



Global AgeWatch Index 2013

A summary

Introduction

Ageing gives us cause for celebration: longer lives throughout the world are a triumph of development. The 21st century is seeing an unprecedented global demographic transition, with population ageing at its heart. By 2050 – less than 40 years away – older people (defined as aged 60 or over) will make up more than one-fifth of the global population (see Figure 1).

The United Nations Population Fund (UNFPA) and HelpAge International made clear in their 2012 report, *Ageing in the Twenty-First Century: A Celebration and A Challenge*, that while important progress had been made by many countries in adopting new policies and laws on ageing, more needs to be done to fulfil the potential of older people.



By 2050, people aged 60 or over will make up more than one fifth of the global population, yet data on the situation of older people remains scarce.



The need for a global ageing index

Policy makers broadly agree that we can and should do better in measuring social and economic progress as a means to promote improvements. The result has been the emergence of a number of different indexes providing evidence that is useful for policy makers. However, none of the existing indexes provides a global picture of how well countries are doing to support the wellbeing of their ageing populations. A new index that measures the wellbeing of older people can focus attention on successes and assist that progress, as well as identify areas that need to be addressed.

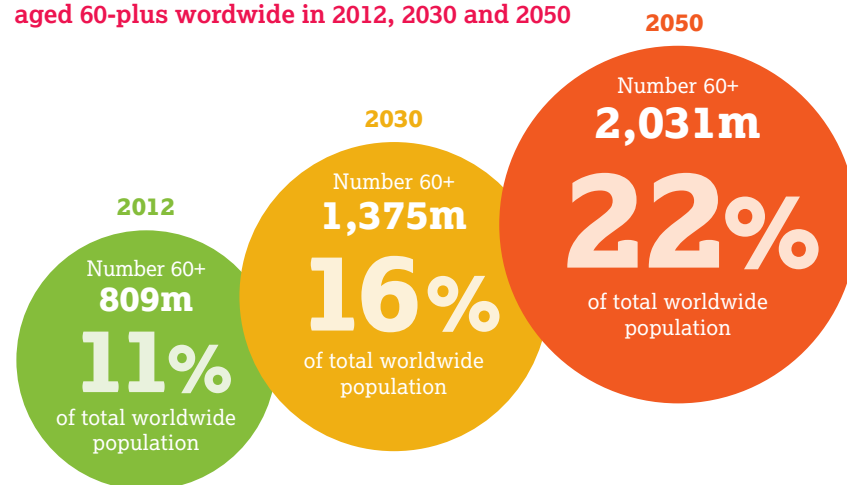
The Global AgeWatch Index has been developed to provide this framework. It has brought together a unique set of internationally comparable data based on older people's income status, health status, education and employment, and enabling environment. These domains have been selected because they were identified by older people and policy makers alike as key enablers of older people's wellbeing.

Data revolution

The Index is part of a “data revolution” in which age-specific data is used to ensure that policy making is robust and responsive to ageing. While data may be held nationally, the construction of international data sets is such that internationally comparable data on the situation of older people is still limited. The shortage of data on older people may be systematically excluding them from development plans and public policy provision.

In pulling together available internationally comparative data, the Global AgeWatch Index also highlights data gaps and the overall shortage of internationally comparable data on these issues in a number of countries. It has been possible to include only 91 countries at this stage because of current data limitations. However, these 91 countries include 89 per cent of the world's population aged 60 and over. The aim is both to monitor progress and steadily extend the Index to include all countries.

Figure 1: Number and proportion of people aged 60-plus worldwide in 2012, 2030 and 2050



Source: UNDESA Population Division, Population Ageing and Development 2012, Wall Chart, 2012; UNDESA Population Division, World Population Prospects: the 2012 Revision, 2013

Constructing the Global AgeWatch Index

The aim of the Index is both to capture the multidimensional nature of the quality of life and wellbeing of older people, and to provide a means by which to measure performance and promote improvements.

We have chosen 13 different indicators for the four key domains of Income security, Health status, Education and employment, and Enabling environment where there is internationally comparable data (see Figure 2).



Domain 1: Income security

Income security describes access to a sufficient amount of income, and the capacity to use it independently, in order to meet basic needs in older age.



