Ageing in Cities

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Foreword

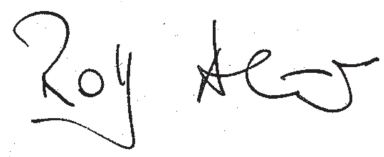
Population ageing is a global phenomenon with major implications for cities. In OECD countries, the population share of those over 65 years old reached 17.8% in 2010, up from 7.7% in 1950, and is expected to climb to 25.1% in 2050. Cities are home to 43.2% of this older population. Cities can and must complement the efforts of national governments to address the consequences of this unprecedented demographic shift; they understand the needs and preferences of local communities and many of the impacts of ageing will be concentrated in space, presenting cities with specific problems and opportunities. Cities are also a locus for bridging across policy sectors to address the considerations for the ageing population in urban settings in an integrated fashion.

This report provides policy makers with insights and tools to mitigate the challenges of ageing societies and make the most of the opportunities they present. Three considerations underpin the assessment. First, ageing societies are not "a problem" as such. Longevity is the result of socioeconomic development and can provide opportunities for growth such as through technological development. Second, ageing societies are not simply societies of "older people". Cities, where older people live with a high quality of life, can be good places for any generation. Third, unlike other potential challenges such as a financial crisis or natural disaster, ageing trends and their impact can be fairly predictable. Cities can thus take action now to prepare themselves for future demographic changes. Those cities at the forefront in addressing these changes offer useful experiences. Policies for ageing societies are thus not only about responding to today's needs and opportunities, but also about anticipating the future population structure, and the economic and social pathways for a smooth transition.

The report draws on both new quantitative evidence as well as case studies. The publicly accessible OECD Metropolitan database, which covers many variables at the level of functional urban areas, is going to include more detailed demographic information to assess aging trends. The nine case studies, including Toyama (Japan), Yokohama (Japan), Lisbon (Portugal), Calgary (Canada), Brno (Czech Republic), Manchester (UK), Philadelphia (US), Helsinki (Finland) and Cologne (Germany), offer interesting insights into city-level actions. Special attention is paid to health and social care, housing, public transport, access to services and employment, as well as urban development, which are important policy areas of cities.

Cities are essential partners for effective policy action in ageing societies and offer inspiring examples. Ultimately, cities are striving, in the face of increasing demographic pressures, to enhance their attractiveness to households and firms. Efforts to promote well-being for their residents, whether young or old, will help them support increasing numbers of older people as effectively and efficiently as

possible but also to attract the younger people that they need to ensure continued economic and social dynamism. Ultimately, then, policies to meet the challenge of demographic change will be central to the construction of economically and socially resilient cities.



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Executive summary

This report explores roles of cities in ageing societies, both in overcoming the challenges and in making the most of the opportunities presented by this demographic shift. It assesses ageing trends in the OECD area, in particular in 275 OECD metropolitan areas, and asks the questions: What impact do ageing societies have on sustainable urban development? How can cities bring together all the relevant actors to design and implement integrated policies for ageing societies?

Key Findings: how are urban populations ageing?

- *Demographic structures will change over the next 50 years among OECD countries*, as the proportion of the older population (65+) grows rapidly. The fastest growth is observed in the population aged 80+. While the 65+ population in the OECD area more than quadrupled to around 229 million during 1950-2010, the population over 80 rose almost fourteen fold.

- *Ageing trends are different between OECD metropolitan areas (functional urban areas) and non-metropolitan areas.* While metropolitan areas are marginally younger than non-metropolitan areas, the number of older people is increasing faster: 23.8 % vs. 18.2 % during 2001-2011.

- *Within OECD metropolitan areas, the older population is growing faster than the total population.* From 2001 to 2011, the total population in OECD metropolitan areas increased by 8.8%, while the older population increased by 23.8%. The ageing pattern within metropolitan areas also shows spatial variation. In city centres, the older population increased by 22.6%, while in the hinterland it increased by 28.3%.

- *Ageing societies pose diverse challenges.* They include the need to redesign infrastructure and urban *development* patterns, social isolation, lack of accessibility and housing affordability. City governments have to address these challenges within the constraints of local revenues, the ageing of the labour force and increases in public spending for health and social care.

- *Population ageing also offers opportunities*, such as new developments in technology and innovation; market approaches to retrofit existing housings that allow older people to maintain or regain their autonomy; and the organisation of services *for* older people *by* older people in voluntary networks.

Policy strategies for addressing ageing challenges

- *Policies for ageing societies should be seen as a way to build for the future*. The ultimate aim is not to mitigate current generational conflicts, but to create a better quality of life and well-being for all generations.

- *Cities need to prioritise their policy actions*. A number of actions should be considered:

  – *Developing a long-term vision and indicators* to understand a city's demographic structure over the long term and consider how best to cope with demographic transition through economic and social pathways.

  – *Increasing older people's engagement in the labour market and in social activities, as well as encouraging healthier lifestyles.* Retaining older city government employees, providing training for new jobs and skills, and promoting entrepreneurship are important. Such measures could be complemented by industrial development policies to create new jobs and public transport policies to improve access to jobs. Encouraging older people to engage in volunteer work can help keep them active and strengthen inter-generational linkages in communities. Promoting health for all ages, for example, by encouraging walking as preventive measure is also important, while using information communication technology.

  – *Providing affordable housing in accessible environments,* for example, through innovative finance (e.g. improve access to credit for non-profit developers), and project schemes for alternative housing arrangements (e.g. accommodation for multi-generation); increase availability of in-home care services; and better access to employment and services from home.

  – *Redesigning urban areas to increase attractiveness and well-being*, for example, by reformulating the appropriate location for urban infrastructures to optimise land use. Compact urban structure is one of the desired goals in many places, as it facilitates accessibility for older people. For implementing such strategies, policies in different policy areas (e.g. housing, transport, public services…) need to be integrated based on a long term vision.

- *Cities need to consider new ways to implement those strategies, in particular, how to leverage actions by different stakeholders:*

  – *New actors* may need to be included in the efforts to address the demographic transition, including community actors, local residents, research institutions and the private sector. Many issues facing an ageing population are beyond the scope of public policies, leaving room for actions of stakeholders.

Key Findings: Case studies of cities

- The experiences and practices regarding ageing societies of nine case-study cities were analysed through a questionnaire and site visits. These case-study cities are: Toyama (Japan), Yokohama (Japan), Lisbon (Portugal), Calgary (Canada), Brno (Czech Republic), Manchester (UK), Philadelphia (US), Helsinki (Finland) and Cologne (Germany).

- Key lessons from the case studies are:

  – Policy practices at the city level differ substantially, depending on where each city is in the ageing process. Ageing cities should take a comprehensive approach, integrating economic and social policies and using various policy tools, such as

public private partnership, land use planning, financial incentives and encouraging civil engagement. Younger cities should start preparing for ageing societies by focusing on particular policy areas, including housing, community building and health care policy.

- Long-term visions that focus on tackling the challenges of ageing needs to be well communicated to ensure effective engagement of all stakeholders and appropriate use of policy instruments.

- Civil society and the private sector are well integrated into policy implementation and cooperate with city governments; however, greater co-operation among neighbouring municipalities is needed in many case study cities.

Part I

Ageing societies and sustainable urban development

Chapter 1

Trends in ageing societies and sustainable urban development*

Chapter 1 defines the meaning of ageing societies in the context of sustainable urban development to establish the framework for the subsequent chapters. It includes an assessment of ageing trends, such as general demographic change on a global scale, by country and by region, and a particular focus on the ageing trends of OECD metropolitan areas in terms of speed, stage and magnitude of change, and the spatial variation in ageing across urban areas.

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Defining ageing societies for sustainable urban development

Ageing is a global phenomenon with major implications for sustainable urban development. By 2050, 25.1% of the world's population will be more than 65 years old. In 1950, by comparison, only 7.7% of the OECD's population was 65 or older, and 1% was older than 80. Demographic change, and the current trend worldwide toward the ageing of populations, has been identified as a key issue for the fiscal, economic and social health of societies (OECD, 1996a). Pursuing environmentally sound and socially balanced economic growth must from now on be part of a new policy context that allows for a changing population structure, as the ageing trend progresses. However, many of the pressures that this places on economic and social systems will vary dramatically from one place to another. An understanding of how city populations are ageing, and what this means in context, will help shape the urgent policy response needed to mitigate the challenge. Meanwhile, the trend presents an opportunity to scrutinise the established frameworks of society (Börsch-Supan, 2000; OECD, 2013a; 2006a; 2005; 2000; 1998).

Cities are crucial players in sustainable urban development. Metropolitan areas account for 47.9% of the population in OECD countries (OECD 28) and 43.2% of the population of older people (OECD Metropolitan Database; OECD, 2013e). Previous OECD regional studies have suggested that the capacity of cities to contribute to national economic performance is based on their concentration of population and industry, and also on how well-integrated their policy approaches are. Designing policies that address ageing issues requires a deep understanding of local circumstances, including communities' economic assets, history and culture. The spatially heterogeneous nature of ageing trends makes it important to approach ageing from an urban perspective. Cities need to pay more attention to local circumstances to understand ageing and its impact. They are especially well-equipped to address the issue, given their long experience of working with local communities and profound understanding of local problems.

Compared to other challenges that are testing the resilience of societies, such as climate change and the financial crisis, ageing has two distinctive characteristics. First, demographic change can be fairly accurately forecast and its potential impact predicted. This offers policy makers some leeway to prepare for the shape of the changing demographic structure ahead. Second, although the tendency toward ageing is almost universal, the timeframes within which it is likely to become a serious problem will vary. Countries at the forefront of the ageing trend can provide valuable lessons for the countries that will follow in the same path.

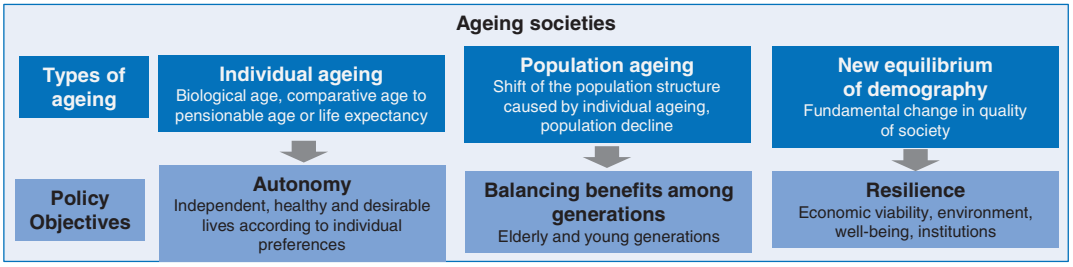
Cities' important role in ageing societies was acknowledged at the fifth OECD Roundtable of Mayors and Ministers (held 4-5 December 2013 in Marseille, France), where participants agreed that to be attractive and competitive, "Cities need to take a comprehensive policy approach to attractiveness, integrating transport policy, housing policy, land-use policy, employment policy and industrial policy". This point was reiterated at the Ministerial Meeting of the Territorial Development Policy Committee (5-6 December 2013 in Marseille), where it was noted that, "Better urban policy approaches will help us to improve the quality of life for residents of all ages, as well as resilience to natural disasters and climate change". The Ministerial Council Meeting of the OECD in 2014 also confirmed the importance of addressing population ageing. The Ministerial Statement noted that the ageing of a society intensifies the need to address inequality, which compromises socio-economic resilience. Regional and urban policies can play a key role in empowering citizens and building resilience at all levels of our economies and societies.

This report explains what ageing societies mean for cities and the well-being of citizens for all generations. Chapter 1 sets out a framework showing the composition of ageing societies. Chapter 2 assesses the impact of ageing societies on cities from the perspective of the challenges and opportunities they present. This chapter responds to key questions, such as: What impact do ageing societies have on sustainable urban development? What visions have cities in ageing societies formulated as they plan for the future? Despite the widely held notion that ageing societies present "a problem", this report does support the assumption that ageing is first and foremost a "celebration and a challenge" (UNFPA, 2012). Older people may be residents who receive public services, but they also engage in economic and social activities. From this perspective, ageing can be seen as the result of socio-economic conditions that make it possible to live longer and more productive lives, and as something that provides opportunities for growth. Chapter 3 proposes policy strategies to make the most of such opportunities, and answers the critical questions: What roles should cities play in achieving these visions for the future? How can they mitigate the challenges that ageing presents and make the best use of the opportunities it provides to achieve sustainable urban development? An assessment of governance follows in Chapter 4, which poses the question: Who are the key stakeholders able to formulate visions and implement policy tools effectively? In particular, this report proposes typologies of cities depending on the ageing stages: Type I, or ageing cities with slow population growth; Type II, young cities that are rapidly ageing; and Type III, young cities that are ageing slowly. This report suggests different challenges and policy priorities that each type of city could take.

Three aspects of ageing societies

Three inter-related aspects of ageing must be considered in creating policy responses for ageing societies: *i)* individual ageing; *ii)* population ageing; *iii)* the new equilibrium of societies that have undergone the different stages of an ageing trend (Timonen, 2008; OECD, 1996a) (Figure 1.1).

Figure 1.1. **Key aspects of ageing societies**



Sources: OECD elaboration based on OECD (1996a), *Ageing in OECD Countries: A Critical Policy Challenge*, OECD Publishing, Paris; Timonen, V. (2008), *Ageing Societies: A Comparative Introduction*, McGraw-Hill.

Individual ageing refers to the tendency for people to live longer lives than in earlier generations. This process extends the conventional division of life into three phases: youth, adulthood and old age, by adding an additional phase for later life. This differentiates a "third age" (including people between 65 and 74 years old) and a "fourth age" (75 and over). This distinction has important policy ramifications, in that it takes into consideration the specific needs, capacities and preferences of older people. This is explicitly acknowledged in the United Nations' International Plan for Action on Ageing

(1982), which introduced a programme of work concentrating on older people. In its statement 50/141, preparing for an International Year focused on ageing, the UN General Assembly stated that it "recognised the complexity and rapidity of the ageing of the world's population and the need to have a common basis and frame of reference for the protection and promotion of the rights of older persons, including the contribution that older persons could and should make to society". Policies need to determine how to consider the autonomy of individuals, and whether they are able to live physically and financially independent lives according to their preference. Infrastructure and services to support and enable autonomy throughout late and very late life will be increasingly called for. Access to appropriate forms of transport, housing and amenities are required to support the independence of older people (Moïse et al., 2004; OECD, 1996b, 2001a, 2002, 2005).

Population ageing refers to the rising number and percentage of those of advanced age within the demographic structure. It implies a fundamental shift in the age structure of societies that will oblige policy makers to reconsider key assumptions about the population "pyramids" on which the existing policy frameworks are established. In response, policy priorities for this changing population structure need to be renegotiated to redistribute the benefits between generations. Ageing societies are not simply societies of "older people", or societies in which the issue of age takes centre stage in policy debates. This project explores how cities can pursue sustainable urban development for both young and old, and proposes holistic urban policies for cities, not policies exclusively for older people.

The third aspect of a "new demographic equilibrium" concerns the new population balance after the period of demographic restructuring is over. After the transitional period described as population ageing, the demographic structure will be reshaped, and is anticipated to remain stable for some time. Any shift in the mid-term needs to take into account the new balance in the structure of the given society and how smoothly it can adapt to the long-term situation. Societies in this phase are resilient, as they recover from these changes, but also bouncing back stronger than before and learning from the experience (OECD, 2014a).

Defining "older"

Older people are diversified (OECD, 2002), in terms of chronological, biological, psychological and sociocultural age (Atchley, 2000; Abeles and Riley, 1987). In particular, in terms of physical autonomy, the physical ability of each older person differs (Akiyama, 2010) (Figure 1.4). Policy makers need to reconsider how they target older people, depending on the policy objectives.

In this report, the term "older" is used to refer to people 65 years old and over. This definition has been chosen mainly because of its prevalence in statistical methodologies distinguishing the older generation from the younger generation. While historically, old age was a flexible concept based on an interplay of poverty levels, public opinion and public finances, the state pension systems established at the end of the 19th century introduced a standardised threshold for old age based on chronological age (Roebuck, 1979). The threshold of 65 makes sense to some extent because the age of 65 is often regarded as a benchmark of life stage, given the retirement patterns of workers, irrespective of pension eligibility and legal retirement age. This report used population data by age from three different sources: United Nations Department of Economic and Social Affairs, Population Division (2011), *World Population Prospects: The 2010*

Revision; the *OECD Regional Database* (2013f); and the *OECD Metropolitan Database* (2013e) (Box 1.1).

Box 1.1. **Data on population ageing**

Data on population ageing in this report are from three different sources. These three data sources are based on varying bases and different definitions of urban areas. The rationale to use data from different sources is to provide different coverage of population by age data, including future forecasts. The three sources used in this report help to understand the whole picture of the ageing trend from different spatial and temporal perspectives.

Population data sources and definitions of urban area

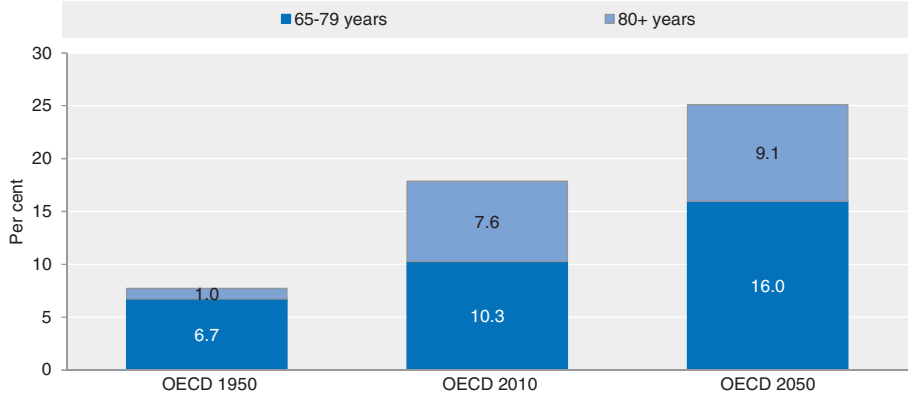
Data source	Definition of urban area in the data source
United Nations Department of Economic and Social Affairs, Population Division (2011), *World Population Prospects: The 2010 Revision*	This report used the population by age data on a country basis including future forecasts from the United Nations *World Population Prospects* (medium variant).
OECD Regional Database	The *OECD Regional Database* classified all the regions in the 34 OECD countries as "predominantly urban", "intermediate", "predominantly rural" (or "remote rural" and "rural close to urban"). "Predominantly urban" refers to areas where the share of population living in rural communities with a population density of fewer than 150 inhabitants per square kilometre (400 inhabitants for Japan and Korea) is below 15%. This database is useful, in particular, to compare the demographic trend in all OECD regions.
OECD Metropolitan Database	OECD metropolitan areas (functional urban areas) are defined based on a harmonised definition of urban areas as functional economic units, consisting of highly densely populated municipalities (urban cores) as well as any adjacent municipalities with a high degree of economic integration with the urban cores, measured by travel-to-work flows. Two hundred seventy-five metropolitan areas with a population above 0.5 million from 29 countries have been analysed. This database is useful, in particular, to compare the demographic trend in OECD metropolitan areas. See details in Annex 1.A1.

Sources: United Nations Department of Economic and Social Affairs, Population Division (2011), *World Population Prospects: The 2010 Revision*, United Nations, New York, available online: http://esa.un.org/unpd/wpp/unpp/panel_indicators.htm; OECD (2013e), "Metropolitan areas", *OECD Regional Statistics* (database), http://dx.doi.org/10.1787/data-00531-en; OECD (2014b), *OECD Regional* (database), http://dx.doi.org/10.1787/region-data-en (accessed 10 November 2014).

Adopting alternative ways of defining older people is an important topic for future research (Box 1.2). Today's generation of 65 and over is very different both from earlier cohorts and from the generation of the future, both in numerical terms and in terms of the life course of individuals. In 1950, the percentage of the population 65 and over was only 7.7%, but it rose to 17.8% in 2010, and is expected to reach 25.1% in 2050 in OECD countries. People of age 80 and over will make up 9.1% of the total population (Figure 1.2). Moreover, the stage of life of people in this age bracket will also be different, as indicated by the fact that the OECD average life expectancy in 2011 for women of 65 was 11.7 years longer than it was in 1960 (Figure 1.3).

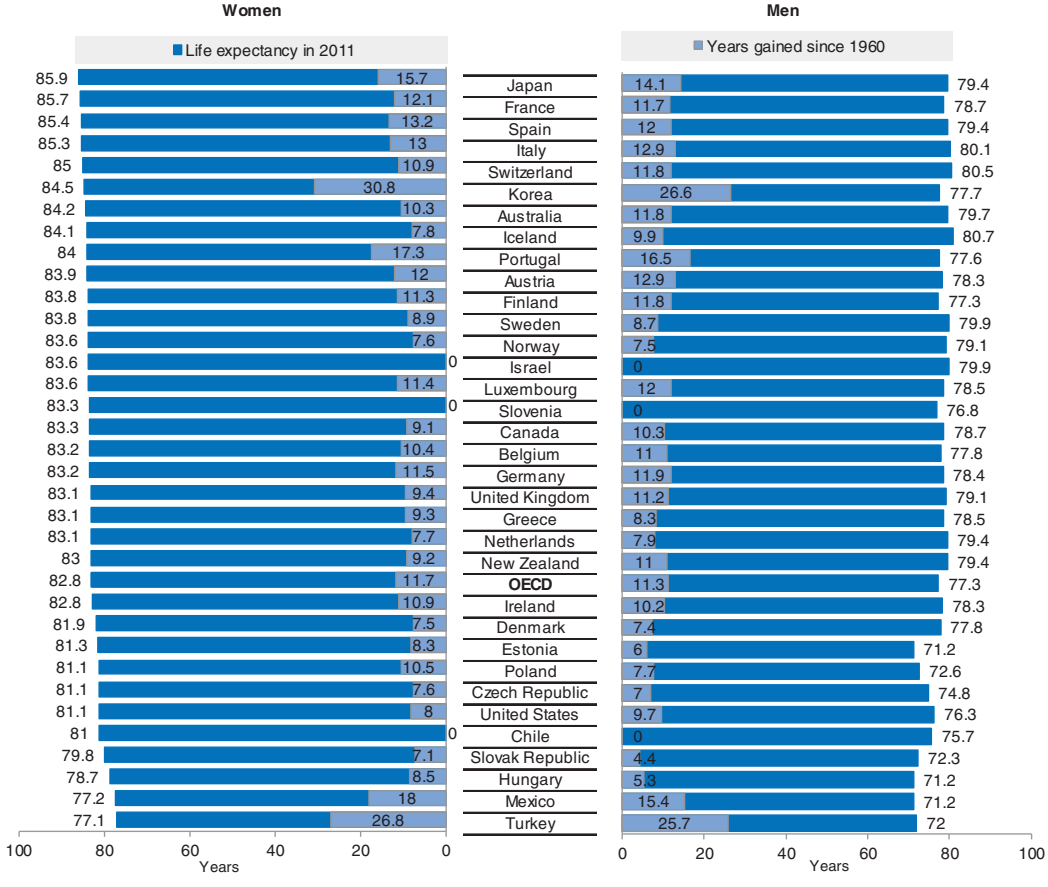
Figure 1.2. **Age distribution of the population of older people in OECD countries, 1950, 2010 and 2050**

In %



Source: OECD calculations, based on United Nations Department of Economic and Social Affairs, Population Division (2011), *World Population Prospects: The 2010 Revision*, United Nations, New York, available online: http://esa.un.org/unpd/wpp/unpp/panel_indicators.htm.

Figure 1.3. **Life expectancy at 65 years old, by gender, 1960 and 2010**



Source: OECD (2014c), *Health Statistics* (database), http://dx.doi.org/10.1787/health-data-en (accessed 30 October 2014).

Box 1.2. **Alternatives for defining old age and older people**

Rising discrepancies between actual and legal retirement ages, increasing longevity and the diversification of lifestyle patterns across population groups demand a reconsideration of current approaches to defining old age. The old-age dependency ratio is one of the indicators most commonly used to capture old age and population ageing. It is defined as the share of the population aged 65 and over in relation to the "working-age" population of age 15-64. The old-age dependency ratio is a convenient, however weak, indicator for measuring the ratio of those who are employed and contribute to pensions to retired recipients of pensions (OECD, 2001b).

The latest demographic research argues that measures such as old-age dependency do not adequately capture age-related dependency and also fail to account for old age as such (Sanderson and Scherbov, 2008). Sanderson and Scherbov introduced the concept of prospective age, arguing that increases in life expectancy have made it much more important to look at the years left than the years lived (2008). "We call our new age measure prospective age because it assigns ages to people on the basis of their remaining life expectancies in a reference year, not on the number of years that they have already lived".

Engaging the concept of prospective age, Sanderson and Scherbov suggest defining old age based on a threshold of years left, that is, of remaining life expectancy, which they fix at 15 or less years to live (ibid.). Rather than identifying an aggregated process of population ageing, this makes it possible to characterise societies from a rejuvenating perspective in terms of years left.

Spijker and MacInnes suggest revising the conventional age-dependency measure by adjusting for remaining life expectancy (2013). By dividing the population with a remaining life expectancy of 15 or less years by the actually employed population (irrespective of age) they come up with what they call the "real dependency ratio" of older people. "We calculated what we call the real dependency ratio as the sum of men and women with a remaining life expectancy ≤15 years divided by the number of people in employment. When we use this as a measure, dependency has fallen by one-third over the past four decades".

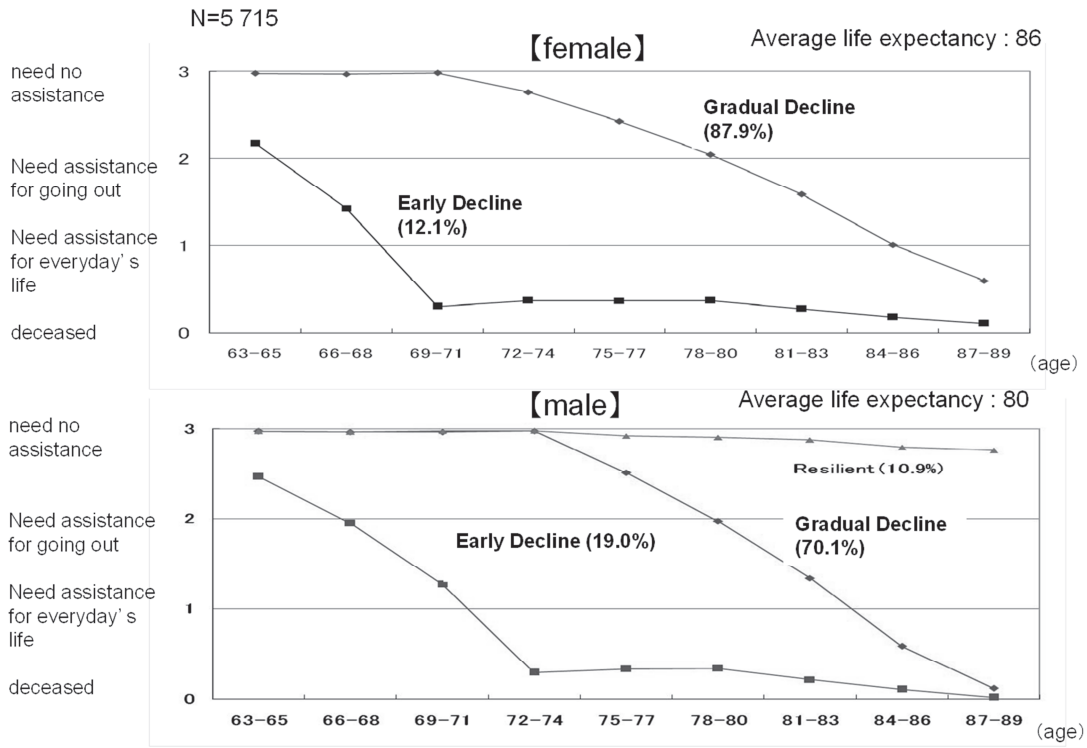
New research has explored an alternative "old-age cut-off", since today's "older people" can no longer be considered in the conventional way of simply referring to their chronological age. This research indicates that "the old-age cut-off" differs depending on the type of people, the country and the date of evaluation, and concludes that the share of "older individuals" defined by the cut-off age that is unique to each type of people, country and time within the total population has not increased much and has remained stable (Albis and Collard, 2012).

While this measure has potential for reframing the question of old age and for reformulating policy challenges, it is limited by the data that are readily available at present, since calculating remaining life expectancy requires age-specific life tables. This presents a challenge for data availability and collection, especially at the sub-national level.

Sources: Albis, H. and F. Collard (2012), "Age groups and the measure of population ageing", *CES Working Papers*, No. 2012.81, Université Paris 1 Sorbonne, Paris, available at: ftp://mse.univ-paris1.fr/pub/mse/CES2012/12081.pdf; OECD (2001b), *Society at a Glance 2001: OECD Social Indicators*, OECD Publishing, Paris, http://dx.doi.org/10.1787/soc_glance-2001-en; Sanderson, W. and S. Scherbov (2008), "Rethinking age and ageing", *Population Bulletin*, Vol. 63, No. 4, pp. 1-16; Spijker, J. and J. MacInnes (2013), "Population ageing: The timebomb that isn't?", *BMJ*, No. 347, http://dx.doi.org/10.1136/bmj.f6598.

Countries and cities experiment with different ways for classifying older people. At the individual level, older people differ in terms of their physical ability (Figure 1.4), for example, which does not allow using a simple age threshold when referring to "older people". The city of Helsinki, for example, separates older people into different age bands,

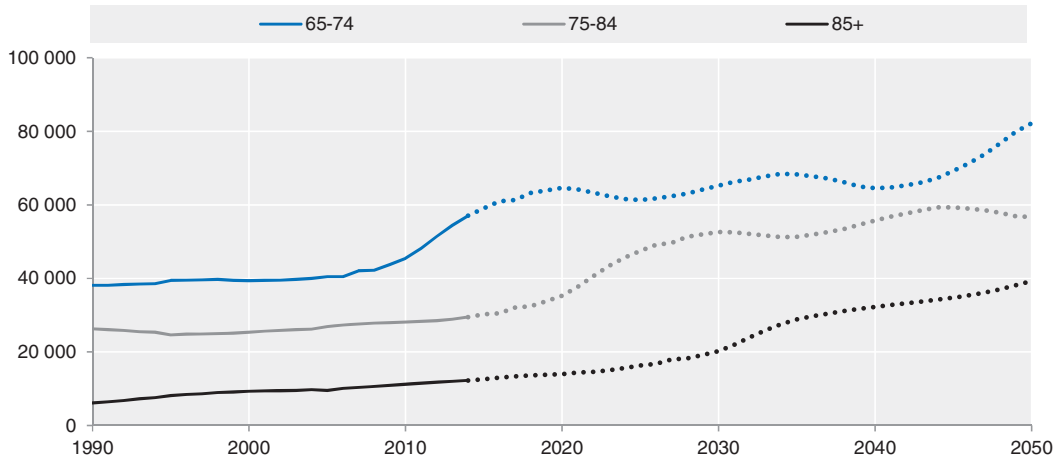
Figure 1.4. **Decline in physical ability among older people, by age**



Source: Akiyama, H. (2010), *Concept of Science and Society in Long Life Society*, "Science", Iwanami shoten, Tokyo.

which are assumed to feature different characteristics. This helps to anticipate different scenarios for population ageing (Figure 1.5). Other cities approach the classification of older people in different ways. For example, in Manchester, citizens 50 years old and older are included for consideration in formulating policies for ageing.

Figure 1.5. **Age distribution of older residents in the city of Helsinki, 1990-2050**



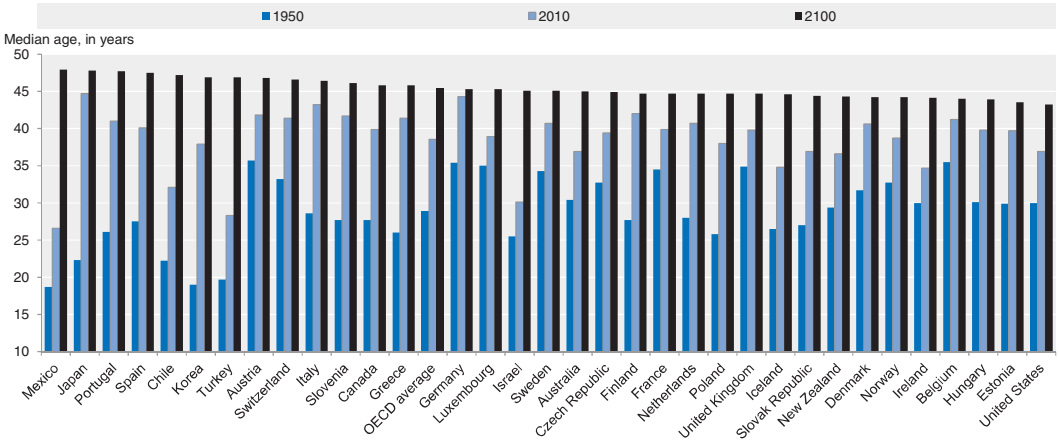
Source: Based on data from the city of Helsinki and the Helsinki metropolitan area population forecast 2015-5050, Urban Facts (2014), *Facts about Helsinki 2014*. City of Helsinki Urban Facts, Helsinki.

Ageing trends

Ageing trends at the global level

Ageing is a global phenomenon. In OECD countries, the median age increased from 28.9 in 1950 to 38.6 in 2010 and is expected to reach 45.4 years in 2100 (Figure 1.6). The countries with the highest median age today, such as Japan, Germany and Italy, did not necessarily exhibit this pattern in the past. By 2100, countries with an already advanced median age will maintain a relatively high median age, whereas countries whose median age is currently low will become the countries with the highest median age. Significant differences persist in the timing, magnitude and rate of the increase of the median age.

Figure 1.6. **Median age in OECD countries, 1950, 2010 and 2100**



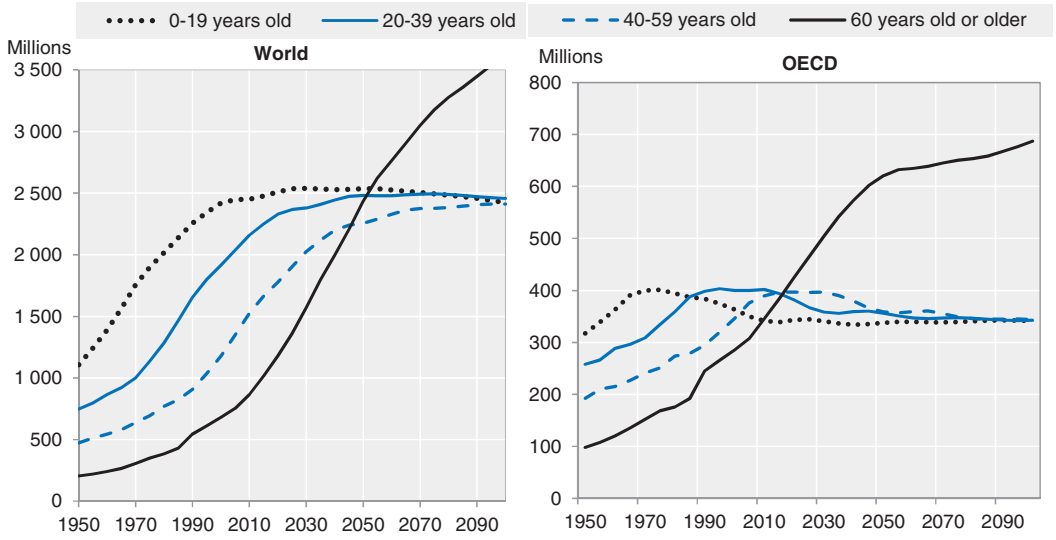
Source: Based on OECD (2013c), *OECD Factbook 2013: Economic, Environmental and Social Statistics*, OECD Publishing, Paris, http://dx.doi.org/10.1787/factbook-2013-en; United Nations Department of Economic and Social Affairs, Population Division (2010), *World Population Prospects: The 2010 Revision*, United Nations, New York, http://esa.un.org/unpd/wpp/unpp/panel_indicators.htm (accessed 30 September 2014).

Demographic change is predicted to be most dynamic in the next 50 years, but a "new equilibrium" is projected within the demographic structure in the second half of the 21st century (Figure 1.7) (UN, 2012). In the 20th century, those of 60 years old or over made up the smallest tranche of the population. This trend will be inverted during the course of the 21st century, when the numbers of those of advanced age will surpass all younger population groups. This inversion of age groups in terms of numbers will take longer on the global level. By 2010, the population of older people in the OECD already outnumbered those in the youngest population groups (0-19 years old) and is expected to overtake all other population groups by 2020. In OECD countries, the growth of younger population groups started to stagnate and decline towards the end of the 20th century, and the population of older people began to register rapid growth, which is projected to slow only after 2050.

Within the OECD on average, the population share of older people increases (Figure 1.8). While these shares will continue to vary by 2100, the differences among countries will be smaller than in 2010. The countries with the highest shares in 2010 – Japan, Italy and Germany – will even experience a decrease in the share of their older population between 2050 and 2100. Countries with low proportions today will face a

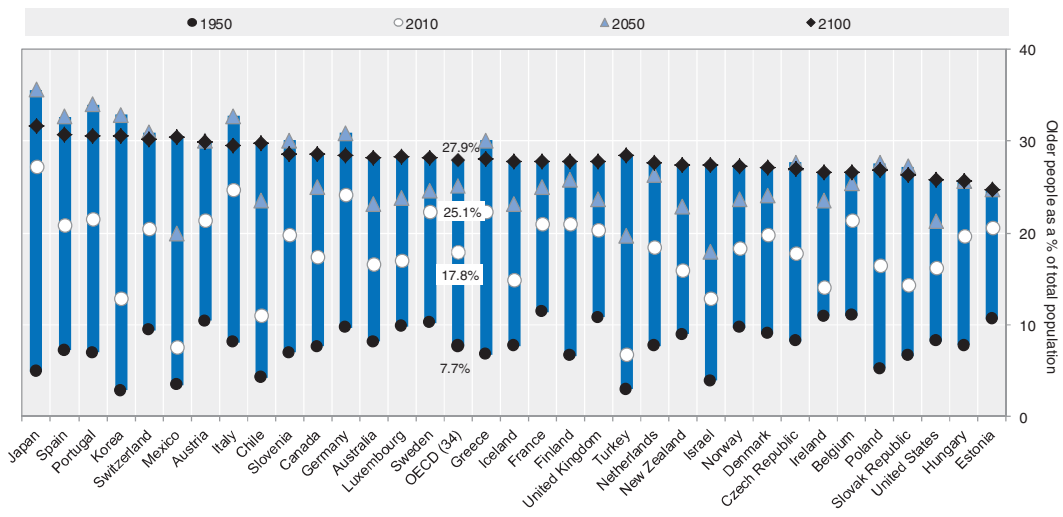
large increase of their older population in the near future. This is notably the case for Korea, Mexico, Chile and even Turkey, reflecting the increase of their median age.

Figure 1.7. **Population change by age group, world and OECD, 1950-2100**



Source: OECD calculations based on United Nations Department of Economic and Social Affairs, Population Division (2010), *World Population Prospects: The 2010 Revision*, United Nations, New York, available: http://esa.un.org/unpd/wpp/unpp/panel_indicators.htm (accessed 30 September 2014).

