

# **Social Inclusion and Older People: An Economist's Perspective**

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**11 February 2011**

# Introduction: intergenerational solidarity

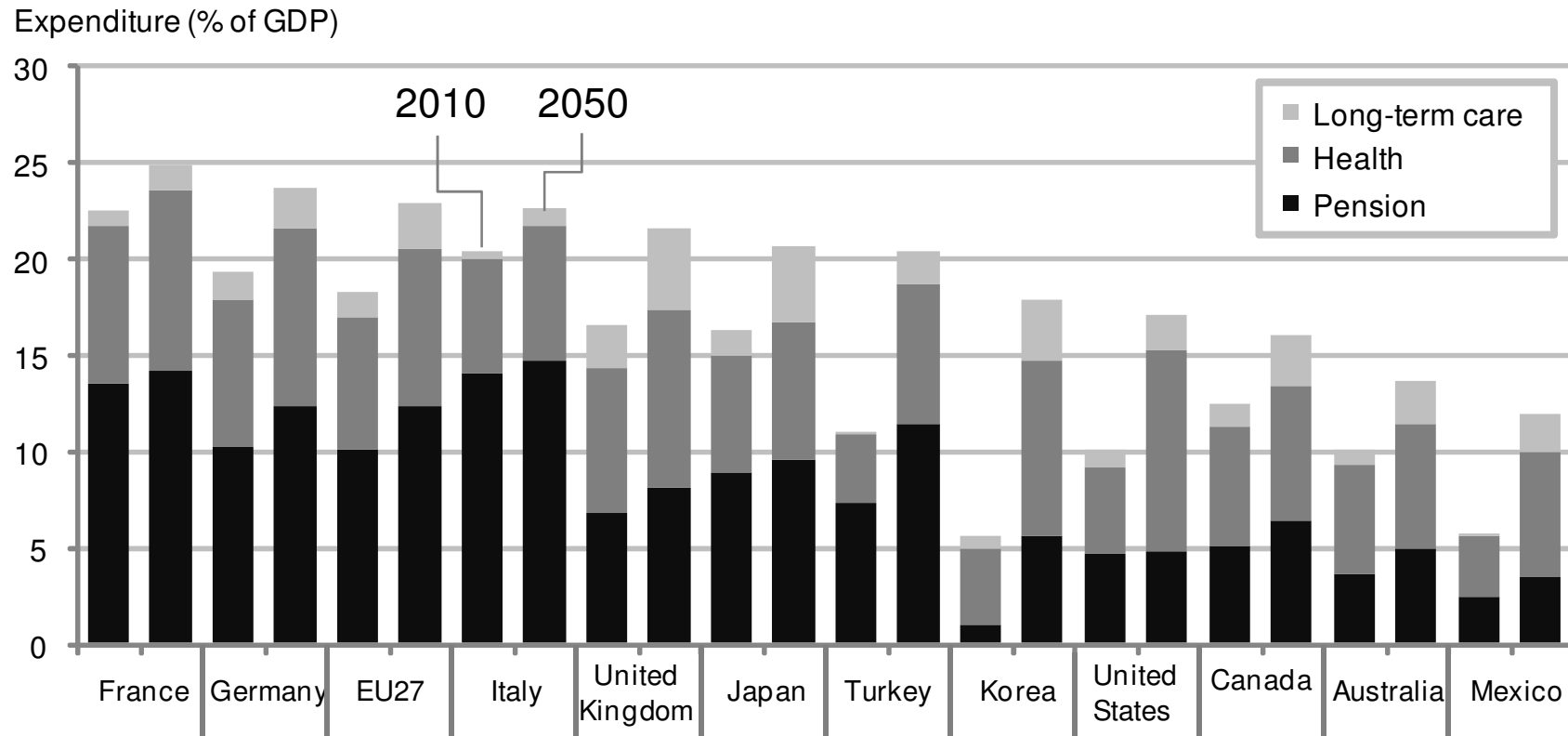
- Resource flows between generations
  - Environment, education (forward)
  - Public pensions, aged care (back)
- Intergenerational solidarity as a conduit for exchange
- Resources and needs differ across lifecycle
  - ➔ Exchange can be mutually beneficial
- What institutions can be used to support such exchanges?
  - Government
  - Family
- Social inclusion as opportunity for participation

# Intergenerational solidarity and social change

- Intergenerational solidarity under threat
  - Two way exchange of time and money works best with demographic balance
  - Increased labour force participation of women
  - Smaller families – less flexibility
  - More complex relationships – divorce, remarriage, lone parenthood
- Two purposes
  - Provide some background on international projections of intergenerational transfers
  - Summarise some survey information about intergenerational solidarity