Domain 2: Health status

Advancing age is linked to physical frailty and is also closely associated with risk of the onset of ill-health and disability.



Domain 3: Employment and education

This domain describes elements of the coping capacity and capability attributes of older people.

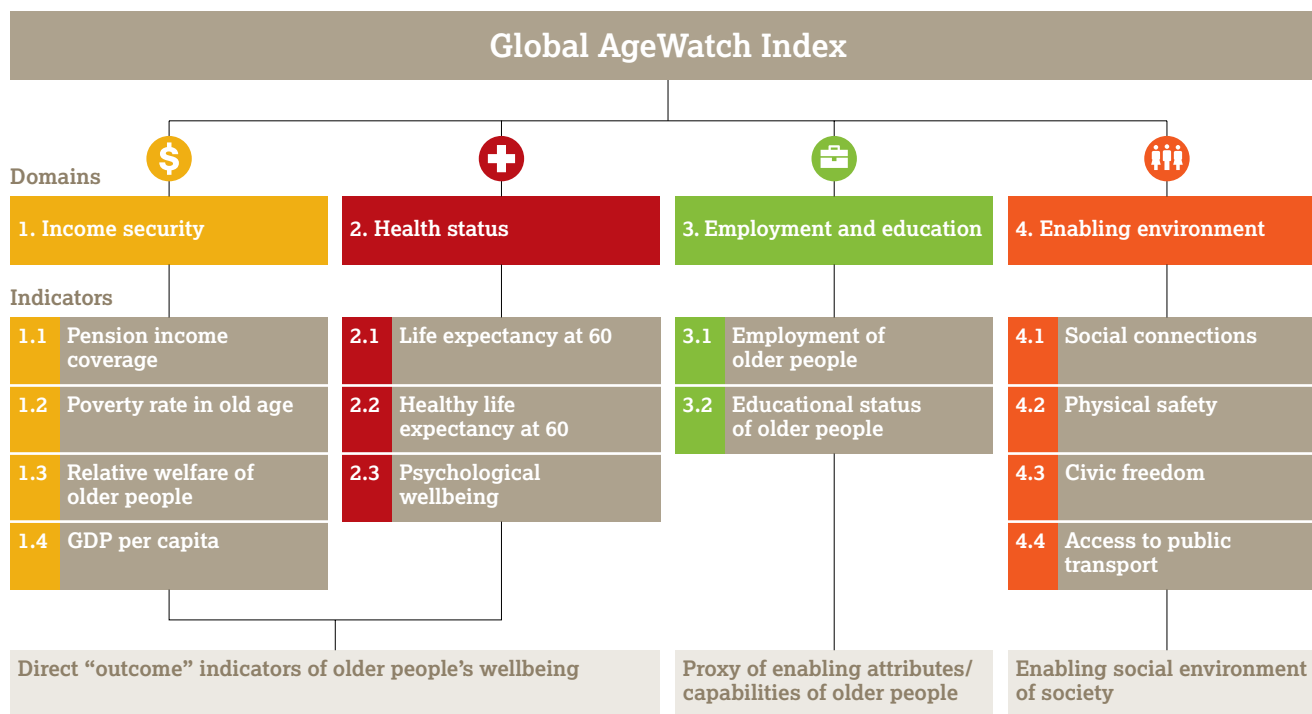


Domain 4: Enabling environment

Older people want to have the freedom of choice to live independent and self-reliant lives.

The overall Index is calculated as a geometric mean of the four domains. The domain-specific indexes are arrived at by aggregating values of indicators that represent how near a country is to the ideal value (see Table 1).

