Post-Covid Economy and Society and Implications for Pensions Systems

Juan Yermo,
Chief of Staff to the Secretary General, OECD

Global Pensions Conference
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A stronger recovery, yet uneven

Source: OECD Interim Economic Outlook, September 2021.
Uneven progress in vaccination leaves us all exposed

Vaccination rates, at least one vaccine dose, % of national population aged 12 and above

Source: OECD Interim Economic Outlook, September 2021.
Around 2.5 million excess deaths in OECD countries

Figure 2.9. Cumulative excess mortality compared to reported COVID-19 deaths per million population, January 2020 to end of June 2021

Note: Excess deaths data are not available for Costa Rica, Ireland and Turkey. Data for Australia are only available up to week 25, for Canada up to week 22, and for Colombia up to week 18. Comparator years to calculate excess deaths are 2015-19. Rates are not age-adjusted. Reported COVID-19 deaths can be affected by countries’ capacity to detect and record COVID-19 infections and are included in the chart to highlight the important differences with excess mortality in some countries.

Life expectancy decreased in 2020 in most OECD countries
Employment is still below pre-pandemic level in most countries.
Youth face a tough labour market

The increase in the unemployment rate was larger for young people
% pt difference between 2019Q4 and 2021Q2 or latest available

Source: OECD Interim Economic Outlook, September 2021.

The share of young people not in employment, education or training is high
% of young people, 2021Q1 or latest available

Source: OECD Interim Economic Outlook, September 2021.
Monitoring the strength and quality of the recovery

Structure of the OECD post-COVID19 recovery dashboard

How robust is the economic recovery?
1. GDP growth → By sectors
2. Total hours worked
3. Household income
4. Business dynamism
5. Health risks → By gender

Does recovery create more equal opportunities for all?
1. Income inequality
2. Labour underutilisation → By gender
3. Young people out of job or training → By gender
4. Financial insecurity → By gender
5. Low life satisfaction → By gender

Is the recovery climate-proof?
1. GHG emissions
2. Renewable energy share
3. Material consumption
4. Natural land cover
5. Exposure to outdoor air pollution

What it takes to withstand the crisis and prepare for future challenges?
1. Liabilities by institutional sector → By government, households, non-financial institutions
2. Investment
3. Broadband coverage → By regions
4. Trust in government → By gender
5. COVID-19 vaccination coverage

Uncertainties remain

➢ How quickly will high vaccination rates be attained across the world?

➢ How long will current “post-COVID” adjustment phase last and what will long-term structural changes look like?

➢ Is the current spike in inflation temporary or are we entering a period of sustained, higher inflation?

➢ How will governments manage their growing debt burdens?

➢ Will geopolitical tensions add to an already complex picture?
Megatrends transforming economies and societies

- Climate change and biodiversity loss
- Digitalisation, AI and scientific innovation
- Demographics: ageing around the world, except Africa’s youth bulge
- Shifting wealth and influence to Asia
Tackling the climate crisis requires major transformations

Rapid acceleration in global mitigation is needed
IEA’s global emissions scenarios

Distance from 2030 target differs across countries
Green arrows = emissions are shrinking
Orange arrows = emissions are increasing

Source: OECD Economics Department, 2021
Growing adoption of ESG investment approaches

Share of market coverage by ESG scoring companies by region

Source: Refinitiv, OECD calculations.
Teleworking surged at the start of the crisis

Source: OECD Employment Outlook 2021
World demographic growth to be concentrated in Africa

Table 1. Population of the world, SDG regions and selected groups of countries, 2019, 2030, 2050 and 2100, according to the medium-variant projection

<table>
<thead>
<tr>
<th>Region</th>
<th>2019</th>
<th>2030</th>
<th>2050</th>
<th>2100</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>7,713</td>
<td>8,548</td>
<td>9,735</td>
<td>10,875</td>
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<tr>
<td>Sub-Saharan Africa</td>
<td>1,066</td>
<td>1,400</td>
<td>2,118</td>
<td>3,775</td>
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<tr>
<td>Northern Africa and Western Asia</td>
<td>517</td>
<td>609</td>
<td>754</td>
<td>924</td>
</tr>
<tr>
<td>Central and Southern Asia</td>
<td>1,991</td>
<td>2,227</td>
<td>2,496</td>
<td>2,334</td>
</tr>
<tr>
<td>Eastern and South-Eastern Asia</td>
<td>2,335</td>
<td>2,427</td>
<td>2,411</td>
<td>1,967</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>648</td>
<td>706</td>
<td>762</td>
<td>680</td>
</tr>
<tr>
<td>Australia/New Zealand</td>
<td>30</td>
<td>33</td>
<td>38</td>
<td>49</td>
</tr>
<tr>
<td>Oceania*</td>
<td>12</td>
<td>15</td>
<td>19</td>
<td>26</td>
</tr>
<tr>
<td>Europe and Northern America</td>
<td>1,114</td>
<td>1,132</td>
<td>1,136</td>
<td>1,120</td>
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<tr>
<td>Least developed countries</td>
<td>1,033</td>
<td>1,314</td>
<td>1,877</td>
<td>3,047</td>
</tr>
<tr>
<td>Land-locked Developing Countries</td>
<td>521</td>
<td>659</td>
<td>926</td>
<td>1,406</td>
</tr>
<tr>
<td>Small Island Developing States</td>
<td>71</td>
<td>78</td>
<td>87</td>
<td>88</td>
</tr>
</tbody>
</table>

* excluding Australia and New Zealand

Source: UNDESA, World Population Prospects
Shifting market shares in world trade 2019 - 2021 (July)

Source: OECD Trade and Agriculture Directorate calculations with CPB data
Thank you!

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