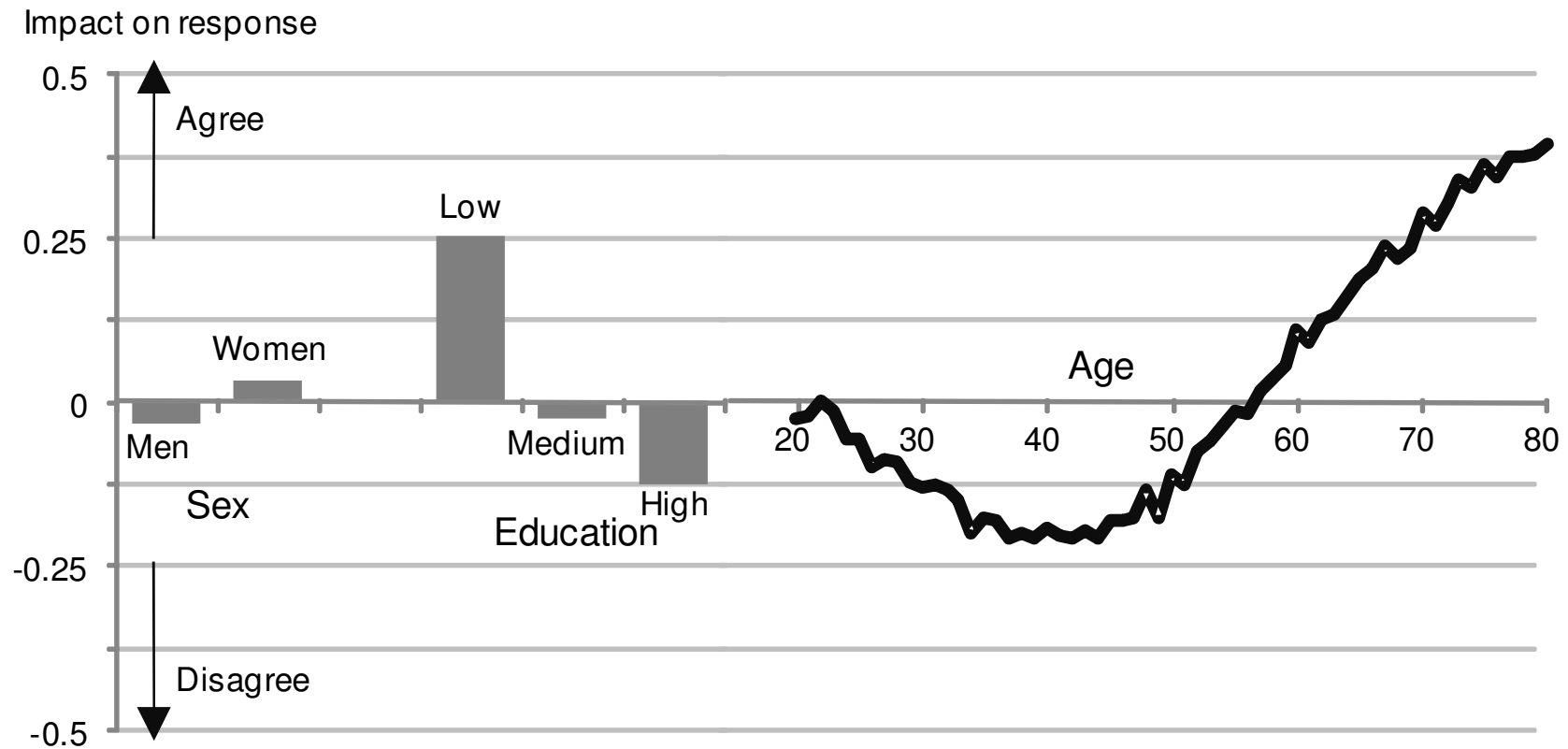
# Fiscal costs of ageing populations

## Projected public expenditures: pension, health and long-term care, 2010 and 2050, percent of GDP

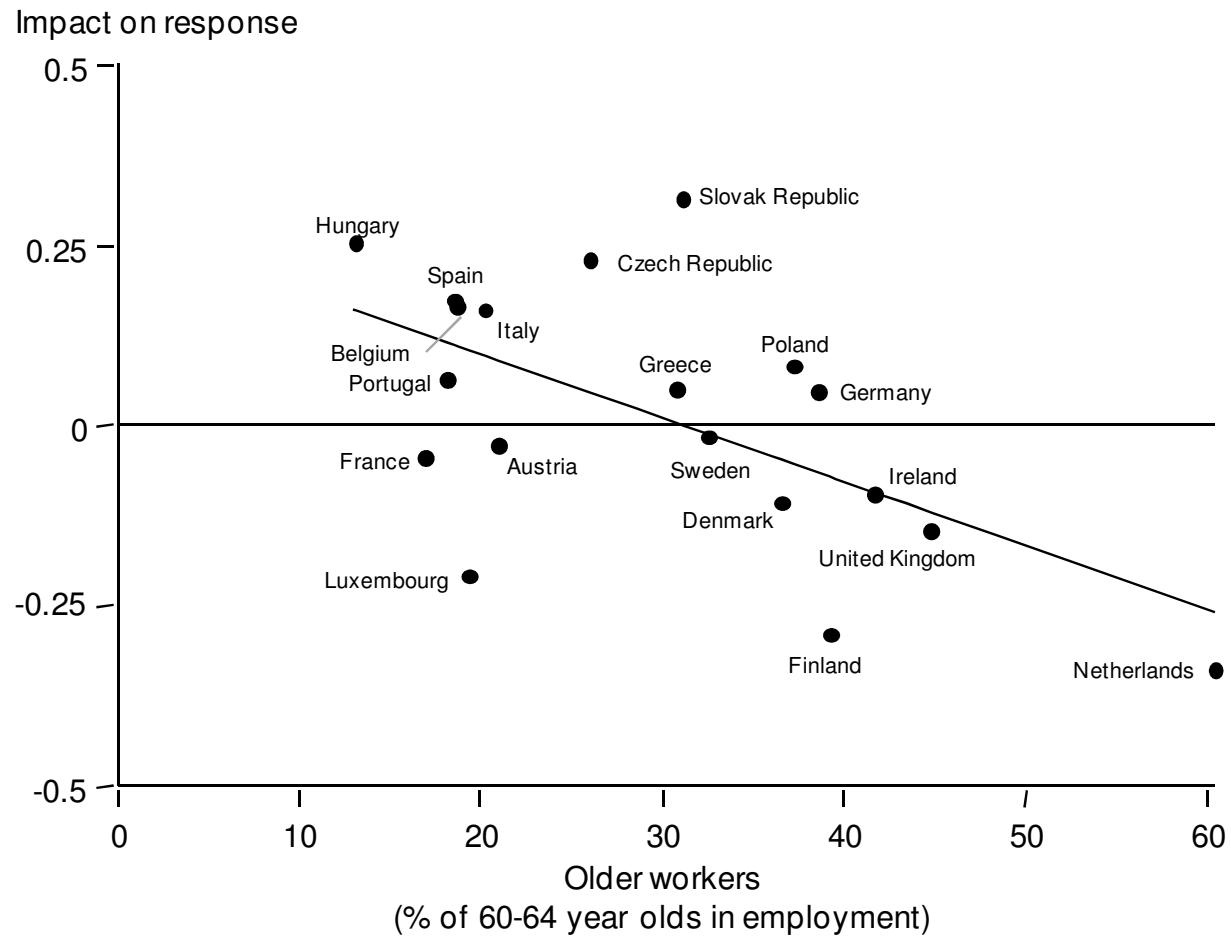


Source: OECD (2011), Pensions at a Glance: Retirement-Income Systems in OECD and G-20 Countries; OECD (2011), Help Wanted? Providing and Paying Long-Term Care; European Commission (2009). "The 2009 Ageing Report: Economic and Budgetary Projections for the EU 27 Member States (2008-2060) European Economy, No. 2/2009, Brussels; International Monetary Fund (2009), "Fiscal Implications of the Global Economic and Financial Crisis", Staff Position Note No. 09/13, Washington, D.C.; Standard & Poor's (2010), "Global Aging 2010: An Irreversible Truth".