Figure 2: Global AgeWatch Index domains and indicators



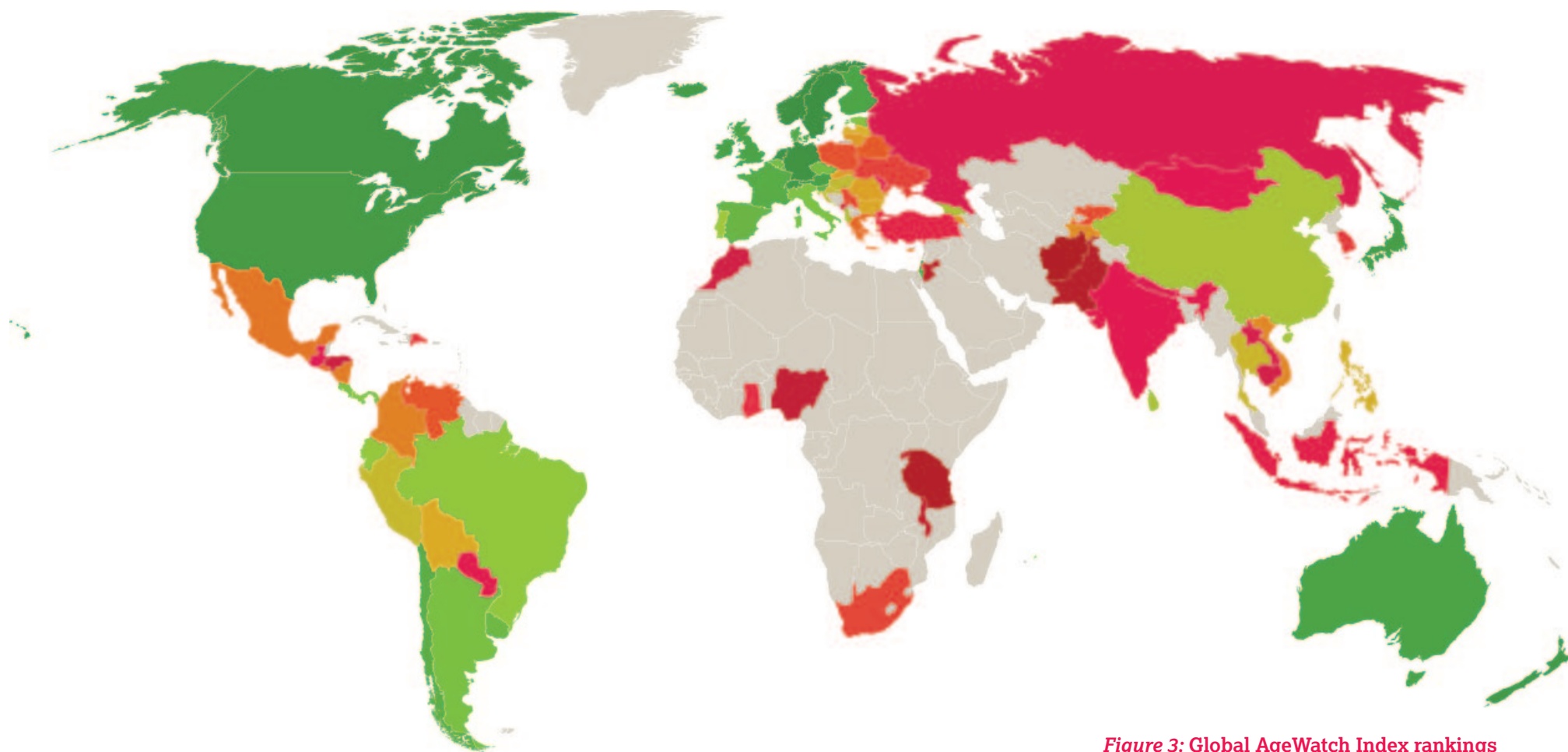
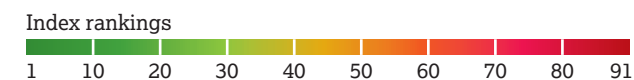


Figure 3: Global AgeWatch Index rankings

The map shows how countries are ranked in the Global AgeWatch Index. Colours on a spectrum from dark green to dark red represent the rankings from 1 to 91. Grey is used for countries that are not included in the Index.



What does the Index tell us?

The Global AgeWatch Index shows that good management of ageing is within reach of all governments. The rankings illustrate that limited resources need not be a barrier to countries providing for their older citizens, that a history of progressive social welfare policies makes a difference, and that it is never too soon to prepare for population ageing. A running thread is that action in the key areas of income security and health is essential.

Money isn't everything

The global ranking of countries shows that older people are faring best in Nordic, Western European, North American and some East Asian and Latin American countries (see Figure 3, Table 1 and Figure 4).

