



## Concept Note

**Title:** How can we reduce inequalities in later life as societies age?<sup>1</sup>

**Co-organizers:** Asian Development Bank, HelpAge International, ESCAP

**Date:** 14 October 2020, 15:00-16:30 Indochina Time (GMT+7)

**Venue:** Virtual Zoom meeting, register online

[https://zoom.us/webinar/register/WN\\_I3g4edevQXG8WDIn8W3XMA](https://zoom.us/webinar/register/WN_I3g4edevQXG8WDIn8W3XMA)

### I. Background

Population ageing is occurring along with broader social and economic changes around the world. Climate change, growing inequalities, the expansion of artificial intelligence are all trends that interact with population ageing. The COVID-19 pandemic is intensifying or reshaping some of these processes and their interaction. Many older people have been hard hit during COVID-19 with economic, health and social impacts. There is general agreement that although COVID-19 has exacerbated some situations, it has also created space for building transformational political will.

The post-pandemic period presents an opportunity to conceptualise how “building back better” could be put into practice in the context of rising inequalities which have a direct impact in all spheres of life. We will focus on the determinants and outcomes of inequality in later life and how we can tackle this in the post-pandemic world.

Background thinking of HelpAge International on inequalities in later life are found in Annex 1.

Ahead of this webinar, a thought piece is being developed by Dr David Bloom, Professor of Economics and Demography, Harvard University T.H. Chan School of Public Health and his colleagues Dr Maddalena Ferranna and Dr Benjamin Seligman which 1) provides framing for what inequality in later life means 2) what the current situation is with regards to inequality in later life, its determinants and outcomes and 3) proposes practical actions which are most needed to contribute to narrowing inequality gaps. The draft outline is found in Annex 2.

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<sup>1</sup> Event prepared with support from ADB TA 9111: Strengthening Developing Member Countries' Capacity in Elderly Care, which is financed by the Japan Fund for Poverty Reduction and Republic of Korea e-Asia and Knowledge Partnership Fund.

## **II. Objectives and themes**

The objective of the webinar, taking Asia's population ageing into consideration, is to strengthen clarity and consensus about the priority steps governments can take to reduce inequality among older people in two dimensions: healthy longevity and income security.

Framed within a concise understanding of the challenges of inequality in later life and the diverse situations of older people, the discussion should emphasize interventions and solutions more than problems. The focus of the discussion will be on public policies and systems – that is, the role of governments – although complementary roles of civil society, the private sector and other actors may also form part of the solutions. The post-pandemic period presents an opportunity to conceptualise how “building back better” focusing on middle-income countries in Asia, though as appropriate drawing on lessons from high-income countries and also suggesting future directions for low-income countries.

## **III. Moderator and panelists**

*Moderator*, Kaveh Zahedi, Deputy Executive Secretary, ESCAP

*Video Presenter and think-piece author*: Dr. David E. Bloom, Clarence James Gamble Professor of Economics and Demography, T.H. Chan School of Public Health, Harvard University, co-authors Dr Maddalena Ferranna and Dr Benjamin Seligman

*Panelists*:

- Dr. Sania Nishtar, Special Assistant to Prime Minister on Poverty Alleviation and Social Safety Division, Pakistan
- Dr. Jomo Kwame Sundaram, Senior Adviser, Khazanah Research Institute, former member of Malaysian Economic Council; former UN Assistant Secretary-General for Economic Development; former Assistant Director General and Coordinator for Economic and Social Development, UN FAO.
- Third panelist awaiting confirmation

## **IV. Webinar schedule**

The structure of the 90-minute session is as follows:

- Welcome, introductions and session overview
- Video presentation *Population Ageing and Economic Polarization* (5-7 minutes): Dr David Bloom
- Moderated panel discussion: 20 minutes
- *Video: Voice of Older People: reflections on inequality* (5 minutes): Older people from 6 countries in Asia were interviewed about their lives. Their reflections are presented in this video. Moderated discussion: 20 minutes
- Q & A session (20 minutes)
- Reflections and closing

## ANNEX 1: Background thinking on inequalities in later life

### Inequality in later life

***Inequality across society.*** Despite pleas that “we are all in this together”, COVID-19 has often highlighted the inequalities within and among countries. The pandemic has also stimulated discussion about how a post-pandemic future might begin to reduce inequalities. The UN Secretary General said recently that “inequality defines our time” and called for a new social contract to address it.

In a recent study,<sup>2</sup> UNESCAP noted that while economic growth and increased productivity “bring great rewards, they have by no means been evenly distributed – and this comes at a significant cost for people, prosperity and the planet.” Inequality “stifles economic growth”, “hampers the effectiveness of poverty reduction” and “undermines social cohesion and stability”. Technological change leading to the Fourth Industrial Revolution may also generate winners and losers in years to come. The ESCAP study drew a distinction between three broad types of inequality:

- *Inequality of outcome* refers to disparities in material wellbeing between individuals, such as variations in income and wealth across generations.
- *Inequality of opportunity* refers to unequal access to the fundamental rights and services needed to sustain and improve livelihoods, such as education, healthcare and finance.
- *Inequality of impact* is about the asymmetric impact that external shocks, such as natural disasters, have on different groups of people.