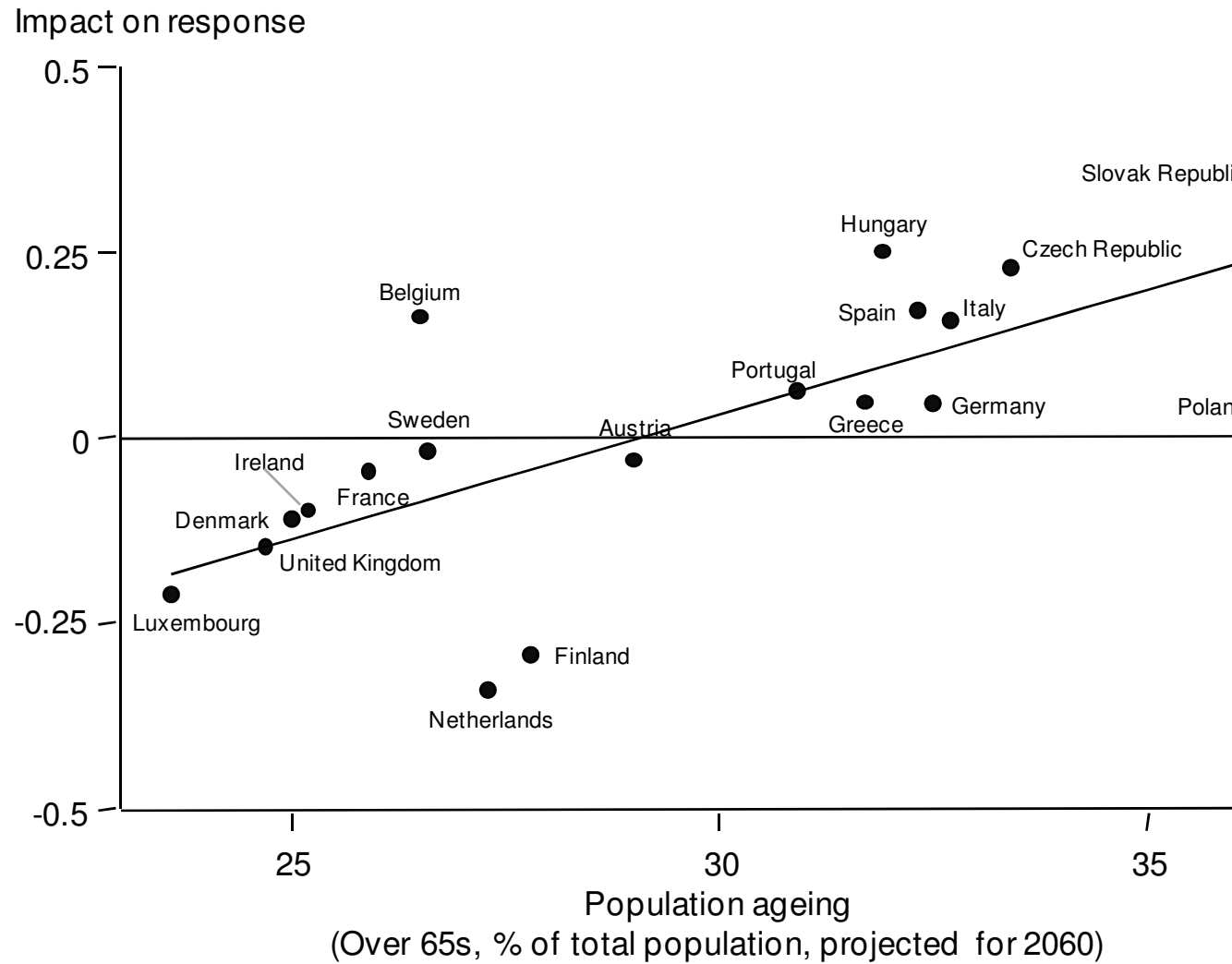
# Are older people a burden on society?