Sweden (1) features in the top 10 in all four domains: Income security, Health status, Employment and education, and Enabling environment. The other places in the top 10 are filled by two more Nordic countries – Norway (2) and Iceland (9), three from Western Europe – Germany (3), the Netherlands (4) and Switzerland (6), two North American countries – Canada (5) and the USA (8), and two countries in Asia and the Pacific – New Zealand (7) and Japan (10). Austria (11), Ireland (12), the UK (13) and Australia (14) are also among the top 15 countries. Older people fare less well in many African and East Asian countries – as well as in Jordan (88), Pakistan (89) and Afghanistan (91).

However, there are exceptions to this pattern. The Index also highlights those lower-income countries that, regardless of their level of wealth, have invested in policies with positive impacts on ageing. In Sri Lanka (36), long-term investments in education and health have had a lifetime benefit for many of today's older population. Bolivia (46), despite being one of the poorest countries, has had a progressive policy environment for older people for some time, with a National Plan on Ageing, free healthcare for older people, and a non-contributory universal pension.

Nepal (77) ranks 62 in the income security domain, having introduced a basic pension in 1995 for all over-70s without other pension income. Though limited in value and eligibility and with uneven coverage, this is an example of how a low-income country has chosen to make a start in addressing the old-age poverty challenge.

History counts

The Index shows that people in countries with a record of enacting progressive social welfare policies for all their citizens across the life-course are more likely to reap the benefits in terms of better health and wellbeing and a sense of social connectedness in old age.

Universal pensions

This year, Sweden (1) is celebrating the centenary of its universal pension, a system put in place at a time when the country was what would now be called an “emerging economy”. Similarly, Norway (2) introduced its universal rights-based pension in 1937, long before it achieved its current high-income status. Mauritius (33) introduced a universal pension in 1958.

Education

In countries of the former Soviet Union, the existence of education systems from which the current generation of older people benefited in earlier life helps to explain otherwise apparently contradictory outcomes. Armenia (51) scores very high in the domain of employment and education (3) – a surprising result given that nearly three-quarters of adults over 50 live on less than US\$103 per month.

Health

Good health is another factor that makes a key contribution to the wellbeing of older people and their health in a number of middle-income countries. Two very different Latin American countries – Chile (19) and Costa Rica (28) – appear as notable success stories in the health domain, with Chile ranking 10 and Costa Rica 11 in this domain.

It's never too soon to prepare

A comparison with share of the population aged 60 and over shows that countries in regions where demographic ageing is far advanced mostly rank high in the Index. Latin American countries – which face a doubling of their older population between now and 2050 – feature strongly in the top 30, where Chile (19), Uruguay (23), Argentina (26), Costa Rica (28) and Panama (30) all appear, and Chile makes it into the top 20.

The Index indicates that Eastern European countries need to make additional policy reforms, given their current and future challenges and opportunities linked with population ageing. Ukraine (66), Russia (78) and Montenegro (83) are ranked particularly low in the Global AgeWatch Index.



Tazrian Khan/Flickr

The Index highlights countries with progressive social policies for older people.



Sebastian Ormachea/HelpAge International

Table 1: Rankings and values overall and for each domain

Table 1 shows the rankings and values for all countries, both overall and for each domain. The values show how near a country is to the ideal value, and show up differences between countries. For example, Sri Lanka's overall index value of 57.3 means that older people's wellbeing in Sri Lanka is 57.3 per cent of the ideal (100), giving it a shortfall of 32.6 percentage points below the best-performing country, Sweden (89.9).

Therefore, the Index provides a measure of the potential that each country has to match the best-performing country in the sample, but it also shows that there is scope for improvement even in the top-ranked countries.

When comparing the ranking of different countries, one must also take into account the statistical significance of the difference in values between these countries. As a rule of thumb, a 10-point difference between values can be considered as statistically significant. Therefore, the difference in ranking between Sri Lanka (36) and China (35) is negligible because of the small point difference (0.1) between them.

A careful analysis of the indicators can provide valuable lessons on gaps and scope for progress with respect to older people's wellbeing. For example, overall, Sri Lanka (36) ranks well above India (73). However, for income security, India (54) does better than Sri Lanka (67). It is in the areas of education and employment and enabling environments that the gap between the two countries is greatest.



Bold initiatives to extend social protection and health insurance may change the outlook for older Chinese people.