The report made eight key recommendations: (1) strengthen social protection, (2) prioritize education, (3) protect the poor and disadvantaged from disproportionate impact of environmental hazards, (4) address the digital divide and ICT infrastructure, (5) address persistent inequalities in technological capabilities among and within countries, (6) increase effectiveness of fiscal policies, (7) improve data collection to identify and address inequality and (8) deepen regional cooperation.

***Inequality and ageing.*** How does a discussion of societal inequality intersect with a discussion of ageing and older people? There are at least four possible perspectives for exploring the relevance of ageing to the issue of inequality:

1. *Lifecourse inequality:* It is increasingly appreciated that advantage and disadvantage accumulate over the lifecourse, culminating in later life. For example, unequal access to quality healthcare and education from an early age and throughout life often leads to unequal outcomes in old age. Other characteristics such as gender, disability status or ethnicity may compound advantage or disadvantage. Some older people have the skills and good health to work well into their 70s or 80s or else retire in comfort. Others who struggled throughout life may be forced to end work at a young age, with limited savings or benefits, because of disability or layoffs targeting unskilled employees. The lifecourse approach is an important analytical tool to understand the root causes and cumulative power of inequality. But its implied solutions (greater investment in human capital from pregnancy onwards) may be too wide-ranging to guide a focused discussion on responses for later life.
2. *Inequality in later life:* The previous perspective targets the entire population, of all ages. The second perspective is about how to address inequalities among older people – for example, the population aged 60+ or 65+. The outcome of disparities across the lifecourse (1), old age inequalities within a single country may manifest themselves in various ways. Two common manifestations may be described as (a) inequality in healthy life expectancy and (b) inequality in income security (or material wellbeing). The first implies that everyone should be able to live longer, healthier lives. It

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<sup>2</sup> Inequality in Asia and the Pacific in the era of the 2030 Agenda Sustainable Development. (2018). UNESCAP. <https://www.unescap.org/sites/default/files/publications/ThemeStudyOnInequality.pdf>

refers to disparities not only in longevity but also functional ability, and reflects accessible opportunities for healthy and active ageing. The second refers to the ability to feel secure in adequate sources of income (and/or material support) in later life – that is, family support, pensions and public transfers, acquired assets, and earnings from work. Health and wealth, in turn, enable individuals to prevent or address other gaps in wellbeing in later life.

3. *Inequality between generations:* Some people claim younger generations are “subsidising” older people. That is, that the public entitlements of an older generation, such as generous pensions or free healthcare, have come at the expense of investment in younger generations. Others fault older people for their perceived lack of concern for the future of the economy and even the planet, disadvantaging younger people and even unborn generations. Such imbalances are seen to compromise intergenerational fairness and have led to calls for rethinking an intergenerational social contract. This debate seems to be more common in Western countries than in Asia, and in places, the pandemic has provoked it further. Perhaps culture and collectivist approaches dampen intergenerational tensions in Asia. In addition, the “old before rich” narrative may even forestall conflict: Many Asian LMICs do not invest heavily in their older citizens, sometimes implying that that is unaffordable for government or the responsibility of family.
4. *Inequality and population ageing:* This may be best seen as an additional dimension, an accelerator that increases the urgency or importance of addressing the three perspectives above. Asia’s population is ageing, in many countries quite rapidly. This means that the proportion of the population that is older people (and particularly, older women) is growing relative to younger people, and fertility rates are declining. In a discussion of lifecourse inequality (1), this means the calculation of public investment costs and pay-offs will change over time. In a discussion of inequality at older ages (2), population ageing means that simply maintaining the status quo will rapidly escalate the challenges in the near future as the older population grows. In a discussion of intergenerational inequality (3), population ageing means that the social contract needs to be on a sound and sustainable footing, and that younger people understand investments in ageing as investments in their future lives as well.

The webinar will focus, in the main, on inequalities in later life (number two above), while considering intersecting issues raised by the other aspects of inequality listed above.

## ANNEX 2: Draft thought piece abstract

### **Population ageing and economic polarization in Asia**

#### **Dr David Bloom and colleagues**

This paper makes four points related to the interplay of population aging and economic inequality among low- and middle-income countries in Asia.

First, we argue that population aging drives measured economic inequality (a) because inequality tends to be higher within older age groups than within their younger adult counterparts, and (b) old-young disparities tend to contribute more to overall inequality as the population share of older individuals rises. We also discuss the proposition (and related evidence) that the positive association of aging and inequality is magnified by the negative effect of inequality on healthy aging.

Second, we argue that measured economic inequality overstates true economic inequality by neglecting the relatively large value that older people create through productive non-market activities (e.g., caring for others, looking after grandchildren, and doing volunteer work).

Third, we note some ways in which the vulnerabilities of older people to COVID-19 and to related social and economic policies are sharpening the association between population ageing and economic inequality.

Finally, we discuss public and private health and non-health interventions that can disrupt the link between population aging and economic inequality. The health interventions relate to disease prevention, universal health care, increased reliance on assistive devices, and institutions for long-term care. The non-health interventions involve social protection programs (especially pensions, unemployment and disability insurance, and reskilling), immigration policy, housing and urban design, and non-ageist policies and practices.