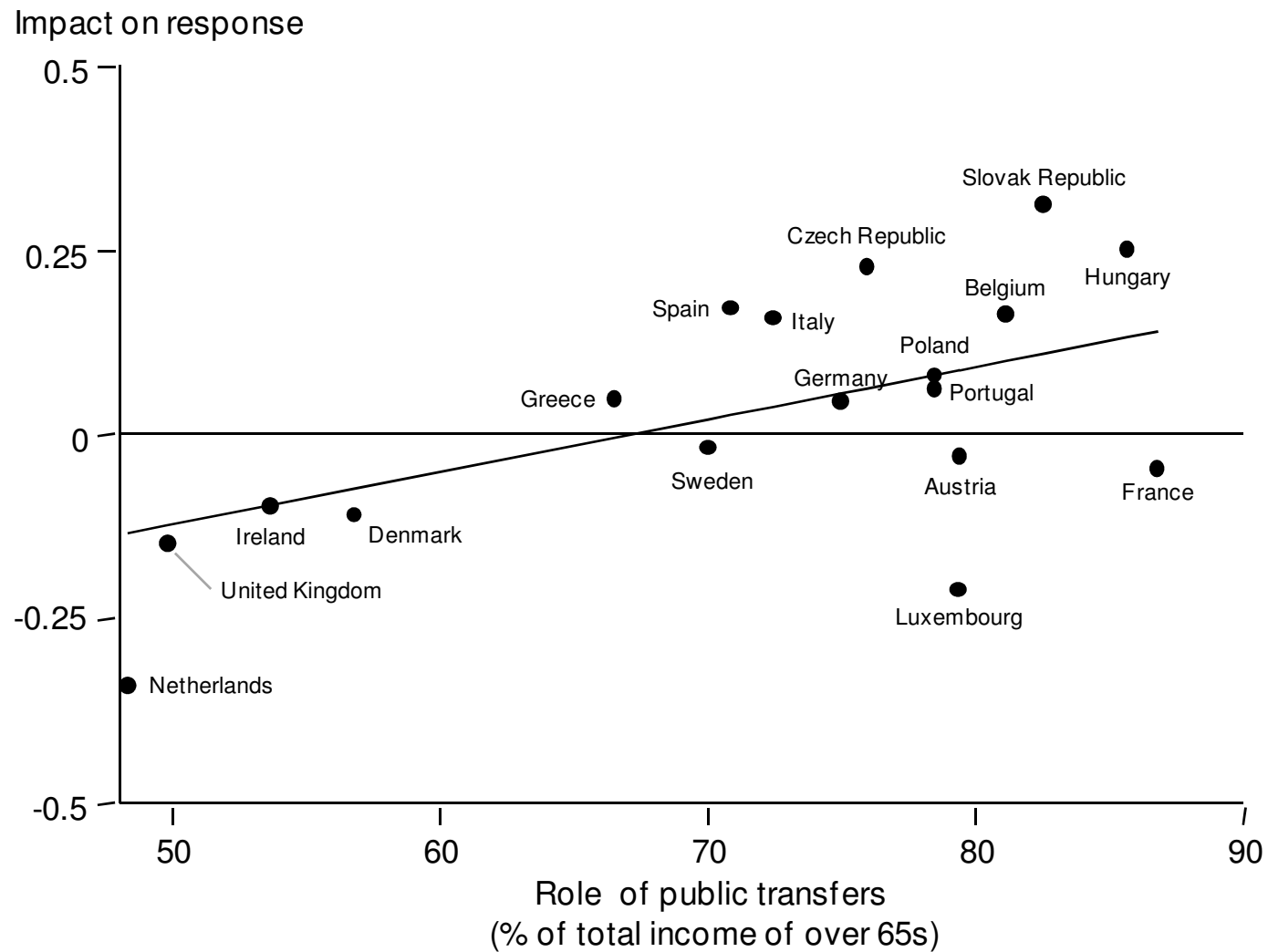
# ?: Older workers in employment



# ?: Demographic ageing

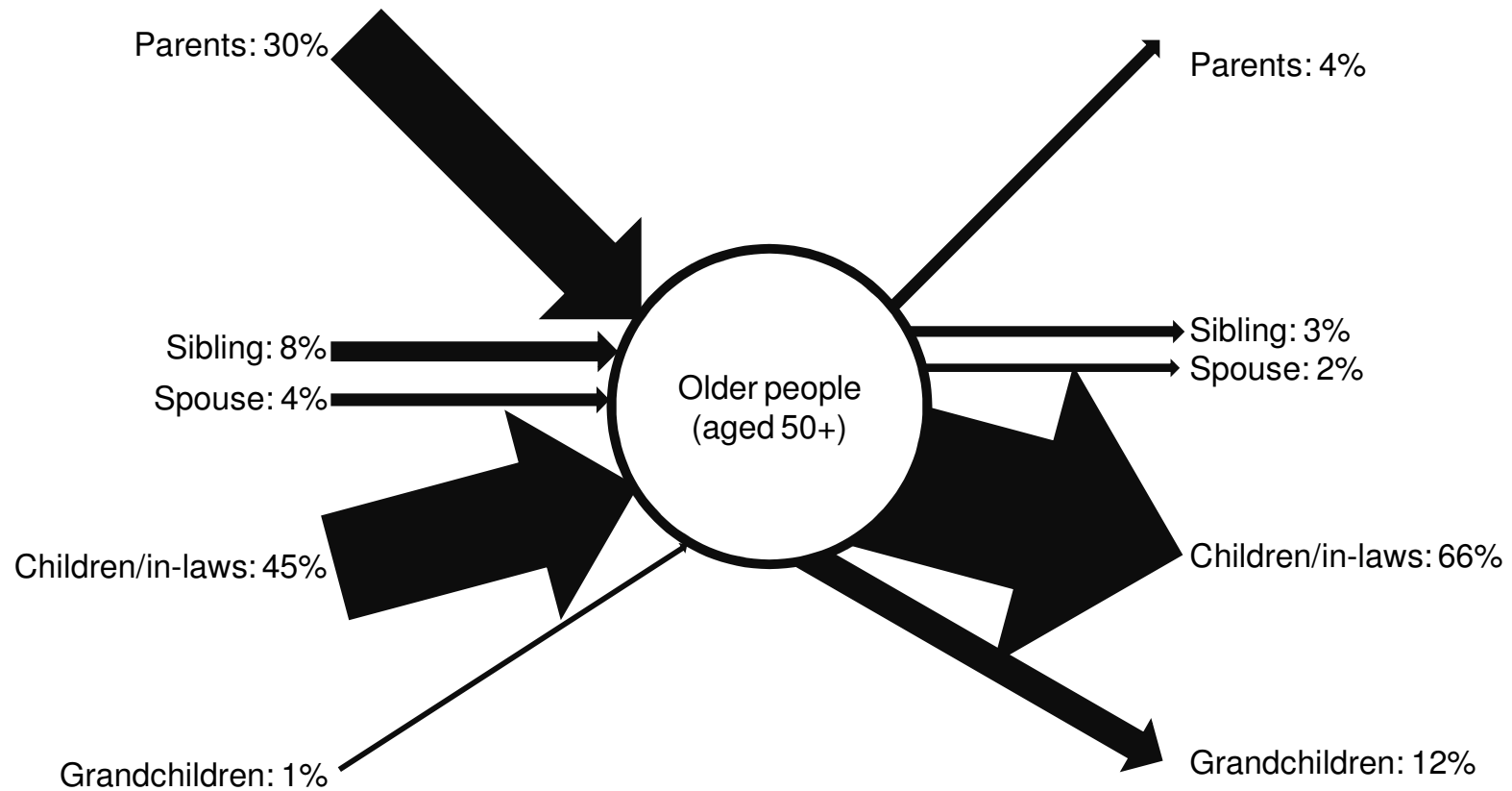