Figure 1.8. **Older people as a percentage of total population, OECD countries, 1950-2100**



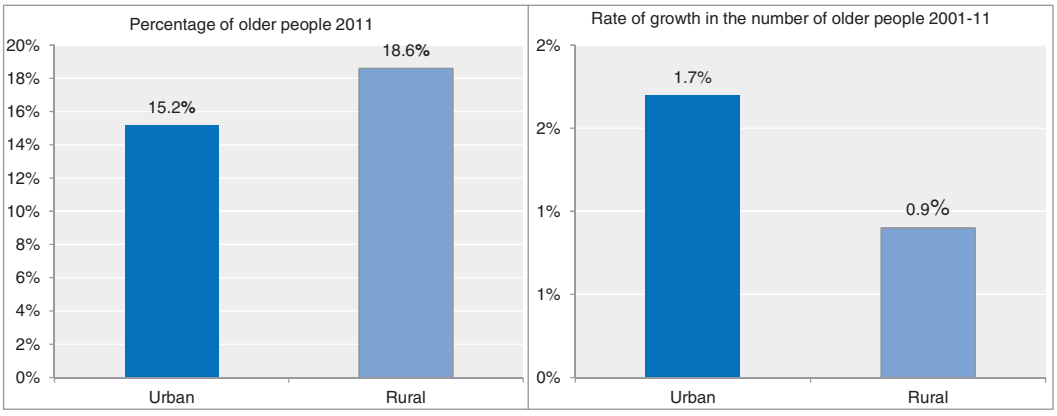
Source: OECD calculations based on United Nations Department of Economic and Social Affairs, Population Division (2011), *World Population Prospects: The 2010 Revision*, United Nations, New York, available: http://esa.un.org/unpd/wpp/unpp/panel_indicators.htm (accessed 15 November 2014).

Ageing trends in regions

The growth rates and the distribution of the population of older people within countries exhibit geographical differences at the level of the smallest regional units measured within OECD countries (Territorial Level 3). While predominantly rural

regions have a higher percentage of older people, predominantly urban regions in OECD countries have been ageing faster over the decade 2001-11. The older population in rural regions was 3.4% higher than that in urban regions, whereas the growth rate of the older population of older people in urban regions was almost double that of rural regions (Figure 1.9).

Figure 1.9. **Share of annual growth rate of older population in OECD regions, 2001-2011**



Note: Predominantly urban are the regions where the share of population living in rural communities with a population density of fewer than 150 inhabitants per square kilometre (400 inhabitants for Japan and Korea) is below 15%; predominantly rural are the regions where the share of population living in rural local units is higher than 50% (OECD, 2010).

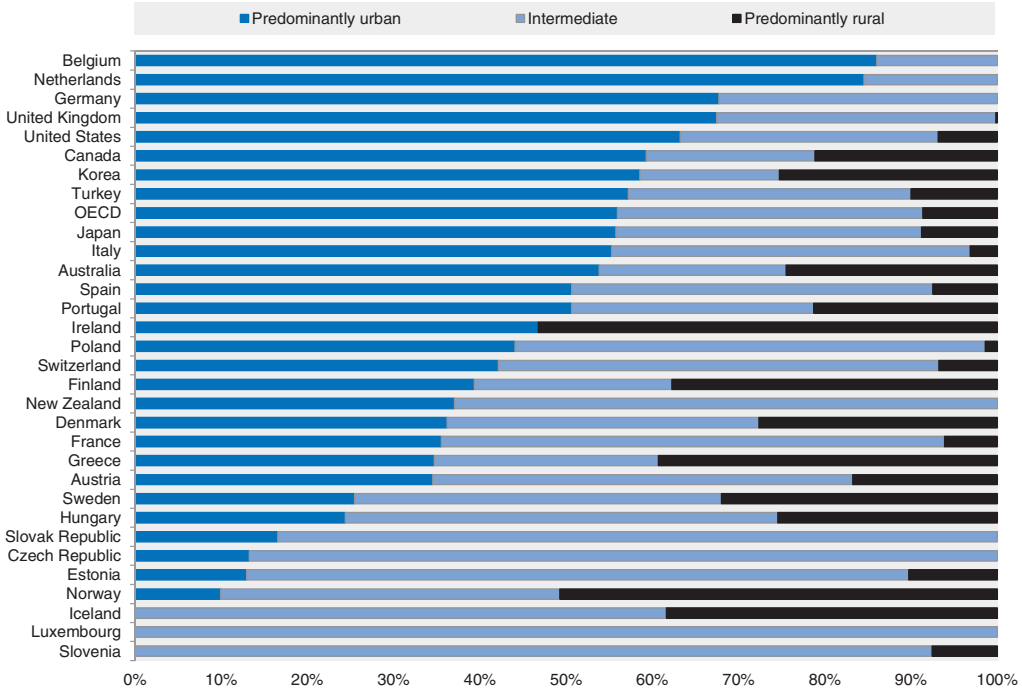
Source: OECD (2014b), *OECD Regional* (database), http://dx.doi.org/10.1787/region-data-en (accessed 10 November 2014).

In 2011, 56% of the population of older people in OECD countries resided in predominantly urban regions (PU), with 35% in intermediate (IN) and 9% in predominantly rural regions (PR) based on data from the *OECD Regional Database* (Figure 1.10). This distribution of older people is similar to the distribution of the total population in the three types of regions. These regional differences vary widely among OECD countries (Figure 1.11).

Ageing in metropolitan areas

This section assesses 275 metropolitan areas in 28 OECD countries with a population of at least 0.5 million. It is developed in this report in line with the OECD's definition of "functional urban areas" (FUAs) for the years 2001 and 2011 (see Annex 1.A1 for the methodology). OECD metropolitan areas are differentiated according to "urban cores" and "hinterlands" (Box 1.2). The assessment of ageing by functional urban area contributes to the OECD's concept of "fitting policies to places", which aims to capture the dynamics of economic and social activities by considering a unit of analysis that expresses the reality of people's lives and work. This report uses the term "OECD metropolitan area" to refer to functional urban areas as defined by the OECD, including large metropolitan areas (with a population of 1.5 million and more) and metropolitan areas (with a population of between 0.5 million and 1.5 million). Those 275 metropolitan areas include 34.3% of the population older people in their respective countries.

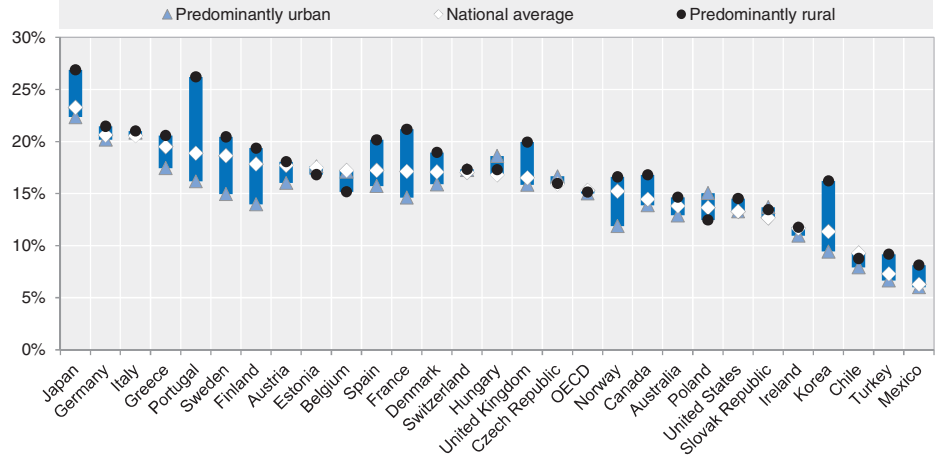
Figure 1.10. **Geographic distribution of the population of older people in predominantly urban, intermediate and predominantly rural OECD regions, 2011**



Notes: Predominantly urban are the regions where the share of population living in rural communities with a population density of fewer than 150 inhabitants per square kilometre (400 inhabitants for Japan and Korea) is below 15%; predominantly rural are regions where the share of population living in rural local units is higher than 50% (OECD, 2010).

Source: OECD (2014b), *OECD Regional* (database), http://dx.doi.org/10.1787/region-data-en (accessed 10 November 2014).

Figure 1.11. **Proportion of older people in predominantly urban and predominantly rural OECD regions, country averages, 2012**



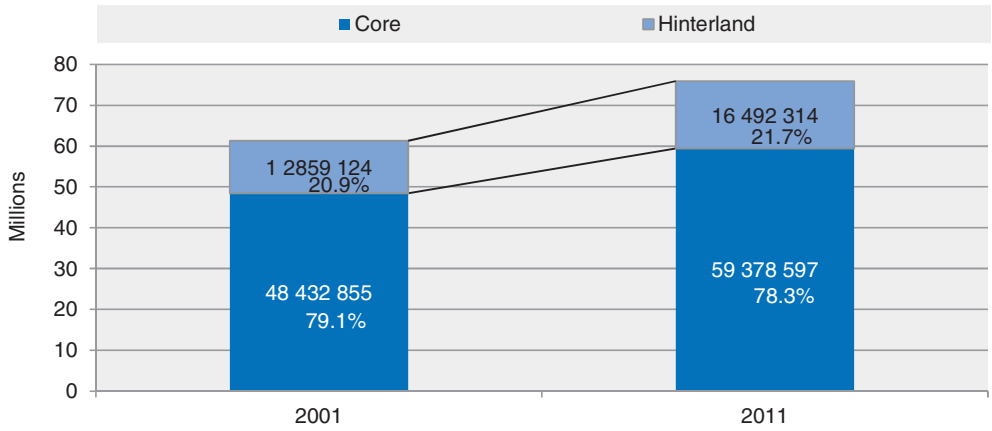
Notes: Predominantly urban are the regions where the share of population living in rural communities with a population density of fewer than 150 inhabitants per square kilometre (400 inhabitants for Japan and Korea) is below 15%; predominantly rural are regions where the share of population living in rural local units is higher than 50% (OECD, 2010).

Source: OECD (2014b), *OECD Regional* (database), http://dx.doi.org/10.1787/region-data-en (accessed 10 November 2014).

Elderly population in metropolitan areas

The older population accounted for 12.2% of the total population in OECD metropolitan areas in 2001, increasing to 13.9% in 2011. Increase in number and ratio of the older population makes ageing trends in metropolitan areas critical. During 2001 and 2011, the number of older people increased by 23.8% in metropolitan areas from 61 229 082 to 75 790 145, while it increased by 18.2% in non-metropolitan areas (Figure 1.12). The growth ratio of the numbers of older people between 2001 and 2011 is 22.6% in the urban core and 28.3% in the hinterland.

Figure 1.12. **Number and proportion of the population of older people in OECD metropolitan areas, core and hinterland, 2001 and 2011**



Source: OECD calculations. For the statistical sources, see Annex 1.A1.

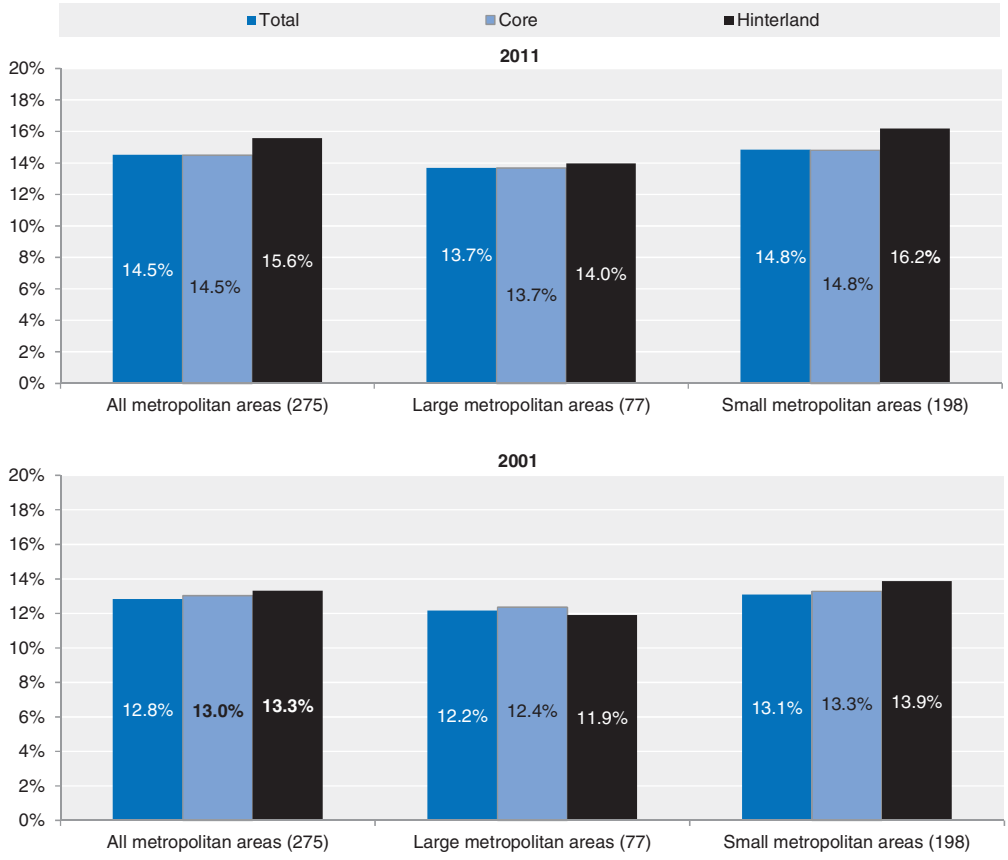
The population ratio for older people in metropolitan areas

Population ageing is distributed unevenly in urban cores and hinterlands. The population ratio for older people is higher in small metropolitan areas, and also higher in hinterlands than in cores (Figure 1.13). The proportion of older people increased in all areas.

OECD metropolitan areas grouped by country show a slightly different trend in the proportion of older people between core and hinterland (Figure 1.14). In 2001, 4 out of 28 countries (Japan, Korea, Mexico and the United Kingdom) had a higher population of older people in urban hinterlands. In 2011, 11 out of 28 countries had a higher proportion of older people in urban hinterlands.

Considerable differences in the population of older people persist between countries. Figure 1.15 shows that almost all OECD metropolitan areas by country increased their share of the population of older people between 2001 and 2011. Metropolitan areas in Japan (22.2%) and Italy (21.2%) register the highest shares in 2011. Metropolitan areas in Mexico (5.3%) and Korea (9.4%) display the lowest population of older people. Belgium, Norway and the Slovak Republic show the opposite trend, of decreasing populations of older people between 2001 and 2011 in metropolitan areas.

Figure 1.13. **Average proportion of the population of older people in OECD metropolitan areas, by urban core, hinterland and city size, 2001 and 2011**



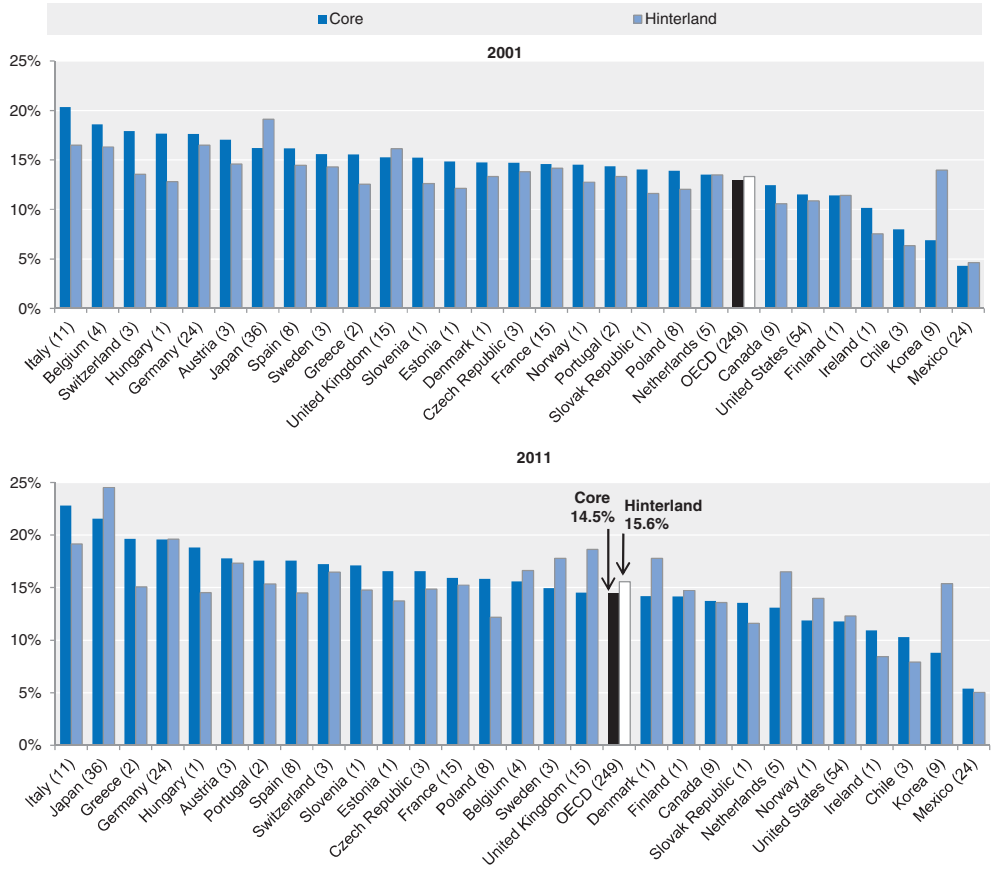
Source: OECD calculations. For the statistical sources see Annex 1.A1.

OECD metropolitan areas tend to be younger than their respective countries' average. OECD metropolitan areas registered a 0.8% lower population share of older people than the national average, at 14.5% compared to 15.3% in 2011 (Figure 1.16). Six out of 28 countries do not follow this trend and display higher populations of older people in their metropolitan areas. The gap between the national average and the average of metropolitan areas is decreasing compared to the gap in 2001.

Growth of the population of older people

The number of older people increased at an average annual growth rate of 2.1% during the period between 2001 and 2011, compared to 0.9% for the total population (Figure 1.17). Metropolitan areas grouped per country follow this trend, although with considerable variation among countries. Mexico and Chile, still young in their age structure, display the highest growth rates for older people, while maintaining a robust level of overall population growth for 2001-11 (Figure 1.18). Other countries show high growth rates for the older population with stagnating or decreasing population growth, such as Japan, Korea, Italy or Poland. Belgium, Norway, the United Kingdom, and the Slovak Republic show higher growth rates for the total population than for the population of older people.

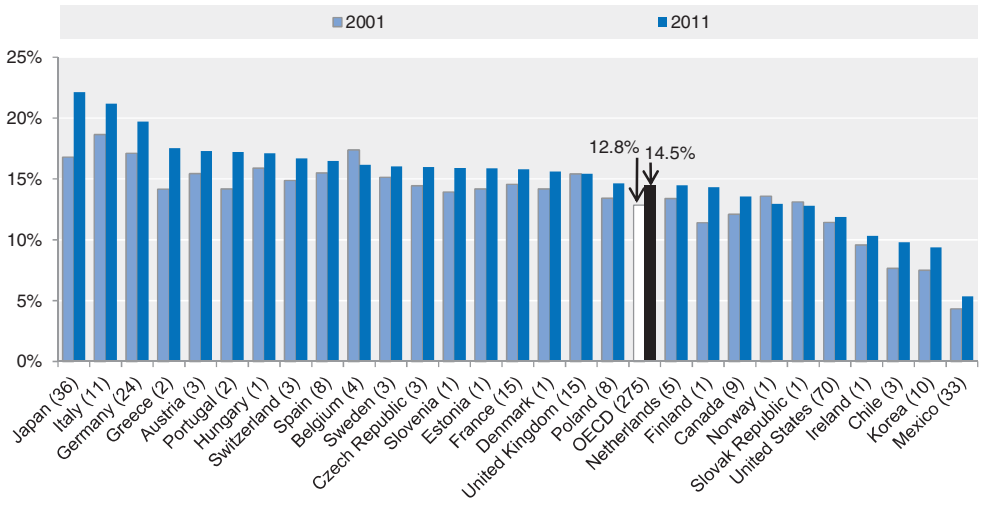
Figure 1.14. **Average older population as a percentage of total population in OECD metropolitan areas, for urban core and hinterland, by country, 2001 and 2011**



Note: # in brackets refer to the number of metropolitan areas per country.

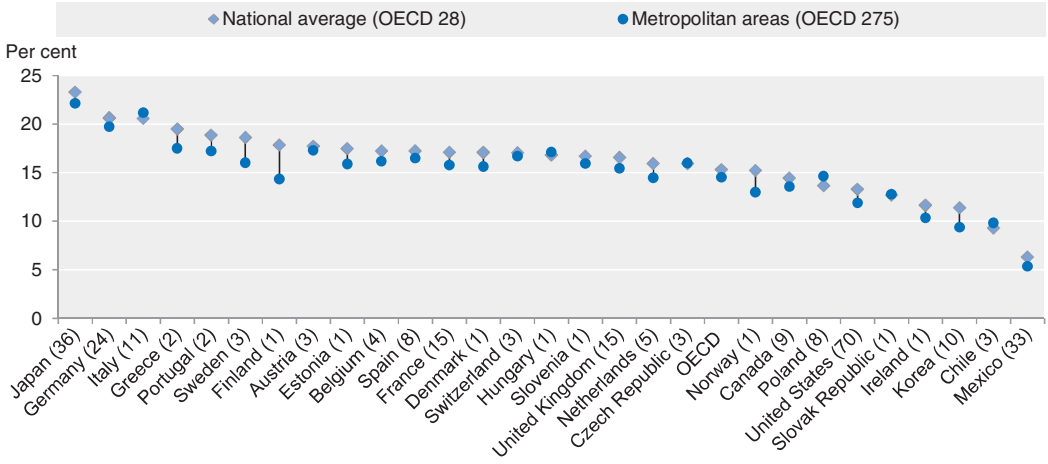
Source: OECD calculations. For statistical sources see Annex 1.A1.

Figure 1.15. **Average older population as a percentage of total population in OECD metropolitan areas, per country, 2001 and 2011**



Source: OECD calculations. For the statistical sources, see Annex 1.A1.

Figure 1.16. **Average population of older people as a percentage of total population in OECD metropolitan areas per country and national average, 2011**

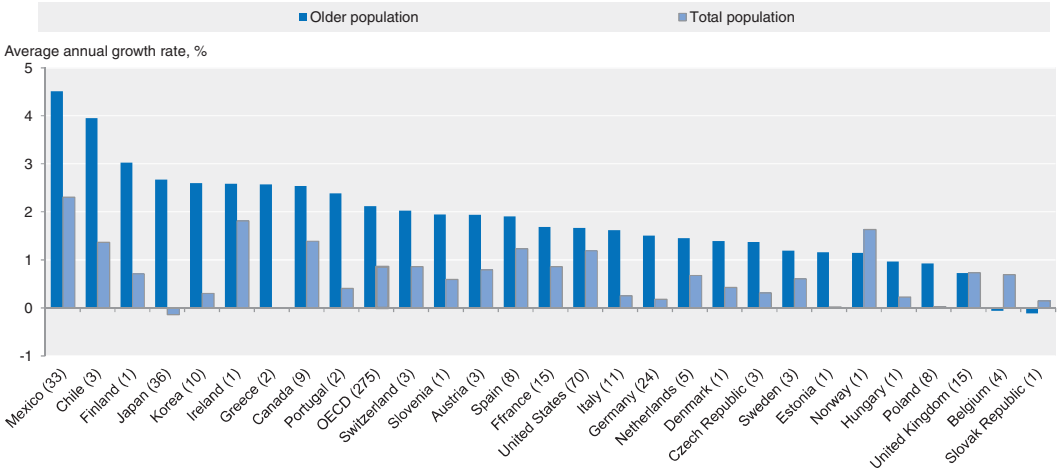


Note: # in brackets refer to the number of metropolitan areas per country.

Source: OECD calculations. For statistical sources see Annex 1.A1.

Figure 1.17. **Average older and total population change in OECD metropolitan areas, per country**

Average annual growth rates, 2001-11



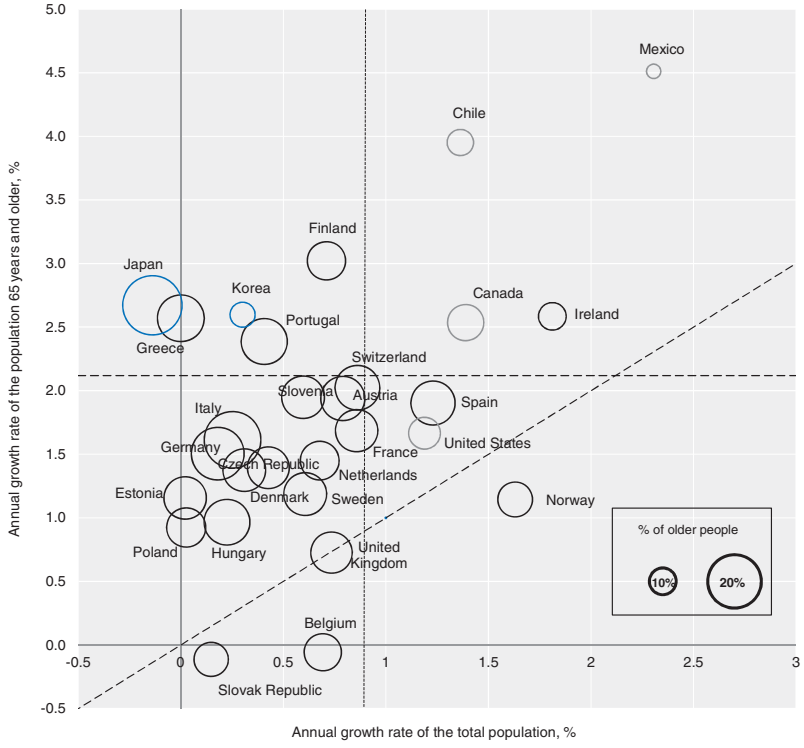
Note: # in brackets refer to the number of metropolitan areas per country.

Source: OECD calculations. For statistical sources, see Annex 1.A1.

Individual OECD metropolitan areas show a different range in the growth rates between the population of older people and the total population for 2001-11, according to world regions (Figures 1.19 and 1.20). While Japanese and Korean metropolitan areas feature an average annual growth rate of -0.04% for the total and 2.7% for the population of older people, the range of these growth rates is rather narrow compared to metropolitan areas in Europe and the Americas (Canada, Chile, Mexico and the United States).

The larger metropolitan areas register higher growth rates of older people in urban cores than in hinterlands, whereas smaller metropolitan areas display the reverse (Figure 1.21). In metropolitan areas with fewer than 10 million inhabitants, the growth rate of older people in hinterlands outpaces urban cores by 0.5-1.1% for 2001-11.

Figure 1.18. **Average annual growth rate of older and total populations, and percentage of population of older people in OECD metropolitan areas by country, 2001-11**

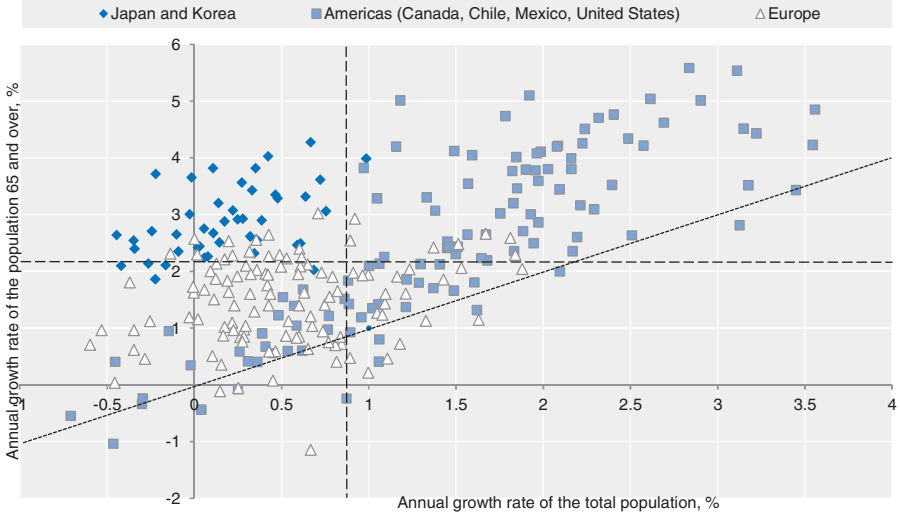


Note: The size of the circle shows the proportion of older people in the total population.

Source: OECD calculations. For statistical sources, see Annex 1.A1.

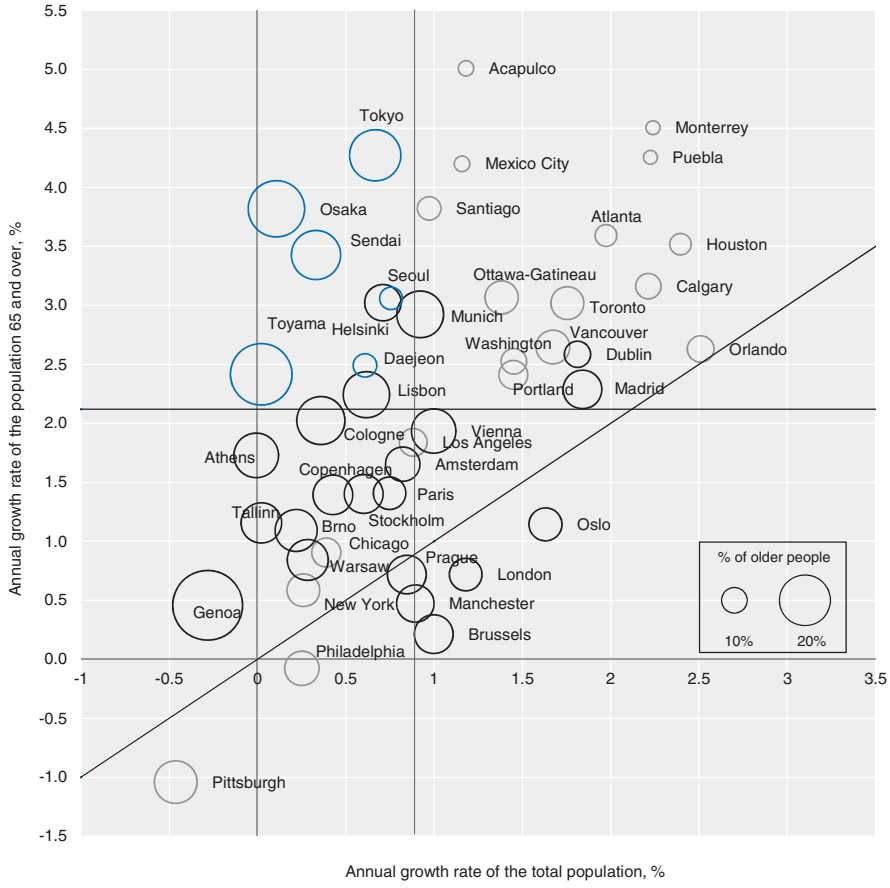
Figure 1.19. **Average annual growth rate of older and total populations in OECD metropolitan areas, 2001-11**

In %



Source: OECD calculations. For statistical sources see Annex 1.A1.

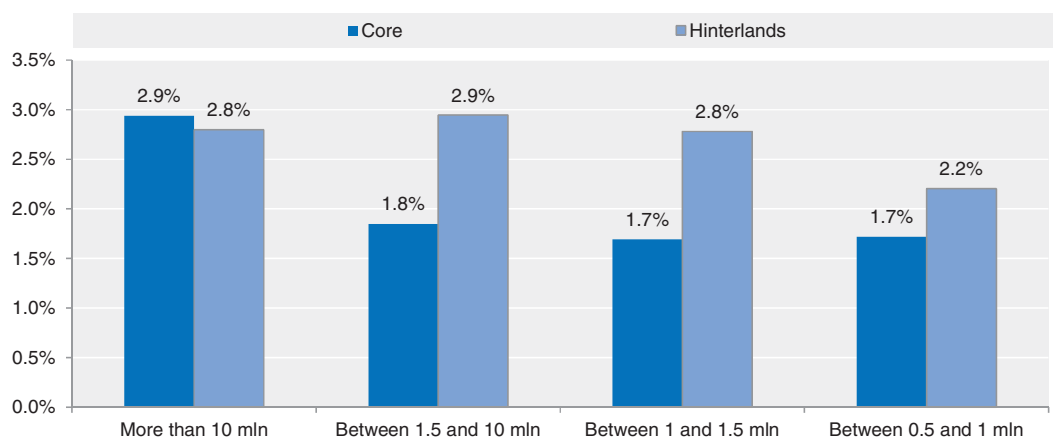
Figure 1.20. **Annual growth rate of older and total populations in selected OECD metropolitan areas, 2001-11**



Note: The size of the circle shows the percentage of older population in the total population. Case study cities appear in bold.

Source: OECD calculations. For statistical sources, see Annex 1.A1.

Figure 1.21. **Average annual growth rate of population of older people in OECD urban core and hinterland, 2001-11**



Source: OECD calculations. For statistical sources, please see Annex 1.A1.

Conclusion

This chapter provides a statistical overview of current changes based on comparable indicators. An assessment of the ageing trend is as follows:

- OECD countries are experiencing rapid and unprecedented change in their demographic structure. In the long term, by the middle of the 21st century, a new demographic equilibrium will be reached that now demands an immediate policy response, taking into account the long-term consequences of population change.
- In the OECD, 56% of older people live in urban regions. While rural regions have a higher population share of older people, urban regions have been ageing faster over the decade from 2001-11. This suggests that urban and rural regions are facing different ageing trends, providing diverse challenges for both areas.
- OECD metropolitan areas have, on average, a 0.8% lower population share of older people compared to the national level, although this national-to-urban age gap varies among countries. The number of older people in metropolitan areas increases faster than in non-metropolitan areas. This is the key issues which makes ageing in cities critical. During 2001 and 2011, the number of older people increased by 23.8% in metropolitan areas from, while it increased by 18.2% in non-metropolitan areas.
- Ageing in metropolitan areas shows wide spatial variation. In 2011, urban cores were 1.1% younger than hinterlands. Since this urban core-to-hinterland age gap varies among countries, further research is needed to analyse what drives this heterogeneous concentration of older population.
- The growth of the population of older people in urban hinterlands between 2001 and 2011 (28.3%) has been outpacing the rates in urban cores (22.6%). This may suggest an even larger population of older people in urban hinterlands in the future.

Annex 1.A1
Methodology for assessing ageing trends in OECD metropolitan areas

Methodology for defining OECD metropolitan areas

Despite its recognised effects on the economy, on quality of life and on the environment, urban development is still poorly monitored. Statistically robust comparisons of cities across countries are lacking. This knowledge gap is mostly due to the absence of an international agreement on what to measure, i.e. what is administratively considered "urban" and the real area of a city's labour market (its functional area). The methodology identifies urban areas as functional economic units, characterised by densely inhabited "urban cores" and "hinterlands" whose labour markets are highly integrated with the urban cores.

Step 1. Identifying core municipalities through gridded population data: High-density clusters are defined as aggregations of contiguous high-density 1 km² grid cells. High-density cells have a population density of at least 1 500 inhabitants per km² in Europe, Japan, Korea and Mexico. A lower threshold of 1 000 inhabitants per km² is used for Australia, Canada and the United States, where several metropolitan areas are less compact. Smaller clusters (with fewer than 50 000 people in Europe, Canada and the United States and 100 000 in Japan, Korea and Mexico) are dropped. If the percentage of a municipality's population living within the urban cluster is higher than 50%, the municipality is considered densely inhabited.

Step 2. Connecting non-contiguous cores belonging to the same functional area: Not all OECD urban areas exhibit contiguity of built-up development. Many develop in a polycentric way, with densely inhabited cores that are physically separated but economically integrated. An important innovation of this work lies in identifying urban areas with a polycentric structure. This is done by looking at the relationships among the urban cores, using information from the commuting data. Two urban cores are considered integrated, and thus part of the same polycentric metropolitan area, if more than 15% of the resident population of any of the cores commutes to work in the other core.

Step 3. The identification of the urban hinterlands: The hinterland can be defined as the "worker catchment area" of the urban labour market outside the densely inhabited core. The size of the hinterland relative to the size of the core gives a clear indication of the influence of cities on surrounding areas. All municipalities that send to the core a percentage of their workers above a given threshold are assigned to each core as hinterland municipalities. After extensive sensitivity analysis, the threshold has been fixed at 15% of the residents of the municipalities. The multiple cores within a polycentric metropolitan area are considered as a single destination.

This methodology makes it possible to compare functional urban areas of similar size across countries. A classification of urban areas into four types according to population size is proposed (OECD, 2012b):

- small urban areas, with a population below 200 000 people (and above 50 000)
- medium-sized urban areas, with a population between 200 000 and 500 000
- metropolitan areas, with a population between 500 000 and 1.5 million
- large metropolitan areas, with a population of 1.5 million or more.

Methodology for assessing ageing trends in OECD metropolitan areas

Population by age data (in five-year age bands) have been collected for 28 OECD countries that have defined "large metropolitan areas" with a population of 1.5 million or more, and "metropolitan areas" with a population between 500 000 and 1.5 million. The data have been obtained from their respective national statistical offices, as listed in Table 1.A1.1.

The years collected are listed in Table 1.A1.1. The population data by age have been collected for two points in time and refers to either the 2000-10 period or to the 2001-11 period, with the exception of Italy, whose population by age data were available for 2002 instead of 2001, and of Korea, where the data available were for 2005 instead of 2000. The rationale for choosing these two points in time was to provide an overview of the demographic change within the most recent decade.

The geographic units for which population by age data have been collected are defined by the methodology for identifying functional urban areas. For all European countries, the definition uses municipalities (LAU2 in Eurostat terminology). In non-European countries, the selected building block is generally the smallest administrative unit for which national commuting data are available.

The administrative units data have been aggregated into municipalities that comprise urban cores and hinterlands, as defined by the OECD (2012b), which makes it possible to assess the dynamics of the demographic structures across the OECD's functional urban areas.

Table 1.A1.1. **Statistical sources**

Country	Source	Years
Australia	(No functional urban area defined)	–
Austria	Statistics Austria	2001-11
Belgium	Statistics Belgium	2001-11
Canada	Statistics Canada	2001-11
Chile	INE Chile	2001-11
Czech Republic	Czech Statistical Office	2001-11
Denmark	Statistics Denmark	2001-11
Estonia	Statistics Estonia, *Population Database*	2001-11
Finland	Statistics Finland	2001-11
France	INSEE, Demographic Census	1999-2010
Germany	Regionaldatenbank Deutschland	2001-11
Greece	National Statistical Service of Greece	2001-11
Hungary	Statistics Hungary	2001-11
Iceland	(No functional urban area defined)	–

Table 1.A1.1. **Statistical sources** *(cont.)*

Country	Source	Years
Ireland	Central Statistics Office of Ireland	2001-11
Israel	(No functional urban area defined)	–
Italy	ISTAT, Demography in Figures	2002-11
Japan	Statistical Office, Population and Households data	2000-10
Korea	Korea National Statistical Office	2005-10
Luxemburg	Statistics Luxembourg	2001-11
Mexico	INEGI, Demographic Census	2000-10
Netherlands	Statistics Netherlands	2001-11
New Zealand	(No functional urban area defined)	–
Norway	Statistics Norway	2001-11
Poland	Central Statistical Office of Poland	2001-11
Portugal	INE, Demographic Census	2001-11
Slovak Republic	Statistical Office of the Slovak Republic	2001-11
Slovenia	Statistical Office of the Republic of Slovenia	2001-11
Spain	INE, Demographic Census	2001-11
Sweden	Statistics Sweden	2001-11
Switzerland	Swiss Federal Statistics Office	2001-11
Turkey	(No functional urban area defined)	–
United Kingdom	Office for National Statistics	2001-11
United States	US Census Bureau	2000-10

Notes: The total population for the years assessed may vary, due to data updates from national statistical offices. By the time the population by age data were calculated, data from national statistics offices include both census data and municipal register data. Data were aggregated to functional urban areas, and years were interpolated where necessary to obtain a coherent yearly basis for comparison.

