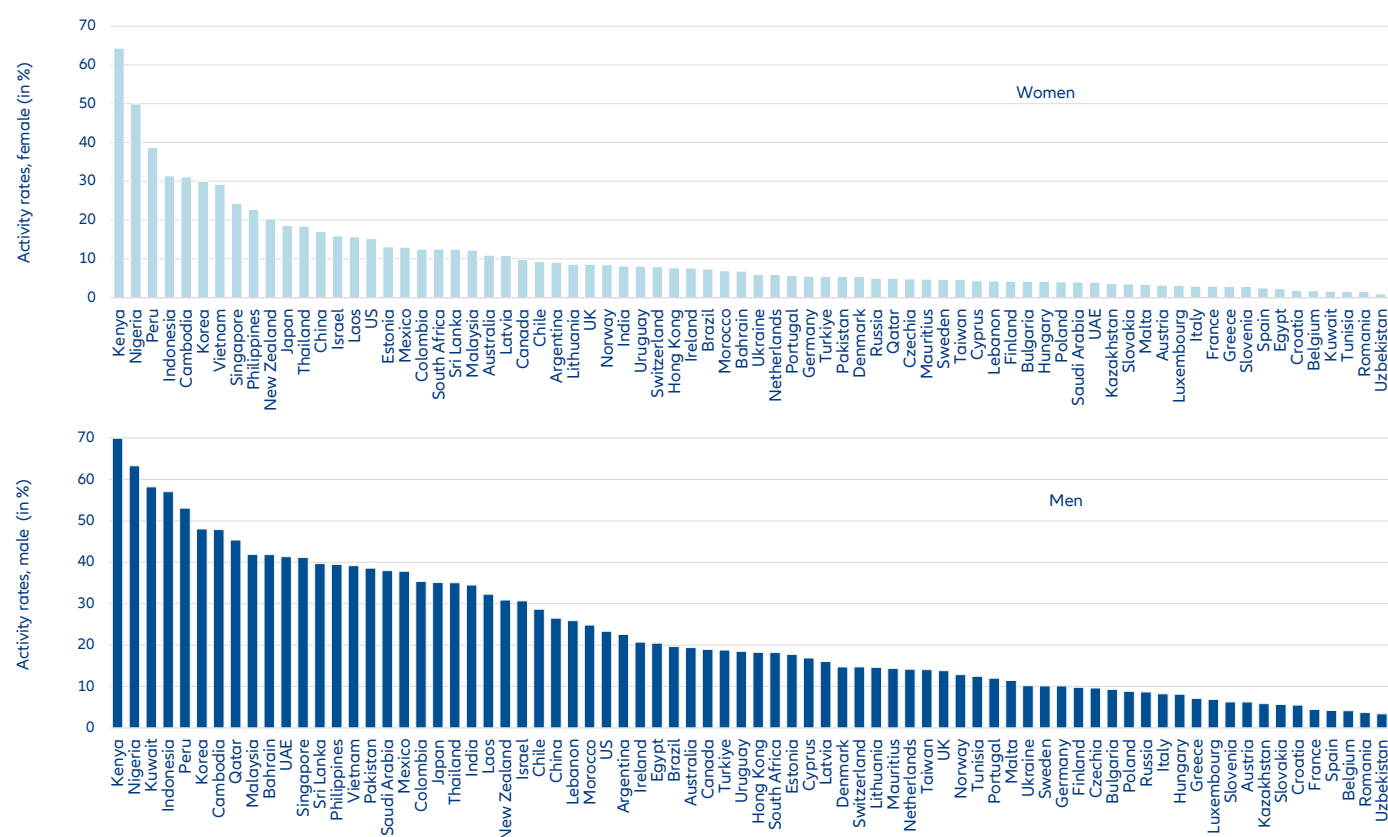


With the coverage and benefit levels of pension systems in many emerging markets still low, labor income is often the main source of income in old age. At the same time, with retirement ages in many industrialized countries set to increase, the acceptance and integration of older workers in the labor markets is crucial to prevent a reduction of benefit levels. A look at today's activity ratios in the age group 65 and older indicates how prepared labor markets are to absorb a rising share of older workers. Like in our previous edition, the highest activity ratios in this age group can be found in countries where pension coverage is still low. Kenya leads in this ranking, with close to 70% of its male population and 64% of the female population in this age group still active on the labor market. Kenya is followed by Nigeria, where this holds true for 63% and 50% of workers in these age groups, respectively. At the lower

end of this ranking are countries in which the pension system still provides high benefit ratios and retirement ages are rather low, with a slight uptick in activity ratios of the male population in France or Spain (see Figure 15).

However, more efforts are clearly required to adapt labor markets to the needs of an aging workforce population. The protests following the increase of the retirement age in France and Uruguay were also fueled by older workers' fears of not being able to find decent employment as they age (see box).

**Figure 15:** Activity ratios in higher ages mirror the state of pension systems



Source: ILO.