	Overall rank and value		Income security		Health status		Employment and education		Enabling environment	
	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value
Sweden	1	89.9	8	87.0	7	74.8	5	74.3	5	83.3
Norway	2	89.8	3	91.4	13	73.5	1	85.4	22	76.2
Germany	3	89.3	9	86.1	6	75.2	6	73.7	6	82.8
Netherlands	4	88.2	4	90.9	18	71.3	11	66.2	1	85.6
Canada	5	88.0	26	81.1	2	80.3	9	69.6	9	82.3
Switzerland	6	87.9	28	80.6	1	81.3	12	66.1	4	84.0
New Zealand	7	84.5	43	72.7	3	78.7	7	71.1	13	80.2
USA	8	83.8	36	77.9	24	70.1	2	76.6	16	78.2
Iceland	9	83.4	15	84.7	9	74.2	18	58.5	7	82.5
Japan	10	83.1	27	80.7	5	76.9	10	66.2	19	77.2
Austria	11	79.8	5	88.2	17	72.7	42	45.5	2	85.3
Ireland	12	79.5	24	81.9	14	73.1	32	49.4	3	84.0
United Kingdom	13	78.7	10	85.8	19	71.0	24	53.8	17	78.1
Australia	14	77.2	57	57.2	4	78.2	4	76.3	25	73.5
Finland	15	77.1	14	84.8	21	70.8	27	51.4	18	77.4
Luxembourg	16	76.7	1	98.2	16	72.7	55	38.4	11	81.2
Denmark	17	75.9	21	82.3	40	57.5	20	55.7	10	82.2
France	18	75.0	2	93.2	31	63.6	41	45.6	15	78.8
Chile	19	70.6	42	74.2	10	74.2	23	53.9	39	67.1
Slovenia	20	70.5	22	82.0	32	63.2	51	39.3	12	80.7
Israel	21	70.0	56	58.4	20	70.9	13	63.7	31	69.8
Spain	22	67.6	31	79.7	39	57.6	50	39.4	14	79.1
Uruguay	23	67.4	18	83.3	33	63.1	29	51.1	42	65.4
Belgium	24	67.0	41	74.4	23	70.2	45	41.9	29	70.3
Czech Republic	25	62.5	13	85.4	38	58.5	22	54.2	61	58.6
Argentina	26	61.7	11	85.7	37	59.4	34	48.7	59	59.4
Italy	27	61.4	6	88.0	15	73.0	62	33.1	53	61.9
Costa Rica	28	61.2	60	53.3	11	74.2	48	40.4	34	69.1
Estonia	29	60.2	35	78.0	58	44.5	8	70.7	62	58.4
Panama	30	59.1	55	59.2	25	69.8	46	41.8	48	63.4

	Overall rank and value		 Income security		 Health status		 Employment and education		 Enabling environment	
	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value
Brazil	31	58.9	12	85.7	41	56.8	68	31.5	40	66.7
Ecuador	32	58.6	58	54.8	12	73.8	49	39.7	44	64.3
Mauritius	33	58.0	7	87.2	56	45.0	66	32.2	26	71.8
Portugal	34	57.8	17	83.4	29	67.4	76	24.6	37	67.4
China	35	57.4	66	46.2	51	52.0	40	45.7	24	74.6
Sri Lanka	36	57.3	67	44.9	45	55.1	37	47.9	27	71.3
Georgia	37	56.5	45	72.1	68	37.7	14	62.9	54	61.6
Malta	38	55.8	37	76.8	27	68.0	77	24.4	41	65.7
Albania	39	55.5	23	82.0	63	39.6	30	51.0	56	60.6
Hungary	40	54.7	19	83.2	57	45.0	39	47.0	65	57.8
Croatia	41	53.1	51	61.3	43	56.5	52	39.1	57	60.0
Thailand	42	53.0	59	53.3	46	55.0	78	22.7	8	82.4
Peru	43	53.0	65	46.7	30	64.2	31	50.0	67	57.5
Philippines	44	52.8	73	37.5	70	36.9	17	58.6	21	76.3
Latvia	45	52.5	33	79.2	62	40.6	15	62.3	77	53.3
Bolivia	46	52.0	48	67.0	60	41.3	25	52.8	64	57.8
Bulgaria	47	51.7	32	79.4	59	44.2	44	44.0	71	56.2
Romania	48	51.4	29	80.6	64	38.6	38	47.1	68	57.1
Slovakia	49	51.2	16	84.1	53	47.8	36	48.6	81	52.0
Lithuania	50	50.7	47	67.6	52	48.2	16	59.5	83	51.6
Armenia	51	50.5	40	75.3	75	33.0	3	76.5	80	52.6
Tajikistan	52	49.8	50	66.2	79	31.3	28	51.1	50	62.4
Vietnam	53	49.4	64	47.5	36	59.8	75	24.9	32	69.7
Colombia	54	49.3	68	44.9	26	69.5	63	32.7	58	59.5
Nicaragua	55	49.0	74	35.8	42	56.7	65	32.5	28	70.8
Mexico	56	48.9	70	41.0	35	60.7	58	36.0	51	62.0
Cyprus	57	48.2	80	22.0	22	70.7	47	40.6	30	70.2
Greece	58	47.4	25	81.2	47	54.1	61	33.4	82	51.6
El Salvador	59	46.7	72	38.9	34	62.7	72	28.2	46	64.1
Belarus	60	46.6	44	72.1	80	31.0	57	37.6	52	61.9