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Chapter 2

The impact of ageing societies on sustainable urban development*

This chapter discusses how population ageing influences sustainable urban development. It explores its economic and social implications in major policy areas and discusses the challenges and opportunities population ageing presents in the urban context. Finally, the chapter provides a preliminary framework for cities to assess these challenges and opportunities, by applying a typology of cities according to different ageing stages.

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Introduction

The demographic shift toward ageing societies has significant implications for the well-being of societies and for economic development. The challenges presented by the ageing trend will be particularly pronounced in metropolitan areas, where the number of the older population increased by 23.8% between 2001 and 2011 (OECD, 2013f). The great diversity with which ageing occurs in metropolitan areas across the OECD adds a complexity to the challenges spatially. This chapter will discuss the challenges and opportunities ageing societies impose on cities in terms of their economic and social implications (Table 2.1). This chapter concludes with suggestions as to how ageing societies can provide opportunities for economic and inclusive growth.

Table 2.1. **Challenges and opportunities in ageing societies (summary)**

Challenges	Opportunities
1. Change in local revenue.	1. New innovation and technologies will be fostered to retain the autonomy of older people.
2. Labour force is ageing, leading to a decrease in the supply of labour force.	2. Development of new business models and investment strategies will be explored to bring innovative technologies to the market.
3. Public spending for health and social care will increase.	3. The need for remodeling the existing housing stock will stimulate the housing market.
4. Infrastructure and urban form need to be redesigned to increase the attractiveness of and well-being in cities.	4. The integration of information and communication technologies (ITC) will be pursued more in various policy fields.
5. Social isolation could be caused by a reduced social network.	5. Older people will be encouraged to participate in voluntary works in their communities.
6. Accessibility to services and jobs will become more difficult for older people.	6. The demographic transition will influence public trust in government and engagement in the political process.
7. Housing affordability poses challenges for the quality of life for all generations.	

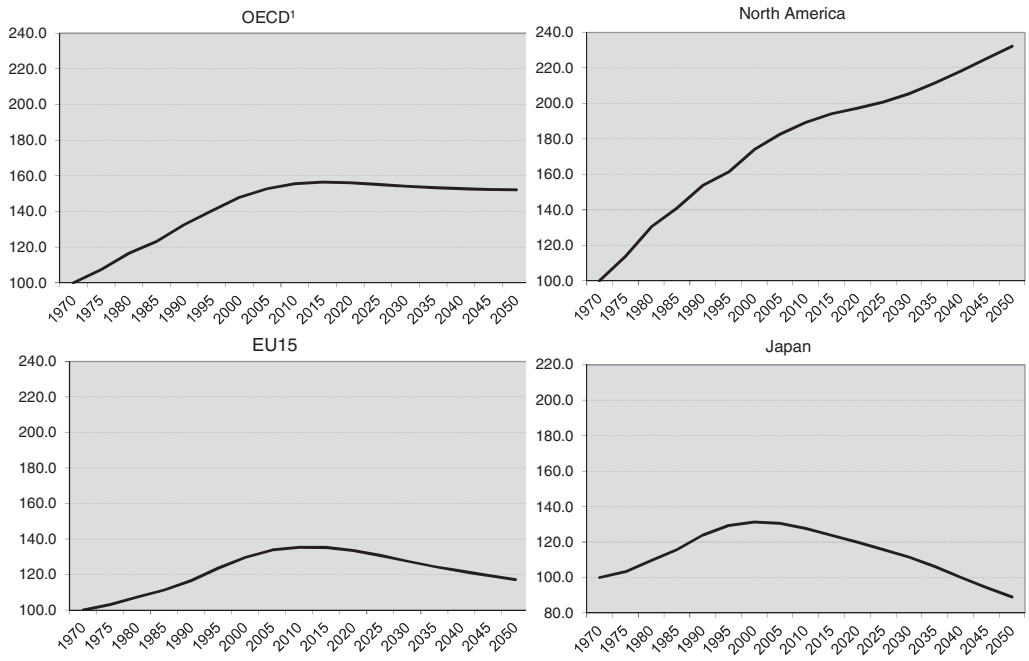
Economic implications

The demographic shift toward ageing societies is expected to have a number of fundamental economic impacts (Oliveira Martins et al., 2005). This section explores how ageing trends can affect economic growth, considering the potential change in local revenues and ageing labour force. The impact on public spending will also be discussed, focusing on health and social care sectors as well as infrastructure and urban form.

Change in local revenue

The increase in the population of older people has raised much discussion of the consequences for the sustainability of public budgets. One argument is that since ageing societies have a shrinking working population, tax revenues at the national level are likely to decrease. Across the OECD, the labour supply is expected to diminish in the majority of countries over the long run, particularly for the EU15 and Japan (Figure 2.1). Labour supply in Europe and Japan is expected to drop below the levels of the mid-1990s and 1970s, respectively. Taxable income in some countries that have higher tax exemptions for older people, such as the United Kingdom (Bosanquet et al., 2013), is likely to decrease as the population of older people grows (World Bank, 2014). The impact of ageing on local revenue is often felt at city level, where taxes and user fees are a substantial source of sub-national governments' revenues (OECD, 2011).

Figure 2.1. **Changes in labour supply across the OECD, 1970-2050**



Note: 1. Excluding Czech Republic, Hungary, Mexico, Poland, Slovak Republic.

Source: Oliveira Martins, J. et al. (2005), "The Impact of Ageing on Demand, Factor Markets and Growth", OECD Economics Department Working Papers, No. 420, OECD Publishing, Paris, http://dx.doi.org/10.1787/545827207132.

Tax income represents 36.9% of sub-national government revenue on average (Figure 2.2). The Federal Reserve Bank of Kansas City (2013), for example, found that most people in the state had less income and spent less money when they retired, leading to lower state revenues from sales and income taxes. It is particularly critical in countries which have decentralized tax structures. This perspective is also shared by Yokohama (2014), for example, which predicts that population ageing will reduce the city's residence tax revenues.

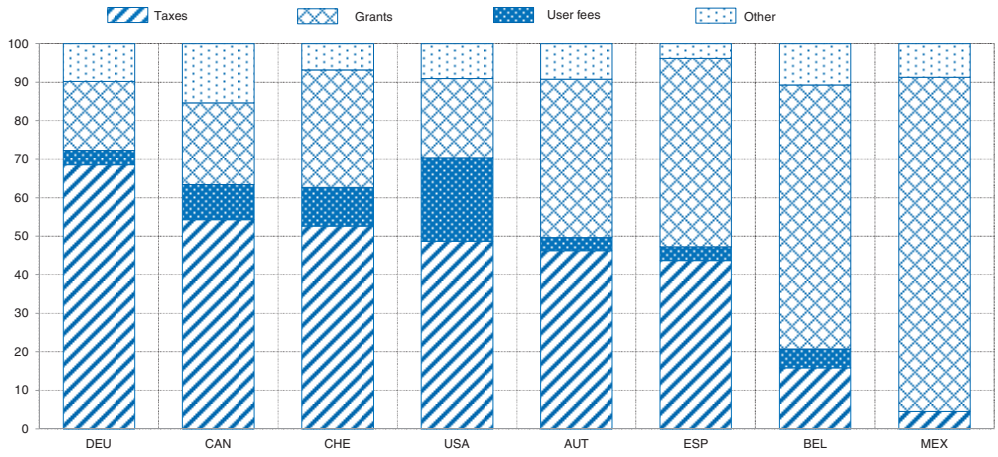
However, an opposing view argues that an increasing number of older people need not automatically result in decreasing local tax revenues (World Bank, 2014). This position maintains that taxpayers' income levels, the effective income tax rate and other economic factors also influence the total income tax (Lu et al., 2005; Ball and Creedy, 2013). The change of local revenue could also be avoided by increasing other sources of revenue, for example by adjusting user fees.

An ageing labour force

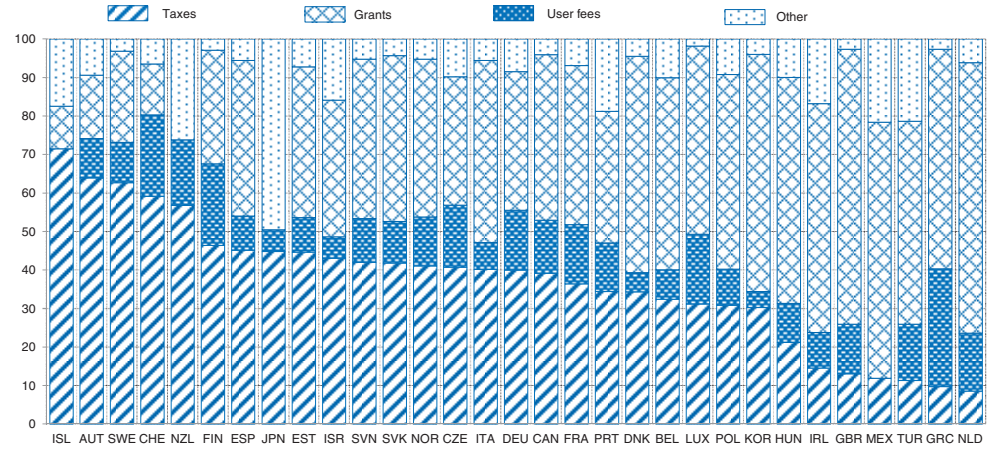
The percentage of older workers in the labour force is growing in OECD countries. The proportion of the labour force aged 45-60 years old, as well as of those 60 years and over, grew in almost every country between 2000 and 2012 (Figure 2.3). Over the same period, the average proportion of employees aged 30-45 decreased by 2.9% in the OECD region. The percentage of workers of age 45-60 and of 60 and over grew by 3.8% and 3.1% respectively. The changing composition of the labour force puts pressure on employers because the growth in the percentage of workers above the age of 60 means an increase of workers whose remaining period of economic activity is relatively short, implying that labour force shortages are likely to lie ahead.

Figure 2.2. **Sub-national government revenue composition, 2010**

A. State/region



B. Municipalities



Notes: Data for Japan, Korea, Mexico, New Zealand, Poland, Switzerland, Turkey and the United States correspond to 2009 instead of 2010.

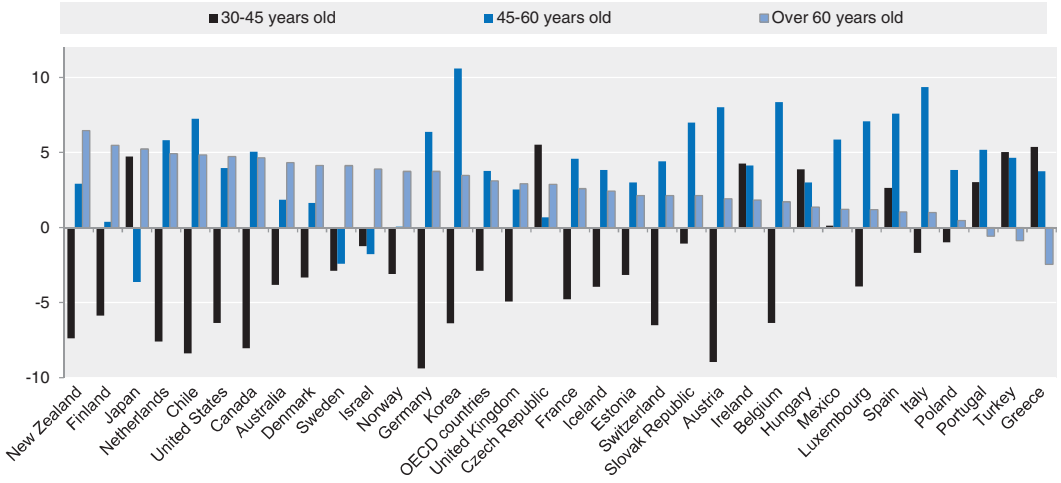
Source: OECD/Korea Institute of Public Finance (2012), *Institutional and Financial Relations across Levels of Government*, OECD Fiscal Federalism Studies, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264167001-en.

One example of this can be seen in Calgary (Canada), where the first baby boomers started to retire in 2011. As a result of the large size of this age cohort, employers are finding it increasingly difficult to fill open vacancies (City of Calgary, 2014), and within the city's thriving economy, skilled labour is in short supply. Notwithstanding the city's low population of older people of 10%, labour force shortages are expected to be the chief obstacle to maintaining the city's economic growth, as more baby boomers enter retirement and increase pressure on the labour market.

Given the decline in older workers' physical abilities and the applicability of their skills, it is often argued that an ageing labour force leads to lower productivity (Burtless, 2013; McKibbin, 2005). As a result, the ageing of the labour force is thought to have an adverse impact on aggregate productivity (D'Addio and Mira D'Ercole, 2005). Increasing

productivity is necessary, driven by technological advances, to maintain production output at current levels (McKibbin, 2005). However, it is also argued that the ageing of the labour force and labour shortages do not necessarily affect aggregate productivity across all industrial sectors alike. Productivity is substantially driven by the share of higher education within the workforce and technical innovation in the production process (Garibaldi et al., 2010).

Figure 2.3. **Changes in the age distribution of the labour force, 2000-12**

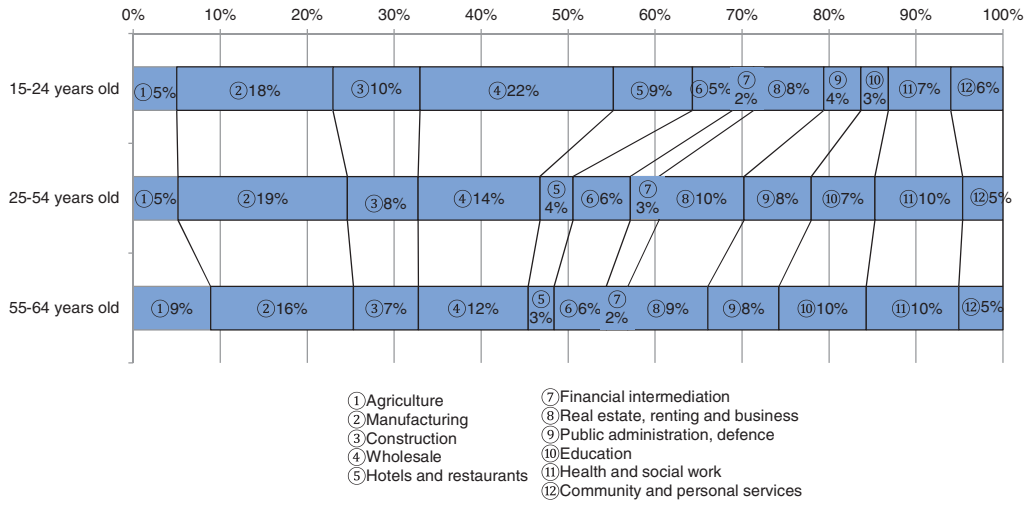


Source: OECD (2014a), *OECD Labour Force Statistics 2014* (database), http://dx.doi.org/10.1787/oecd_lfs-2014-en (accessed 5 December 2014).

It is also worth noting which industrial sectors have the potential to absorb older workers and in which industries older workers are willing to participate. In the European Union and Japan, more than 10% of the labour force of older people participates in the wholesale and retail sector, as well as the health, social and education sectors (Figures 2.4-2.6). In health and social services and in agriculture, the ratio of older people who participate in those sectors is larger than that of younger workers. The essential question underlying the reasons of this employment structure is whether it is shaped by the varying capacities of industries to accommodate older workers or whether it is simply a reflection of the preferences of those who are willing to work in later stages of life. It also suggest the resilience of cities' industrial mix, and whether they are able to expand the employment of older people as they face structural industrial change caused by unexpected economic trends.

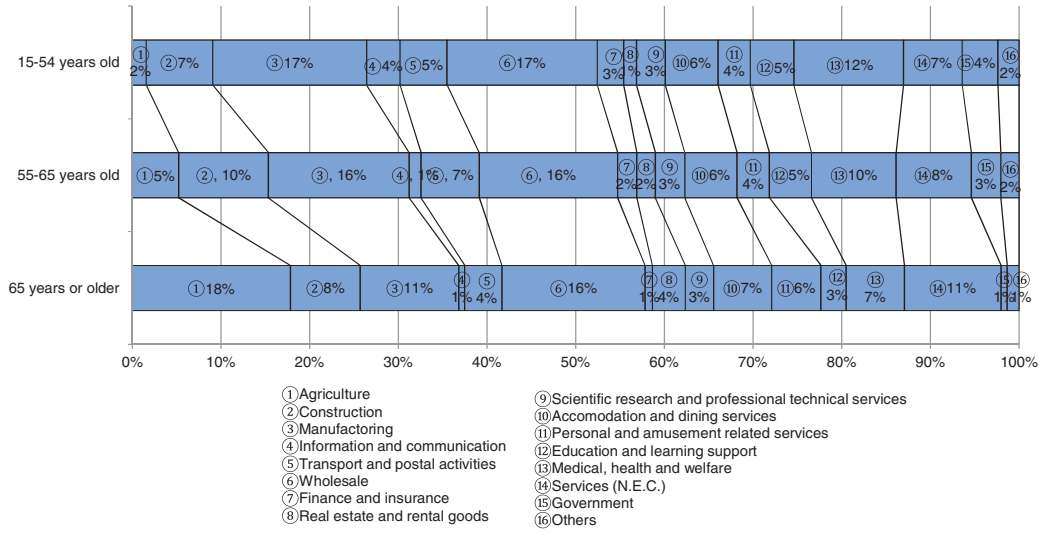
Decreasing labour mobility beyond the age of 50 may become a constraint for the labour supply (Elias, 1994; Thulin, 2010), presenting challenges for cities that need to attract skilled labour. Within the working-age population of the United States, for example, the share of work-related moves (physical relocation for a job) between different localities from 2012 to 2013 was significantly higher in the age groups between 25 and 44, as compared to the age groups between 45 and 64 (Figure 2.7). According to Dixon (2003), one explanation for the decreasing mobility of older workers is their closer ties with their employers. Other reasons are remuneration systems that encourage the retention of firm-specific skills, as well as the costs associated with the relocation (Groot and Verbene, 1997).

Figure 2.4. **Sectorial employment structure in the EU 27 by sector and age group, 2006**



Source: European Commission (2007), *Active Ageing and Labour Market Trends for Older Workers in the European Union, European* Union, Brussels, available at: http://assets.aarp.org/www.aarp.org_/cs/gap/pfe_ec_report_active_ageing_and_labour_market_trends.pdf.

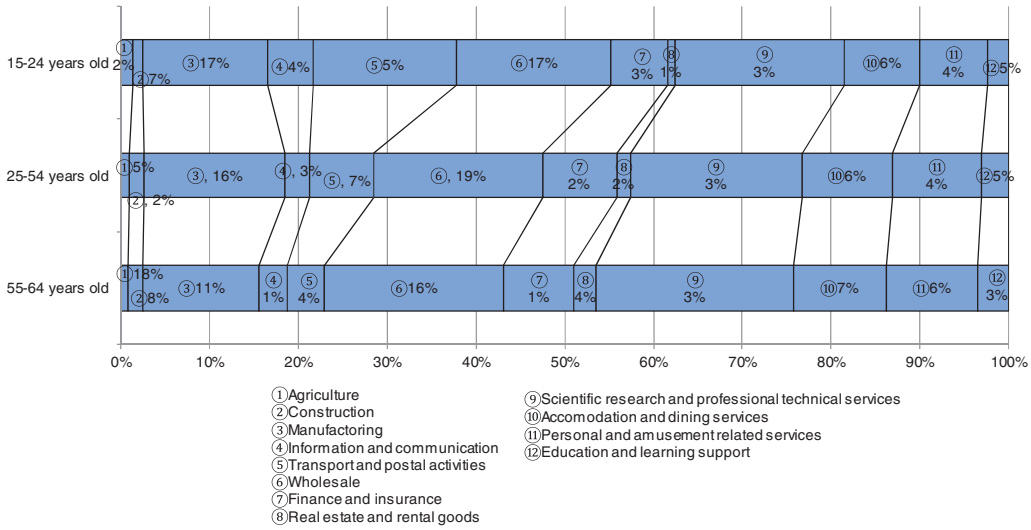
Figure 2.5. **Sectorial employment structure in Japan by sector and age group, 2012**



Source: Statistics Bureau of Japan (2012), *Labour Force Survey 2012*, http://www.stat.go.jp/english/data/roudou/report/2012/index.htm (accessed 1 November 2014).

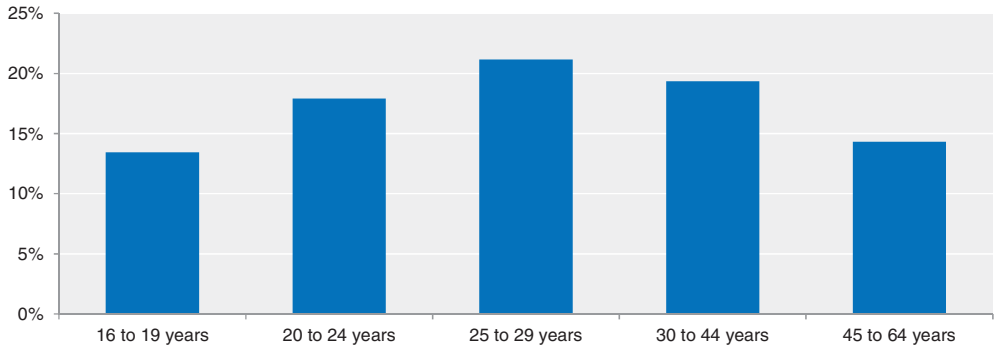
To conclude, the impact of an ageing workforce on the economy is influenced by a series of variables, including labour supply shortages and the reduced mobility of older workers. The degree to which population ageing results in labour shortages is further influenced by policies and legal frameworks, such as the legal retirement age and the abolition of incentives for retiring early from the labour force (Oliveira Martins et al., 2005), as well as the re-education of older workers. In addition, shortages in the labour supply must be seen in the context of specific industries and educational attainment in the labour force.

Figure 2.6. **Sectorial employment structure in the United States by sector and age group, 2013**



Source: US Bureau of Labor Statistics (2014), "Labour force statistics from the current Labour Force Survey", United States Department of Labor, Washington, DC, www.bls.gov/cps/demographics.htm (accessed 30 September 2014).

Figure 2.7. **Employment-related moves in the Unites States, by age group, 2012-13**



Source: US Census Bureau (2013), *American Community Survey 2013* (database), adapted data from American FactFinder, ACS 5-year estimates, United States Department of Commerce, http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml (accessed 5 November 2014).

Public spending for health and social care

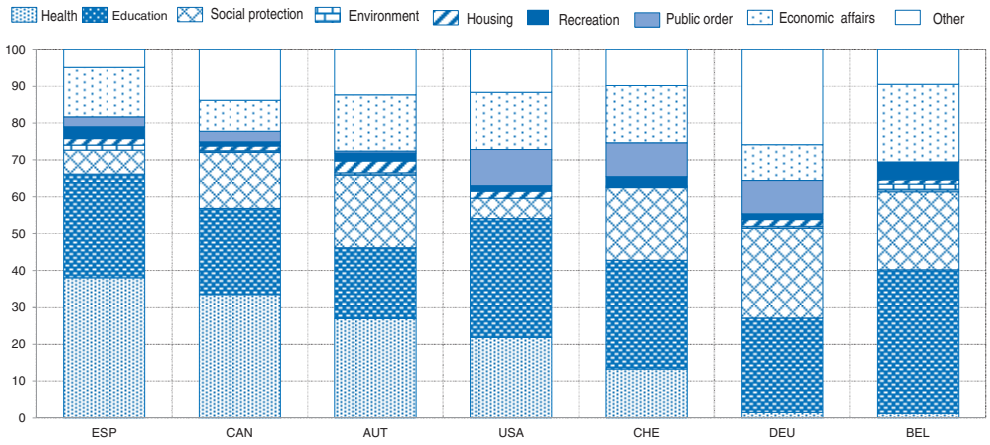
How population ageing will impact public health and social spending is a matter of some debate. The European Commission (European Commission, 2012) states that strictly age-related public expenditure in the European Union is projected to increase on average by 4.1% of GDP by 2060, and by 4.5% in the euro zone. In particular, the long-term viability of intergenerational social support systems is crucial for the well-being of both older and younger generations (Cliquet and Nizamuddin, 1999). This section will assess public spending in health and the social care sector.

Within the OECD, regional healthcare expenditures as a share of GDP increased by 1.5 percentage points between 2000 and 2012 (OECD/Korea Institute of Public Finance, 2012) and have doubled since 1970. This development is particularly critical at the local level in countries where sub-national governments provide a high share of healthcare

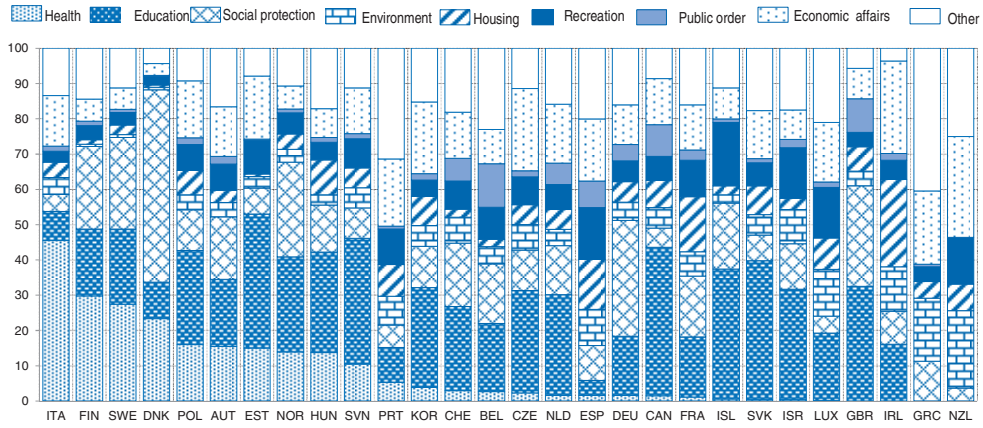
spending (OECD, 2012). For example, the city of Yokohama allocated 30.1% of its spending in its general account for health and social care (Yokohama City, 2014).

Figure 2.8. **Functional distribution of sub-national government spending**

A. State/region



B. Municipalities



Notes: Data for 2010 were available for only a few countries, so 2009 was chosen as a common reference. Data for Canada are for 2006 and New Zealand for 2005. Data are not consolidated for four countries (Canada, France, Germany and Poland).

Source: OECD/Korea Institute of Public Finance (2012), *Institutional and Financial Relations across Levels of Government*, OECD Fiscal Federalism Studies, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264167001-en; OECD (2014b), *OECD National Accounts Statistics* (database), http://dx/doi.org/10.1787/na-data-en (accessed 1 November 2014); OECD (2014c), *OECD Fiscal Decentralisation* (database), http://www.oecd-ilibrary.org/taxation/data/fiscal-decentralisation_fsc-data-en (accessed 25 October 2014).

The rising share of healthcare spending as a percentage of GDP and the ageing of the population was until recently understood to be the result of the increasing share of the population of older people and the growing demand for healthcare services (Garibaldi, Oliveira Martins and van Ours 2010; WHO, 2009; Spijker and McInnes, 2013; Wiener and Tilly, 2002). Others argue that factors unrelated to the age structure caused the increase in healthcare spending. Erixon and van der Marel (2011), for example, show that

the healthcare sector constitutes a high share of labour-intensive services, with little or negative productivity gains over time, leading to an increase in the relative price of healthcare in return. Garibaldi, Oliveira Martins and van Ours (2010) and Chandra and Skinner (2011) both argue that the increase in healthcare costs in the past four decades is largely accounted for by technological progress, which influences patients' and physicians' behaviour. The healthcare costs can then be attributed largely to consumer preferences and technological progress rather than to the ageing of the society *per se*.

Local authorities face a major challenge in coping with an increasing demand for social care services and the consequently sharp increase in expenditure in this sector (OECD, 2011). According to Deloitte (2012), the United Kingdom's local authorities' expenditures for social services are expected to rise from GBP 8.8 billion in 2006 to over GBP 20 billion by 2030. Research by the OECD (2011a), supports that public expenditures for long-term care services for the population aged 80 and over will rise significantly by 2050. Since the provision of healthcare services to older people is substantially supported by social services, the collaboration between the two sectors will be critical to improve the quality of services and save on spending.

Infrastructure and urban form

The demographic structure in ageing societies may require cities to review their urban design to be attractive and competitive, for example by adjusting the supply of public infrastructure and reassessing the desirable urban structure. The kind and amount of urban infrastructure and the level of public service provision need to be revised, in addition to the location of such infrastructure (Ministry of Land, Infrastructure, Transport and Tourism, 2011). In general, it is expected that the need for nursing facilities, learning facilities for older people and barrier-free buildings (in the sense that they permit people of all ages to circulate freely) and transport services will increase, whereas the need for schools for the younger generation will shrink.

Built up areas in cities, in particular residential areas, need to review whether their urban functions are still maintained as it was planned at the time of development. One example would be Japan's "new towns". These projects of the 1960s and 1970s in suburban areas accommodated a massive influx of population into metropolitan areas. The people who moved to these new town settlements during their working years are now 65 years and older, and constitute the majority of residents in many such places. Moreover, new towns were designed to exploit the convenience of private automobiles, which makes it extremely difficult today to provide efficient access to public services for older people, particularly once they are no longer able to drive.

Yokohama (Japan) and Calgary (Canada) are facing exactly this problem. The growing percentage of older people in Yokohama's new town districts has imposed a strain on the provision of infrastructure. These districts do not have adequate transport and healthcare services, and remedying this problem would require a disproportionately large investment, given the total amount of population they could serve (Yokohama City, 2014). In Calgary, a similar situation is causing concern over the provision of transport and healthcare services. The preference of the baby boomer generation for detached, single-family housing and the lower land prices outside the city's central areas have led to urban sprawl (City of Calgary, 2014). With their reliance on private vehicles, older citizens on the city's outskirts have little access to public transport and to services that are important to them on a day-to-day basis.

Case study cities often refer to a compact urban form as a desirable goal. The examples of Calgary (Canada) and Toyama (Japan) show that facilitating a compact urban structure can have significant impact on the efficiency with which services can be delivered. In Calgary's case, a rapid inflow of people, compensated for, to some extent, by sprawled urban development, increased the costs of public service delivery, but also made it more difficult for senior citizens to access public space. Toyama City is in a phase of population decline, and recognised the benefits of the spatial concentration of its population, in particular, the older population in the city's central area (OECD, 2012).

Adapting infrastructure to fit the proprieties in ageing societies is crucial both for delivering services and for making public space accessible for all (New York Federal Reserve, 2007). This is particularly the case for senior citizens when autonomy and mobility become an issue. Investment in infrastructure that supports accessibility helps to increase the participation of older people in communal life. Lisbon has identified that poor infrastructure for the walkability of the city is a major barrier for older people's autonomous mobility. City authorities are concerned with ways of improving accessibility and reducing barriers, as this promises to help older people participate autonomously in the community (City of Lisbon, 2014).

Social implications

Ageing societies pose social challenges for the well-being of older people. Cities have a lot to contribute to increase social interaction, which directly affects quality of life (Burdett and Taylor, 2011). In collaboration with national governments, local authorities could help encourage cities' capacity to overcome social challenges, given their proximity to the individuals affected and their knowledge of local circumstances. This section will assess social isolation, accessibility to services and housing affordability as key concerns for well-being in ageing societies.

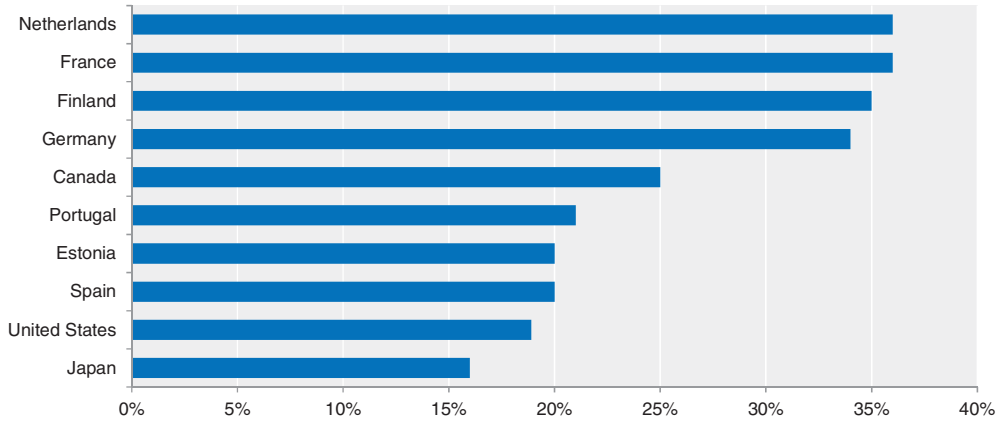
Social isolation

Social isolation could be caused by reduced social networks and limited access to transport (British Columbia Ministry of Health, 2004). Increasing divorce rates, single households and fewer children per family, paired with poverty and poor health also lead to social isolation (OECD, 2005). Social isolation has a number of implications for older people and for society as a whole. First, it increases the risk of chronic disease, and according to the World Health Organization (WHO, 2003), the rate of premature death. A study by the British Columbia Ministry of Health (2004) showed that socially isolated seniors are 1.5 times more likely to use social services. Health conditions are also influenced by retirement. In the period directly after retirement, an individual's health initially tends to improve, but over the long term it starts to deteriorate, due to reduced physical activity and social interaction (Sahlgren, 2013). Second, in terms of social contribution, the isolation of older people can be seen as a lost opportunity, because their potential for contributing to the community by volunteering and other activities is lost (Biggs et al., 2012). Third, social isolation makes older people vulnerable to natural disasters and climate change. The heatwaves in Chicago (1995) and in France (2003) had a particularly strong impact on older people living alone (Buffel et al., 2012).

Living arrangements are changing within the traditional family structure, in particular, in developed countries (United Nations Department of Economic and Social Affairs, 2012). This increase follows a trend noticeable across all generations. According to Pew Research Center (2014), the number of adults living alone doubled in the United States,

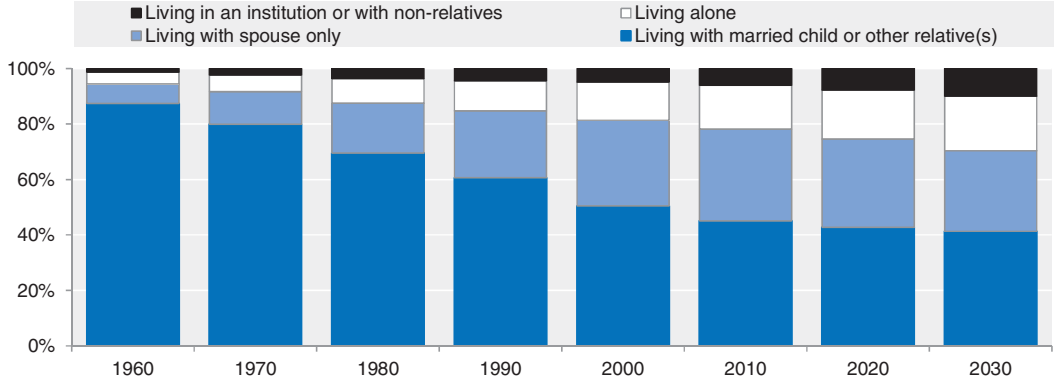
from 6% in 1970 to 12% in 2010 to 12%. Higher rates of divorce, remarriage and the choice to remain single have left a higher percentage of women living alone at advanced ages (OECD, 2013a) (Figure 2.9). Among older people, increased single living arrangements are the result of increased longevity and declining fertility rates (US Department of State, 2007). For example, in Japan, 17% of older people were living alone in 2010, and more than 20% are predicted to be living alone by 2030, while the traditional arrangement of living with married children has decreased over the same period (Figure 2.10). In the United States, 29.3% of the population of older people was living alone, while 2% of older people maintained a household in which grandchildren were present in 2009 (Administration on Ageing, 2011). But the increase of older people living alone does not, automatically lead to an increase in social isolation. However, the increase of people living longer and alone may imply the likelihood of social isolation of the older population.

Figure 2.9. **Percentage of older people (aged 65 and over) living alone in selected countries, 2012**



Source: US Census Bureau (2014), *An Ageing Nation: The Older Population in the United States. Population Estimates. 2012 National Projections*, May, available at http://www.census.gov/prod/2014pubs/p25-1140.pdf.

Figure 2.10. **Living arrangements of people aged 65 and over in Japan, 1960-2030**



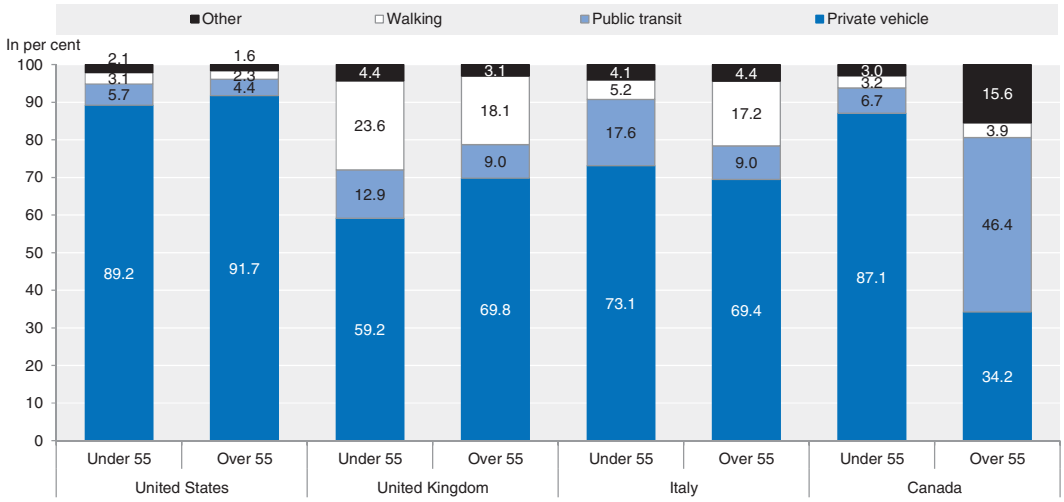
Source: Data for 1960-2000 are from National Institute on Aging (2011), *Why Population Aging Matters: A Global Perspective*, National Institutes of Health, US Department of Health and Human Services (2007), Washington, DC, available at: www.nia.nih.gov/sites/default/files/WPAM.pdf; data for 2010-30 are from National Institute of Population and Social Security Research (n.d.), *Projection of Living Arrangements of the Elderly*, http://www.ipss.go.jp/index-e.asp (accessed 25 October 2014).

