

OECD Activities Relevant to Work Programme of UNECE's Working Group on Ageing

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Five key activities

1. Analytical report on **Women and Pensions**
2. Developing OECD/ World Bank **Pensions Database**
3. 'Making Reforms Happen': **Political Economy** of Pension Reforms
4. Analysis of impact of **financial crisis on pensions**
5. **Pensions at a Glance** 2009, with a focus on old age poverty



Women and Pension report

1

- ✓ A five part report is to be produced:
 - PART I: Societal and economic changes
 - PART II: Economic well-being of older people
 - PART III: Pension policy and its impact on women
 - PART IV: Pension eligibility age and life expectancy
 - PART V: Impact of pension reforms
- ✓ Work will begin in 2009; report to be launched during 2010



- a) Policy Briefs with good practice examples
- b) Indicators of achievement



OECD / World Bank Database

2

- ✓ Indicators of pension-system outcomes and performance
 - Coverage of the pension system, both mandatory and compulsory
 - Adequacy of retirement benefits
 - Security of benefits in the face of different risks (ill health / care)
 - Financial sustainability and affordability of pensions
 - Administrative efficiency
 - Economic efficiency
 - Financial performance



- b) Monitoring RIS/MIPAA, including work on indicators of achievements



Making reforms happen

3

- ✓ A horizontal project, covering two strands of work:
 - Analytical: Analysing factors underlying successful reforms
 - Action: Providing direct support in their reform efforts
- ✓ Analytical chapter “Selling pension reforms: Why do some countries do better than others?”



- a) Policy Briefs with good practice examples
- c) Capacity development



Impact of financial crisis on pensions

4

- ✓ A paper covering the following aspects:
 - Which countries are affected?
 - Who is affected?
 - What not to do?
 - What to do?



- a) Policy Briefs with good practice examples



Pensions at a Glance

3

- ✓ Third report during 2009, after 2005 and 2007, covering:
 - Mortality differentials and their impact
 - Old age poverty and good pension policy practices
- ✓ Pension system indicators



- a) Policy Briefs with good practice examples
- b) Indicators of achievement
- c) Capacity development



5

Pensions at a Glance 2009



- a) Policy Briefs with good practice examples
- b) Monitoring RIS/MIPAA, including work on indicators of achievements



Further information

- www.oecd.org/els/social/ageing/PAG
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Pensions at a Glance

PUBLIC POLICIES
ACROSS OECD COUNTRIES



2007

Pension reforms Early birds and laggards



Reforming pensions has loomed large over the policy agenda of OECD countries. It is often said in the United States and elsewhere that reforming public pensions is the "third rail" of politics: touch it and you die. Pension policy involves long-term decisions in the face of numerous short-term pressures. Before the long-term benefits of reform appear, most governments will have left office.

Nevertheless, much has been done since the early 1980s to make pension systems fit for the future. Often, more than governments are given credit for. Heavy on the 30 OECD countries have made at least some changes to their pension systems in that period. In 14 of them, more than 20% of the population will significantly offset future benefits.

Which countries reformed?

Six of the ten countries with the highest public expenditure on pensions as a percentage of national income in 1990 – Austria, France, Germany, Italy, Sweden, and Finland (ordered from highest to lowest expenditure) – have implemented major pension reforms since 1990. These reforms raise out benefits and will lead to lower pension spending in the future.

However, the ten OECD countries with the lowest pension expenditure in 1990 were almost equally active. This group of reformers, which includes Australia, Japan, Korea, Mexico and Turkey, currently has a low level of pension expenditure. Nevertheless, these countries will face significant financial challenges in the future which they are aiming to ease by acting now.

In Japan, the need for change to the pension system is driven by the pace and scale of population ageing. Pension expenditure in Japan almost doubled from

25% of gross domestic product (GDP) in 1990 to 5.2% in 2003.

In lower income and Turkey, pension systems are less mature and populations in these countries are currently younger than in other OECD economies. These are still relatively few recipients of old-age pensions and so public pension spending is low. However, Korea is undergoing particularly rapid demographic change, moving from one of the youngest to one of the oldest populations in the OECD in the space of only one generation.

Pensions at a Glance

Public Policies
ACROSS OECD COUNTRIES



This media briefing is one of a pair prepared for the launch of the second edition of *Pensions at a Glance* in Paris on 7 June 2007.