	Overall rank and value		 Income security		 Health status		 Employment and education		 Enabling environment	
	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value
Venezuela	61	46.2	63	49.4	28	67.7	64	32.6	74	54.0
Poland	62	45.9	20	82.6	87	23.9	54	38.8	43	64.8
Kyrgyzstan	63	44.3	49	66.8	83	27.5	26	51.7	70	56.3
Serbia	64	42.4	52	60.7	54	47.1	71	28.7	73	54.0
South Africa	65	41.0	46	69.2	74	33.2	60	34.2	75	53.7
Ukraine	66	40.2	39	75.3	77	31.8	35	48.7	86	48.3
South Korea	67	39.9	90	8.7	8	74.5	19	56.3	35	68.3
Dominican Rep.	68	39.3	79	22.3	49	52.3	69	31.3	45	64.2
Ghana	69	39.2	81	21.3	67	38.3	33	48.8	49	63.1
Turkey	70	38.1	30	79.7	66	38.3	84	14.5	60	58.7
Indonesia	71	37.9	83	16.7	65	38.5	59	35.6	20	76.6
Paraguay	72	35.0	86	15.0	44	55.8	53	38.9	66	57.6
India	73	35.0	54	59.4	85	24.4	73	27.9	72	56.1
Mongolia	74	34.8	38	75.7	89	20.6	56	38.3	85	51.3
Guatemala	75	34.0	77	23.5	50	52.1	81	17.7	47	63.5
Moldova	76	33.8	53	59.9	71	35.1	43	44.7	89	45.0
Nepal	77	33.7	62	49.9	82	29.4	79	22.0	69	56.5
Russia	78	30.8	69	43.0	78	31.3	21	55.7	90	44.4
Lao PDR	79	29.4	76	24.1	81	29.9	82	15.8	33	69.2
Cambodia	80	27.3	85	16.4	88	23.2	80	21.2	23	75.0
Morocco	81	26.6	71	39.0	76	31.8	83	14.7	84	51.4
Honduras	82	25.8	88	9.6	48	53.9	74	27.8	78	53.2
Montenegro	83	25.5	34	78.1	55	45.9	89	6.7	87	47.4
West Bank & Gaza	84	24.5	78	22.9	72	34.1	86	10.2	55	60.6
Nigeria	85	24.0	87	14.2	84	26.4	70	30.5	76	53.6
Malawi	86	17.8	89	9.5	86	24.1	85	13.9	63	57.8
Rwanda	87	16.6	82	19.0	90	19.3	90	5.3	38	67.2
Jordan	88	11.4	61	52.7	61	40.9	91	1.6	36	68.0
Pakistan	89	8.3	84	16.7	69	37.7	67	32	91	39.8
Tanzania	90	4.6	91	2.1	73	33.7	88	7.3	79	52.9
Afghanistan	91	3.3	75	24.2	91	7.6	87	9.4	88	46.2