Cities have identified that social isolation of older people is a critical issue in maintaining well-being in later life. Manchester, for example, has determined that maintaining social contact is a crucial element in an older person's well-being and integrity that helps to foster the city's objective of inclusive growth (Manchester City Council, 2009). This was also the issue in Calgary, where the flood of 2013 shed light on the living conditions of older people in the city.

Accessibility

Accessibility for older people is compromised in a number of areas crucial for their integration in societies, particularly accessibility to employment, healthcare, social care services, housing and the community (Frye, 2011). Ability of driving a car may influence the autonomy of older people. Meanwhile, the use of public transport in urban areas is decreasing among older age groups (Figure 2.11).

Figure 2.11. **Daily transport methods, in select countries, by age**

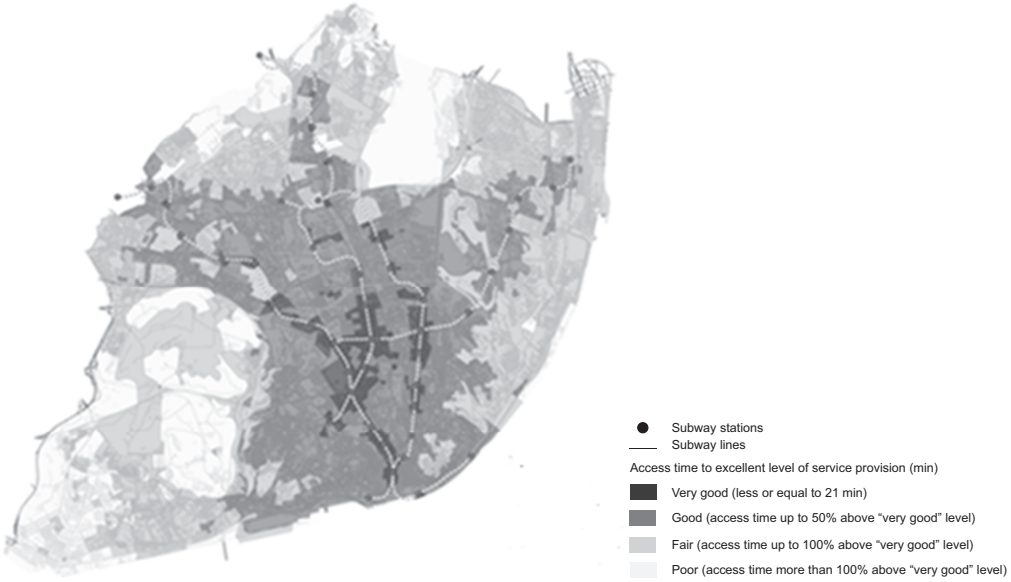


Source: Department for Transport (2014), *National travel survey: 2013*, July, https://www.gov.uk/government/statistics/national-travel-survey-2013 (accessed 30 October 2014); United States Census Bureau (2013), *American Community Survey 2013* (database), adapted data from American FactFinder, ACS 5-year estimates, United States Department of Commerce http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml (accessed 5 November 2014); ISTAT (2011), "15th Population and housing census 2011", http://www.istat.it/en/population-and-housing-census/population-and-housing-2011 (accessed 10 November 2014); Statistics Canada (2009), "Canadian Community Health Survey", http://www.statcan.gc.ca/daily-quotidien/100615/dq100615b-eng.htm (accessed 10 November 2014).

Improving accessibility is gaining in importance not only because it can enhance the independence of older people but because it yields substantial benefits. For example, better access to jobs and services improves the mobility of low-income groups and increases the labour pool available to employers. Improving accessibility to services and employment can hinge on the investment decisions taken at national, regional and local level (Beard et al., 2012). The quality of life of older people also depends on how easily they can access the functions and services they value most, with special emphasis on specific types of leisure, health services and day care centres. A systematic computation of accessibility indices that take into account trips on foot or public transport, focused on older people and the services designed to assist them, is useful for fully understanding

how accessible a city is by public transport (Martinez and Viegas, 2013). This can help evaluate the well-being of older people in urban areas. Figure 2.12 illustrates the results of an accessibility assessment for older people in Lisbon.

Figure 2.12. **Accessibility to local health centres using public transport in Lisbon, 2013**



Source: Martinez, L.M. and J.M. Viegas (2013), "A new approach to modelling distance-decay functions for accessibility assessment in transport studies", *Journal of Transport Geography*, No. 26, pp. 87-96, http://dx.doi.org/10.1016/j.jtrangeo.2012.08.018.

Public transport plays an important role in improving accessibility to jobs and services (OECD, 2012). Accessibility to public transport among the total population varies across OECD cities. Poor policy integration results in spatial disparities of service delivery. Lack of co-ordination among stakeholders and of consistent political will across municipal boundaries amplifies segregation and inequalities in metropolitan areas (OECD, 2013b).

Various problems may limit the capacity of older people to use public transport comfortably and confidently. For example, many physical barriers, especially in older systems, such as flights of stairs with many steps, and information about the transport network that is presented in dense and complex formats prevent older people from using public transport with ease. Older passengers who have not regularly used public transport during their active lives will probably be deterred by such physical and cognitive barriers.

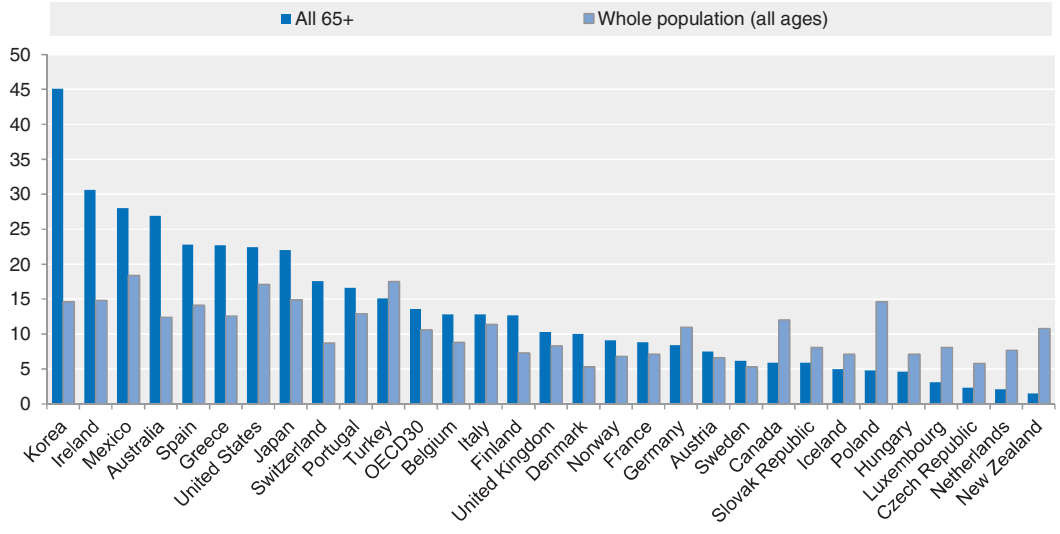
A careful assessment of how public transport is perceived and used by older people is an important factor in public transport and urban land use. Lisbon, for example, has identified that making better use of technology for route planning, and making it easy to understand for older people, helped to enhance accessibility. Pedestrian barriers were removed to make it easier to walk in the city, which is crucial for the initial and final stages of a journey on public transport (City of Lisbon, 2014). It is not enough that public transport service be available close to the place of residence, since it matters what urban areas those lines are serving and what factors may prevent use of public transport. Manchester is another such case, which has found that investments in the connectivity of public space and in infrastructure that improves the walkability of the city can

significantly improve the mobility of the older population (Manchester City Council, 2014).

Housing affordability

Housing affordability poses one of the main challenges for the quality of life for all generations. Housing costs are a major factor influencing location and quality of life (WHO, 2007). This particularly affects seniors, who have, on average, a higher risk of living in poverty than the overall population in the OECD (Figure 2.13), although the risk of people living in poverty at different ages decreased across the OECD between the mid-1980s and mid-2000s (OECD, 2011b). Examples from the United States show that the number of older renters living in worst-case housing scenarios (among people earning less than half their metropolitan area's median income) increased by 10% (120 000 renters) over the period 2007-09 (US Department of Housing and Urban Development, 2009). Housing affordability has a critical impact on cities, because where seniors live determines the efficiency of public service delivery. On the other hand, those issues can be interpreted as seeds for new business opportunities, where new business development in the housing market could provide solutions, and respond to the lack of affordable housing options. This section explores housing affordability from two angles: the direct cost that is paid for housing and the accessibility of a home to the necessary services, which may raise the total costs.

Figure 2.13. **Poverty rates, percentage of people with less than 50% of median household disposable income, older and total population in OECD countries, 2008**



Source: OECD (2014d), *OECD Income Distribution* (database), http://dx.doi.org/10.1787/data-00654-en (accessed 20 October 2014); see OECD (2008), *Growing Unequal?: Income Distribution and Poverty in OECD Countries*, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264044197-en.

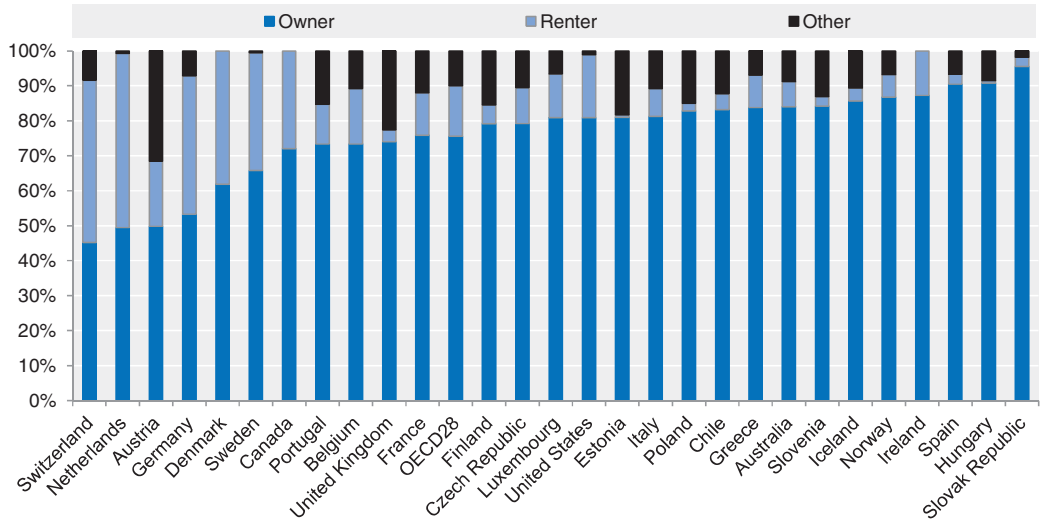
The first factor influencing housing affordability depends on whether the person lives in rented accommodation or in a house he or she owns. On average, 76% of older people in 28 OECD countries own their own houses. This includes those who are paying mortgages, while 15% are tenants who pay regular rent and 9% pay subsidised rent (OECD, 2013d) (Figure 2.14). For homeowners, housing affordability is influenced by the cost of property taxes and utility costs, as well as, for example, retrofitting homes to

reduce energy costs and adapt to a resident's changing needs. For older renters, on the other hand, the affordability challenge is a question of leveraging increasing rent on a low retirement income.

Social housing is one of the options governments can pursue to improve housing affordability. Many local and national governments see this as an important part of their strategy to support the well-being of their societies, but investment in new social housing projects imposes a strain on public budgets. In the United Kingdom, building sufficient social housing has been said to be difficult (Wilson, 2014). According to official projections, an average increase of 232 000 social housing units a year is expected to be necessary until 2033, whereas in 2013, only 108 000 houses were built, an indication of the difficulty of meeting the expected amount of supply. Alternative options to provide affordable housing have to be pursued with the collaboration of non-public sectors, including financial institutions, developers, the housing industry and local communities.

The other aspect of housing affordability is how good its access is to private and public services, how close it is to employment and whether it is located in an environment that has cultivated a spirit of community. Such issues are critical to people of all generations, as is reduced housing affordability, which influences spending power and social well-being. The example of Yokohama (Japan) shows how important geographic proximity to services within a neighbourhood can be. With the private sector, Yokohama has developed neighbourhoods that provide residents integrated service facilities, such as nursing and day care centres, and other health-related services, all within walking distance. These services that are accessible on foot or by public transport are just as critical for the population at large. In addition, additional energy-efficient housing with low energy consumption is needed to increase affordability for both younger and older populations (Pitkin and Mayers, 2008).

Figure 2.14. **Housing status among those over 65 in selected OECD countries, 2011**



Source: OECD (2013e), *Pensions at a Glance 2013: OECD and G20 Indicators*, OECD Publishing, Paris, http://dx.doi.org/10.1787/pension_glance-2013-en.

Opportunities in ageing societies

The evolution toward ageing societies offers an opportunity to reappraise systems that organise social systems and the economy. New economic opportunities will test cities' resilience in coping with the challenges outlined above. An increasing older population and its spending capacity and demand for new products and services can help new business areas grow. The private sector is expected to play an important role to take advantage of demographic change by anticipating the new business seeds in ageing societies and creating economic opportunities. This section will discuss the economic and social opportunities in ageing societies.

Economic opportunities for market development

An increase in the number of older people is likely to foster innovation and new technologies in many fields. New products will emerge to support older people so that they can continue to live in their homes and retain autonomy in their daily life. The provision of housing and services adapted to older residents should encourage the design of new types of housing, information and telecommunication technologies (ICT) that improve access to health and social services (CLES, 2011).

New business models and investment have to be explored to bring innovative technology to the market. These include smart homes, social robots, smart public transport, assistive technology, telemedicine, mobile phone-based monitoring, tele-health and a range of software applications that enhance safety or quality of life for older people (Davison and Hagedorn, 2012). Businesses that understand the emerging market to serve older people will respond to this demand with innovative new products and services. New types of buildings and retrofitting will create employment opportunities in construction, transport and related industries (World Economic Forum, 2012).

Remodelling of the existing housing stock to meet demand from a new population structure may spur opportunities in the market for home renovation. In the United States, people aged 55 and over released a net of more than 10.5 million housing units onto the housing market in the decade between 2000 and 2010. This stock requires improved accessibility and universal housing design, as well as energy-efficient remodelling, to meet demand from younger homebuyers and to maintain market value. Improvements in the quality of housing and the quality of life for residents could facilitate the development of new products on the housing market and ultimately lead to employment opportunities. Other aspects to consider are the liquidity of housing assets as an income resource for older people. Reverse mortgages, for example, can mitigate the financial pressures facing many older people in ageing societies.

In the health and social sectors, ICT, healthcare data and premedical care are likely to grow. It would help to improve the well-being of older people both now and in the future. New types of health and social services are supported by innovation, for example in technological improvements in the design of the living environments of older people, in health data that help monitor and identify early signs of health risks, and in ICT devices for collecting such health data.

Social opportunities for inclusive growth

Older people can offer a vital service in voluntary work, which plays a key role in sustaining a community. Unpaid and voluntary work by older people is expected to increase. Data models for New Zealand project the value of this contribution to rise from

NZD 6 billion at present to more than NZD 22 billion by 2050 (Ministry of Social Development, 2011). Biggs et al. (2012) describe the social capital embedded in older generations as a considerable resource, and argue that society's incapacity to make use of it exemplifies a social failure to adapt to changing circumstances. Lifelong learning possibilities and the flexibility of work environments for an older workforce are key elements in reversing the current waste of resources.

It is worthwhile to note how the demographic transition will affect public trust in government and engagement in the political process. Dyson (2011) argues that two major factors in ageing societies, a decline in mortality and fertility, influence levels of democracy. A decline in mortality increases the number of adults who are more likely to want a voice in political affairs. A decline in fertility indirectly supports the empowerment of women, and is likely to fuel demand for more gender equality in politics.

Ageing challenges for cities in different stages of the demographic transition

The challenges illustrated in this chapter influence urban sustainability, but their impact is not the same, depending on where a city stands in its demographic trajectory. As noted in Chapter 1, cities can be classified into three distinct groups based on the different phases of the ageing trend: Type I, or ageing cities with slow population growth; Type II, young cities that are rapidly ageing; and Type III, young cities that are ageing slowly. Figure 2.15 describes how these typologies would be applied in case of OECD metropolitan areas. The average proportion of the population of older people (14.5%) in 2011 and the average growth rate of older people (2.12%) between the years 2001 and 2011 for OECD metropolitan areas can help to reveal the common challenges of an ageing population and the policy priorities at a similar phase of ageing. This methodology identified metropolitan areas with a higher than average proportion of the population of older people as "ageing cities", relative to all other cities. Cities that have a lower than average proportion of the population of older people with a growth rate of older people below or above the average are characterised as "young and ageing slowly" or "young and ageing rapidly". Based on this methodology, the demographic data assessed for all 275 metropolitan areas revealed 118 Type I, 80 Type II and 78 Type III cities. Inherent in this typology are key challenges that emerge for cities and the potential policy response (Figure 2.16).

Each type of city faces distinct challenges, given the different impact of population ageing and the different levels of urgency this trend presents. Some challenges may be common to any city, but the following issues suggest some priorities for each type of city.

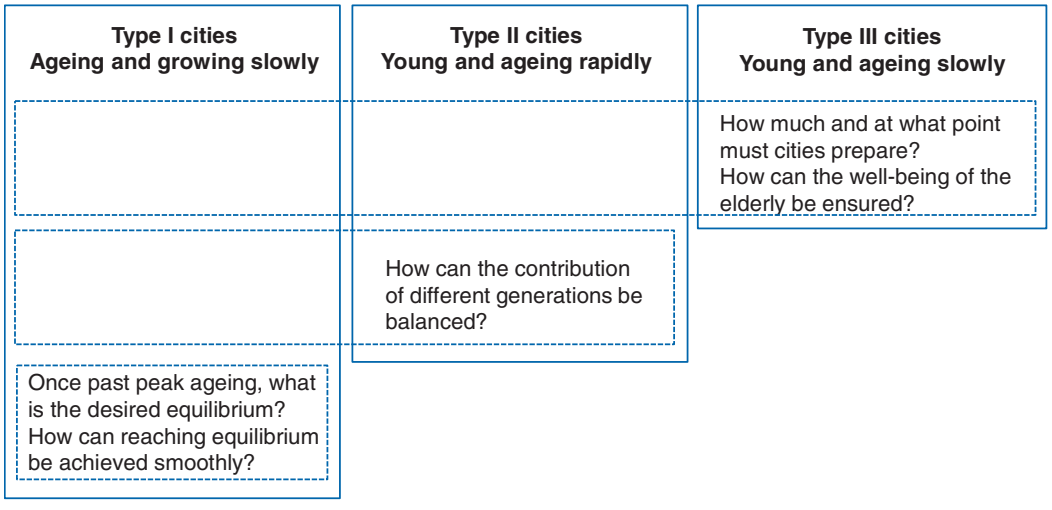
- **Type I cities** already include a large percentage of the population of older people. The older population will continue to grow for the time being, but because of slow total population growth and the increasing mortality rate of the population of older people, the numbers of older people will reach a peak and subsequently decline. Such cities will face a wide range of social and economic challenges, requiring fundamental changes in the way ageing societies are organised. The most critical issue this type of city has to consider is what demographic structure cities should anticipate, both before the peak of population ageing or afterwards when it reaches equilibrium.
- **Type II cities** are rapidly progressing toward the qualitative changes of ageing societies. Their older population is increasing fast. However, the younger generation still accounts for the majority of their citizens, and they need to balance assets between the

two. Policy makers in this type of city are required to react to immediate needs while preparing for the challenges that lie ahead. These are intensified by the fact that the response time available is limited, given the speed at which the cities are ageing. For Type II cities, demographic change raises the issue of intergenerational equity. Type II cities could use the opportunities of their growing young population to overcome these challenges.

Figure 2.15. **Total population growth and rate of growth of the older population by type of metropolitan area, annual average growth rate, 2001-11**

Source: See Annex 1.A1.

Figure 2.16. **Ageing challenges of different types of cities**



Source: OECD elaboration.

- **Type III cities** are still young, and their demographic structure will be less affected by the ageing trend in the immediate future. Policy makers in such cities must decide when and how they are to prepare for the ageing of society and their top long-term priorities. The first challenge is to build public awareness about ageing, about what ageing societies look like and to identify what policy actions could be taken, which may not always be clearly advocated for. Type III cities would do well to focus on older people's well-being and their capacity to lead autonomous and active lives. Type III cities can benefit from learning from the experience of Types I and II.

Conclusion and future work

As noted above, the urban impact of ageing societies has implications for a wide variety of policy areas. Understanding the impact of demographic change on social well-being and economic growth is critical for assessing what lies ahead. Cities need to understand their challenges in the context of where they are along the different phases of the ageing process.

Further research should be planned along three important axes:

- Understand **the timeframe** for challenges and opportunities: given that ageing is a long-term trend, both short- and long-term targets have to be considered. Cities in different stages of the demographic transition will have to set different time targets.
- Understand **the priorities** of challenges and opportunities **in a cross-sectorial way**: the ageing trend impacts all policy areas, presenting a series of inter-related challenges. Cities will have to approach this holistically, co-ordinating the issues across different sectors.
- Understand **who can best address** the challenges and opportunities: collectively, city governments, national governments, the private sector and civil society organisations need to work to address challenges and opportunities. Cities have to plan how to mobilise co-operation among diverse actors.

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Chapter 3

Policy strategies for ageing societies*

This chapter sets out strategies for addressing the challenges and opportunities of ageing societies and assesses current policy practices within the OECD. It describes major policy instruments based on an OECD country survey and case studies, and draws upon the recent literature. This chapter suggests six main policy strategies: 1) developing a long-term vision; 2) developing indicators to measure how effectively policies are working; 3) promoting health for all ages; 4) increasing older people's engagement in the labour market and in social activities; 5) providing affordable housing in accessible environments; 6) redesigning urban areas to increase attractiveness and well-being.

* The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Introduction

OECD countries and cities have implemented a wide variety of policy strategies to address the challenges of ageing. This is an indication of how relevant the issue is in most of the OECD region. Six crucial policy strategies are suggested for cities and national governments, based on an assessment of the challenges – 1) change in local revenue; 2) an ageing labour force; 3) public spending for health and social care; 4) infrastructure and urban form; 5) social isolation; 6) accessibility to services and jobs; 7) housing affordability – as well as the opportunities (discussed in detail in Chapter 2) – 1) new innovation and technologies; 2) new business models and investment strategies; 3) remodelling of the existing housing stock; 4) integrating ICT; 5) voluntary works in communities; 6) public trust in government and engagement in the political process (see Table 2.1 in Chapter 2). These strategic areas are summarised in Table 3.1.

Table 3.1. **Six recommended strategies**

Key strategies	Sub strategies
1. Develop a long-term vision	– Cities at different stages of the demographic transition can develop a vision for their future focusing on the most critical challenges they face. These visions should include quantitative assessment, using internationally comparable indicators.
2. Develop indicators	– Develop indicators for transport, health and social care, urban development, labour, housing and living environment, and community activity sectors. Cities choose the best mix of indicators for the phase in the ageing process applicable to them.
3. Promote health for all ages	– Promote health measures using information technologies. Encourage walking as a preventative strategy for optimising health.
4. Increase older people's engagement in the labour market and in social activities	– City governments can become a model for retaining older employees. Provide access to jobs by expanding public transport. – Promote entrepreneurship among older age groups. – Encourage older people to volunteer in their communities. – Develop activities that bring together younger and older people.
5. Provide affordable housing in accessible environments	– Promote affordable housing through innovative schemes to provide social housing, including public-private partnerships, and increase the supply of smaller units of housing. – Improve access to employment and public and private services by public transport. – Promote policies to provide care at home.
6. Redesign urban areas to increase attractiveness and well-being	– Reformulate the appropriate location for urban infrastructure, to optimise land use. – Invest in improving walkability in urban areas. – Integrate strategies across different policy areas to encourage improvements in a city's social and economic sustainability. – Implement a toolkit for effective public investments.

The policy strategies suggested in this chapter are effective to mitigate the challenges and make the best use of the opportunities that ageing societies bring about, which are discussed in Chapter 2. Each section explains how the suggested strategies would respond according to the specific challenges and opportunities. See details of the challenges and opportunities in Chapter 2.

Developing a long-term vision

What is a long-term vision for ageing societies?

A vision is generally defined as an image of a desirable future that is shared among all stakeholders and described in precise terms (European Commission, 2011). Such plans are used to co-ordinate collective efforts among citizens and the private sector, whose commitment in such endeavours is essential. Policy makers can choose the most

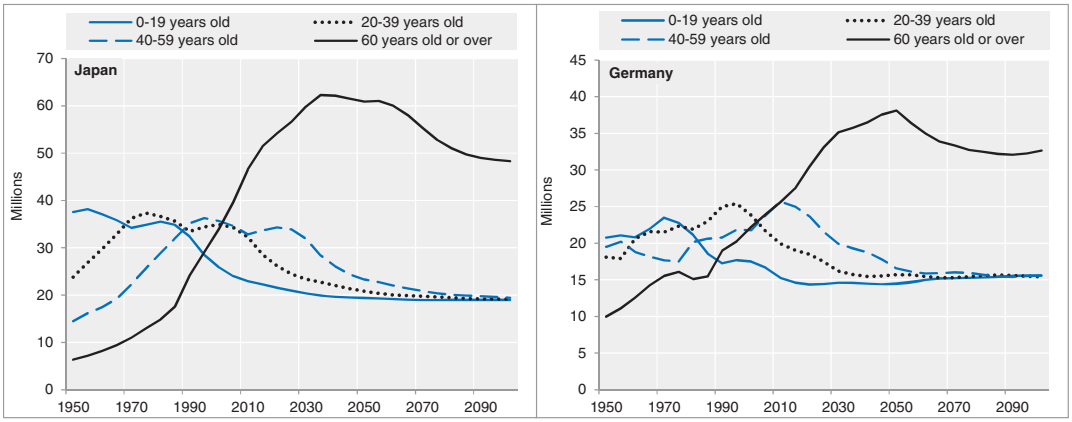
appropriate format for their plans, which can be reflected either in a document explicitly addressing ageing or as part of a city's general long-term planning. The scope and the process of formulating visions and their respective legal contexts can vary. The document may include concrete policy actions (CMI, 2011) or simply a declaration of policy orientations. Visions may be incorporated in a legally binding planning document or in informal guidelines (OECD, 2012a). The scope can also be part of economic strategy. A vision can influence the goals of lower levels of government or outline national objectives that help align policies at lower levels of government. It may be short- or long term in nature and specify explicit quantitative goals.

Having a long-term vision will support cities to overcome the overall challenges addressed in Chapter 2. Formulating a vision for ageing societies would consider the following issues.

The first step in elaborating a vision for ageing societies is to develop an understanding of a society's demographic structure over the long term, given the dynamic and unprecedented demographic trends at play. These are nevertheless relatively predictable, because of the determining factors: fertility rates, mortality rates and the after-effects of the baby boom. Further research would be needed to analyse the long-term demographic outlook, as well as the current situation of older people.

An ageing trend is dynamic over the mid-term, but reaches equilibrium over the long term, particularly in the countries like Germany and Japan, which will experience a rapid increase in the number of older people that is due to peak around the middle of the 21st century (Figure 3.1). Long-term visions need to include a strategy for how to make a transition to the new equilibrium and reach a new demographic balance.

Figure 3.1. **Projected demographic trends through the 21st century for Japan and Germany**



Source: United Nations Department of Economic and Social Affairs, Population Division (2010), *World Population Prospects: The 2010 Revision*, United Nations, New York, http://esa.un.org/unpd/wpp/unpp/panel_indicators.htm (accessed 30 September 2014).

Visions for ageing societies should not exclusively target the older population. They have to include societies for younger cohorts and co-ordinate the benefits for both generations.

It is important that visions are integrated with broader long-term economic plans.

Visions can help seize the opportunities of future demographic development by defining desirable outcomes and common objectives, and by outlining possible paths that inform policy making.

The process of building a vision of what citizens would like their future to look like offers an important learning experience for public and private stakeholders. These participatory processes should include older people (Buffel et al., 2012).

Visions at the national level can promote synergy between local policies and national development objectives (OECD, 2013a). This can help local authorities develop strategies for the ageing challenges specific to their community, in alignment with national development objectives. This will help attract national investment and create shared values among citizens, generating public support for the implementation of policies and raising a city's profile.

Overview of the current visions

Many cities are developing visions that reflect their transition into ageing societies (Table 3.1), sometimes specifically focusing on the issue, and sometimes as part of a general plan for urban and economic development. Calgary and Helsinki, for example, have set out long-term strategies with the overarching goal of a sustainable community that embraces citizens of all generations. In Calgary, imagineCALGARY is a 100-year vision and long-range urban sustainability plan that outlines Calgary's goals and sets specific intermediate steps for becoming a sustainable community. Manchester sets out a vision in two key documents. The first is the Manchester ageing strategy (2010-20) entitled "A Great Place to Grow Older" (Manchester City Council, 2014). This specifically addresses the concerns and challenges for the city's population of older people. The second document that formulated a vision and consecutive policy actions is the Age-friendly Manchester programme, which was launched to bring the city's policies in line with the World Health Organization's Age-friendly Cities approach.

Table 3.2. **Visions at the city level**

Cities	Vision (year)	Contents
Toyama (Japan)	Comprehensive Plan (2007-16)	The city's overall vision for compact city policies with the public transport network
Yokohama (Japan)	Comprehensive Long-Term Vision (2006-toward 2025)	Basic policy approach for building a new Yokohama, based on the power of people and creative talent
Lisbon (Portugal)	Lisbon, a City for the People 2013-2017	An overall vision outlining a strategy to improve the social and built environment, create opportunities and boost the city's attractiveness
Helsinki (Finland)	Vision 2050	Outlines the strategy for creating a well-connected city for a growing and diverse population
Manchester (United Kingdom)	A Great Place to Grow Older (2010-2020)	Strategy to enable older citizens to stay actively engaged in their communities
Calgary (Canada)	imagineCALGARY (2006)	100-year vision to bundle synergies for sustainable development
Cologne (Germany)	Leitbild 2020	A framework that emphasises cultivating the human capital of all generations
Brno (Czech Republic)	Brno City Strategy (2007)	Policy framework that identifies five priority areas for improving the quality of life for Brno's citizens

Source: Based on responses to the OECD questionnaires sent to the case study cities (2013-14).

The basis of vision documents also varies. Toyama and Yokohama have adopted a legal approach through a "Local Autonomy Law". The process of formulating a vision for development followed a similar pattern in all of the cities assessed. Each included engaging the wider public and the private sector. Public consultations helped to ascertain

the views and aspirations of citizens as well as the perspective of non-profit organisations, associations and private firms. The process of developing Calgary's vision, for example, included consultation with over 18 000 inhabitants whose ideas and concerns helped draft a detailed plan to implement 114 targets (City of Calgary, 2014). In Manchester, the process of developing a vision for ageing involves a City Council-led partnership among stakeholders including community groups, local universities and older residents, and the city seeks to engage the community in designing policy.

Suggested policy actions

Cities at different demographic stages could develop their visions focusing on the most critical challenges in their ageing processes.

Type I cities (ageing cities with slow population growth) could first identify their new demographic equilibrium in the long term and discuss how they are able to get there smoothly while going over a demographic turning point. Type I cities have a shorter period than other types of cities before reaching a new equilibrium, which makes it necessary for them to have such visions. It is very important to discuss ageing societies in the context of their economic development prospective focusing on the cities' economic attractiveness to invite more investment, people and labour force. Industrial restructuring is a priority for developing opportunities to take advantage of the new needs of ageing societies. Visons have to include infrastructure investments strategies.

Type II cities (young cities, ageing rapidly) could consider what fundamental changes their societies are experiencing in their fast transition to ageing societies, in particular, in terms of intergenerational equity and extended working lives, and how to balance short- and long-term objectives.

Type III cities (young cities, ageing slowly) could start by a full analysis of the issues of ageing. This could include building awareness about the needs of ageing societies and identifying how social participation and empowering local communities can be maintained in the future.

Visions should include quantitative assessment of cities' social and economic challenges and their future perspectives. Collecting data on ageing trends, available services and the socio-economic conditions of older people will provide essential information for policy leaders as they design policies and monitor their results. Internationally comparable indicators should also be developed for assessing and benchmarking the impact of policies. Evidence and data-based policy approaches can contribute to the process of establishing a long-term vision. Selecting the indicators for measuring policy impact, which will be discussed in the next section, is also vital.

Developing indicators to measure "ageing societies"

Why indicators are important for policies in ageing societies

Indicators facilitate the process of building consensus about a vision and measuring the impact of the policies implemented. Clear, consistent indicators are needed not only to track the progress of measures that target ageing societies, but to pursue efficient, effective and sustainable urban development. Such indicators set the baseline for monitoring and evaluating the progress and success of policy strategies, and help trace the impact of policies over the long term. Robust indicators will ensure consistency of policies and programmes, identify precise goals and help to guarantee that policy makers

do not overlook avenues that are worth exploring. Indicators make it possible to benchmark an outcome and establish additional goals if the results achieved do not meet intermediate targets. In particular, internationally comparable indicators can help policy makers analyse their policy performance from a wider perspective and adjust their policy if necessary (WHO, 2007; OECD, 2012a; Global City Indicators Facility, 2007). Indicators will also enhance communication with citizens to encourage their engagement in contributing to ageing societies.

Having indicators will support cities to overcome the overall challenges addressed in Chapter 2. Indicators for policies in ageing societies are particularly important in the following respects:

- Demographic change that is currently underway is unprecedented. It is useful for cities to understand which stage of the ageing process they are experiencing and the changes they can expect at each stage.
- Indicators will help to build consensus among citizens of different generations, who have different priorities. These indicators can provide opportunities for citizens to learn about their societies, because the situation of older people is not yet fully recognised.
- Indicators can also be instructive for other cities. In particular, those that show the impact of policies in cities at advanced stages of the ageing process will become useful information for cities in the early stages of ageing.

Overview of the current indicators

National indicators are primarily intended to appraise and monitor national actions. One such example is the EU *Ageing Report* (European Commission, 2012a), which includes a set of indicators that illustrate expenditure projections for a large older population, covering pensions, healthcare, long-term care, education and unemployment. Internationally applicable indicators that help assess the social sustainability of cities and their urban form are particularly important. These will help develop new indicators for comparing ageing-related issues and the policy impact of best practices globally.

In some cases, cities have developed indicators that measure the impact of policies relevant to their unique challenges. Non-profit organisations such as the American Association of Retired Persons (AARP) in the United States have developed qualitative indicators for liveable ageing societies. These were developed with such stakeholders as community residents, representatives of particular groups and policy makers. Qualitative indicators, on the other hand, should be used not merely to compare results or rank communities, but to collect critical information that cannot be expressed or evaluated quantitatively. Some case study cities apply indicators to understand their challenges better and to monitor the progress of their policies. Cologne monitors the expansion of high-quality educational opportunities for older people, as well as the demand for and supply of social housing. In Calgary, city-wide indicators that address the challenges of ageing societies have not yet been developed, but individual programmes and services for older people and their funding agencies use indicators. Lisbon assesses a number of indices on a year-to-year basis to monitor the progress of demographic change. These include an Ageing Index, the old-age dependency ratio and the degree of achievement of accessible pedestrian routes, among others. Manchester agreed to a set of indicators in 2010 as part of its submission to the WHO Global Network of Age-friendly Cities and Communities, and is working on a new set of indicators as part of a research and evaluation framework. Toyama and Manchester have developed unique measurement

tools using geographic information systems (GIS) to analyse their ageing trend geographically.

A combination of quantitative and qualitative methods is useful. Some studies, such as the "Global Aging Preparedness Index" (CSIS, 2010), apply rigorous quantitative indicators, whereas others, such as *Ageing in the Twenty-First Century: A Celebration and A Challenge* (UNFPA, 2012) prioritise such qualitative assessments as subjective evaluations and satisfaction surveys.

Suggested policy actions

Indicators should have a clear reference to the policy issues that each city or country in ageing societies faces. Among many important indicators, cities are able to prioritise the ones that are necessary depending on the city's ageing stage and its demographic characteristics. A sample of recommended indicators is provided in Table 3.3, based on a review of the literature. There are no "standardised indicators" (Global City Indicators Facility, 2007), but cities are expected to organise their own set of indicators to reflect their own challenges. Indicators should refer to opportunities for older people to engage economically and socially, and should track how urban form generates positive outcomes in the area of accessibility and transport, housing affordability and accessibility, as well as active and healthy ageing.

The breadth of challenges that face Type I cities (ageing cities with slow population growth) means that the number of indicators they could apply is relatively large. Type II cities (young cities, ageing rapidly) will be focusing more on measuring the long-term change in areas such as inter-generational equity or the participation of older people in the labour force. For Type III cities (young cities, ageing slowly), where the demographic change will have an impact further in the future, indicators will be narrower in scope and their implementation may increase as demographic change progresses.

Box 3.1. **World Health Organization indices for age-friendly cities**

The importance of developing internationally comparable indicators is stressed in the World Health Organization's (WHO) work on age-friendly cities. The WHO (2009) defines an age-friendly city as "an inclusive and accessible community environment that optimises opportunities for health, participation and security, to ensure quality of life and dignity as people age". To understand how age-friendly a city is and to compare it internationally, indicators can help explore the effect of the relevant policies after they are implemented. The WHO sees the use of indicators as an indispensable part of the policy-making process, and according to Davis and Kingsbury (2011), fosters political and social commitment that in return will help improve the quality of life in ageing societies.

The WHO is developing indicators to help cities monitor progress towards age-friendliness, based on a common understanding of issues and how they can be compared across borders. The indicators being developed are based on consultation with cities around the world. This collective effort will provide a guide for a wide range of stakeholders interested in making their city more age-friendly, and provide a tool for a city's self-assessment and a map to chart progress.

Source: WHO (2009), "How can health systems respond to population ageing?", *Policy Brief 10*, WHO Regional Office for Europe, Copenhagen.