# ?: Role of public transfers to the elderly

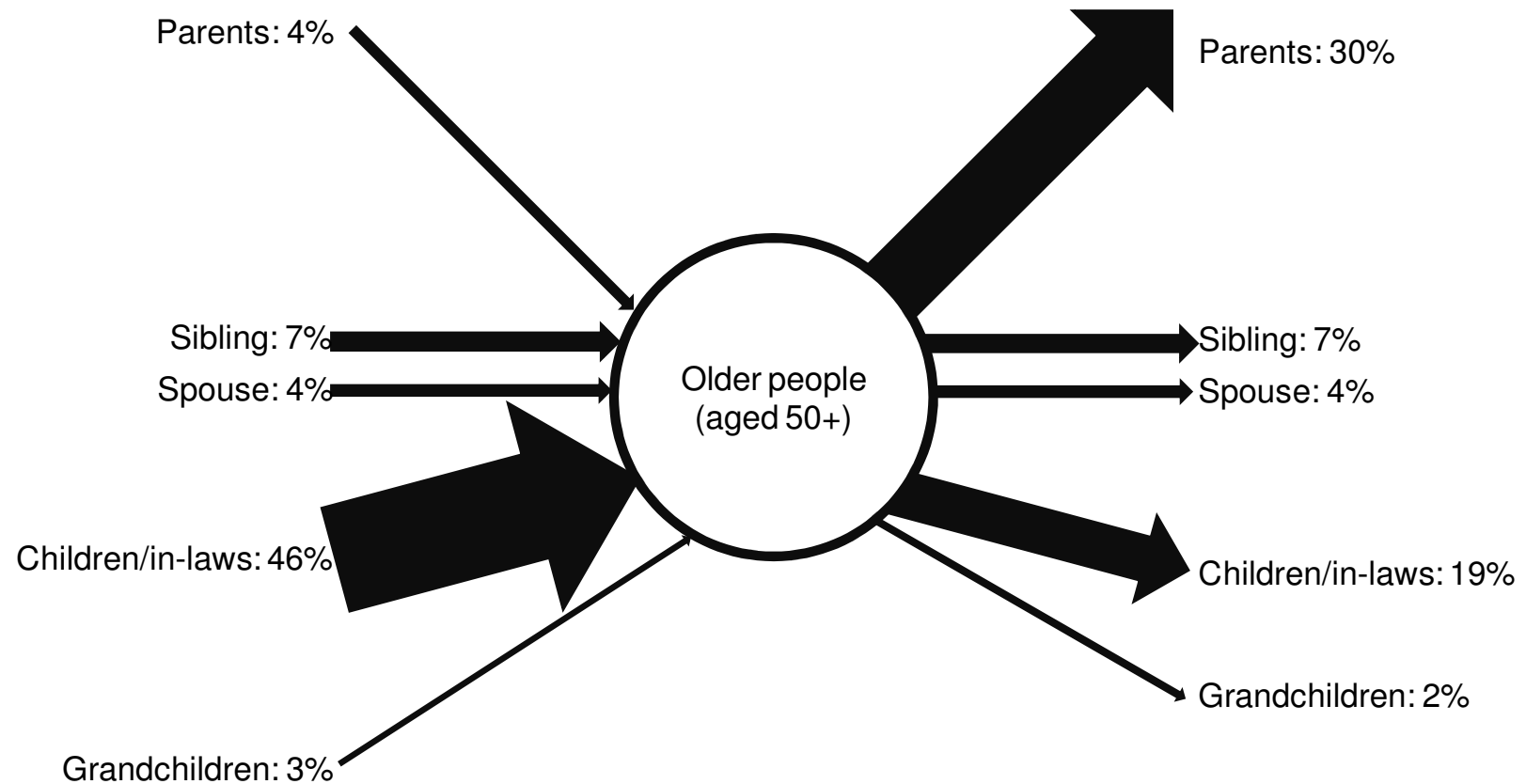




# Transfers of money



# Transfers of time



