old age is necessary for many and a choice for others.
- **Non-market economic contributions of older people are not captured in standard economic measures** (estimated at 7.3% of GDP in the US and EU)

**How can policies support healthy and productive longevity? How do we make this an inclusive conversation for all age groups?**

Labor force participation rate (by age, region), as of 2020

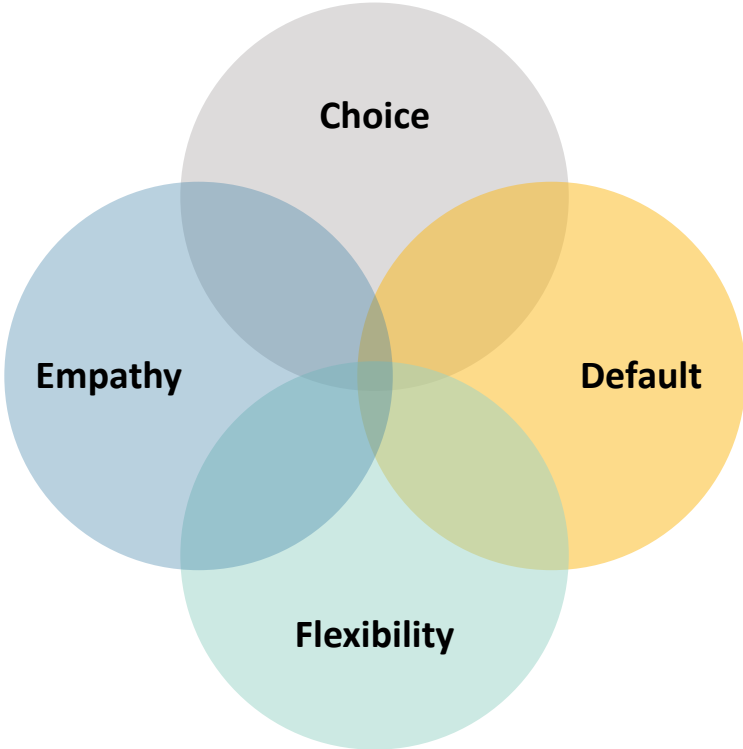


Source: [ILOSTAT](#)

# Policies designed to improve human capital outcomes across the lifecycle (including at later stages of life) can benefit from four guiding principles (C-D-E-F)

**Empathy** aimed at promoting autonomy, dignity, equal access for older people, and valuing their social and economic contributions

**Flexibility** in policies, programs, and markets so they can adapt smoothly over time and accommodate diversity among older people and across the life course.



**Choice** through policies and practices that maximize individual agency.

**Defaults** that protect those who fail to exercise choice and encourage socially desirable outcomes.

# Moving the needle on this agenda by expanding the focus of EI programs to include older people: Key questions

In a world where people live longer, what economic inclusion approaches can promote inclusive growth outcomes for all, particularly older adults? Key questions include:

- **Program design:** What does a package of 'cash-plus' interventions for older adults include, and how to prioritize them?
  - What are some **scalable** design options (OPA, Cash-plus programs) to deliver these interventions?
  - How can these programs be made **inclusive** (gender, age, rural/urban) at the design stage?
  - How can government institutions and the community work together to improve **sustainability**?
- **Program targeting:** Should these programs target old people as beneficiaries, or can they cover services for older people (direct beneficiaries being younger generations)? Who are the old?
- **Low-hanging fruits:** How can existing programs and delivery systems be reimaged to include support for older adults (65 plus) and the young-old (50-64)?
- **Impact:** How can research strengthen these programs' economic and social arguments?

# Expanding the focus of Economic Inclusion approaches in an Aging World: Unlocking new opportunities

## Targeting old people as beneficiaries

- In **social pension programs**, can opportunities be explored in **cash-plus** to leverage older people's productivity, better health outcomes, and social engagement?
- Under **digital and financial inclusion**, do we assume older people are in the "too-hard basket" to realize the benefits of such inclusion?
- Can lessons from **community-based approaches** for specific categories (like youth and women) benefit program design for older people?
- We focus on **human-centered design** in delivery systems and adaptive social protection but do the "humans" include older people as users?

## Services for older people (direct beneficiaries could be youth/young-old/women)

- In **public works programs**, can aged/home-based care be included in the expanded public works menu (e.g., in South Africa)?
- Are there **intergenerational linkages** across different age groups (young-old helping old, old mentoring youth, old helping with childcare responsibilities)?