Table 3.3. **Recommended indicators supporting the assessment of ageing societies for each type of city**

Indicator by sector	Examples of recommended indicators
Health and social care	– Number of people by age group in need of health support services[1] – Health risks and behaviours of people by age group[2] – Resources allocated to health and social care[2]
Community activity	– Number of opportunities and percentage of participation for lifelong learning and education[3] – Number of opportunities and percentage of participation in recreational and cultural activities[3]
Labour	– Labour participation rate by gender and age group[4] – Employment and unemployment rate by gender and age group[5] – Sectorial employment structure by sector and age group[1] – Variability of jobs for older people[2]
Housing/living environment	– Proportion of households that pay more than 30% of their annual income on housing[6] – Housing expenses (including property taxes and maintenance costs) as a proportion of total household expenditure[6] – The amount of subsidised housing by age group[2]
Transport/mobility	– Transport ridership by age and gender[7] – Linkage between different modes of transport[8] – Pricing or subsidies to maximise the use of transport by age group[7]
Urban	– Population density by age group[1] – Regional transport and housing planning, co-ordinated with issues related to economic development[8] – Growth of multipurpose facilities/buildings[2] – Proportion of households that spend more than 45% of their annual income on housing and transport[6]

Sources: 1. Federal Interagency Forum on Aging-Related Statistics (2012), *Older Americans 2012: Key Indicators of Well-Being*, Federal Interagency Forum on Aging-Related Statistics, US Government Printing Office, Washington, DC, available at: www.agingstats.gov/agingstatsdotnet/Main_Site/Data/2012_Documents/docs/EntireChartbook.pdf. 2. WHO (2007), *Global Age-Friendly Cities: A Guide*, World Health Organization, Geneva, available at: www.who.int/ageing/publications/Global_age_friendly_cities_Guide_English.pdf. 3. Milken Institute (2012), *Best Cities for Successful Aging*, Milken Institute, Santa Monica, California, available at: www.milkeninstitute.org/publications/view/524. 4. OECD (2006b), *Live Longer, Work Longer*, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264035881-en. 5. UNFPA (2012), *Ageing in the Twenty-First Century: A Celebration and a Challenge*, United Nations Population Fund and HelpAge International, New York and London, available at: www.unfpa.org/publications/ageing-twenty-first-century. 6. CSIS (2010), *Global Aging Preparedness Index*, Centre for Strategic & International Studies, Washington, DC. 7. Transportation for America (2011), *Aging in Place, Stuck without Options: Fixing the Mobility Crisis Threatening the Baby Boom Generation*, Transportation for America, Washington, DC, available at: http://t4america.org/docs/SeniorsMobilityCrisis.pdf. 8. Ministry of Land, Infrastructure, Transport and Tourism, Japan (2011), "Whitepaper on Land, Infrastructure, Transport and Tourism 2011", Tokyo, www.mlit.go.jp/english/white-paper/2011.pdf.

Promoting health for all ages

Why is promoting health important for ageing societies?

Being healthy and staying healthy, particularly in later life are important objectives for societies. It will improve the well-being of all people, including a growing section of the population, and will mitigate the cost of health and long-term care (Global Green Growth Institute et al., 2013; WHO, 2006). Such an effort, if it is to reduce chronic disease, must involve not only older people, but people in the early stages of life. This policy strategy of promoting health for all ages will contribute to addressing the challenges of: (3) public spending for health and social care; (5) social isolation. It also helps to better seize the opportunities inherent in: (1) innovation and technology; (2) new business models and investment strategies; (4) the integration of ICT.

Suggested policy actions

Strategies to improve health for people of all ages could start with preventative measures (Oxley, 2009). Better access to information technology may help to improve the understanding and management of specific conditions and help patients to engage in self-care. Collection and use of long-term data can help illuminate the specific conditions and healthcare challenges of ageing societies (Kendrick and Conway, 2006). Such strategies have to start at an early age. Relatively simple interventions can often have impressive consequences, and in many countries, considerable scope remains for greater use of assistive technology (Freedman et al., 2006). This may include promoting the maintenance of function, confidence and engagement that supports healthy ageing by targeting the main causes of morbidity and premature mortality (WHO, 2009).

Walking is considered one of the most effective measures of preventative care. Japan's Ministry of Health, Labour and Welfare estimates that walking reduces healthcare costs by EUR 0.11 for every 10 000 steps. For Japan, this means that an increase of 3 000 steps a day per person could lower the country's annual medical bill by 5.5%, substantially reducing the incidence of diabetes, stroke and heart attacks. Toyama's compact city strategies aim to encourage citizens to walk and thereby improve public health. Yokohama's FutureCity strategy introduces a new type of urban structure to support local communities by improving their connectivity. By making public transport efficient and local communities walkable, Yokohama is improving access to services and encouraging healthy habits. Walking is encouraged by a rewards system, and the city is investing in improving walking routes, which include open public spaces accessible on foot.

Such strategies are relevant for all types of cities, since people's health is important regardless of the ageing stage that each city has reached. It may take a while to understand the policy impact of these strategies at city level, rather than at the level of individual citizens. This will require a long-term commitment by the city government as well as by citizens. Once it is co-ordinated with other policy areas, such as urban land use and transport, the impact of the measures will be amplified.

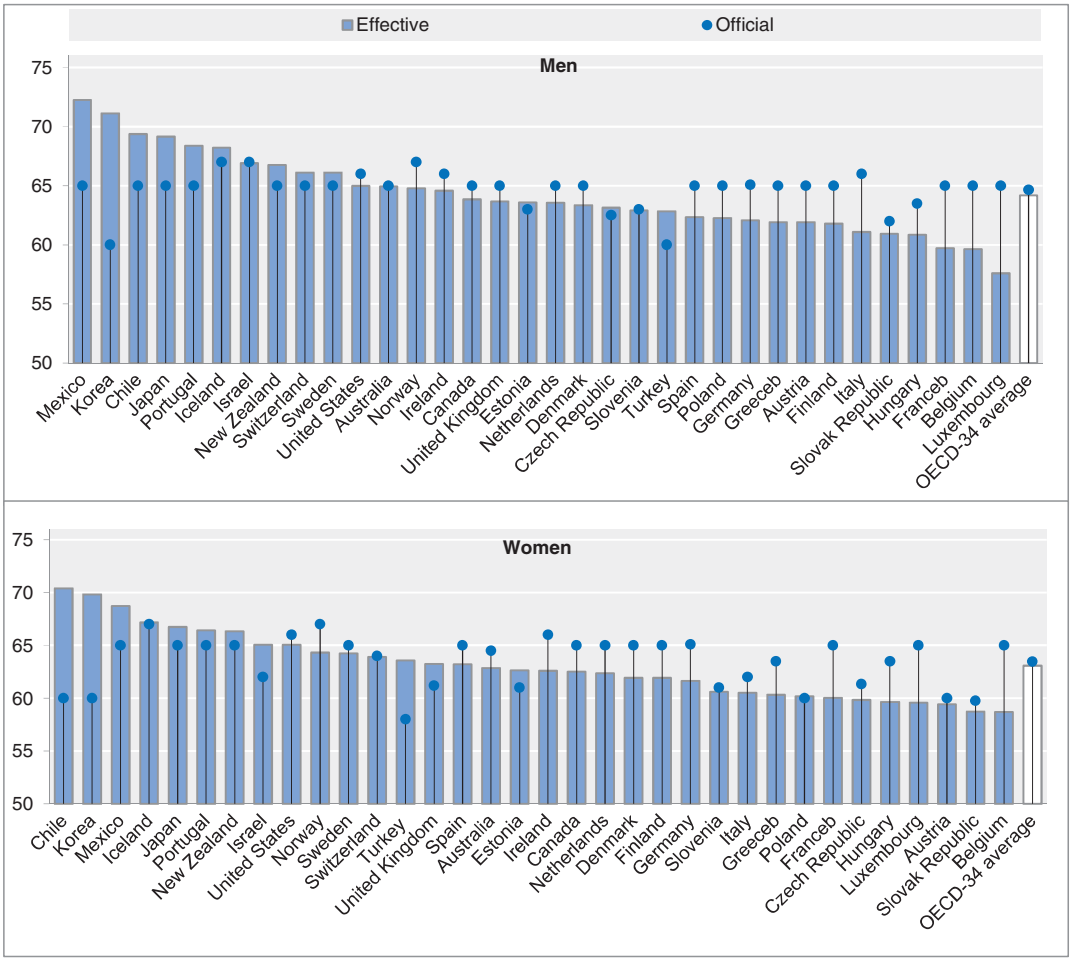
Increasing older people's engagement in the labour market and in social activities

Why is increasing older people's social participation and participation in the labour force important in ageing societies?

Labour market participation

Ensuring opportunities for older workers to remain in the labour force is critical to avoid labour shortages in ageing societies, and for older people to maintain their activity in society. The average effective age of labour market exit was 64.2 for men and 63.1 for women across OECD countries in 2012. It is lower than official retirement age in the majority of OECD countries. In Belgium and Luxembourg, for example, this gap is more than five years. Policy strategy of increasing older people's engagement in labour market will mainly help address the following challenges: (1) change in local revenue; (2) an ageing labour force; (5) social isolation.

Figure 3.2. **Average effective age of retirement versus official age, 2007-12**



Notes: The effective age of retirement is defined as the average age of exit from the labour force during a five-year period. Labour force (net) exits are estimated by taking the difference in the participation rate for each 5-year age group (40 and over) at the beginning of the period and the rate for the corresponding age group that is 5 years older at the end of the period. The official age corresponds to the age at which a pension can be received, irrespective of whether or not a worker has a long insurance record of years of contributions.

Source: OECD estimates derived from the European and national labour force surveys and OECD (2013c), *Pensions at a Glance 2013: OECD and G20 Indicators*, OECD Publishing, Paris, http://dx.doi.org/10.1787/pension_glance-2013-en.

As a result of premature retirement, a substantial part of the labour force of older people remains untapped (UK Department for Work and Pensions, 2013). Working longer is thought to positively increase income and savings, improve health and entail social and intellectual benefits (House of Lords, 2013). The government of Australia considers that the best way to achieve higher economic growth in ageing societies is through increases in labour force participation and productivity (Australian Government, 2004).

At the national policy level, increasing the labour force participation of older people has been a major topic of discussion, including, for example, investment in the skills of older workers (OECD, 2012b). According to the European Commission (2012b), this would help incentivise older employees to remain economically active. In Australia, for

example, the Restart Wage Subsidy (2014) is used to encourage the employment of older workers. More flexibility in configuring the official retirement age could encourage higher labour force participation among older age groups. Abolishing the national default retirement age would give older workers the same rights as employees of other ages, and balance employees' expectations of job security (UK Department for Work and Pensions, 2013). Increasing the labour supply by adjusting the legal retirement age, as well as abolishing incentives for early retirement, would significantly reduce the risk of labour force shortages in ageing societies (Oliveira Martins et al., 2005). Alternative work arrangements, such as part-time employment and self-employment, for older people would be beneficial to increase older people's participation in the labour force (European Commission, 2007). The workforce of older people should be considered as local resources with a profound understanding of local needs, and new business models can be developed to benefit from this (Akiyama, 2013).

Social participation

Increasing the social participation of older people improves their quality of life and minimises their risk of social isolation. An increase of single households among older people has made this issue particularly relevant. In return, social participation of older people through volunteering can play an important role in sustaining a community, especially given that the public sector in many OECD countries has cut spending on social programmes as a result of the recent economic crisis. Elderly people who volunteer can provide a solution to fill this growing gap, which is particularly pronounced in adult social care services.

The United Kingdom's Local Government Association (2012) estimates that funding for local services will drop by 66% by 2020 to pay for the rising costs of adult care. In London, the funding gap between the supply of and demand for local care services is growing rapidly, and is expected to rise to GBP 907 million by 2017/18 (London Councils, 2013). Volunteering can play a significant part in creating a more sustainable approach to health and social care. The United Kingdom's health and social care system already relies on 3 million volunteers and 5 million unpaid caretakers (Naylor, C. et al., 2013). The policy strategy of increasing older people's engagement in social activities focuses on: (5) reducing social isolation; and on seizing opportunities from: (5) voluntary work in communities and (6) incites public trust in government and engagement in the political process.

Suggested policy actions

Labour market participation

Many possibilities exist for local strategies to respond to the employment challenges of older people, in addition to national policies. Calgary's Retired Employee Employment Pool, for example, is a programme to engage retired Calgary city employees on limited-term projects that require particular skills or expertise. Engaging the Mature Worker: An Action Plan for Alberta is a complementary programme to increase the labour supply of older workers in the province, and minimise the loss of experience and institutional memory. Toyama has chosen to focus on agricultural training to increase the employability of older people, as a response to the decline in the number of the city's farm workers. Its Rakuno School helps older people start their own agricultural production and supports existing farmers. This strategy is a good fit with the city's strong agricultural sector and large farming population.

Providing access to jobs is critical if older people are to participate in the labour force. Public transport systems improve workers' mobility across metropolitan areas and give socially disadvantaged groups access to employment opportunities in a reasonable time and at a reasonable cost (Brookings Institute, 2011; Global Green Growth Institute et al., 2013; AARP, 2011). Efficient transport systems that help reduce commuting time and costs return gains in productivity, a key concern for economic sustainability in ageing societies.

The promotion of entrepreneurship among older age groups is one policy option for prolonging the working lives of older people, reducing their unemployment and increasing their social inclusion (European Commission, 2012b; Martinez-Fernandez et al., 2012; Kautonen et al., 2008). Economic innovation can be encouraged by harnessing the human and social capital of mature individuals through innovative start-ups (Botham and Graves, 2009). The Global Entrepreneurship Monitor survey shows that in 2013 in the United Kingdom, 600 000 senior entrepreneurs 50 years old and over were in an early stage of entrepreneurial activity. Detailed research on what motivates entrepreneurship amongst older people in the United Kingdom shows that women are more likely to take on this form of economic activity, for positive reasons related to opportunity or lifestyle, whereas men are more reluctant to engage in it (Hudson et al., 2010). Across OECD countries, a variety of strategies to cultivate the participation of older people in entrepreneurial activities have been developed. In one project on demographic change in the Netherlands, the OECD/LEED has identified policy tools that can help support entrepreneurship among older people (Box 3.2).

Cities also have to improve their economic and industrial strategies to raise the level of employment. Such strategies serve both for older workers and for younger workers. Since there are some differences by age group in employment by industrial sector (see Chapter 2), new economic and industrial strategies might contribute to increasing the job market share of older workers in competitive sectors. Case study cities have established various industrial strategies. For example, Yokohama's new industry policy the Development of Growing Industries (2014) identified three competitive industry areas to revitalise Yokohama's economy in an age of globalisation and an ageing society. Another example is Lisbon. Lisbon's integrated economic strategy (2011) promotes Lisbon as one of Europe's most competitive, innovative and creative cities, aiming to create new and alternative forms of employment for all its residents in response to the economic challenges.

Strategies for increasing older people's engagement in the labour market are relevant for all types of cities for different reasons. Type I cities (ageing cities with slow population growth) need to consider how to increase the employment of young and older people to boost economic growth and increase local revenues. Type II cities (young cities, ageing rapidly) have to weigh carefully the benefits of increasing the employment of older people without sacrificing job opportunities for young people.

Social participation

Encouraging older people to participate in volunteer activities in their communities may prove a valuable means to facilitate social participation. In Lisbon, for example, universities for older people have been established to offer open classes in which volunteers offer lectures on such topics as literature, history, drawing or computer sciences. These institutions are open to anyone over the age of 50, regardless of their level of education. Meanwhile, the Technical University of Lisbon (UTL) provides

classes to people above the age of 50 that lead to a degree, offering a curriculum around science, technology and citizenship. Other strategies enabling older persons to stay in their homes for as long as possible may be important to keep them fully engaged with the networks they are familiar with.

Box 3.2. **Supporting entrepreneurship among older people**

Promote the benefits of entrepreneurship

- In the Netherlands, the Grundtvig project supports several initiatives for active learning among adults. It was funded by the European Regional Fund, INTERREG, and promotes personal stories of older entrepreneurs with disadvantaged backgrounds to cultivate entrepreneurship among older entrepreneurs with non-mainstream backgrounds.

Improve entrepreneurship skills through training

- The Business and Innovation Centre in the Slovak Republic is a private organisation that serves older people and supports the creation of business start-ups with advice, education and start-up financing.
- The "Female" Scheme is an EU-wide network providing assistance to female entrepreneurs, particularly those over 50, those from ethnic minorities, single parents or the long-term unemployed. The network provides training, advice and mentorship by other female entrepreneurs to help participants develop the skills necessary to start a business. The project's website also aims to provide a virtual support network and information source for participants.

Develop and support networks

- The United States has had an entrepreneurship programme for retired people for decades. Starting as the Service Corps of Retired Executives, and now simply known as SCORE, it was launched to provide business advice to former military officers, but has since expanded to serve the wider population. Certain groups are targeted, such as people over 50, but the services are not tailored for different segments of the population. SCORE helps entrepreneurs find mentors through an online database and can help facilitate face-to-face mentorships. It provides training and workshops through local associations and actively seeks out older entrepreneurs to serve as volunteer mentors and conduct workshops and training.

Improve access to finance

- The Mature Entrepreneur project in Poland is another example. It aims to support entrepreneurship among those over the age of 50 to help them remain in, or re-enter, the labour market through self-employment. Participants receive grants of up to PLN 40 000 (Polish złoty) to help them start a business, and also to receive training and business advice. Participants are also given bridging support (PLN 7 500 for a six-month period) to cover the operating costs of the new business. Poland's employment office has featured participants in a television series about the project to promote entrepreneurship among older people.

Ensure there are no disincentives for entrepreneurship in social support systems

- Sweden has recently enacted new measures to reduce sick-leave contributions for all self-employed workers and guarantee them covered leave for seven days. This makes self-employment more attractive for older people, because the insurance costs less and there is a guaranteed minimum coverage.

Source: Martinez-Fernandez, C. et al. (2013), "Demographic change in the Netherlands: Strategies for resilient labour markets", *OECD Local Economic and Employment Development (LEED) Working Papers*, No. 2013/13, OECD Publishing, Paris, http://dx.doi.org/10.1787/5k3xnhvzhmxn-en.

Inter-generational activities that bring together both younger and older people are a robust and feasible strategy for promoting local prosperity (OECD, 2013b). One such example, Cologne's multigenerational Living for Help programme, helps students find accommodation in the homes of older people. This project serves the needs of both generations, offering students housing and older people services and support at home. Meanwhile, it helps build community awareness and mutual support networks and provides services within a community that are not currently addressed by existing government programmes.

Strategies for increasing older people's engagement in social activities are relevant for all types of cities for different reasons. The suggested approach by type of city is almost applicable to all types of cities; however, some key messages that each type of city should keep in mind as relatively high importance compared to other types are as follow: Type III cities (young cities, ageing slowly) need to bear in mind that such strategies will build the community's understanding of the needs of older people in the long run, as well as of the demands of ageing societies that it will have to confront. Those strategies can provide instructive opportunities for learning to adjust to such changes. For Type II cities (young cities, ageing rapidly) whose generational balance is changing, such strategies will become a key to a successful navigation to demographic change. For Type I cities (ageing cities with slow population growth) experiencing a decline in population, social participation that helps rebuild the community is an urgent priority.

Providing affordable living in accessible environments

What does "affordable living in accessible environments" mean in ageing societies?

Strategies to improve affordable living in accessible environments can improve the quality of life for all generations. Older people can particularly benefit from such strategies because they tend to face an elevated risk of poverty and isolation, and suffer in general from reduced mobility, which makes it difficult for them to access services and employment.

Affordable living in accessible environments involves three principal elements. These include: 1) affordable housing; 2) the availability of care services at home; 3) access to employment and public and private services by public transport. Strategies for affordable living in accessible environments need to be based on these three elements, because housing affordability has to be understood as a combination of housing expense (housing prices, rents) and transport costs (Inbakaran and Shin, 2010). Increasing the integration of transport planning with land development decisions can lower indirect housing costs that can result from a spatial mismatch of the location of jobs and housing (OECD, 2014c). They apply in urban and rural areas alike. The challenge of providing affordable housing in accessible environments is not limited to urban areas and has also become an issue for rural communities, for example in the United States (Box 3.3). This policy strategy of providing affordable living in accessible environments will address the challenges related to: (4) infrastructure and urban form; (5) social isolation; (6) accessibility to services and jobs; (7) housing affordability. It also encourages opportunities of: (1) new innovation and technologies; (2) new business models and investment strategies; (3) remodelling of the existing housing stock.

Box 3.3. **Social housing for older people in rural areas in the United States**

The United States' population of those over 65 is growing larger and older, with the number of seniors expected to double by 2030. This demographic change is occurring in both the rural and urban United States. Providing appropriate health and social care services to low- and middle-income seniors in rural areas is particularly difficult. Most senior households in rural areas are in scattered single-family homes, rather than communal settings. Transport to and from health and social care services such as hospitals, senior centres or meal programmes is a key challenge, given the lower housing density and service coverage.

In addition to the lack of affordable and adequate housing, social isolation in rural communities is an issue. With the rise in Medicaid spending, fewer resources are available for housing appropriate for older people. Strategies are needed to develop social housing for an ageing rural population. This must be sustainable and scalable and built on states' existing infrastructure through federal funding and housing programmes. The US Department of Housing and Development's (HUD) Section 202 programme provides low-income seniors with options for living independently in an environment that provides support activities. HUD provides interest-free capital advances to private, non-profit sponsors to finance the development of such supportive housing. The capital advance does not need to be repaid as long as the project serves low-income older people for 40 years. Project rental-assistance funds are provided to cover the difference between the HUD-approved operating cost for the project and the tenants' contributions towards the rent.

The major benefit of the Section 202 programme is that it allows people to remain independent in their own housing units for much longer than they would otherwise, because of the supportive services offered. In rural areas specifically, the programme offers older citizens decent, affordable housing, often for the first time in their lives. The programme has been an important asset to providers in the rural United States in offering housing and services for the low-income older population. Social Security payments received by these seniors are often too small to cover any other housing. As the population of older people grows older and larger, the importance of the Section 202 programme will increase. At present, however, the number of units allocated through Section 202 has fallen each year. If this trend persists, the ageing of the baby boom generation will present further difficulties. When this generation stops working, a huge demand for affordable housing will arise, especially for those currently considered working poor.

Source: US Department of Housing and Development (2014), *Strategic Plan 2014-2018*, US Department of Housing and Urban Development, Washington, DC.

Suggested policy actions

Affordable housing

Policies for social housing play an important role in lowering the burden of housing costs that many senior citizens and young families face. Public-private partnerships and more innovative strategies that avoid long-term ownership are an option to help increase the supply of social housing at lower cost (André, 2011). Many OECD countries have shifted from directly supplying social housing to mandatory quotas or voluntary targets for privately developed housing. In this way, the housing needs of older people can be supported through the private market. Other countries have sought to increase the supply of social housing by facilitating housing provision by non-profit developers (e.g. provision of matching funds, increasing their access to credit and reserving a share of national housing grants for non-profit developers). In the United States, the Low

Income Housing Tax Credit (LIHTC) programme awards federal tax credits to developers of qualified affordable rental housing projects for low-income households.

The size of a housing unit is an important element in its affordability. An appropriate area reduces the costs of maintenance as well as the amount of utilities needed. In general, a smaller unit is suited to the needs of older people living alone or with a spouse (OECD, 2012b). Strategies for increasing the number of smaller housing units can include zoning accessory dwelling units, which can be used to increase the supply of small units. One such example is Manchester's Urban Cohousing project, which supports a resident-led group for independent flats and communal spaces for older people. A housing relocation system to match housing demand with household size can help satisfy the housing needs of both generations: Older people living in large houses earn income by renting their houses to younger families with children, and moving to accommodation more suitable to later life. The Japan Trans-housing Institute (JTI) helps to connect house owners over 50 years old with families with young children who are looking for rental accommodation (Japan Trans-housing Institute, 2014). The JTI works with city and prefectural governments to respond to local needs.

Availability of care services at home

Some examples of policy practices are emerging to integrate care services at home. In the United States, the Department of Housing and Urban Development and the Department of Health and Human Services are developing a "housing plus services" model intended to allow older people, particularly of low income, to remain in their own homes (US Department of Housing and Urban Development, 2009). Co-ordinating housing with social and healthcare services appears to be the most desirable outcome. In Helsinki, the Lauttasaari Customer-Oriented Service Network project (Helsinki City, 2010-13) provides older people living at home with essential social and health services through the private sector. Initiatives integrating housing and care services also require adequate resources to ensure a balanced service system with good primary and community care.

Access to employment, and public and private services by public transport

Housing policies should evaluate whether housing has good access to services and jobs, which contribute to a higher quality of life (OECD, 2012a). This strategy needs to be implemented in co-ordination with redesigning the urban area. Strategies that include mixed land use are the most widely used approach across the OECD area to facilitate accessibility to local services and jobs from home (OECD, 2012a). Some OECD countries, such as Canada and the United States, have traditionally restricted regulations on land use, prohibiting mixed land use to avoid the negative externalities of differences in land use. Such zoning still makes sense in many places, although land-use regulations should be better co-ordinated to increase access on foot to local services and jobs. Deregulating zoning and introducing form-based zoning can be a way to revive urban centres, as can establishing mixed-use zones that allow both business and residential uses. This helps to reduce travel time to jobs and services, and to improve access on foot or by public transit for older people.

One instructive example is Calgary, which integrates two overarching visions for land use and mobility. The Municipal Development Plan and the Calgary Transportation Plan both aim to build high-density complete communities linked by good transit (City of Calgary, 2014). Linking land-use decisions to a framework of nodes and corridors can

help increase mobility, develop primary transit and create complete neighbourhoods. Further improvement of public transport by innovative policy tools could be considered, including community buses or small and shared vehicles operated by the local community to respond to demand for shorter trips. Those demands cannot always be served by conventional public transport systems, but use of the most up-to-date technology could provide a solution in the future.

Those strategies are relevant for all types of cities. Affordable housing in an accessible environment has been a major policy objective for many cities over the long term. The suggested approach by type of city is almost applicable to all types of cities; however, some key messages that each type of city could bear in mind of relatively high importance compared to other types are as follows: Types II (young cities, ageing rapidly) and III (young cities, ageing slowly) cities are encouraged to learn from the experiences of Type I cities how to integrate policies for affordable housing policies in an accessible environment with other policy strategies, such as urban redevelopment and public transport.

Redesigning the urban area to increase attractiveness and well-being

Why is redesigning the urban form important for ageing societies?

The attractiveness and well-being in urban areas can help revitalise economic activity and attract industry and new residents. In ageing societies, such objectives take on particular importance, because they can become a way of overcoming challenges and making the best of the opportunities ageing societies present. Most of the policy strategies suggested here are in no way fundamentally different from good urban policies in general, but in view of the limited resources and financial constraints that ageing societies are facing, the importance of the attractiveness and well-being in urban areas is worth emphasising. This section will discuss how attractiveness and well-being can contribute to overcoming challenges in ageing societies for people of all ages. This policy strategy of redesigning the urban area to increase attractiveness and well-being will contribute to the challenges of: (1) change in local revenue; (2) an ageing labour force; (4) infrastructure and urban form; (6) accessibility to services and jobs; (7) housing affordability. It also encourages opportunities of: (1) new innovation and technologies; (2) new business models and investment strategies; (3) remodelling of the existing housing stock; (4) integrating ICT.

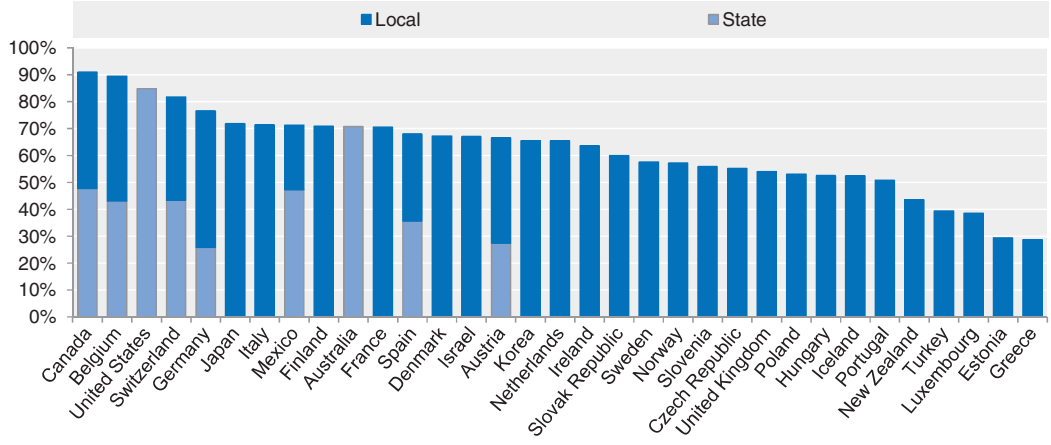
Local governments are in a good position to improve the attractiveness and well-being in urban areas, because they can put together a comprehensive policy package based on a long-term vision, and which includes planning, regulation and financial incentives. Their knowledge of local communities and their long-term relationship with local residents is indispensable for designing and implementing policies. It is also important to note that in OECD countries (Figure 3.3), 70% of public investment is under the jurisdiction of sub-national governments (OECD, 2014b).

Suggested policy actions

Redesigning urban areas entails reconsidering the appropriate location of urban infrastructure, so as to optimise land use and serve an increasing number of older citizens. One recent example of such policies was Japan's amendment of the Act on Special Measures for Urban Renaissance in 2014. This encouraged city governments to establish urban plans to improve the location of housing and public facilities and to help upgrade

healthcare, social care and commercial facilities. The understanding was that in ageing societies with declining population, a fundamental revision of urban planning is needed to improve the quality of life and well-being for all generations. Compact city policies, which encourage dense development and public transport, improving access to public services and jobs, are the underlying basis for such a redesign.

Figure 3.3. **Comparison of state and local public investment as a percentage of the total in selected OECD countries, 2011**



Source: OECD (2014d), *OECD National Accounts Statistics* (database), http://dx/doi.org/10.1787/na-data-en (accessed 12 November 2014).

Investments in improving the "walkability" of an urban core can help make it easier for older people and other citizens to access public services. In Lisbon, safe, walkable streets within the city significantly improve the accessibility of the city's urban amenities and enhance the independence of older people (City of Lisbon, 2013). While policies for public transit in Lisbon are outside the city's jurisdiction, Lisbon's strategy for improving access to urban areas focused on removing barriers such as narrow sidewalks, stairs or slippery surfaces.

Based on cities' long-term vision, integrating strategies across different policy areas can enhance the social and economic sustainability of a city, increasing its attractiveness and well-being. This suggests improving the horizontal co-ordination of policies that support the accessibility of services, jobs and other urban amenities, and integrating policies proposed in other sections, including providing affordable housing in accessible environments. The United Kingdom's House of Lords (2013), for example, argued in a committee report for co-ordinating housing policies with development in the urban core. Integrating land-use and transport policies has been successfully implemented in Toyama, as a response to the challenges of an ageing population. A light-rail transit system and policies for relocating housing to the urban core have created policy synergies that increase the use of public transport through a compact urban form. Toyama's comprehensive approach was successful in improving mobility and increasing the flow of people to the urban core (Toyama City, 2014).

The *Recommendation of the Council on Effective Public Investment Across Levels of Government Principles* was adopted by the OECD Council in March 2014. The principles set out in the recommendation are grouped in three thematic areas (Box 3.4). This approach helps to identify challenges for investment at the sub-national level and

concrete solutions to adapt them. Using the implementation toolkit of the OECD provides practical solutions for cities to improve their investment strategies in urban areas.

Such strategies are relevant for all types of cities, which must consider their attractiveness and well-being, regardless of their demographic situation. However, the degree of linkage between those agendas and ageing societies can be different, depending on the gap between the desired urban design for the well-being of the current population and the population of the next few decades. Type I cities (ageing cities with slow population growth) tend to have a larger gap or the clear awareness of such a gap, given that their demographic structure is so different from the one for which the existing infrastructure was initially designed. Rethinking the urban form may not be such a priority for Types II (young cities, ageing rapidly) and III cities (young cities, ageing slowly), but since similar challenges are likely to emerge within decades, it is important that they become aware of this issue.

Box 3.4. **OECD Recommendation of the Council on Effective Public Investment Across Levels of Government**

The *Recommendation of the Council on Effective Public Investment Across Levels of Government* was adopted by the OECD Council on 12 March 2014. These principles were developed to help governments assess the strengths and weaknesses of their public investment capacity and set priorities for improvement. The recommendations encourage sharing knowledge and experience of public investment across national and sub-national governments. It is based on the fact that in 2012, OECD member countries spent USD 1.17 trillion in direct public investment, representing 2.7% of OECD gross domestic product. Looking across the OECD, sub-national governments manage around 72% of direct public investment – with notable variation among countries. If well managed, public investment represents a potentially growth-enhancing form of public expenditure. However, poor investment choices and implementation not only waste limited public resources and erode public trust, but they may also hamper future growth opportunities.

The recommendation is comprised of 12 principles grouped into 3 pillars representing systemic multi-level governance challenges for public investment.

Pillar 1 addresses co-ordination and focuses on the different types of governance arrangements and incentives than can help co-ordination.

1. Invest using an integrated strategy tailored to different places.
2. Adopt effective co-ordination instruments across national and sub-national governments.
3. Co-ordinate among sub-national governments to invest at the relevant scale.

Pillar 2 highlights key public management capacities that should be present to bolster conditions for effective investment.

4. Assess upfront the long-term impacts and risks of public investment.
5. Engage stakeholders throughout the investment cycle.
6. Mobilise private actors and financing institutions to diversify sources of funding and strengthen capacities.
7. Reinforce the expertise of public officials and institutions involved in public investment.
8. Focus on results and promote learning from experience.

Box 3.4. **OECD Recommendation of the Council on Effective Public Investment Across Levels of Government** (*cont.*)

Pillar 3 focuses on the key framework governance conditions for public investment.

9. Develop a fiscal framework adapted to the investment objectives pursued.
10. Require sound and transparent financial management at all levels of government.
11. Promote transparency and strategic use of public procurement at all levels of government.
12. Strive for quality and consistency in regulatory systems across levels of government.

A toolkit is being developed as an online resource that provides implementation guidance for the OECD principles. The toolkit supports both implementation and peer learning, with indicators and good practices from countries, regions and municipalities. The objective is to help governments assess the strengths and weaknesses of their public investment capacity, with a particular focus on the sub-national level, and help policy makers set priorities for improvement.

The toolkit can be found at: www.oecd.org/effective-public-investment-toolkit.

Source: OECD (2014e), *Recommendation of the Council on Effective Public Investment Across Levels of Government*, OECD, Paris, available at: http://acts.oecd.org/Instruments/ShowInstrumentView.aspx?InstrumentID=302&InstrumentPID=319&Lang=en&Book.

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Chapter 4

Governance of ageing societies

Legitimate and effective governance arrangements are increasingly seen as a decisive element for social and economic development. They are also expected to make a difference in the everyday life and well-being of people. This chapter discusses the issue of governance on urban and regional policies in ageing societies. It provides three overarching governance strategies that policy makers may consider: 1) incorporate new actors for concerted action; 2) ensure policy synergies between levels of government; 3) create horizontal governance arrangements to overcome policy "silos". Each section provides a concise analytical assessment complemented by hands-on policy examples from OECD member countries.

Incorporate new actors for concerted action

Ageing societies provide a ripe opportunity for governments to integrate "new" actors into current governance arrangements. Many non-public actors are already involved in building resilient economies and inclusive societies, and municipal governments are experimenting with the integration of such actors in the policy process. Four groups deserve particular attention:

- community actors, including residents' associations, neighbourhood organisations, parish communities or voluntary networks
- local residents, including citizens of both older and younger generations
- research institutions, including public and private universities, research centres, research-oriented foundations or think tanks dedicated to research on urban and regional policies
- the private sector, including firms that operate both locally and internationally.

There are three main reasons why collaboration with these actors should be considered a critical part of governance structures addressing ageing societies:

- New actors can improve policy reach: Many issues facing an ageing population are situated in the domestic and private sphere, where public intervention may be limited. Informal, home-based care and assistance in everyday life routines, such as providing nursing care and outings, are often performed by family members, community-based non-profit organisations and local residents. Similarly, private companies may provide services and products that public agencies cannot deliver. Integrating community-based actors, residents and the private sector could help to extend the reach of public policies and reinforce public commitment.
- New actors can provide policy evidence: Local residents, community-based organisations, research institutions and the private sector have access to information that public agencies often cannot expect to know. This is important evidence policy makers need in designing and implementing policies. Inter-personal relations and working relationships with households and neighbourhoods, residents and community-based organisations can offer relevant local information that is not always apparent statistically. Local research institutions can help to make use of and analyse this knowledge. The perspective of the private sector on consumer behaviour may also contribute to innovative policy solutions.
- New actors can cover policy costs: In a context of financial austerity and constrained public budgets, new actors can be enlisted as an alternative to help public policy achieve more with fewer financial resources. Local residents and community-based organisations could help provide cost-effective measures for maintaining and extending policy programmes. Meanwhile, economic opportunities may be generated that the private sector can explore.

Governments need to assess when and how best to integrate these new actors. The case studies and research on other OECD cities suggest that they can be helpful at an early stage in the policy design process and in the delivery stage of policy implementation.

- A collaborative governance arrangement with new actors could help policy makers design new policies with local input. Consulting local residents and community actors

in the initial stages could help designate roles and responsibilities at later phases of the policy process.

- Local residents and community actors can deliver services more effectively, since they often mediate policy and the needs of older people, as for example in applying for grants. Private sector involvement in providing services might be more efficient and responsive to demand, whereas research institutions can play an important role in monitoring implementation.

Integrating community actors

Identifying local community actors in city districts and neighbourhoods can help local governments determine what social resources, capacities and practices are available to them. Research on old age at the neighbourhood level has demonstrated how important community actors are for dealing with social and age-related challenges. Social ties and local networks are vital throughout later life (Phillipson, 2007). Even older people facing social isolation and weak social ties benefit from residing in local communities that are rich in social capital, because they offer access to support and information (Cannuscio et al., 2003). Such resources are often provided through informally organised support networks consisting of neighbours or relatives (Dunér and Nordström, 2007).

Local community actors can gain visibility and leverage their capacities by co-operating with local governments (JRF, 1999). For example, the Royal Voluntary Service is one of the United Kingdom's largest volunteer organisations, assisting older people to lead active and independent lives through its Good Neighbours programme (Royal Voluntary Service, 2014). Volunteers in local communities across the United Kingdom provide repair, care and social services for older people. The Manchester City Council integrated this programme into its Locality network approach, Valuing Older People (Manchester City Council, 2011). This was useful for co-ordinating with other actors working on similar issues. The Retired and Senior Volunteer Programme integrated volunteering approaches by Community Service Volunteers.

Municipal governments might consider providing a platform for exchanging information and bundling capacities, as many community actors already help implement city- and country-wide policies (Buffel et al., 2012). Chicago, for example, set up a Well-being Task Force, to allow older people to grow old in their own homes and remain actively involved in their communities. The task force serves largely as a platform for strengthening capacity and co-ordinating the work of local communities (City of Chicago, 2014). Other cities use community actors to set up local partnerships. Lisbon's Municipal Council serves as a facilitator and financier for projects co-ordinated by the local welfare institution Santa Casa da Misericórdia (SCML), district governments (*juntas de freguesia*) and community actors (Câmara Municipal de Lisboa, 2014).

Working with local community actors can be a flexible, integrated approach to ageing issues and has the potential to generate a collaborative advantage (O'Flynn and Wanna, 2008). Manchester's local network approach is one successful approach to aligning a range of different actors (Manchester City Council, 2012). Collaborative networks do not emerge spontaneously but need to be instilled and planned (Hudson and Hardy, 2002). Local governments can play a framing role by building the "soft infrastructure" for civic engagement and collaboration (Everingham et al., 2012). The World Health Organization's (WHO) Age-friendly Cities approach provides a methodology for incorporating community actors and local stakeholders into the policy process, from consultation to implementation (see Box 4.1).