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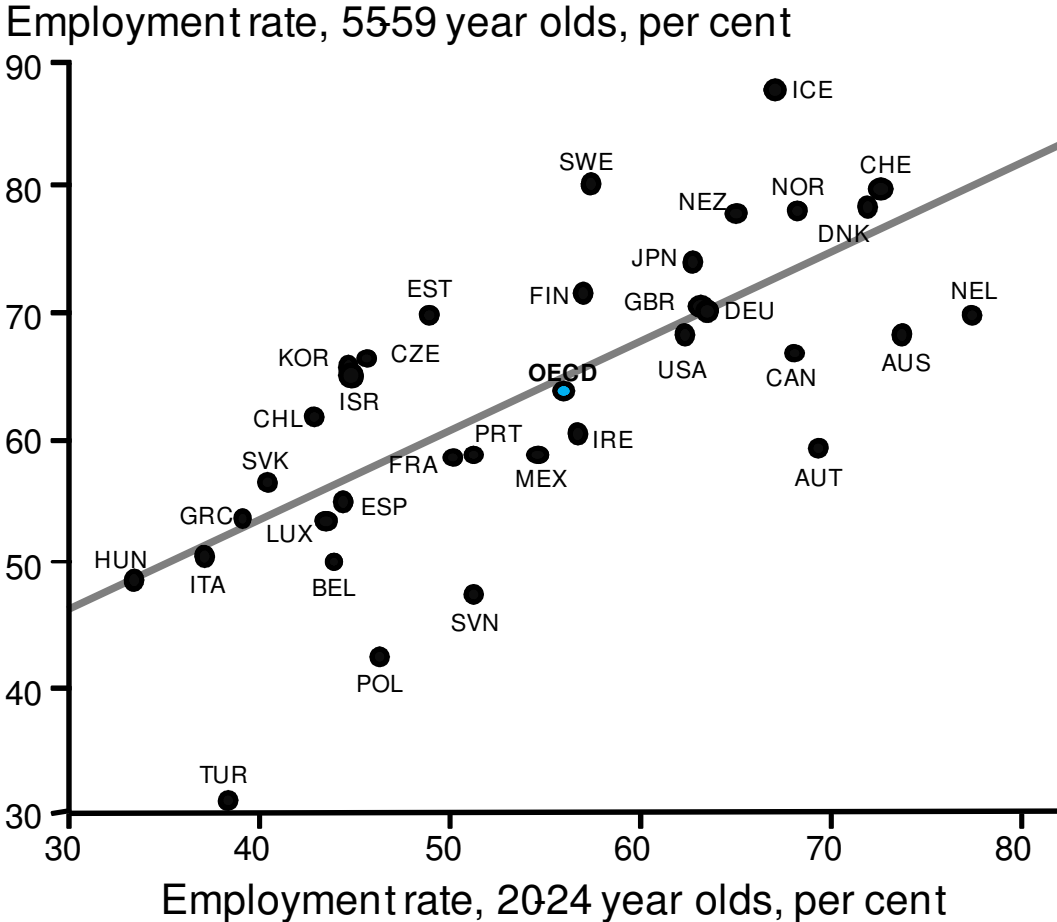
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Thank you