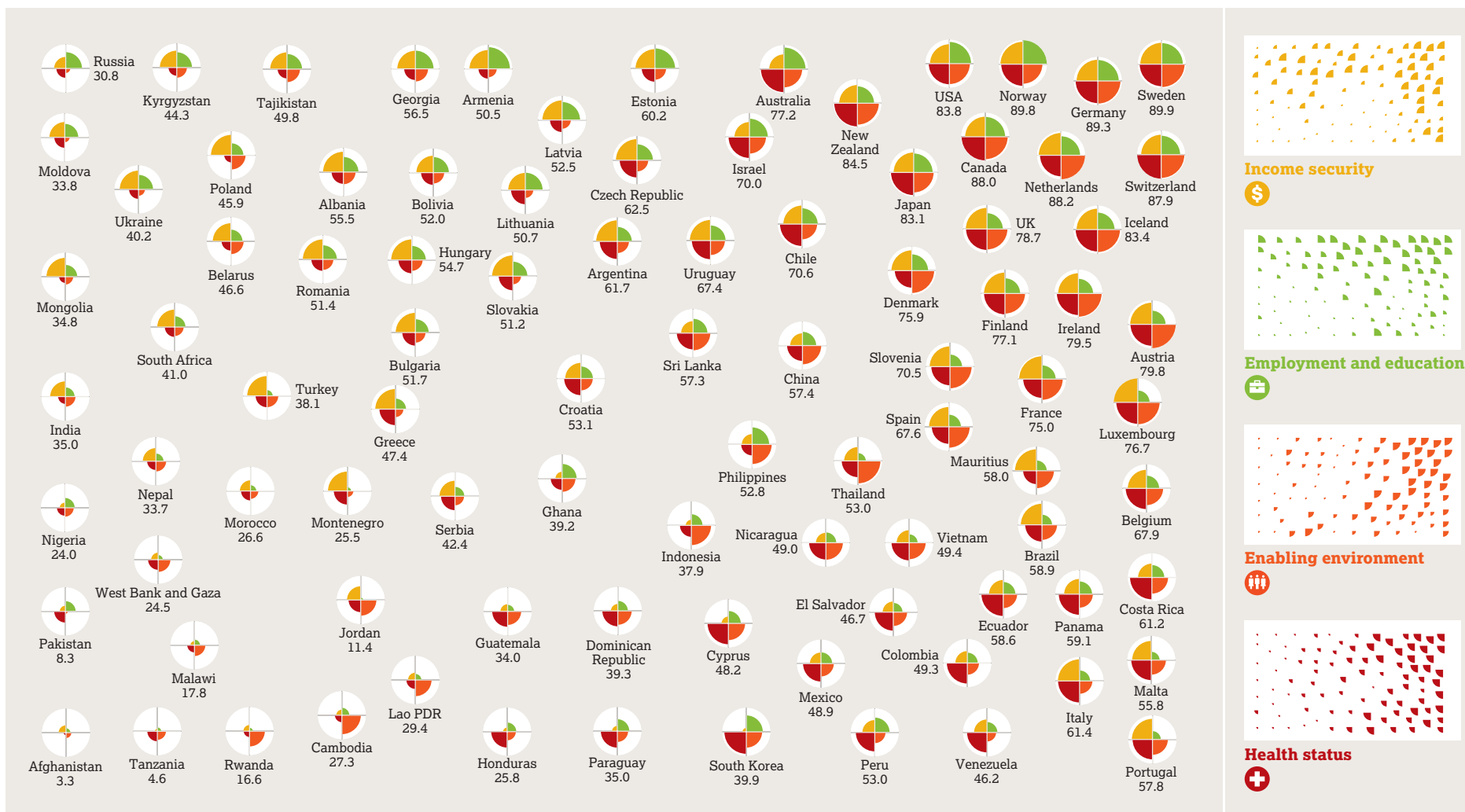


Figure 4: Values overall and for each domain

This diagram shows how countries compare in terms of their overall value and their value for each domain. The figures represent the overall value and the coloured segments represent the value for each domain. The higher the value for the domain-specific index, the larger the size of the segment. Countries that are close together have similar values overall and for each domain.

The boxes show how countries are positioned in the diagram according to their domain values. For example, the Income security box shows that countries with relatively high values for income security are mostly towards the top and right-hand side of the diagram.

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