Integrating citizens

Cities need to consider enlisting the efforts and capacities of their citizens. They are the actors who make their cities work, through their everyday activities in their households and neighbourhoods (Simone, 2014). Elderly people with a surviving parent tend to help them if they suffer from impaired mobility. In France, three out of four people 50-70 years old are still caring for a parent, according to a recent survey (IFS, 2014). Recognising these efforts and providing additional capacities might enable citizens to do even more (Simone, 2014). Brno's Senior Academy project provides support for peers in need of support (Eurocities, 2012).

Consulting with older people at an early stage of formulating policy can improve the design and implementation process. The WHO Age-friendly Cities project methodology outlined in the Vancouver Protocol provides a useful methodology for the consultation of older people, caregivers and service providers in a responsive policy process (see Box 4.1). A case study in Lyon, France, involved 357 older citizens in assessing how suited the city was to their needs (Housing LIN, 2012). Of the pool, 45% noted a mismatch between the needs of older people and the public and private structures in place to assist them (ibid.). Manchester's Old Moat: Age-friendly Neighbourhood project also enlisted the knowledge and resources of older citizens (Manchester City Council, 2013).

Citizen-driven initiatives can be scaled up with local governmental support and help to empower older people. Older residents in Helsinki took the initiative to form a self-governing housing community for people in mid- and later life, largely without governmental support. The Loppukiri project is a housing community in which older people live in an age-appropriate housing environment with private and shared spaces (Minkkinen, 2010). The Manchester Urban CoHousing group (MUCH) is also a resident-led initiative for urban co-housing which the Manchester City Council supports financially and institutionally. The council assists older residents exploring potential resident-led developments with independent dwellings and shared community spaces (Manchester City Council, 2014).

Integrating research institutions and the private sector

Engaging research institutions and the private sector can provide new perspectives on ageing, generate innovative solutions and develop new services. Policy makers should consider how working relationships with research institutions and private companies can be developed and maintained.

Collaborating with local universities generates new findings about the population of older people (Gutman, 1998). The Manchester Institute for Collaborative Research on Ageing (MICRA) maintains an official partnership with the Manchester City Council, collaborating on research to inform the policy agenda of Age-friendly Manchester (MICRA, 2014). In Toyama, Toyama University is testing a four-wheel walking aid for older people in a study project on walkability (FPCJ, 2014).

Promoting private companies could generate new solutions and develop new markets in ageing societies. In Finland, the Smart Ageing Network brings together private Finnish companies and solutions for the safety of older people and active ageing both at home and in care facilities, targeting European and Asian markets (Tekes, 2013). The network lead company, Active Life Village, was founded in 2008 by the City of Espoo (Metro Helsinki), Aalto University and Laurea University of Applied Sciences.

Box 4.1. **The World Health Organization's Age-friendly Cities approach: Older-person centred, participatory and cross-sectoral**

To engage and assist cities to become more "age-friendly", the World Health Organization (WHO) asked older people, informal carers and service providers in 33 cities across 22 countries to describe the opportunities and barriers they experienced across 8 areas of city living. These discussions, which were conducted using a common research methodology outlined in the Vancouver Protocol (WHO, 2007a), focused on people's real-life experience in the areas of outdoor spaces and buildings, transport, housing, respect and social inclusion, social participation, communication and information, civic participation and employment, as well as health and social services in the community. The findings of this research informed the WHO *Global Age-friendly Cities: A Guide* (WHO, 2007b), which describes core features of an age-friendly city and has since guided hundreds of communities in conducting participatory age-friendly baseline assessments.

The WHO Global Network of Age-friendly Cities and Communities was established in 2010 to accompany cities in their effort to adapt their "structures and services to be accessible to and inclusive of older people with varying needs and capacities" (WHO, 2007b: 1). Local authorities join the network with a commitment to engage with older people and multiple stakeholders across sectors to assess the age-friendliness of cities, identify priorities for action and use the findings for evidence-based planning and cross-sectoral policy making at the local level. They develop action plans and monitor their progress over time to identify new areas of need in a continual cycle of improvement.

Since its launch in 2010, the Global Network has grown to a membership of over 250 cities and communities in 28 countries. Their age-friendly city initiatives, baseline assessments, action plans and age-friendly practices are documented on the Global Network's online platform www.agefriendlyworld.org, which also features tools and guidance on the age-friendly cities approach developed by WHO, the network's affiliated programmes and other organisations in the field. One example is the *Research & Evaluation Framework for Age-friendly Cities* (2014) developed by the UK Urban Ageing Consortium in co-operation with the Manchester City Council, the University of Manchester, Keele University and the Beth Johnson Foundation.

Sources: WHO (2007a), *WHO Age-friendly Cities Project Methodology: Vancouver Protocol*, World Health Organization, Geneva, available at: www.who.int/ageing/publications/Microsoft%20Word%20-%20AFC_Vancouver_protocol.pdf; WHO (2007b), *Global Age-friendly Cities: A Guide*, World Health Organization, Geneva, available at: www.who.int/ageing/publications/Global_age_friendly_cities_Guide_English.pdf; UK Urban Ageing Consortium (2014), *A Research & Evaluation Framework for Age-friendly Cities*, UK Urban Ageing Consortium, Manchester, United Kingdom, available at: www.micra.manchester.ac.uk/medialibrary/A_Research_and_Evaluation_Framework_for_Age-friendly_Cities_web_version.pdf.

Yokohama has initiated a collaborative partnership with the Tokyu Corporation, the Urban Renaissance Agency and Sotetsu Holdings Inc. to develop Model Projects for Sustainable Residential Districts. Agreements have been concluded and the partnership is currently being instituted. It pursues an integrated approach to reinforcing networks in neighbourhoods by focusing on support for older people and children, revitalisation, housing development, local energy production and public transport (City of Yokohama, 2014).

Ensure policy synergies between levels of governments

National policy frameworks can produce policy synergies between central governments and cities

Central government policies shape how cities deal with the challenges and opportunities of ageing societies. Such policies are extensive in most OECD countries, and examining their implications for regions, cities and communities is an important task for policy makers. Since a variety of strategies, guidelines, programmes and instruments are in place at different levels of government, national policy frameworks could increase policy coherence and produce synergies.

National policy frameworks can play a key role in co-ordinating policy on ageing between central governments and cities. Policy frameworks define how various policies can work together coherently. Policy frameworks can bundle various measures to achieve better aggregate outcomes. They help to outline an overarching vision, to formulate goals and objectives, and identify challenges and policy alternatives. They are expressed in various formats, such as policy reports, five-year plans, laws, action programmes, policy guidelines and planning principles. OECD work has shown how national policies might shape urban development, and developed an analytical tool for assessing urban policy frameworks at the national level (OECD, 2014b) (Box 4.2).

National policy frameworks for population ageing and urban development

National policy frameworks could be better aligned to address the issue of population ageing in urban and regional policies. The majority of OECD countries have some form of national policy framework in place for this purpose (Table 4.1). An OECD country survey carried out in 2013, and complementary research, identified 19 out of 34 countries as having a policy framework on ageing, although its scope might vary. Germany, for instance, addresses the issue within its overarching strategy for demographic change, whereas the Czech Republic has formulated an explicit strategy on active ageing.

Some examples of OECD countries were observed to have some form of urban policy framework covering ageing issues more or less directly or in the context of ageing societies or demographic change (Table 4.2). Out of 34 countries, 18 were identified with an explicit urban policy framework at the national level. Countries without an explicitly urban framework are either in the process of developing one or integrate urban policies into regional and spatial policy frameworks. The development of national policy frameworks dealing with population ageing and national urban policy frameworks for ageing societies should be both pursued. The integration or close coherence between the two different policy frameworks should also be explored at the national government level to encourage policy actions at the city level, in particular, for having their long-term visions for ageing societies.

Japan's Future Cities Initiative is a good example of a framework for socio-economic development in the context of population ageing, inviting cities' participation. Other counties provide for sub-national government responsibilities and tasks within national age-related policies. France's national plan, Ageing Well, provides explicit linkages for co-ordination among levels of governments. Previous OECD national urban policy reviews on Korea (2012a) and Poland (2011) stress the need to anticipate and integrate demographic ageing within national frameworks on urban development.

Box 4.2. **National urban policy frameworks, a diagnostic tool for assessing urban policies**

Building on the extensive work on urban development and governance, the OECD has developed a diagnostic tool for assessing national urban policies (OECD, 2014b). This tool makes a strong case for a comprehensive approach, cutting across policy sectors. To get cities right, central governments need to get their urban policies right, for which two dimensions are essential. First, central governments need to identify policies that have a major impact on urban development, whether or not they are explicitly labelled as "urban". Second, governments need to analyse how these policies interact, to ensure policy coherence and maximise ensuing complementarities.

Central governments need to assess their urban policies in relation to a system of five inter-related issues: money, institutions, place, people and connections. While the first two – money and institutions – are transversal policy themes, the latter three concern the key issues urban policies need to address in the most coherent way possible.

- **Money** relates to policies affecting municipal finance, such as revenues, expenditure, debt, transfers and private sector engagement. Policy makers need to carefully examine the incentives provided by their fiscal systems in terms of their impact for actions taken at the level of cities and their surroundings.
- **Institutions** refers to the ways of doing things that ensure institutional capacity at all levels of government, in line with horizontal co-operation at the national level, vertical co-ordination and inter-municipal co-ordination. The imperative of "greater alignment of policy approaches" requires policy makers to push for modification of current governance systems, to improve and sustain co-ordination for urban development across sectors, jurisdictions and levels of government.
- **Place** concerns policies affecting land-use planning, real estate markets, transport and environmental issues. Policy makers need to co-ordinate policies that shape the functionality of urban areas and strengthen their urban structure.
- **People** concerns national labour markets, housing, infrastructure, migration and demographic policies and how they relate to urban contexts. As many of these social policies can have particular impact on population groups living in urban areas, policy makers need to reconsider and anticipate these implications within national policy design.
- **Connections** urge policy makers to see cities as parts of national and wider regional urban systems. Policy makers need to enable cities to participate in the exchange of goods, people and ideas through transport, digital and financial infrastructure. As cities are embedded in transnational networks, such as finance or trade, policy makers need to make sure that these connections do not lead to undesirable outcomes for cities and national urban systems.

This framework assessment tool allows policy makers to heuristically scrutinise the policy coherence and implications of national urban policies. As population ageing requires a similarly cross-cutting approach, this tool can help to examine the coherence of national age-related policies and their impact on cities and urban development. Even though much of age-related policy can be subsumed under the people dimension, this tool makes it possible to question what implications ageing societies have on money, institutions, place and connections, and what national urban policies need to consider to ensure sustainable urban development in ageing societies.

Source: Based on OECD (2014b), *OECD Regional Outlook 2014: Regions and Cities: Where Policies and People Meet*, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264201415-en.

Table 4.1. **National policy frameworks dealing with population ageing in OECD countries**

Country	Framework	Year	Key contents
Australia	Intergenerational Report; Australia to 2050; future challenges	2010	The five-year report provides a policy framework for long-term challenges including issues of demographic change and population ageing
Austria	Ageing and Future. Federal action plan for older people	2013	Federal action plan addressing the needs and preferences of older people by creating inclusiveness in various policy areas, such as housing, healthcare and infrastructure
Belgium	Regional Implementation Strategy of the Madrid Action Plan on Ageing	2011	Outlines a comprehensive strategy for integrating older people socially and economically and foresees co-operation between levels of government
Canada	Planning for Canada's Ageing Population: A Framework	N/A	Identifies priority areas to be addressed through planning and policy or programme development over the next ten years. The broad priorities are countering ageism, helping communities and families to support older people, promoting health and participation, ageing in place of choice, and smoothing transitions from the workforce to retirement
Chile	Comprehensive Policy for Positive Ageing in Chile (2012-2025)	2012	National strategy to confront the challenges of ageing, outlining the main objectives and a roadmap for implementation of several cross-cutting and sectorial policy areas
Czech Republic	National Action Plan Supporting Active Ageing for the Period 2013-2017	2012	Action plan to promote a life-course approach to health and ageing and intergenerational linkages; sets up partnerships among levels of government for more effective policies
Finland	Ageing report, overall assessment of the effects of ageing and the adequacy of preparation for demographic change	2009	Frames population ageing as a central challenge to fiscal, social and political sustainability and outlines a roadmap for policy
France	National Plan Ageing Well (2007-2009)	2007	Provides a range of measures promoting active and healthy ageing, intergenerational linkages and co-ordination of local initiatives
Germany	Demography Strategy: Policy for all Generations	2012	Provides measures for strong families and communities, better working conditions, autonomy in later life, quality of life in urban and rural areas, economic growth and political capacity of all stakeholders engaged
Hungary	National Ageing Strategy	2009	Promotes active ageing and quality of life of older citizens, through lifelong learning, social inclusion and opportunities
Ireland	National Positive Ageing Strategy	2013	Focuses on active ageing and formulates four national goals: remove barriers to older people's participation in society; support people to age healthily and actively; help people stay autonomous and age in their own homes for as long as possible; promote research on population ageing
Japan	FutureCity Initiatives	2008	Encourage cities' initiatives to pursue a sustainable socio-economic system in hyper-ageing societies, in 11 leading cities and regions
Korea	Basic Plan to Address Low Fertility and Ageing	2011-15	Strategies to improve the quality of life of older people by creating jobs, incomes, health and supportive housing
New Zealand	Positive Ageing Strategy	2001	A comprehensive framework with guidelines and programmes at different levels of government to integrate older people and maximise opportunities for them
Portugal	Active Ageing and Solidarity Between Generations – European Year – Action Programme 2012	2011	Strategic action plan to raise awareness of the socio-economic contribution of older people; counters social exclusion and promotes accessibility
Spain	White Paper on Active Ageing	2011	N/A
Sweden	Future Challenges for Sweden	2013	Identifies a series of challenges Sweden is likely to face
United Kingdom	Building a Society for All Ages	2009	National strategy to address the challenges of ageing for pensions, health and social care systems
United States	Older Americans Act	2006 (1965)	Amended in 2006, the act provides the federal framework for programmes and policies addressing the concerns of older people

Source: OECD (2013), Questionnaire for Sustainable Urban Development Policies in Ageing Societies.

Table 4.2. **National urban policy frameworks in OECD countries**

Country	Framework	Year	Key contents
Australia	Our Cities, Our Future	2011	A national urban policy framework providing the principles, goals and objectives for productive, sustainable and liveable urban development
Austria			There is no explicit national urban policy framework at the federal level. Urban and agglomeration policy is covered by the Austrian Spatial Development Concept (OECD, 2014b)
Belgium	Policy for Large Cities (*Politique des Grandes Villes*)	1999/ 2000	Focuses on social cohesion, sustainable development and urban regeneration
Canada			No general federal framework for urban policy (OECD, 2014b). However, Infrastructure Canada has issued the New Building Plan Canada, "the largest and longest federal infrastructure plan in Canadian history". It provides funds and guidelines for investment in growth, sustainability and liveability for Canada's provinces and communities
Chile	New National Policy of Urban Development	2014	Comprehensive vision guiding Chile's urban development policies for the next 50 years; focusing on economic, social and environmental sustainability
Czech Republic	*Principles of Urban Policy*	2010	National framework that co-ordinates urban policies among levels of government
Denmark			No single framework. The Danish Act on Urban Renewal and Development serves as a tool for Danish municipalities on urban and housing issues (OECD, 2014b)
Estonia			No explicit urban policy at the national level (OECD, 2014b). The National Spatial Plan Estonia 2030+ is a comprehensive territorial development strategy that explicitly recognises population ageing as a central challenge
Finland	Urban Policy Operational Programme	2012-15	The Urban Policy Operational Programme sets common objectives for developing urban areas (OECD, 2014b) Strategy 2020: Working Together Towards a Sustainable Future is a key document related to land-use and building policies, promoting a sustainable built environment for citizens and securing the natural environment
France	City Policy	N/A	Ensemble of policies targeting urban renewal and "sensitive" urban areas The Spatial Planning and Sustainable Development Policy in France outlines the national framework and key policies for territorial development
Germany	National Urban Development Policy	2007	Central policy framework on sustainable urban development, providing a platform for the key actors involved
Greece			No single urban policy framework (OECD, 2014b) Greece has a series of related policy documents covering urban issues, such as National Spatial Planning and the Sustainable Development Framework
Hungary			No national urban policy document exists (OECD, 2014b) General principles regarding urban policies are included in the National Development Concept 2030
Iceland			There is no general policy framework (OECD, 2014b)
Israel			There is no single urban policy framework Various programmes targeting cities exist, such as on urban renewal, taxation and construction (OECD, 2014b)
Italy			No general urban policy framework (OECD, 2014b)
Japan	City Planning Guidelines for specific policy issues	2014 (7th edition)	General guidelines on urban development, which emphasise compact urban development, public transport, housing for older people and participation of older people in urban planning
Korea	Urban Vision for 2020	2008	Sets out four main goals for urban policy: nurturing engines of growth, improving urban living conditions, establishing urban identity and restoring the national environment
Luxembourg			No single urban policy framework Formal agreements between ministries and local authorities encourage integrated urban planning (OECD, 2014b)
Mexico	National Programme of Urban Development 2014-2018	2014	Centres the national urban development strategy on land use and control of urban sprawl, sustainability, mobility and economic growth potential for well-being and quality of life

Table 4.2. **National urban policy frameworks in OECD countries** (*cont.*)

Country	Framework	Year	Key contents
Netherlands			No single urban policy framework The Strong Communities Action Plan targets disadvantaged neighbourhoods (OECD, 2014b). The Large City Policy focuses on developing urban agglomerations
New Zealand			No general framework exists (OECD, 2014b) The National Policy Statement on Urban Design provides guidelines on urban policy
Norway			No general urban policy framework (OECD, 2014b) A white paper, "A Tolerant, Secure and Creative Oslo Region", outlines long-term co-operation with Oslo
Poland	National Strategy for Regional Development 2010-20: Regions, Cities, Rural Areas	2010	Provides a vision and policy tools for regional development, including the goals of: 1) strengthening the metropolitan functions of regional cities and their functional urban areas 2) establishing conditions for dissemination and absorption of the development processes 3) supporting restructuration and revitalisation of cities and other areas at risk of losing their socio-economic functions 4) supporting the spatial accessibility of the regional centres
Portugal	Sustainable Cities 2020		Promoting sustainable urban development within the EU partnership agreement for the use of EU structural and investment funds
Slovak Republic			No urban policy framework exists (OECD, 2014b) Spatial Development Perspectives is a framework document providing policy instruments for local planning and promotes polycentric and transport-oriented development
Slovenia	N/A		No explicit urban policy framework could be identified The National Spatial Plan provides guidelines for urban development
Spain	Urban and Local Sustainability Strategy	N/A	Provides urban planning tools for accessibility, mobility and transport, housing, urban governance and climate change
Sweden	National Platform for Sustainable Urban Development		No single urban policy framework A National Platform for Sustainable Urban Development exists
Switzerland	Federal Agglomeration Policy	2014	Focuses on urban attractiveness, quality of life, limiting urban sprawl and polycentric development (OECD, 2014b)
Turkey	Integrated Urban Development Strategy and Action Plan 2010-2033	2010	Covers a wide range of issues, such as infrastructure, housing, disaster management and socio-economic development
United Kingdom	Unlocking Growth in Cities	2011	White Paper setting the framework for the City Deals, the main element of UK urban policy
United States	HUD Strategic Plan 2014-2018	2014	The HUD Strategic Plan provides a comprehensive strategy, integrating initiatives to strengthen the national housing market, meet the demands of affordable rental housing and to build sustainable communities that provide opportunities for all Americans

Sources: OECD (2013), Questionnaire for Sustainable Urban Development Policies in Ageing Societies; OECD (2014b), *OECD Regional Outlook: Regions and Cities: Where Policies and People Meet*, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264201415-en.

Policy synergies between local governments

Municipal co-operation, especially within metropolitan areas, is very important in ageing societies and a complementary task for co-ordination between levels of government. Urban challenges extend beyond the administrative boundaries of single cities and affect wider agglomerations of municipalities. Increasing efforts for metropolitan governance arrangements have been devoted to spatial planning, transport, urban utilities and infrastructure in OECD countries (OECD, 2015a; 2015b). Key issues

for devising metropolitan approaches to ageing include residential choices appropriate for older people, the inter-related challenges of housing, health and care, as well as helping to compensate for the loss of mobility and access-oriented land-use development. Recent OECD research identifies various ways in which local governments collaborate on a metropolitan scale (Box 4.3).

Box 4.3. **Metropolitan governance arrangements in OECD countries**

Co-ordination and co-operation among municipalities within a metropolitan area can unlock growth, overcome collective action problems for addressing common challenges and reduce transaction costs (OECD, 2015a). Despite considerable competition among municipalities, cities can work together in various ways. A diversity of governance arrangements exist, which can be classified into four broad ideal types (OECD, 2015b):

- Informal/"soft" co-ordination (52% of OECD metropolitan areas that have a metropolitan governance body) among municipalities allows for a high degree of flexibility. However, it leaves little room for leveraging upper levels of government and lacks enforcement tools.
- Inter-municipal authorities (24% of OECD metropolitan areas) often focus on a specific service with the goal of reducing costs. They often enjoy shared resources, but are not accountable to citizens. Authorities focusing on multiple issues may provide a more effective means for co-ordination.
- Supra-municipal authorities (16% of OECD metropolitan areas) are an effective means for co-operation and co-ordination when executive power and budget are granted. Election mechanisms provide transparency and political legitimacy.
- "Metropolitan cities" (8% of OECD metropolitan areas) enjoy strong political legitimacy, and manage their own budget, staff and institutional capacity. They provide the strongest form of metropolitan co-ordination.

Sources: OECD (2015a), *The Metropolitan Century: Understanding Urbanisation and its Consequences*, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264228733-en; OECD (2015b), *Governing the City*, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264226500-en.

The metropolitan governance body known as the Greater Manchester Combined Authority and the National Health Service (NHS) for Greater Manchester is a good instance in which a city has recognised the challenges of population ageing for health services and the constraints of austerity, and responded by launching the Healthier Together programme. Greater Manchester, a metropolitan area comprising Manchester and nine additional municipalities, suffers from some of the worst health outcomes and disparities in the United Kingdom (NHS, 2013). Currently in its consultation phase, the programme seeks to integrate and improve access to health and care services in the metropolitan region. Led by NHS Greater Manchester, it brings together municipal councils, general practitioners, local communities and other stakeholders involved in the sector (NHS, 2014).

The Federation of Canadian Municipalities (FCM) provides an example of a co-ordination body for cities at the national level. As a country-wide association, it helps to exchange information, co-ordinate concerted efforts and influence the national policy agenda. Its report on *Canada's Aging Population: The Municipal Role in Canada's Demographic Shift* (FCM, 2013) assesses the ageing challenges for Canada's cities and outlines a strategic framework for municipal action.

Create a horizontal governance structure to overcome policy "silos"

Horizontal policy making is about bringing together the various initiatives of different ministries and departments for concerted effort on a "whole-of-government" approach (Ministry of Finance, 2013). It is particularly relevant in the case of population ageing. Horizontal policy approaches can bring together the various age-related components of different policy sectors, including housing, healthcare, urban infrastructure, public transport, employment and urban form. Three main reasons stand out for aligning policy to cope with the challenges of ageing societies:

- Population ageing is an urgent political concern. The scope of ageing societies requires urgent action, mobilising all available policy resources. Political leadership for horizontal policy making is needed, to build political commitment, legitimacy and public trust to confront the issue.
- Policies focusing on population ageing are not sector-specific. Given that this is a cross-cutting issue, no single policy category can cover "ageing policies". Inter-related policies, joint initiatives and collaboration among ministries are crucial to build strategies that will work.
- Age-related policies are inherently people-centred. People are the end-users of public services. The effect of all age-related policies needs to be taken into account to cultivate public trust.

A horizontal approach at the national level

Four approaches to horizontal co-ordination are worth noting:

- A centralised approach: A single ministry or body responsible for various policy issues related to ageing can be set up. In New Zealand, a Minister for Senior Citizens in the Ministry of Social Development and the Office for Senior Citizens deals with demographic policy (families, youth, disabilities, old age, etc.). The horizontal policy capacity may be contingent upon the co-ordinating mechanisms with other line ministries.
- Line-to-line minister collaboration: Creating a network on key issues among line ministries is another option for aligning policies. In response to the increasing evidence of the interaction between health, social care and housing, the US Department of Housing and Urban Development (HUD) is developing a dataset "which allows analysis of Medicare and Medicaid expenditures and diagnoses for individuals receiving HUD assistance" (US Department of Housing and Urban Development, 2014). In the current phase, the ongoing project shows the feasibility of combining data from HUD, Medicaid and Medicare, pointing to future alignment of policy in this area (The Lewin Group, 2014). Such an approach recognises the overlapping aspects of sectorial approaches and the benefits for public service providers and citizens in terms of costs and impact. Another innovative example is the United States' Partnership for Sustainable Communities, aligning three federal ministries (Box 4.4).
- Integrating different ministries into concerted action: Governments might also create inter-ministerial or intergovernmental bodies that serve as platforms for joint efforts and deliberation. Canada's Federal/Provincial/Territorial Ministers Responsible for Seniors Forum is an intergovernmental body created in 1992 to share age-related information, debate current issues and collaborate on important projects. Ministers from all levels of government gather annually to share common challenges and policy experiences

affecting the lives of older people (federal/provincial/territorial ministers responsible for seniors).

- Combining a centralised approach with the collaboration of line-ministries: Japan created the Headquarters for Overcoming Population Decline and Revitalising the Local Economy within the Prime Minister's Cabinet Secretariat in 2014, to address the dual challenge of population decline and ageing. This is commissioned to work on a long-term vision for Japan. Other line ministries collaborate with this body, including the Ministry of Land, Infrastructure and Tourism, which is charged with elaborating a policy framework for cities based on compact and transit-oriented development that takes the challenges of ageing into account.

Box 4.4. **The Partnership for Sustainable Communities in the United States**

On 16 June 2009, Secretary Ray LaHood of the US Department of Transportation (DOT), Secretary Shaun Donovan of the US Department of Housing and Urban Development (HUD) and Administrator Lisa P. Jackson of the US Environmental Protection Agency (EPA) announced the formation of an interagency Partnership for Sustainable Communities. This action marked a fundamental shift in how the federal government structures its transport, housing and environmental policies, programmes and spending. The three agencies work together to support urban, suburban and rural communities' efforts to expand housing and transport choices, protect their air and water, attract economic growth and provide the type of development that residents want.

Sustainable communities provide homes working families can afford; safe, reliable and economical transport options; and access to jobs, schools, parks, shopping and culture. All residents enjoy the same protection, from environmental and health hazards and shares in the economic and social benefits that can come from development. By co-ordinating housing, transport and other infrastructure investments, the partnership is promoting reinvestment in existing communities, expanding residents' access to employment and educational opportunities, and acting as a catalyst for community revitalisation.

HUD, DOT and the EPA have distributed nearly USD 2 billion in grants for vital transport infrastructure, equitable comprehensive planning and brownfield clean-up and reuse. Some grants are targeted to areas in which disinvestment and industrial pollution have left a legacy of abandoned and contaminated sites. Others require recipients to have clear plans for involving underserved populations in their proposed activities. The three agencies are also working to integrate sustainability and environmental justice into their programmes and to remove federal regulatory and policy barriers to sustainable community development in distressed areas. The partnership is also helping to build the capacity of environmental justice and equitable development organisations to engage in planning the future of their neighbourhoods and regions. A working group is examining how the partnership can support the efforts of environmental justice communities to achieve sustainability. Additionally, the three agencies convene an annual equitable development workshop offering information and training on current policy trends, opportunities for collaboration and successful initiatives around the country. Major projects include:

- Team-EJ, the Partnership's Environmental Justice Working Group
- HUD Sustainable Communities Regional Planning Grants
- Joint DOT TIGER II-HUD Community Challenge Grants
- Brownfields Area-Wide Planning Pilot Initiative
- Brownfields Pilot Communities
- Equitable Development Workshop.

Source: US EPA (2009), "Partnership for Sustainable Communities: Supporting environmental justice and equitable development", US Environmental Protection Agency, Washington, DC, available at: www.epa.gov/smartgrowth/pdf/partnership/2010_1230_psc_ejflyer.pdf (accessed 18 November 2011).

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Part II

How cities are handling their ageing societies: Nine case studies

Chapter 5

Introduction: Assessing the case studies

This chapter presents an introduction to the nine case studies (Toyama, Japan; Yokohama, Japan; Lisbon, Portugal; Calgary, Canada; Brno, Czech Republic; Manchester, United Kingdom; Philadelphia, United States; Helsinki, Finland; and Cologne, Germany) and briefly gives a summary of the case study cities' ageing trends, challenges and policy actions.

Objectives

Part II of this volume takes a close look at ageing trends, challenges and policy practices in nine case study cities: Toyama (Japan), Yokohama (Japan), Lisbon (Portugal), Calgary (Canada), Brno (Czech Republic), Manchester (United Kingdom), Philadelphia (United States), Helsinki (Finland) and Cologne (Germany). The objective of the individual case studies is to identify best practices for preparing cities to address challenges in ageing societies. Each case study examines ageing trends in relation to the economic and social development of urban areas, and particularly core cities. It outlines the challenges that demographic change poses and analyses policy practices. The experiences of the case study cities were used to develop the framework of challenges and opportunities, as well as policy actions, as discussed in Part I of this volume.

Methodology

To make the most out of the comparative assessment, the case study cities display a level of diversity within OECD member countries. The cities in the sample vary in terms of geographic location, population size, socio-economic characteristics and demographic development. The chief criteria for participating in the study were:

- Whether the city considers ageing an important policy priority and is developing concerted initiatives to overcome the associated challenges. Dedicated retirement communities have been excluded, because their challenges are not commonly transferable to other cities.
- Whether the city is seeking to address these challenges through policies it has itself initiated, so that policy design and implementation reflect local circumstances.
- Whether the city is willing to learn from the experiences of other cities.

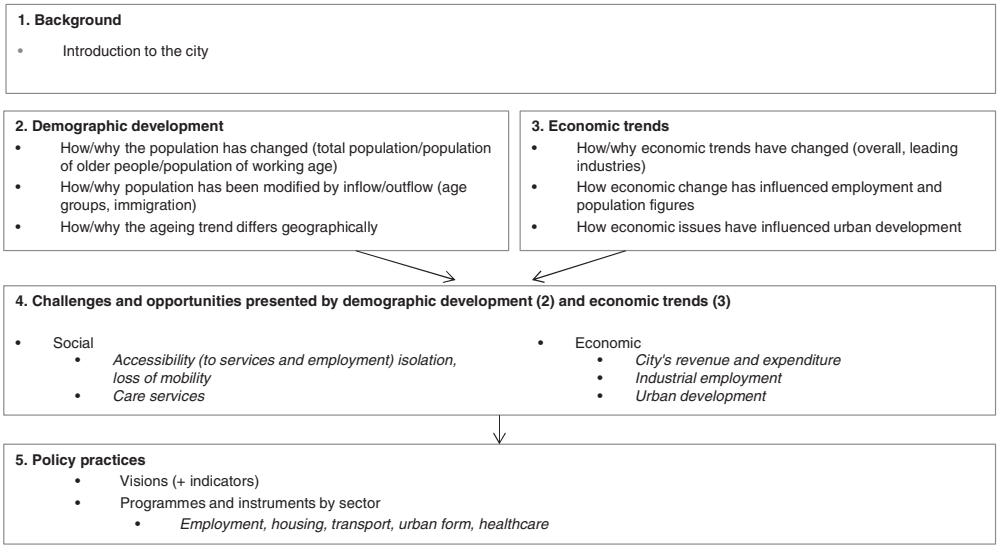
Case study analyses are based on quantitative and qualitative inputs. A questionnaire was sent to each case study city to collect data and information on policies and social and economic indicators. In all but one case study, Philadelphia, a site visit was conducted to explore questionnaire responses. The questionnaire requested information on:

- the city's economic, environmental and social background
- the city's demographic trends, forecasts for the future and the drivers of the trends
- the impact of ageing on the economy, urban development and society
- current policy practices
- major stakeholders helping to design and implement policies to address the challenges of an ageing population.

Each case study followed the same structure (Figure 5.1). Most of the data refer to the administrative city, unless explicitly mentioned otherwise. The data referring to "metropolitan areas" are taken from the *OECD Metropolitan Database* (see Annex 1.A1.). The first section of each case study offers a brief background description of the city. The next section analyses past and future demographic trends, identifying the drivers of population ageing. A chronological account of the demographic development of the city follows, offering explanations for population inflow and outflow, as well as a detailed assessment of the demography of the different areas within the city. The third section outlines the city's economic profile, to provide a better understanding of the

circumstances that created the reasons of the challenges the city is facing and introduces suggestions as to how and why demographic change has occurred, what gave rise to the current settlement patterns, and how the city might handle the challenges going forward, given its unique economic assets. The final section identifies and discusses each city's major challenges from the economic and social perspective. It is followed by a description of the city's policy practices and main approaches to the challenges that ageing societies face. The section concludes with a short synthesis, summarising the city's profile and pointing to best practices that are valuable for other cities.

Figure 5.1. **Structure of case studies**



General comparative assessment

Case study cities differ in terms of their population size and their stage in the ageing process. Based on the typology as discussed in Chapter 2, the nine case study cities are grouped into three different categories (Table 5.1):

- Type I: Ageing cities with slow total population growth
- Type II: Young cities that are rapidly ageing
- Type III: Young cities that are ageing slowly.

The typology aims to give a relative comparison of the nine case study cities. It does not claim sufficiency in describing the ageing trends of these cities.

Ageing trends

All of the case study cities exhibit ageing, inasmuch as the older population, and the proportion of older people to the total population, are both increasing. Longevity and low fertility rates are the common cause of these trends, and some cities, in particular Type I case study cities, are influenced by the baby boom effect. This category of case study cities is also losing population because of population outflow related to economic decline and to natural decrease. These cities have a strong interest in at least maintaining the current population size, an issue that is often discussed in tandem with the increasing proportion of the older population. The population of most Type II and III case study

cities is increasing, due to positive net inflow of national and international migrants. These case study cities also have a lower percentage of their population over 65. However, they differ in their expectations of how long the inflow of new residents can be sustained or whether it can be sustained at all.

Table 5.1. **Case study cities**

	Case study city (country)	Population (year)	Population of older people as a % of total population	Annual increase ratio of total population (2001-11)	Annual increase ratio of older population (2001-11)
Type I Ageing cities with slow population growth	Toyama (Japan)	421 623 (2013)	26% (2013)	0.03%	2.5%
	Yokohama (Japan)	3 703 258 (2014)	22.1% (2014)	0.78%	5.2%
	Lisbon (Portugal)	552 700 (2011)	24% (2011)	-0.3%	-0.1%
Type II Young cities, rapidly ageing	Calgary (Canada)	1 149 552 (2013)	9.8% (2013)	2.24%	3.0%
	Brno (Czech Republic)	378 327 (2012)	18.9% (2012)	-0.15%	2.2%
Type III Young cities, ageing slowly	Manchester (United Kingdom)	514 400 (2013)	9.5% (2013)	1.75%	-0.9%
	Philadelphia (United States)	1 553 165 (2013)	14.1% (2013)	0.06%	1.4%
	Helsinki (Finland)	612 664 (2014)	16.1% (2014)	0.34%	1.7%
	Cologne (Germany)	1 006 878 (2010)	18.1% (2010)	0.52%	1.7%

Source: Based on information provided by case study cities and on data collected as explained in Chapter 1, Annex 1.A1.

In all case study cities, the ageing trend is not uniform across all areas of the city. Within the cities, the locations with a high percentage of older people are often found in residential suburbs developed in the 1960s and 1970s, and designed to provide housing for young families who settled in the city at the time of development, such as in Yokohama and Calgary. In the central areas of the cities, migration of young people has rejuvenated the population structure, as in the historic centre of Lisbon.

The ageing trend tends to diverge when comparing the case study cities and their respective metropolitan areas. In the OECD on average, the urban core in metropolitan areas has a lower percentage of the older population compared to the hinterland (see Chapter 1). However, for example in Lisbon, Brno and Helsinki, the city administrative boundaries, which is in most cases equivalent to or a part of the urban core of the metropolitan area, has a higher population of older people in comparison with the metropolitan hinterlands, whereas the reverse is true in Toyama. Since the data gathered do not easily permit generalisations on which part of the metropolitan area is ageing, detailed assessment is needed to understand the drivers of such trends.

Challenges

All the case study cities have a high awareness of the challenges in ageing societies, regardless of the stage of demographic change they have reached. The case studies mainly assessed the challenges that each city described as principal concerns.

Chapter 2 identified seven clusters of challenges. The nine case study cities can be summarised in that they identified those challenges, although the perceived relative importance of such challenges varied widely.

- Change in local revenue (1) was raised as a priority by Type I case study cities, due to an estimated decrease in the working-age population associated with overall population decline.
- Therefore, an ageing labour force (2) was also raised as a concern by Type I case study cities. Some Type II case study cities also have the same concern, because it is foreseeable in the near future.
- Public spending for health and social care (3) was the common issue for all case study cities.
- Infrastructure and urban form (4) were recognised as challenges by Type I case study cities and some Type II case study cities which emphasised economic challenges of local revenue decrease (1) and an ageing labour force (2). It could be understood that those three challenges share a similar background.
- Social isolation (5) was widely discussed by all types of case study cities. In most cases, it was usually discussed in connection with accessibility to services and jobs (6) and housing affordability (7). These are challenges Type III cities tend to recognise first.

Policy practices

Policy practices at the city level are very diverse, depending on the level of urgency of the challenges of ageing societies. Some features of the policy approaches of case study cities are described below, regarding the six recommended policy actions that Chapter 4 proposed. Major leading policies in each case study city are listed in Table 5.2.

- Overall, case study cities of Type I tend to have a comprehensive approach to the issue, integrating economic and social policies and using diverse policy tools. Type II and III case study cities tend to approach the issues from the perspective of housing, community building and healthcare policy. In many case study cities cross-sectoral collaboration, notably between public transport, community building, healthcare and housing, is observed.
- Most case study cities have long-term visions (1) for sustainable development that focus on the ageing trend as a major policy issue (see Table 3.2).
- Indicators (2) are also developed in most case study cities, although there is a difference in the degree of comprehensiveness.
- Policies that promote health for all ages (3) are also adopted by most case study cities; however, there are differences regarding the target population, i.e. whether to cover older people over 65, to focus on more older people as in Helsinki, to include younger generations for preventive purposes as in Yokohama, or to include people over 50 as in Manchester.
- Many case study cities consider it critical to develop policy actions for increasing older people's engagement in the labour market (iii-1), but many are still struggling to find suitable policy approaches due to the recent economic crisis. Some examples that help job-matching and training of older people exist in Toyama, Yokohama and Calgary; however, this area generally needs further improvement in collaboration with the industrial policies, which also have the potential to widen the job market for younger people. Policy actions to increase older people's engagement in social activities (iii-2) were widely observed in all case study cities. Many innovative approaches that include citizens' participation and community building activities were observed.