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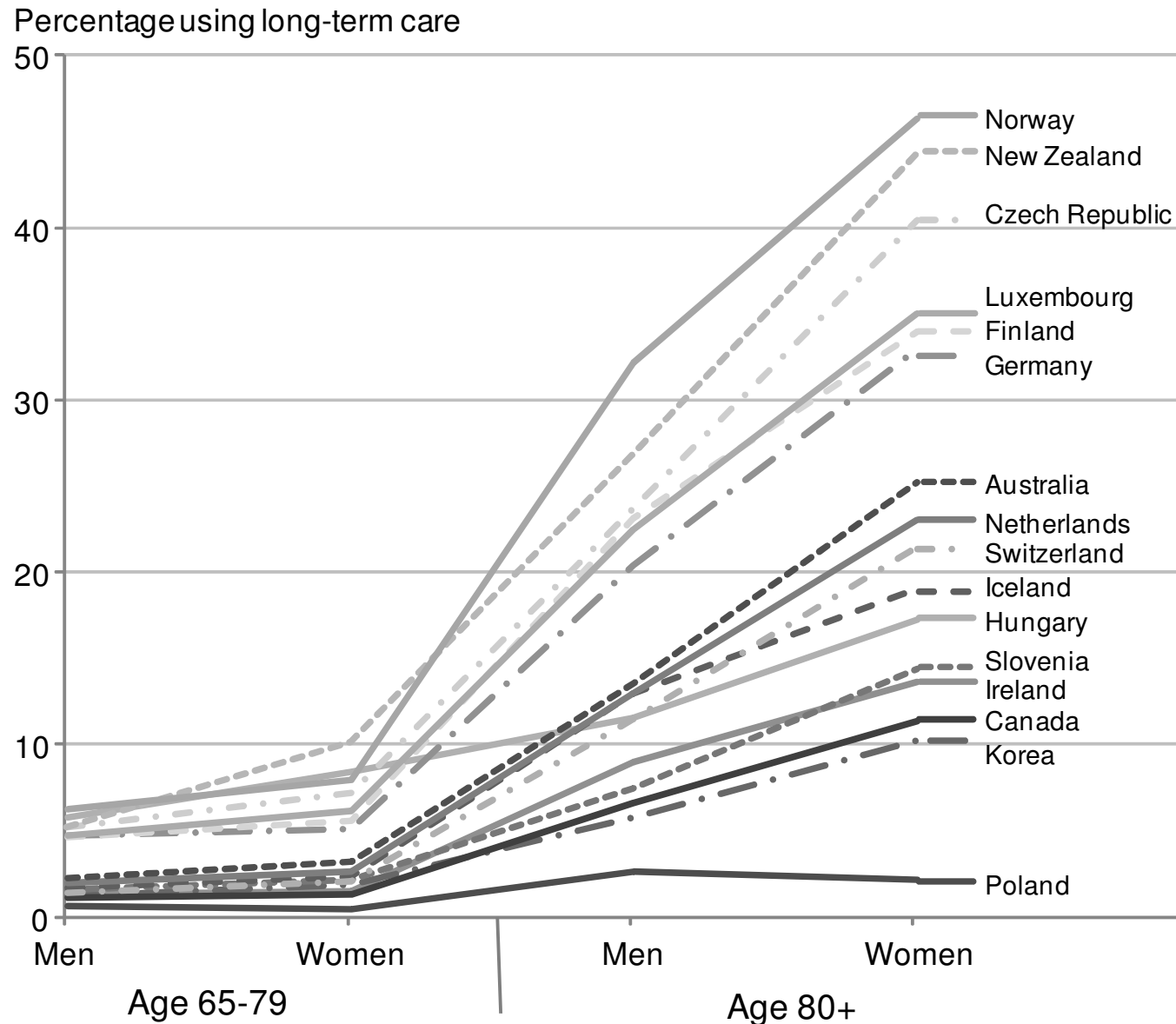
# Employment rates: younger and older workers

Percent of 55-59 year olds and 20-24 year olds in employment, 2009



Source: OECD (2011), "Helping older workers find and retain jobs", Chapter 4 in Pensions at a Glance 2011: Retirement-Income Systems in OECD and G-20 Countries.

# Usage of long-term care by age and sex



Source: OECD (2011), Help Wanted? Providing and Paying for Long-Term Care.