Table 5.2. **Leading policies to address ageing societies in case study cities**

Case study cities	Leading policies, programmes and projects
Toyama (Japan)	– Compact city strategies (an integrated policy approach to increase the sustainability of the city through transport networks, revitalising the city centre and designating "residential encouragement zones" to increase population in the area) – Rakuno School Programme which aimed to narrow the shortage of skilled farm labour – Preventive care, in particular the Kadokawa Preventive Care Center, to support the health of older people
Yokohama (Japan)	– Model Projects for Sustainable Residential Districts which revitalise suburban residential neighbourhoods – Local Care Plaza Development Project which offers integrated service support in the community – Yokohama Walking Point Programme which aims to improve the health of citizens and other preventive healthcare policies
Lisbon (Portugal)	– Priority Investment Programme for Urban Rehabilitation and other affordable housing policies which aim to increase population, in particular, younger families – Pedestrian Accessibility Plan which aims to improve the risk-free walkability of the city – Partnership-based policy initiatives with society associations, based on volunteers who identify older people's needs and help implement policies
Calgary (Canada)	– Retired Employee Employment Pool engages retired city employees for limited-term projects that require particular skills or expertise – Pursuing a compact urban form, such as "complete communities" by mixed land-use development that involves schools, shops, hospitals, offices and private housing – Seniors Age-Friendly Strategy to develop and implement strategies to support older people to age in their communities
Brno (Czech Republic)	– Community Plan for Social Services to identify strategies and measures for diverse and comprehensive care services – Brno Active Ageing Plan to gradually transform Brno into an age-friendly city where seniors will be able to live their lives actively, safety and healthily – Housing Strategy of Brno to drive housing development in Brno and support affordable housing option for older people
Manchester (United Kingdom)	– MUCH (Manchester Urban CoHousing) Programme which develops a co-housing scheme for older people – Locality Programme which brings all relevant local actors to improve and co-ordinate services and initiatives for older people – Manchester Institute for Collaborative Research on Ageing (MICRA) which promotes interdisciplinary research on all aspects of ageing
Philadelphia (United States)	– New zoning recommendations incorporate "ageing," "older people" and "senior citizens" into new building codes – Programmes to improve walkability are being carried out with AARP
Helsinki (Finland)	– Lauttasaari, an island neighbourhood where a pilot project for a customer-oriented, home-based care service network for older people has been implemented – Use of technological innovation and inviting the private sector various pilot projects, such as floor-sensor systems, tablet solutions to access remote services
Cologne (Germany)	– Living for Help Programme and Multigenerational Living which encourage multigenerational housing for students and older people – Programmes which encourage the relocation and establishment of small-scale shops in the city's centre and surrounding commercial centres – Senior Networks Programme which aims to create communities for older people and encourages civic engagement

Source: Case study cities.

- Policy actions to provide affordable housing within an accessible environment (5) were raised as priorities by many case study cities. Many innovative policy approaches for affordable housing that integrate care at home were observed. Various inter-generational approaches were taken to contribute to younger people's challenges for

finding affordable housing, such as in Cologne. Brno offered an alternative type of housing: shared rental housing. The private sector's business model that accompanies technological innovation and non-profit organisations' efforts contributed to this policy action, such as in Manchester and Helsinki.

- Policy actions to redesign urban areas in order to increase attractiveness and competitiveness (6) were taken in some case study cities, such as Toyama, Yokohama and Calgary. Many of those are based on strategies that pursue compact urban form. Lisbon's policy to attract and retain younger people also aimed to serve the same policy strategy.

Chapter 6

Toyama, Japan

This chapter provides a demographic and economic overview of Toyama, followed by an assessment of the current ageing challenges of Toyama. It explores the current policy actions, in particular, FutureCity Planning (a long-term vision), compact city policies, employment policy for older people and healthcare policies for preventive measures.

Toyama City background

Toyama City is the seat of the capital of the Toyama Prefecture, in the centre of Japan. The city houses approximately 77% of the population that lives in Toyama's functional urban area. In 2005, Toyama City was merged with six other municipalities. The city is governed by a mayor and a city council.

Table 6.1. **Toyama City overview**

Total population[1]	Population in Toyama metropolitan area[2]	Population of older people (+65) as a % of total population[1]	Population of older people (+65) as a % of total population in Toyama metropolitan area[2]	Population of older workforce as % of total workforce[1]	GDP growth[1]	GDP by sector[1]
421 623 (2013)	543 168 (2011)	26% (2013)	24.2% (2011)	9% (2010)	2.1% (2010)	Primary 9% Secondary 36% Tertiary 53% (2010)

Sources: 1. Information provided by Toyama City. 2. See Annex 1.A1 in Chapter 1.

Demographic development

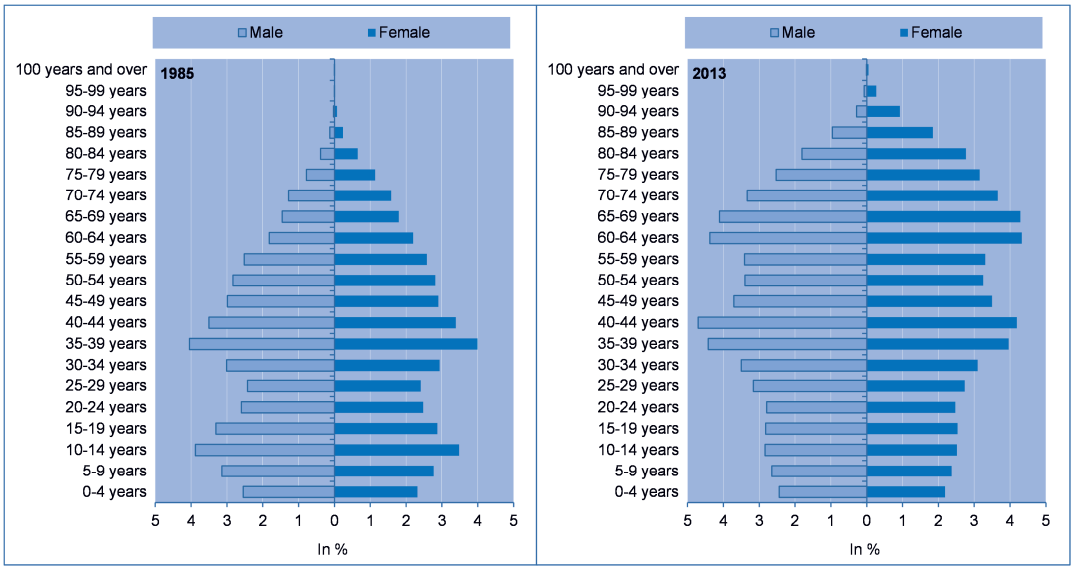
The population of Toyama City increased continuously after 1950, until population growth slowed in the early 1990s and levelled off in 2012. In 2005, after the city's municipal merger, Toyama's total population stood at 418 563, and in 2012, it had reached 422 069, the largest number in the city's history. Toyama's population ratio of older people is growing, due to the increased longevity and lower birth rates typical in Japan. By 2013, the percentage of older people had reached 26% of the total, and it is expected to reach 38% by 2040. An inflow of older people to the inner city is contributing marginally to this increase.

By 2010, Toyama's population growth had entered a period of serious decline, and the city's population is expected to age rapidly over the next three decades. In Toyama's current population structure (Figure 6.1), the largest age group is the 60-64 year bracket, the post-war baby boomers generally referred to as the *dankai* generation. Next in numbers are those 35-39 years old, the children of the *dankai* generation. As these two groups enter retirement age, two waves of older people are anticipated. The large number of older *dankai* will temporarily increase the city's mortality rate, leading to a temporary decrease in the older population before another wave, the children of the *dankai*, is expected around 2040.

Inflow and outflow of population

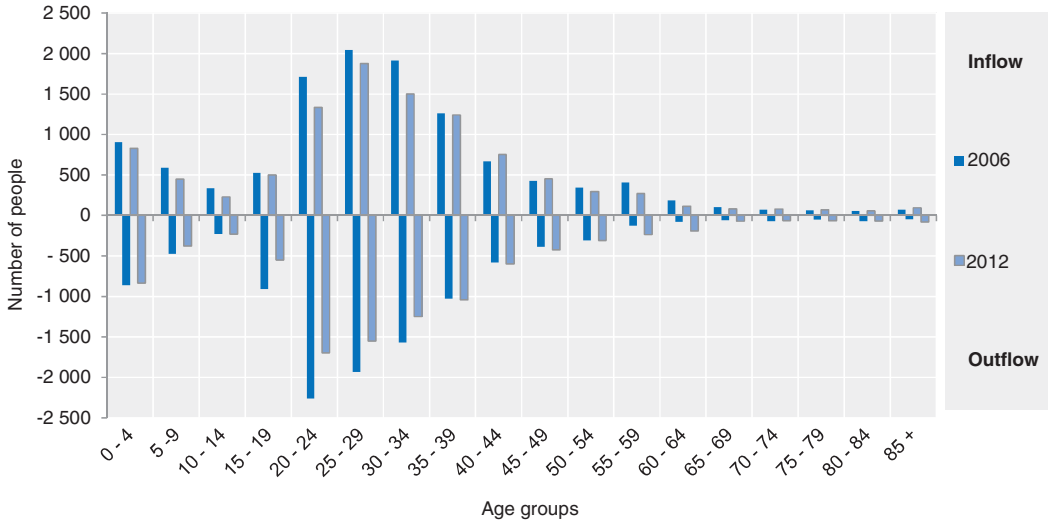
Toyama City's net migration decreased between 2006 and 2012 (Figure 6.2), before reversing in 2013 and coming back into positive territory in 2014. Overall inflow and outflow is expected to fall in the future, with a drop in the total number of people in their 20s and 30s, who currently make up the majority of the newcomers to the city. Population outflow has largely been driven by the age groups between 20 and 44 years old, and has been compensated for by a higher population inflow of the same age brackets. Employment opportunities in other major cities in Japan, including Tokyo, are considered to be the main contributing factor behind this shift in population. Educational and employment opportunities in Toyama City are seen as the main reason for the city's population inflow (Toyama City, 2014).

Figure 6.1. **Demographic structure of Toyama, 1985 and 2013**



Source: Based on data provided by Toyama City.

Figure 6.2. **Population inflow and outflow by age group in Toyama, 2006 and 2012**



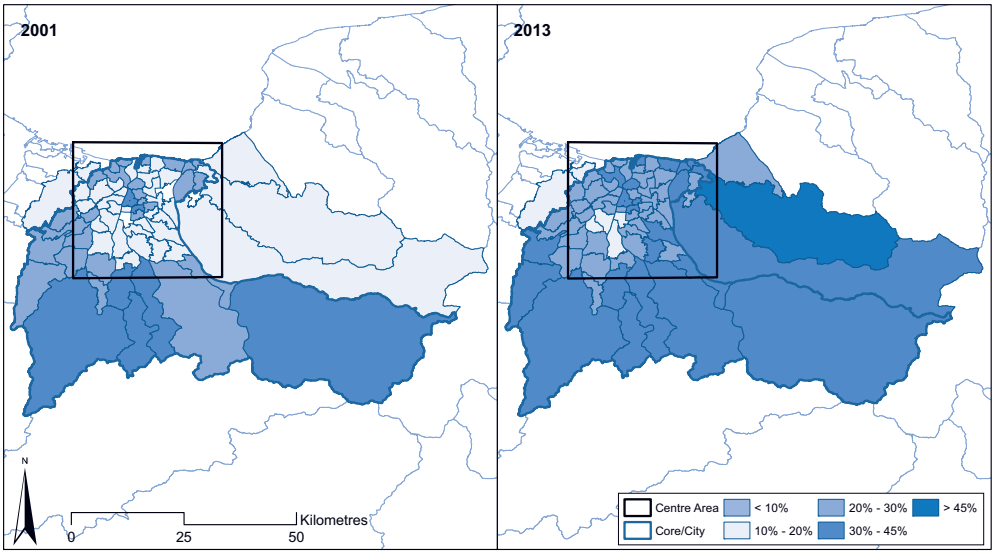
Source: Based on data provided by Toyama City.

Geographic population distribution

The population of older people across the Toyama metropolitan area is heterogeneous. The rate of change of the older population in the city's central area is remarkable, comparing the years 2001 and 2013 (Figure 6.3).

Toyama's residential encouragement zones (REZ; Figure 6.4) have been actively promoted by the city as target residential areas to boost population and public investment, and constitute a major component of the city's compact city policies. The REZs consist of the city centre (4.36 km^2) and the area served by public transport lines (33.6 km^2) that lie

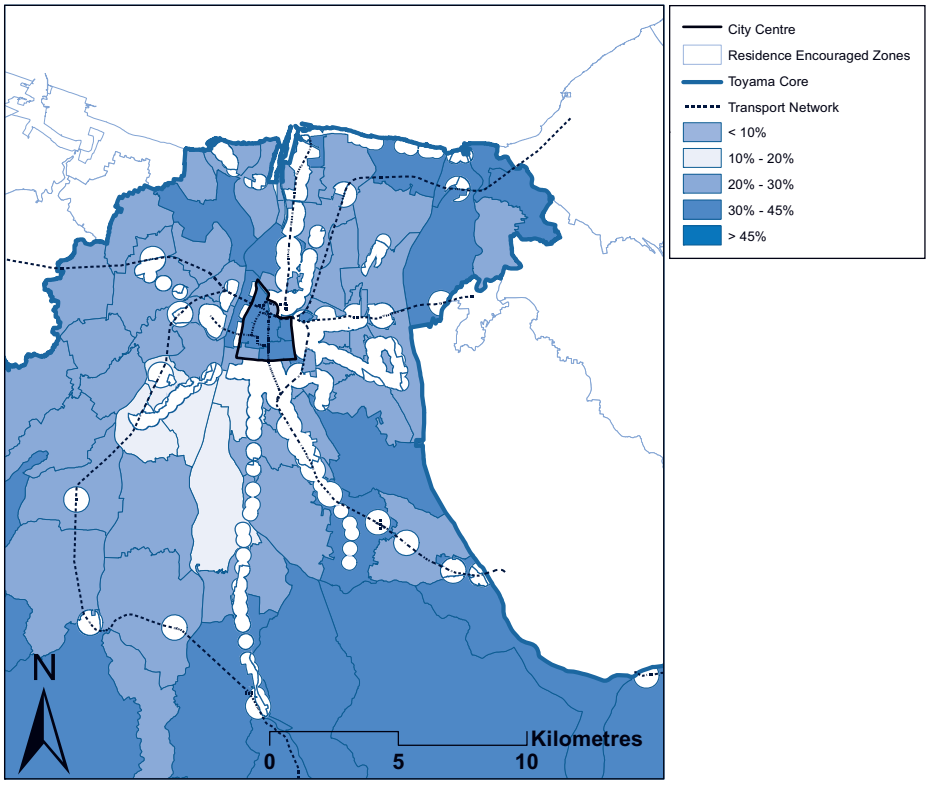
Figure 6.3. **Population of older people as a percentage of total population in the Toyama metropolitan area, 2001 and 2013**



Note: The square shows the city centre of Toyama, which has been enlarged in Figure 6.4

Source: Based on data provided by Toyama City; OECD calculations on functional urban area. For statistical sources, please see Annex 1.A1.

Figure 6.4. **Population of older people in the Toyama city centre and residential encouragement zones**



Source: Based on data provided by Toyama City.

within 500 metres of a public transit stop. The city is aiming to increase the proportion of the population housed in the REZs to 42% by 2025, from 31% in 2012. The concentration of the older population in the city centre, as well as in the REZs, is substantially higher than in the remaining urban core (Figure 6.5). This is the case for both the percentage and the total number of older people who moved into the city centre between 2012 and 2013. Data on the metropolitan area's migration flows revealed that people of all ages have been moving to Toyama's REZs, from the city's urban core and the hinterland. The percentage of older people who moved to the designated zones between 2012 and 2013 was 13.4%, slightly more than the 11% of older people settling outside of them (Table 6.2).

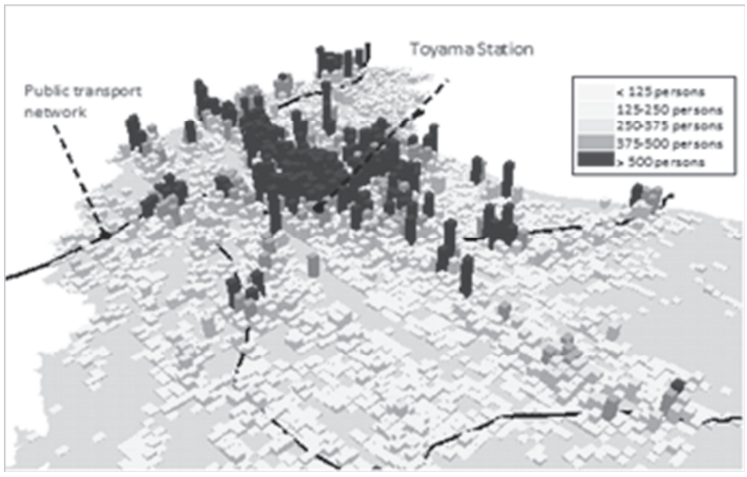
Table 6.2. **Population in Toyama City and in residential encouragement zones, 2000 and 2013**

	Population, 2000	Population, 2013	Population of older people (% of total population), 2000	Population of older people (% of total population), 2013
Toyama City	322 676	420 546	59 862 (18%)	110 610 (26%)
Residential encouragement zones	x	158 538	x	44 379 (28%)

Note: x: not applicable.

Source: Based on data from Toyama City (2014).

Figure 6.5. **Population of older people in 250 metre grid in the central area of Toyama, 2012**



Source: Based on data provided by Toyama City.

Economic development

Toyama City is the engine of economic development for Toyama Prefecture and the Hokuriku Region. With its abundant water resources and good access to the sea, its chemical and mechanical industries have powered Toyama's economic activities. The city's pharmaceutical industry, whose origins date to the 17th century, ignited Toyama's economic growth in the 1950s (Toyama City, 2009). This expansion was supported by a number of successful industrial complexes in the city's port area before 1950, where a substantial part of the city's economic growth was generated through manufacturing and

the development of the chemical industry. Since the 1990s, 28 additional industrial complexes have been developed to promote the relocation of factories, in particular for high-tech companies and incubator offices (Toyama City, 2014).

Recent economic growth in Toyama has been closely linked to Japan's overall economic development. After the global and national economic downturn, the city experienced an economic slowdown in 2008 and 2009; in 2010, the city's economy rebounded with a gross domestic product (GDP) growth rate of 2.1% (Toyama City, 2014). The manufacturing sector in particular benefited from the effects of a reviving economy, with growth in the mechanical engineering and chemical industries. The city's well-established medical and pharmaceutical industries encouraged the expansion of new industries, including environmental preservation, biology and information technology. Tourism and agriculture also play an important role in the city's economy. Toyama's future economic growth will bear watching, with the upcoming changes in the city's links to the national economy with the extension of bullet train routes in the spring of 2015.

The city's financial outlook is positive. An analysis of the city's 2011 accounts revealed Toyama's solid economic development in recent years. The major indices of the city's finances fall within the national standards for financial management of municipal governments (Toyama City, 2014). For example, the real debt services ratio (value of repayments on borrowing) in FY 2011, and the future expenses ratio (the percentage of the value based on the standard scale of government finances accounted for by obligations to pay), were both lower than the national average.

Toyama has a relatively large primary sector, whose share of the city's GDP was 9.4% in 2010, compared to 1.1% nationally (Japan National Statistics Office 2012). Toyama's hinterland has plain and fertile land that is particularly suited to the cultivation of rice, which accounted for 94% of the city's cultivated acreage in 2011. Rice production accounts for 70% of Toyama's primary sector output, with the remaining share including vegetables and meat production. Compared to the national average of 26% (Japan National Statistics Office, 2012), Toyama's secondary sector in 2010 was also higher, with a GDP share of 36%. This higher share is driven by the city's long history of pharmaceutical manufacturing, whose potential for growth was intensified by its recent collaboration with research institutions including Toyama University, the Institute of Natural Medicine at Toyama University and the Toyama Prefectural Institute for Pharmaceutical Research.

Ageing challenges

Toyama City's government has identified that ageing and population decline pose fundamental challenges to the city's economy and well-being (OECD, 2012). Reshaping its socio-economic foundations, including renovating its urban form, infrastructure networks and industrial structures, is seen as an urgent priority.

Economic challenges

Toyama City anticipates that its tax revenues will decrease, owing to the shrinking working population, and expenditures in the social welfare, such as medicine and healthcare, will increase. Infrastructure maintenance and the provision of public services will put pressure on the city's finances, particularly if uncontrolled development continues on the city's outskirts. An inflow of people needs to avoid urban sprawl.

The decline in Toyama's working population will affect the availability of skilled labour. On the other hand, Toyama has to retain younger people, who are responsible for the majority of Toyama's population outflow. Increasing the number of older and female workers, could help reduce pressure on the city's labour force.

Social challenges

Toyama City has close networks within communities, which would be explained by the high participation rate in residents' associations. These have traditionally organised mutual support within local neighbourhoods and facilitated communication between the city government and citizens. However, such local community networks in the established neighbourhoods have been diluted recently by the outflow of younger population, and amplified by the increase of older people. Sustaining ties among residents is becoming difficult, because community activities are less frequent, given the limited participation of younger residents and the reduced everyday interaction in the neighbourhood. This is particularly an issue for older people living alone, when manual labour is needed to remove the snow from their roofs and to clear streets under difficult winter conditions.

The walkability of communities, and better accessibility to services for neighbourhoods, are critical for sustaining an active life for older people. Dependence on private vehicles has grown in the past four decades, and the number of railway and bus passengers has declined. With 55% of older people in the city living outside the area served by public transport (Toyama City, 2014), accessing services and participating in communal life has been difficult for older people who are not able to drive.

Policy approaches

Compact city policies

Toyama City's Comprehensive Plan (2007-16) outlines the city's overall vision for a compact city and efficient public transport networks. Its central concept is an urban structure designed to enhance the mobility of citizens who do not have access to private vehicles. This vision for compact development is also enshrined in the FutureCity Planning (2012), which includes a plan for sustainable city management until 2050, based on a compact community built around public transport that makes city management more efficient. This is expected to mitigate the financial pressure from the decrease in tax revenues and the increase in social welfare expenditures, such as health and social care.

Toyama City's compact city policies constitute a major cross-sectorial policy package, integrating horizontally policy areas that leverage urban form, housing, transport, land use and healthcare policies.

- The development of tram lines was one of the early contributions to Toyama's compact city policies. The primary emphasis was on the construction of an inner-city tram-line loop to improve the overall delivery and accessibility of services. This was made possible by revising existing land-use policies, using an innovative ownership and operation system. The current plan aims to increase the number of service stops for existing bus and railway lines, rather than expanding the public transit network.
- Residential encouragement zones, which are defined as areas within 500 metres of train stations or within 300 metres of bus stations of high service frequency, aim to increase population in areas that are covered by public transport. Toyama City encourages

relocating into the REZs by providing public support for the construction and the purchase of apartment housing in designated zones. This policy successfully attracted people to move into the REZs, improving mobility, including the independence of older people and their access to essential services.

- The city is concentrating investment in the city centre, to encourage the construction of public spaces, commercial buildings, apartment housing and the acquisition of real estate. Subsidies are an effective tool to incentivise construction companies to pursue the objectives of compact development and support the construction of apartments rather than detached single-family housing.
- In the city centre, nursing and medical centres, as well as recreational areas, offer places for social interaction. Car-free zones, which also improve walkability for pedestrians, have been instituted. The city also encourages the remodelling of commercial buildings into apartments, helping to subsidise construction expenses for medical and welfare facilities located in them.
- Fare reductions on public transport for older people have been introduced, to encourage older people to leave their homes. It is beneficial for their health and to prevent social isolation.
- Access to services in areas with low population density is also being improved. This has been achieved through co-operation with residents' associations that provide community bus services. This will help older people living in those areas to maintain social ties and access healthcare, social services and leisure activities in other parts of the city.

Compact city policies are expected to contribute to the city's economic sustainability, increasing local employment opportunities and land values. The city considers that this will help mitigate the administrative costs of improving and maintaining urban facilities. Finally, the revitalisation of the entire area will help boost tax revenue. Further research on the impact of compact city policies is needed by collecting and assessing the data.

Economy

Toyama City has also introduced policies to increase the economic activity of older people, as well as to attract new firms to the area. This will support the city's economic sustainability by reducing the risk of labour shortages and helping to expand existing industry clusters. To increase the employment of older workers, the city provides business owners financial support to hire people between the ages of 61 and 64. The "Silver Citizens Work Placement Centre" matches older employees with job opportunities. As a result of such efforts, the percentage of older people who are over 65 years old working in Toyama is at 20% (2010). Although it is almost at the same level as the national average, this indicates that Toyama's efforts to employ older people have been very successful by comparison with the OECD average of 12%.

In 2006, Toyama City established the Rakuno School for people with an interest in agriculture. Its name connotes "agricultural fun" to point to a distinction with the conventional concept of agriculture as hard manual labour, and it is intended as a way to invite newcomers to farming and the cultivation of fruits and vegetables. The aim is to narrow the shortage of skilled farm labour due to the declining and ageing farming population. The school helps people to initiate their own agricultural activities, and also supports existing farmers by training people to work in agriculture. When the school started in 2006, it trained 54 people. In 2012, 455 students were instructed in farming, and

1 395 in farm-support activities. Toyama City also provides garden space for people to cultivate their own produce. In 2012, 85% of those involved were from Toyama City (2012), 49% of them above the age of 65.

Social

Public support for care facilities focuses on preventive measures to avoid or reduce nursing care and to encourage physical mobility at all ages. These goals are implemented, for example, by such facilities as the Kadokawa Preventive Care Centre, which supports the health of older people. Developed on the site of a former elementary school, it offers health and community-oriented activities. Much of the centre's activities focus on preventative care, including activities to stabilise or improve the mobility of people in their later years. A number of aquatic and fitness activities are offered, as well as regular medical check-ups by specialised healthcare practitioners, and community activities in which older people can take part. A new project for a medical and nursing care centre on the site of another former elementary school in the city centre is also planned. This project is expected to provide services for older people in the area, which has a large population over 65, but also to support young families with child care and educational opportunities.

Service-integrated rental housing for older people has also been introduced recently to improve their living conditions under the revised Act on a Stable Supply of Housing for the Elderly (2011). The city offers subsidies for the operating costs of construction and expenses associated with potential rent reductions under the law. This has increased the supply of rental housing for older people, households including disabled people and raising children, and households that need special considerations. As of December 2014, the city had registered 740 units of such rental housing.

Governance

The Toyama City government is the only government apart from the prefectural government with jurisdiction within Toyama City's administrative boundaries. No other sub-national governments exist in the urban core of Toyama's metropolitan area, and the hinterland includes only six municipalities. Toyama's governing structure is thus less fragmented. Closer co-ordination with the six hinterland municipalities and the prefectural government could be useful for the horizontal integration of policies in the region, particularly by increasing the reach of transport policies.

Toyama City has invested in collecting data for a number of new indicators to assess the effectiveness of the new policies. These include socio-economic information about the city's population and spatial analysis of Toyama's urban area. A number of geo-spatial (GIS) indicators help the city benchmark and follow the progress of policies, and provide a visual reference for policy issues to all stakeholders involved. Both the collection of indicators and their spatial visualisation has helped the city present compact city policies in community consultations and to build public support.

Policy highlights

- Toyama considers the challenges of ageing a core development objective. Accessibility is a key policy focus of compact city development, facilitating better delivery of public services and more sustainable city management.

- Toyama's compact urban form is intended to enhance the independence of older people, as well as the well-being of its citizens and economic development of the city. The compact city policies leverage the urban form as a means to facilitate shared outcomes in the areas of transport, health and housing, and contribute to increasing the attractiveness and competitiveness of the city.
- The fact that job vacancies exceed the number of job seekers in Toyama leaves open the possibility that the city can be more successful in retaining older and younger workers. The city's policy to provide a high quality of living is effective to attract businesses and skilled labour.
- Toyama could improve the co-ordination of its policies with adjacent municipalities. This would facilitate policy coherence and increase the scope of opportunities in the region.

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Chapter 7

Yokohama, Japan

This chapter provides a demographic and economic overview of Yokohama, followed by an assessment of the current ageing challenges. It analyses current policy actions, in particular, FutureCity Planning (a long-term vision), Development of Growing Industry (Yokohama's industrial vision), model projects for revitalising residential districts and policies on social welfare services.

Yokohama City background

Yokohama City accounts for approximately 11% of the population within the Tokyo metropolitan area and 3% of the total population of Japan. Its overall gross domestic product (GDP) growth rate climbed steadily between FY 2002 and FY 2007, reaching 3.5% before dropping to -3.7% in FY 2009, after the economic crisis. In FY 2010, GDP growth recovered to 3.0%, and in FY 2011 to 2.1%. Yokohama's unemployment rate is relatively low (5.7%), with a slight disparity between male (6%) and female employment (4.7%). Yokohama seats the capital of the Kanagawa Prefecture and is governed by a mayor and the Municipal Council. The city is subdivided into 18 wards represented in Yokohama's municipal assembly.

Table 7.1. **Yokohama City overview**

Total population[1]	Population in Tokyo metropolitan area[2]	Population of people over 65 as % of total population[1]	Population of people over 65 as % of total population in Tokyo metropolitan area[2]	Population of older workforce as % of total workforce[1]	GDP growth[1]	GDP by sector[1]
3 703 258 (2014)	34 136 258 (2011)	22.1% (2014)	20.2% (2011)	5% (2010)	2.1% (2011)	Primary 0.1% Secondary 16.9% Tertiary 83.1% (2011)

Note: The entire area of Yokohama City is included in the Tokyo metropolitan area.

Sources: 1. Based on data provided by Yokohama City. 2. See Annex 1.A1. in Chapter 1.

Demographic development

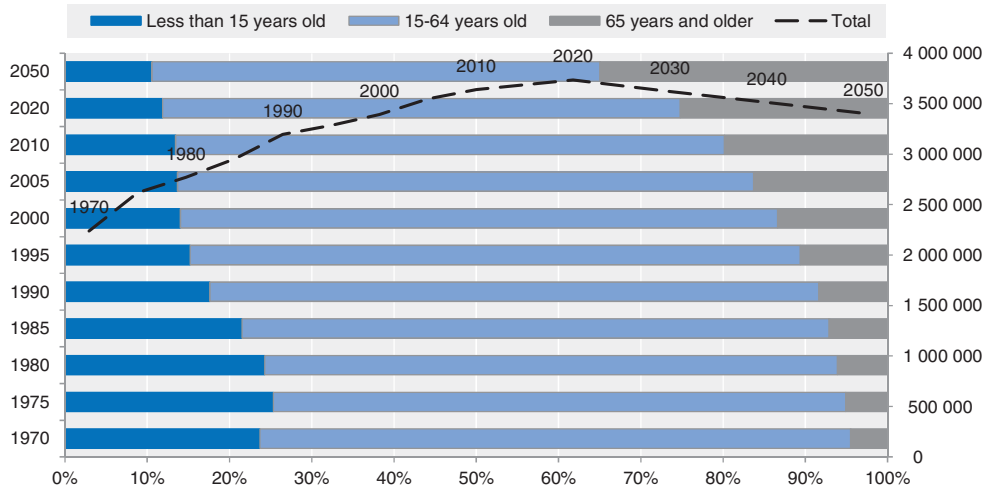
Yokohama's population has grown consistently in the past 60 years. In 1951, its population was approximately 1 million. It grew at an annual average rate of 1.2% between 1970 and 2010, reaching 3 703 258 in 2014. The population of people over 65 increased from 6.8% in 1970 to 22.1% in 2014. Fertility rates have dropped, from 22.7% in 1970 to 8.4% in 2010, while life expectancy has risen to 80 years for men and 86 for women. As a result of this low natural population increase and marginal population inflow to the city, the lowest population increases in Yokohama's history were recorded in 2011 and 2012.

Yokohama estimates that total population will peak in 2019, to be followed by a decline thereafter. The number of older people will continue to increase, to 26.1% in 2025. The working-age population is anticipated to drop from 2 427 000 in 2010 to 2 351 000 in 2020 (Figure 7.1).

Inflow and outflow of population

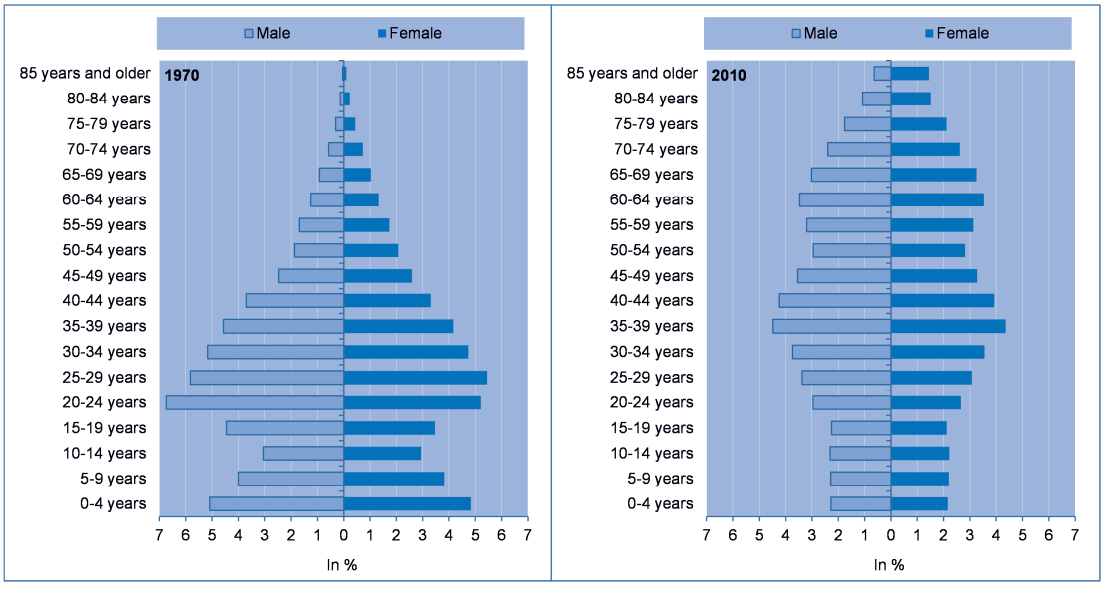
Yokohama accommodated a strong and constant population inflow as a result of steady migration into the Tokyo metropolitan area until the late 1980s. Since 1995, the city has experienced major fluctuations in its net migration. After Japan's bubble economy burst, Yokohama's net migration dropped to a net outflow of 7 667 people (1995). Its net population inflow in 2010 was 2 241. Meanwhile, the number and the proportion of the older population increased in the city's demographic structure (Figure 7.2).

Figure 7.1. **Demographic forecast for Yokohama, 1970-2050**



Source: Yokohama City 2020 forecasts.

Figure 7.2. **Demographic structure of Yokohama, 1970 and 2010**



Source: Based on data provided by Yokohama City.

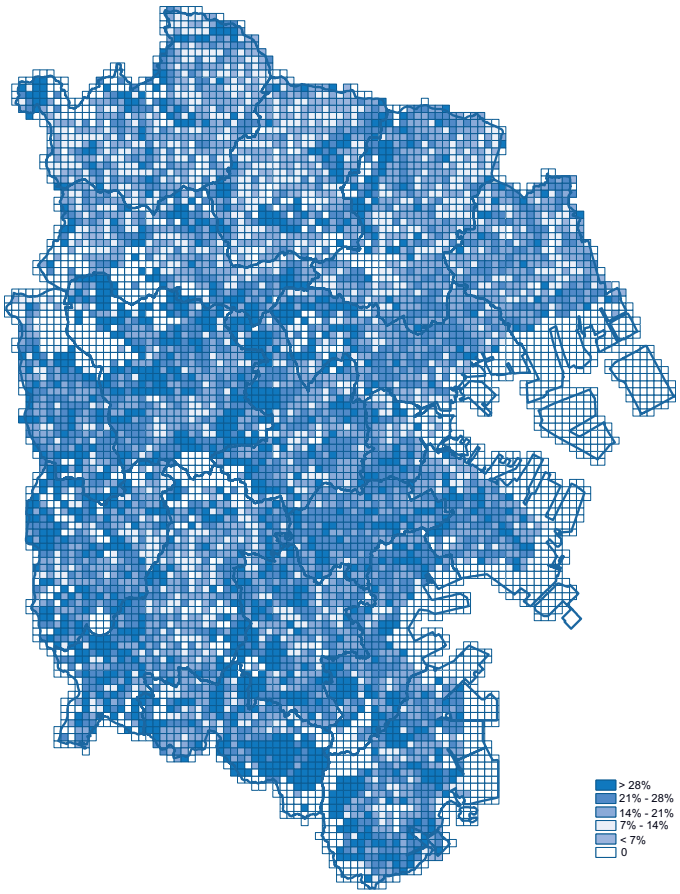
Geographic population distribution

The demographic structure of Yokohama's 18 administrative wards varies widely, from an older population ratio of 15.4% in the Tsuzuki ward to 27.6% in the Sakae ward (2014). The southwest of the city has a higher concentration of older people, as does the city centre, where urbanisation was fairly advanced by 1960 (Figure 7.3). The population of older people is also concentrated in large-scale residential districts (LRDs) in suburban areas within the city area, defined as apartment complexes of at least 500 housing units that were constructed mainly in the 1970s. The LRDs had a population of older people (31%) higher than the city average (20%) in 2010. While Yokohama's population grew

by 7.6% between 2000 and 2010, it decreased in the LRDs by 17.9%, because of its high proportion of older population, and few new residents moved in.

Figures for a city's daytime population help explain the geographical distribution of those who benefit from the city's policies. In 2010, 410 298 people commuted to Yokohama on weekdays, equivalent to 11% of the night-time population. This suggests that Yokohama's policies impact extends to more than its registered citizens, including older people of other municipalities. The percentage of older male workers commuting from other municipalities is 16.0% and that of older female workers is 6.5%. This also contributes to the economic development of the city and the commuting areas (2010).

Figure 7.3. **Concentration of population of older people (250 metre grid)**



Source: Based on data provided by Yokohama City (2014).

Economic development

Since the 1950s, Yokohama has made a substantial contribution to the development of Japan's economy, with a high concentration of heavy industry, including the steel, mechanical and chemical industries in its bay area (Keihin Industrial Zone). Since the 1980s, factories have been relocating to Asia, and Yokohama's tertiary sector accounted for 83% of the city's GDP in FY 2011. Biotechnology, life sciences and IT are the backbone of Yokohama's tertiary sector. The Japanese government designated a Comprehensive Special Zone for International Competitiveness Development in 2011 and

a National Strategic Special Zone in 2014 within the city, including universities and research institutes conducting advanced research and development in the life innovation sectors, such as innovative medical and pharmaceutical research. This would be a major boost for the city's capacity to attract national and international investments, and will potentially expand the city's contribution to the national GDP. It is worth noting that despite this marginal contribution to the city's economy, the primary sector grew by 5% between FY 2002 and FY 2011.

Yokohama experienced rapid urbanisation after World War II, with its associated negative consequences, such as urban sprawl, lack of infrastructure development and environmental destruction, which degraded living conditions. Yokohama announced six major projects in 1965 to overcome these problems: 1) empowering the downtown; 2) reclamation; 3) the development of Kohoku new town (12 kilometres from the downtown area); 4) metro development; 5) highway development; 6) the construction of the Bay Bridge. These projects were intended to provide the backbone for economic development, as well as to improve citizens' quality of life. The new town development projects were carried out in co-operation with the prefectural government, the national government agency for housing development, the private sector and land owners. After Kohoku new town, approximately 20 new town projects were developed in northeast Yokohama, mainly along the railroad network.

Ageing challenges

Yokohama has identified a set of challenges that fall within three areas of sustainable development: the economy, the environment and society. The level of those challenges will be amplified by the declining population in a super-ageing society where the number of older people will increase rapidly.

Economic challenges

The City of Yokohama has identified the drop in its working-age population as a major challenge. This could potentially compromise the city's economic vitality, given the fiscal uncertainty surrounding the erosion of income taxes. Personal income taxes, which account for 40% of the city's tax revenue, are anticipated to increase until 2024, but to drop thereafter. This trend is associated with the transition in the next two decades of the 30-40 year-old age cohort, a large proportion of Yokohama's current population structure, into high-income age cohorts of 40-50 years. This age cohort will retire after 2024, starting a downward trend in the income tax. It is worth noting that the development of revenues from personal income taxes could also be dependent on economic trends in other municipalities, given that 37.6% of Yokohama's citizens who work and study commute to other municipalities (Statistics Japan, 2010).

Yokohama's finances will be strained by the need to increase the allocation of funds to older people facing economic difficulties and requiring financial support. Between 2009 and 2013, the number of older people receiving financial support increased by 33%, to a total of 28 004. Financial support for older people is becoming critical, as the number of older people who live alone or only with their spouse rises.

A major challenge for the employment of older people is the limited number of working days per month, generally fewer than 10 days and less than 20 working hours per week, for jobs offered through the Silver Human Resource Centre. This may compromise the economic self-sufficiency of people willing to remain in employment beyond the age of 65. In addition, a gap exists between the jobs older people are willing to take and the

kind of jobs they are offered. Yokohama sees a clear necessity to improve efforts to match older workers and employers. In 2013, the gap between older applicants for jobs and the number accepted for a job ranged between 10% and 40%, depending on the industry.

Infrastructure investment policy, including investment for maintenance, intensifies the challenges in ageing societies. The ageing of infrastructure, which becomes a critical issue 40-50 years after the initial development, also presents a financial challenge for the city. Ageing infrastructure includes suburban residential areas built before 1985, road infrastructure, and the utility and transport network. Maintaining and renewing infrastructure has to be planned carefully based on the future demographic structure, as infrastructure investments require a long-term perspective.

Social challenges

Ageing can lead to the weakening of social bonds and the dilution of community ties. This is particularly relevant in the LRDs with a large proportion of older people in households occupied by a single person or by a couple. Such housing has low community interaction, dissolving social ties and solidarity within the community and increasing social isolation. The percentage of older people living in a single household is higher in the LRDs (28.8%) than in the city as a whole (16.7%). One particularly critical instance occurs when older occupants living alone pass away unnoticed in their own house. The isolation of older people may also increase their vulnerability to natural disasters, as became evident in the 2011 Great East Japan Earthquake. An increasing number of unoccupied houses will also reduce the vitality of a neighbourhood.

Older people in Yokohama may have more opportunities to use public transport (33%), rather than walking (33%) and using private vehicles (25%). However, ridership of public transport fell 15% between 1995 and 2010 among all generations (Yokohama City, 2014). The subsequent decline in revenues from bus fares may make it difficult to keep bus lines running, which is essential for the mobility of older people.

The number of people who prefer in-home medical treatment services and social security services is increasing. This is the result of older residents' growing preference for remaining in their own homes, and integrating home care services for care at home. Between FY 2006 and 2013, the number of older people who choose to remain in their homes, even if they depend on assistance, rose from 58% to 63%. Over the same period, acceptance of care by non-family members and of care services offered at home also increased, from 48% to 53%.

The city has identified that the need for public housing is higher for older people than for the working-age population. The city government currently provides a total of 31 462 public housing units, of which 18 406 are occupied by tenants aged 65 and over. This accounts for 8.1% of the total population of older people. The city does not intend to increase new construction of public housing, but aims to meet the demand by providing rental housing developed by private landowners, as public housing with services for older people available to tenants.

Policy approaches

Vision

Yokohama City seeks to foster better health and the prevention of disease among older people. An inclusive approach to citizens of all ages is expressed in a number of plans that outline the city's long-term vision. In its FutureCity Planning (2012), the city, which was selected for the FutureCity promoted by the Japanese Cabinet Secretariat, outlines its principles for the future, and the concrete policy tools to achieve them. These plans include a vision for improving citizens' quality of life, such as a low-carbon energy network and medical and nursing care, making the most of Yokohama's natural environment. They also encourage the creation of competitive industries and support for culture and the arts. In 2006, Yokohama established a Comprehensive Plan, expressing the city's vision through 2025. The Mid-Term Four-Year Plan (2014-2017) issued in December 2014 pledges for its citizens to "live in safety and with hope", in an environment where "people and companies are able to extend their abilities". It specifies 36 goals in 4 policy areas in the city's plan to address mid- to long-term challenges.

Yokohama's Urban Master Plan (2013) includes a strategic approach to population decline and population ageing. It proposes a concentrated urban form, compact development along the rail line and a people-friendly city. The Urban Master Plan proposes to involve the private sector in the development of infrastructure and residential districts that include the delivery of welfare services. By engaging private investment in urban development, the redevelopment or re-use of outdated buildings is anticipated. The 2013 Urban Master Plan explicitly calls for citizens' engagement and active participation in developing their neighbourhoods. In the planning stage, the city invites comments from citizens and holds explanatory meetings, developing a plan that reflects citizens' opinions.

The Great East Japan Earthquake of 2011 raised awareness of the importance of disaster prevention and damage reduction, and of providing effective support initiatives in times of disaster. Yokohama's Regional Disaster Prevention Plan (2012) calls on the city, companies and citizens of all generations to extend mutual support, particularly noting the importance of helping residents who require support in evacuations. This plan envisages as the city's core value as a place "everyone wants to live in" and "is comfortable to live in", implementing activities for mutual support.

Industry and employment

The city has comprehensive measures to revitalise Yokohama's economy in an age of globalisation and an ageing society. The Development of Growing Industries, formulated in 2014, and looking forward to 2025, aims to achieve sustainable development of the economy supporting a high quality of life for its citizens. It identifies three areas for development, including: 1) the environmental and energy sectors; 2) health and medical care; 3) a MICE strategy (Meetings, Incentive travels, Conventions and Exhibitions) for tourism. Given the national target of 2.1% of annual economic growth, this effort is expected to increase economic activity and employment opportunities for people of all ages, to support the city's economy and compensate for the expected drop in tax revenue. Yokohama has also promoted small and medium-sized enterprises, which represent more than 90% of the firms in the city and contribute considerably to employment.

The life-science cluster in the Keihin Bay area was designated by the Japanese government as the Comprehensive Special Zone for Life Innovation for cutting-edge research. It is expected to facilitate the creation of industrial clusters and to boost the

city's economic growth and international competitiveness through the "Special Zone" system. Yokohama's focus is on life sciences and innovation-related industries and R&D and on forming networks across Japan and beyond. Yokohama and the city's private sector have initiated discussions with the national government, petitioning for some degree of deregulation to remove impediments to research and development of medical pharmaceuticals and devices, and for the development of health-related industries. The city is also consulting the national government for deregulation and financial support for some of its private businesses. With its focus on life science related business and research institutions, Yokohama will be able to increase employment requiring skilled older workers, to the benefit of its working-age population.

The Silver Human Resource Centre has helped provide jobs and social activities for older people. Yokohama recognised the importance of its role, establishing a programme in 2013 to support its operation and to improve older workers' employability in part-time and short-term jobs.

Living environment

The Model Projects for Sustainable Residential Districts were launched to revitalise suburban residential neighbourhoods. These target four diverse districts in the city, anticipating that the best practices and business models developed there would be expanded to other regions in the city. The private sector's participation is indispensable in this scheme to facilitate the revitalisation of regional economies. It also encourages citizens, including older people, to engage in community activities. The Model Project in the Tama Plaza Area, for example, offers local communities co-ordinated services of medical, welfare, child care and commercial activities within the same building complex. The aim is to realise a "compact city" that can offer services for older people close to their homes. The city implemented new regulations making it possible to integrate such services with the help of the private sector. This project encourages older citizens to continue to live in their existing homes. Another three districts have been designated along the same principles to respond directly to the changing demand for services for older people.

Yokohama's Multi-generational and Local Exchange Housing was created to provide housing for older people and to allow different generations to live together, whether or not they require care. This programme lowers the risk of social isolation among older people and organises activities for them in the community.

The Daily Living Transport Bus Route Availability Support Project was launched to develop an adequate level of bus services for older people. This project was a response to local communities' initiative to introduce means of transport closely linked to community activity, particularly in regions without sufficient bus lines. A special bus-pass project for older people aims to encourage the mobility of older people and to strengthen the network of citizens with the local community.

Social

The provision of social welfare services for older people is gaining in importance. Given the older population's increasing interest in remaining in their homes as they age, the city is responding by offering housing with integrated service support that helps them live healthy and active lives. The city recognises the importance of comprehensive care in local communities, and has prioritised co-ordination between medical care and long-term care at home. Its Local Care Plaza Development Project aims to make this concept a

reality, as an information and activity centre for the community staffed by experts on welfare and healthcare. The city also helps non-profit organisations that are engaged in such activities. For example, the Mutual Support Network Kudencho Housing Complex provides health and community engagement activities for old and young alike. The ward's Health and Welfare Centre helps to monitor older people's health and physical activity.

Preventive healthcare is also promoted, to detect health issues at an early stage. The Specific Medical Examination and Health Programmes encourage regular medical check-ups for citizens over 40. The older citizens' Community Centres also fulfil the goal of improving health and strengthening social ties among neighbourhood residents. The city is hoping to achieve Japan's highest life expectancy through the Yokohama Walking Point Programme, which is expected to improve the health of citizens while reducing CO_2 emissions from daily trips by encouraging walking rather than using vehicles.

The 2010-13 Four-Year Mid-Term Plan lays out policies to facilitate child-raising and community living, aiming to attract young families to the city. The plan sets out a policy prioritising ageing within the city's overall agenda, while promoting the health of all ages. One successful example targeting the younger generation is the attempt to reduce to zero the number of children in the city on the waiting list for day-care centres, which was achieved by comprehensive policy measures. This was considered an important milestone in the city's quest to become a place "where women can engage in their professional career, while raising children to become the principal actors in the economy of the future".

Governance

Two departments in the city government are crucial for designing and implementing policies for the city's development goals, and developing the city's future vision for super-ageing societies. These are the Climate Change Policy Headquarters (CCPH) and the Policy Bureau, which is responsible for comprehensive co-ordination of the city's policies. The CCPH plays an overarching role in implementing the FutureCity Programme, which includes a wide array of policy measures formulated by the individual policy bureaus, in collaboration with the private sector and other relevant stakeholders.

Yokohama holds stakeholder meetings that include both local representatives and experts, for co-ordinating action among the different players. The Yokodai District, one of the Model Projects for Sustainable Residential Districts, together with the city government, the Kanagawa Prefecture government, the Urban Renaissance Agency and local residents meet regularly to co-ordinate the progress of each entity's work for multi-generational living supporting both child care and older people.

The private sector's participation is indispensable in implementing policies. Model projects for sustainable residential districts are being developed through agreements between the city and the respective private development firms on the scope and communal functions of these residential projects. These private-public partnerships include citizen participation in the planning processes, to ensure the citizens' needs and demands for particular services are directly incorporated into the development of new residential areas. Partnership between industry, academia, the public and private sectors, local residents and universities is encouraged, to regenerate and revitalise suburban residential areas undergoing ageing and population decline.

Policy highlights

- Yokohama City bases its ageing strategies on the principles of sustainability. A clear understanding of the impact of ageing on its economic development enables the city to integrate ageing strategies with the city's economic development plan.
- An emphasis on well-being and economic prosperity has made it possible to efficiently align policies addressing ageing, which also contributes to increasing the attractiveness and competitiveness of the city.
- Engaging with the private sector in redeveloping residential areas that respond to the needs of older people has boosted public awareness of ageing issues and support for the city's policy agenda.
- As one of the largest cities in the metropolitan region, Yokohama could expand the scope of its policies on ageing to include non-resident citizens, including older people, through policy co-ordination with surrounding municipalities by broadening the scope of policy visions to the Tokyo metropolitan area.

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Chapter 8

Lisbon, Portugal

This chapter gives a demographic and economic overview of Lisbon, followed by an assessment of the current ageing challenges. It discusses current policy actions, in particular, Lisbon, A City for the People (a long-term vision), the Social Rights Action Plan, an investment programme for urban rehabilitation, the Pedestrian Accessibility Plan and partnership-based initiatives.

Lisbon background

Lisbon is Portugal's capital city and its economic engine, making a crucial contribution of 37% to the national gross domestic product (GDP) and accounting for 29% of the country's workforce. Its population has declined steadily since the 1980s, mainly due to migration from the city. Lisbon is run by a Municipal Council led by a mayor and 16 councillors, and an elected Municipal Assembly that monitors the activity of the council, which is also elected. Below the municipal level, Lisbon is divided into 24 *freguesias* (53 until November 2012), the lowest tier of local government in Portugal, which have a degree of political autonomy and are administered by elected representatives who form the so-called *junta de freguesia*, an executive organ including a president, a treasurer, a secretary and several other councillors, chosen among the elected members of the assembly that monitors the activity of the executive.

Table 8.1. **Lisbon city overview**

Total population[1]	Population in the Lisbon metropolitan area[2]	Population of people over 65 as a % of total population[1]	Population of people over 65 as a % of total population in the Lisbon metropolitan area[2]	Population of older workforce as % of total workforce[1]	GDP growth[1]	GDP by sector[1]
552 700 (2011)	2 818 338 (2011)	24% (2011)	18.2% (2011)	6.7%	-1.1% (2011)	Primary 0.4% Secondary 16.1% Tertiary 83.6% (2011)

Sources: 1. Based on data provided by the city of Lisbon. 2. See Annex 1.A1. in Chapter 1.

Demographic development

Lisbon experienced continued population growth in the 1950s and 1960s, as a result of Portugal's economic development and rural-to-urban migration. After peaking at 810 000 in 1981, Lisbon's population declined to 552 700 in 2011 (Statistics Portugal, 2011a). This boosted the population outside Lisbon, including the Lisbon metropolitan area as a consequence. The combined result of Lisbon's population outflow and the decline in birth and mortality rates has more than doubled Lisbon's older population ratio, from 9.3% in 1960 to 24% in 2011, 4% higher than Portugal's national average of 20% (2011).

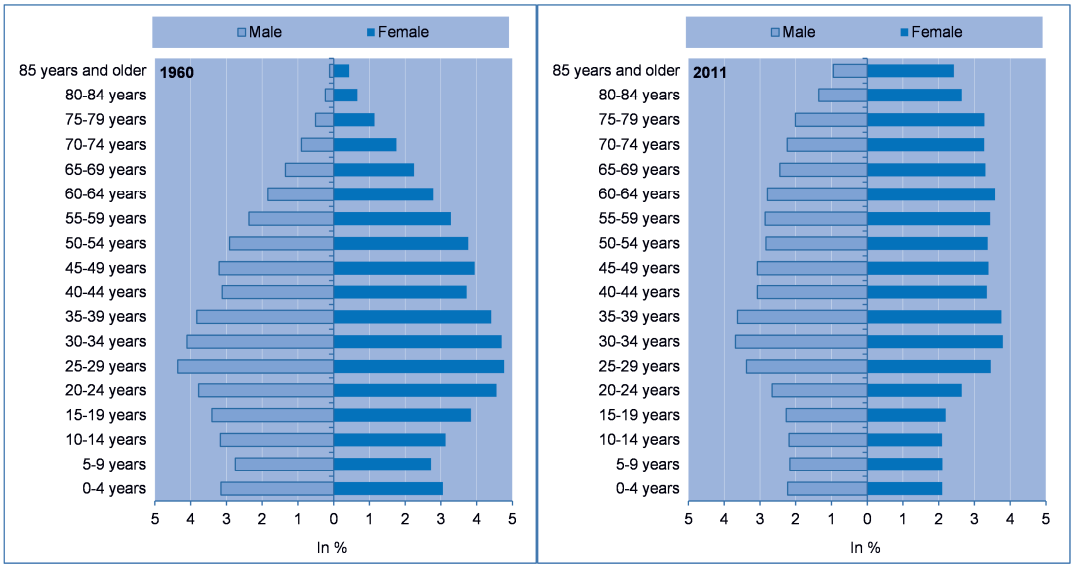
The city of Lisbon has prepared a set of four population scenarios that account for different levels of migration and fertility rates. The most likely scenario predicts a stabilisation trend within the forecast horizon of 2021. Lisbon's total population is predicted to increase slightly until 2016, before returning to current levels by 2021. The factors influencing this demographic trend include the impact of the present economic crisis, which resulted in the negative net inflow of population.

Inflow and outflow of population

In Lisbon, population outflow has exceeded inflow over the past three decades. This has predominantly been driven by the working-age population, which has settled in other municipalities of Lisbon's metropolitan area (Statistics Portugal, 2011a), and in particular by young families, which have tended to settle outside of the city of Lisbon's administrative boundaries, where housing is more affordable (City of Lisbon, 2014). Lisbon's population substantially shifted toward an ageing population (Figure 8.1).

Twenty-seven percent of immigrants to Lisbon were international migrants (2005-11), mainly from Brazil. Recently, younger immigrants, mostly students, have started to move into the city's historic centre (City of Lisbon, 2014).

Figure 8.1. **Demographic structure in Lisbon, 1960 and 2011**



Source: Statistics Portugal (2011a), Census 2011, http://censos.ine.pt/xportal/xmain?xpid=CENSOS&xpgid=censos2011_apresentacao (accessed 15 October 2014).

Geographic population distribution

The older population is distributed heterogeneously. In 2011, its ratio ranged from 16% in the *freguesia* of Charneca to 34% in the *freguesia* of Santiago (Statistics Portugal, 2011a). The average age is increasing in 42 of the city's 53 *freguesias* (based on 2011 boundaries), while the reverse has been the case particularly in the *freguesias* of the historic city centre (Figure 8.2). The higher older population ratio toward the city's outskirts can be explained by the construction of new homes in the 1950s and 1960s for Lisbon's growing population. Settlement of younger families accelerated this development in the 1980s (City of Lisbon, 2014).

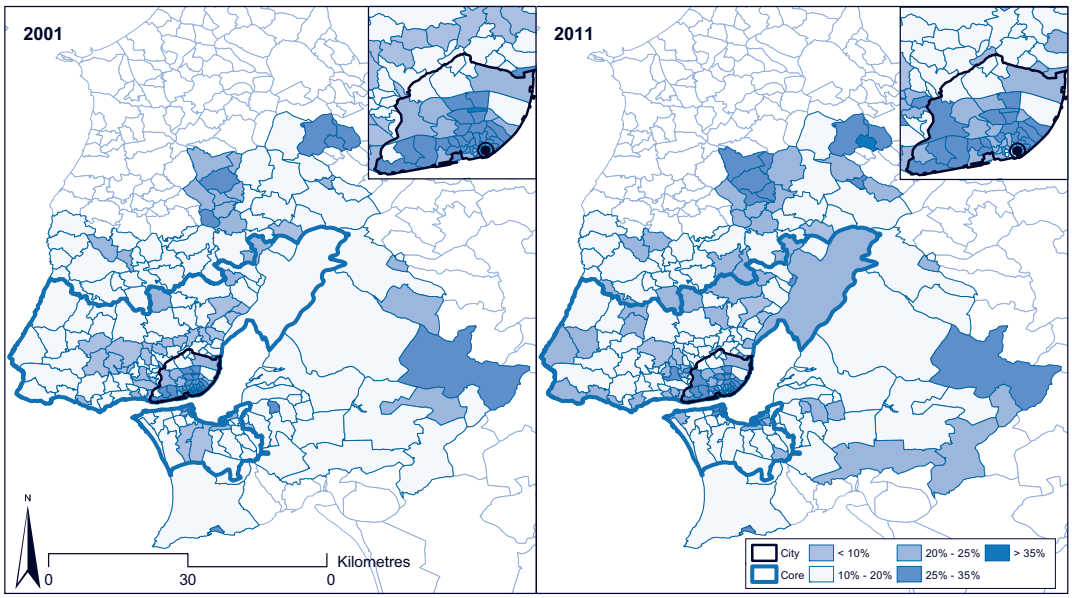
Economic development

Lisbon's economic development in the 1950s and 1960s was supported by a strong manufacturing and ship-building sector. During the 1990s, this focus started to shift toward the tertiary sector, mainly to information technologies and tourism. The tertiary sector contributes 83% to the city's GDP (2011) and grew at an annual average of 2.6% between 2002 and 2011 (Statistics Portugal, 2011b). Yet, Lisbon's overall GDP growth has fallen steeply, from 5.1% in 2002 to -1.1% in 2011 (Statistics Portugal, 2011b). This development followed a nationwide trend in which, after two decades of economic growth and convergence toward higher living standards, Portugal's productivity slowed substantially and competitiveness deteriorated as the global crisis hit (OECD, 2013).

Employment in the city is concentrated in the tertiary sector, with 86% in 2011 (Statistics Portugal, 2011a). In particular, information technology and tourism make up a

leading percentage, and the growing financial sector has sustained employment growth (Câmara Municipal de Lisboa, 2015). Older workers make up 6.7% of the city's labour force (Statistics Portugal, 2011a). Lisbon has suffered from an unemployment rate that soared from 5.3% in 2001 to 14.6% in 2011 (Statistics Portugal, 2001; 2011b).

Figure 8.2. **Population of older people as a percentage of total population in the Lisbon metropolitan area, 2001 and 2011**



Source: Based on data from Statistics Portugal (2011a); OECD calculations on functional urban area. For statistical sources, please see Annex 1.A1.

Ageing challenges

Economic challenges

Lisbon's economic recovery and resilience is the most critical challenge for older people and the entire city. The employment rate of people over the age of 45 is 49.9%, which is below the national average (Câmara Municipal de Lisboa, 2015). This has decreased the city's tax revenues and reduced the supply of skilled labour, both of which are essential components of the city's economy. In 2013, the city of Lisbon's revenues consisted of 53.4% of direct and indirect taxes and 42.6% of capital assets (Câmara Municipal de Lisboa, 2013c). Low labour force participation rates, and the situation in the housing market, have a direct impact on the city's revenues, and hence on the resources that can be allocated to the funding of public services.

Social challenges

The accessibility of services is a central challenge for Lisbon's older population. Improving accessibility is not only a way of increasing the ability of older people to go about their day-to-day lives, but critical for preventing their social isolation (Câmara Municipal de Lisboa, 2013b). The use of public transport is low. In 2011, 17% of older people used public transport, 43% used private motorised vehicles and 39% went about on foot (Statistics Portugal, 2011a). The share of public transport use among older people

has fallen since 2011, due to an increase in fares since 2012 and a reduction of the discount for older people, from 50% to 25%. Older people have difficulty in accessing and understanding information about public transit networks, and in transferring between transport vehicles, which further reduces the use of public transport (Câmara Municipal de Lisboa, 2013b). Poor coverage of public transport services, as in Santa Clara, is an additional obstacle for the mobility of older people. Extending service areas and revising fares is not an easy task, since the authority to plan for and provide public transit lies in the hands of the national administration.

Uneven and slippery surfaces on the sidewalks, insufficiently wide sidewalks and the safety of road crossings are key issues of accessibility for pedestrians. They reduce the walkability of neighbourhoods, limiting the independent mobility of older people (Câmara Municipal de Lisboa, 2013b). A clear link between the number of accidents and insufficient pedestrian infrastructure (2008-11) suggests that such challenges significantly increase the traffic risk for older people forced to walk on streets. The pedestrian infrastructure is not always free of barriers and is sometimes not appropriate for users (City of Lisbon, 2014; Câmara Municipal de Lisboa, 2013b).

The increase in low-income groups among Lisbon's older population and a widening gap between affluent and poor older people underlie the social challenges (Câmara Municipal de Lisboa, 2012a). In 2011, 7.3% of the older people were living in poverty, defined as having income less than half of the national median (Statistics Portugal). This limits older people's financial possibilities and, as a consequence, their possibility of active social participation. It also exacerbates the risk of social isolation among older people, which is amplified by the large share of people living alone (27% in 2011; Statistics Portugal, 2011b).

Policy approaches

Lisbon has several policy initiatives in place. The city has set out a vision for the future in the form of policy frameworks, either as a comprehensive policy plan or plans for specific sectors. These visions are co-ordinated and share the objectives of boosting economic opportunities and attractiveness, accessibility and well-being. Lisbon's City Council has also developed policy programmes to implement the visions in the various policy sectors, including industry, housing, transport and urban rehabilitation.

Visions

Lisbon aspires to be "a city for people", as reflected in the City Council's 2013-2017 mandate (Câmara Municipal de Lisboa, 2013a). This work programme is guided by the comprehensive vision of: 1) a "better city"; 2) more living opportunities; 3) more attractive neighbourhoods. The City of Lisbon defined five priority areas to put these strategic goals into practice: 1) proximity; 2) promoting entrepreneurship; 3) inclusiveness; 4) sustainability; 5) global connections.

The Municipal Chamber of Lisbon (*Câmara Municipal de Lisboa*, CML) is developing the Social Rights Action Plan, which identified promoting active ageing as an explicit objective for social cohesion in ageing societies, with two goals: first, promoting the autonomy of older people, by maximising their mobility and preventing social isolation, and by developing strategies to tackle "conditions of social risk" for older people. Improving the conditions that enable older people to participate politically, socially and culturally is the second goal. This includes promoting their participation in

decision-making processes and emphasising life-long learning as well as voluntary commitment (Câmara Municipal de Lisboa, 2013a).

The city's integrated economic strategy (2011) promotes Lisbon as one of Europe's most competitive, innovative and creative cities, aiming to create new and alternative forms of employment for all its residents in response to the economic challenges. The City of Lisbon structures its economic strategy for 2030 into four key domains: 1) the Atlantic Business Hub seeks to promote the city as a competitive place for international investment and trade; 2) Lisbon: Start-up City provides the conditions for entrepreneurship and local business opportunities; 3) knowledge and innovation centres promote higher education, technology and research; 4) strategic clusters are used as an instrument for concentrating resources and transferring know-how. The city develops initiatives based on five thematic clusters: ICT; creative industries; the maritime economy; tourism; and health and well-being (City of Lisbon, 2014). This strategy is intended to revitalise Lisbon's economic assets and responds to economic and demographic challenges, such as out-migration, youth unemployment, an ageing workforce and a decrease in the working-age population.

Lisbon's current Master Plan (Câmara Municipal de Lisboa, 2012a) is the key document linking the overall and economic strategy to urban development in the city. It emphasises the overarching goal of reducing land consumption and providing the crucial infrastructure for making the city more accessible for its residents, workers and visitors and for economic investment. Besides the integrated goals of attracting more people, jobs and companies, the Master Plan sets out the framework for urban rehabilitation, improving public spaces, sustainable urban mobility and environmental efficiency (Câmara Municipal de Lisboa, 2012a).

Economic opportunities and attractiveness

The City of Lisbon's policies aim to revive the economy and boost the city's attractiveness. They can be grouped into two categories: initiatives seeking to improve basic services and infrastructure for residents and initiatives that seek to increase attractiveness for investment and people, including residents and tourists.

Improving housing and local infrastructure

Lisbon has established a number of public housing policies since the 1960s that provide price-controlled housing to people in need, as well as rent support and housing acquisition schemes. The city supports households in need through subsidised rental contracts, and home ownership through progressive acquisition schemes through the citywide public company GEBALIS (1995), which is responsible for the development and allocation of social housing. The city also assists older tenants on fixed incomes with a monthly rent subsidy.

The City Council takes an integrated approach to improving the general conditions of the housing stock and its local infrastructure, as well as the specific needs of vulnerable population groups. The Urban Acupuncture Programme (2011) and the BIP-ZIP Programme (2010) are designed to improve the health and accessibility of vulnerable and older population groups. The city also aims to cultivate partnerships for small-scale interventions among the *juntas de freguesias*, neighbourhood associations and other locally operating entities.

Increasing attractiveness for people and business

The Start-up Lisboan initiative (2011) and the Lisbon Empreende Programme (2013) encourage entrepreneurship for both the young and older workforce. These programmes have helped to create companies and jobs by providing access to finance. The United at Work Programme (2013) promotes inter-generational entrepreneurship initiatives in partnership with the Lisbon City Council, one of five selected programmes being financed by the European Commission. The programme seeks to bring together young and older qualified persons who are unemployed (City of Lisbon, 2014).

The City of Lisbon promotes affordable housing, the construction of kindergartens and primary schools, and a better public transport system, parking, green spaces and access to commerce in each neighbourhood, to attract younger people and families. The city reduced the personal income tax and the property tax in 2013 to the minimum value. By increasing real-estate values, and increasing the number of people living in the city, these projects are expected to yield benefits through tax revenues and by attracting new businesses and jobs. The Priority Investment Programme for Urban Rehabilitation (2009) provides an investment budget of a total of EUR 117.2 million for rehabilitation in designated priority investment areas, including educational, cultural and other utilities (EUR 56.6 million); council-owned and private housing (EUR 38.4 million); and public spaces (EUR 22.3 million). The city also addresses the issues of a high vacancy ratio and renewal by providing incentives for homebuyers with a specific scheme for below-market prices, and an urban rehabilitation scheme for renovating the existing housing stock (Câmara Municipal de Lisboa, 2013c).

Accessibility

The Pedestrian Accessibility Plan (Câmara Municipal de Lisboa, 2013b) aims to improve the risk-free walkability of the city. A high number of older people are found to be at risk of being hit by traffic or from falls due to the condition of the sidewalks (Câmara Municipal de Lisboa, 2011). The City of Lisbon plans to reduce barriers to walking, adapt the existing environmental design and raise awareness among pedestrians and road users. This also includes reducing barriers on over- and underpasses, and implementing a minimum width for sidewalks of 1.5 metres, all of which are measures to improve autonomous access of services and the starting point for reducing social isolation.

The City of Lisbon is currently developing its strategic vision on mobility, designed to reinvent the transport system for the next ten years. The vision emphasises measures to ensure the availability of public transport, proximity to services and connectivity among functions. While the City of Lisbon does not have authority over planning and operating the public transport system, its main focus has been on improving the accessibility of the city and reducing barriers to walkability in the city.

The City of Lisbon has launched programmes for the financial support of housing accessibility, based on national legal accessibility standards established in 2006. Of all of the existing residential buildings, 80% were considered inaccessible for people with disabilities (Statistics Portugal, 2011a). The city is also building assisted-living residences, with 40 units currently under construction (Câmara Municipal de Lisboa, 2013a).

Local approaches to well-being

Local communities led by the *juntas de freguesias* are actively improving citizens' well-being. The Gerontological Municipal Plan (2009-13) and the Lisbon Social Development Plan (2013-15) are two examples of central policy frameworks to support

local initiatives that create the possibility for direct intervention. The Action Programme for Priority Intervention Neighbourhoods (2011-14) promotes local initiatives carried out by neighbourhood associations and non-profit organisations that strengthen the social and territorial cohesion within the *freguesias*. Active Ageing and Solidarity between Generations (2012), a national government programme, shares the same objective and aims to raise public awareness of the socio-economic contribution of older people, and to create opportunities to keep older people active.

Lisbon develops a couple of partnership-based policy initiatives between the *juntas de freguesias* and civil society associations, such as Lisbon Charity Santa Casa da Misericórdia. This programme is based on volunteers who identify older people's needs and help implement policies. Between 2012 and 2013, the programme identified the localities and conditions in which older people live, to assist them in their daily needs (Santa Casa da Misericórdia, 2014). One of the successful examples of this partnership programme are community centres (*centros sociais*), whose role is both to assist and promote a more active lifestyle for older people, and to connect them with other groups in the community through social and cultural activities. For example, the community centre in the Campo Grande *freguesia* (*Centro Social Paroquial do Campo Grande*) provides both home- and centre-based services to older people, such as hygiene, food, medical screening and recreational activities. As a centre organised by the church, it seeks to create a meeting space where different generations can gather, and thus to improve social cohesion within the *freguesia* (Centro Social Paroquial de Campo Grande, 2014).

Alvalade *freguesia*, in the northwest of the city, with a total population of 31 812, 40% of whom are older, is one of the most active *freguesias* for such community activities. Its Coruchéus Library provides lectures as well as recreational activities for older people, families and children living within the neighbourhoods, besides services offered at the public libraries. Alvalade *freguesia* also operates "senior universities" that offer older people over 50 years old the opportunity to enrol in educational activities (União das Misericórdias Portuguesas, 2008).

Policy highlights

- Lisbon addresses its ageing challenges comprehensively by deploying strategies in all relevant policy areas, including social well-being and economic development.
- Lisbon's profound understanding of the issues has resulted in the development of a broad network of stakeholders, including the private sector and non-profit organisations. The city's well-established network of neighbourhood communities helps to provide public services through mutual support.
- Lisbon is actively engaged in supporting older people to remain independent. Its strategies include both the health of older people and the city's physical accessibility.
- Lisbon's strategies to attract younger families and students to support the economy could explore synergies between policies for older people and economic development policies.
- Redevelopment of urban space for residential use could be explored, as it would help to attract urban residents to the city and to increase the attractiveness of the city for all generations.

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Chapter 9

Calgary, Canada

This chapter provides a demographic and economic overview of Calgary, followed by an assessment of the current ageing challenges. It explores current policy actions, in particular, imagineCALGARY (a long-term vision), complete communities by mixed land use and the Seniors Age-Friendly Strategy.

The city of Calgary background

The fifth-largest city in Canada, Calgary is the economic engine of the province of Alberta and a major contributor to Canada's national economy, contributing approximately 6% of the country's gross domestic product (GDP) in 2012, thanks substantially to the oil and gas industry. In recent decades, Calgary has had one of the most successful economies in Canada, a trend that has been matched by a steady population inflow from other parts of the country and internationally (City of Calgary, 2010). This growth in Calgary's economy has spurred the city's population growth and drove the construction of 102 050 new dwellings between 2001 and 2011. Administratively, the city of Calgary is composed of 14 wards and 176 communities, with the former each being represented by a city councillor.

Table 9.1. **The city of Calgary overview**

Total population[1]	Population in the Calgary metropolitan area[2]	Population of older people as a % of total population[1]	Population of older people as a % of total population in Calgary metropolitan area[2]	Older workforce as % of total older population[1]	GDP growth[1]	GDP by sector[1]
1 149 552 (2013)	1 162 835 (2011)	9.8% (2013)	10.0% (2011)	2% (2010)	3.4% (2012)	Primary 9% Secondary 16% Tertiary 75% (2012)

Sources: 1. Based on data provided by the City of Calgary. 2. See Annex 1.A1. in Chapter 1.

Demographic development

Calgary's population has been growing rapidly over the past three decades, almost doubling, from 620 000 in 1983 to 1 149 552 in 2013. This has chiefly been driven by the inflow of young immigrants in the pursuit of employment opportunities. Yet, the number of older people has increased, from 81 160 in 2001 to 112 656 in 2013, due to increased life expectancy. Declining fertility rates also pushed the demographic structure toward an ageing population (Figure 9.1). Recently, Alberta has experienced an increase in birth rates, due to its large population of 25-35 year-old females, which is believed to be related to the province's positive economic environment by comparison with other North American cities over the 2008-11 period. This will contribute to population growth in Calgary over the next three decades (City of Calgary, 2014).

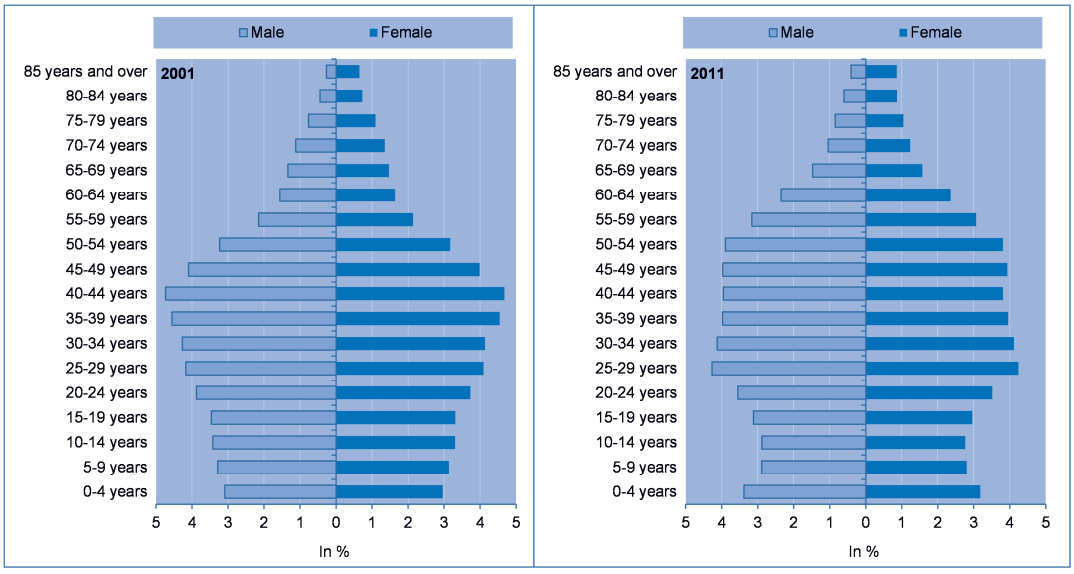
According to population forecasts until 2017 (City of Calgary, 2012), this population growth will occur at a moderate pace, with migration remaining an important factor. Yet, with federal immigration policy changes in 2013, the city expects migration to slow, as economic immigration will be limited by increased scrutiny of immigrants' profiles. The city's current population of older people of 9.8% (2013) is projected to rise to almost 15% until 2021, a growth of approximately 70 000 older people, while a decrease of 12 100 in the age groups 20-29, is projected due to the low birth rates of previous decades (City of Calgary, 2010). By 2042, the city is expecting a total population of 1 626 000, with a population of older people of 19.4%, and a decline in its working-age population from 71% in 2013 to 64%.

Inflow and outflow of population

Calgary's population increase can chiefly be attributed to migration. For example, 72% of the 40 517 population increase in 2012 was due to population inflow, which can

be explained by the employment opportunities Calgary's booming economy provides (82% of immigrants aged 40-44 were economic immigrants in 2006, for example), as well as the lower costs of living (e.g. no sales tax, low personal income and inheritance taxes, and the lowest prices for gasoline and natural gas in the city among cities in Canada [Province of Alberta, 2010]).

Figure 9.1. **Demographic structure of Calgary, 2001 and 2011**



Source: Based on data provided by the City of Calgary.

Immigrants are an integral part of Calgary's population growth, with approximately 48% of the population inflow being foreigners (2009-14), accommodating 7% of total immigration to Canada in 2012 (Statistics Canada, 2014a). The share of visible minorities from Asia and other non-European countries was at 28% (2011), and the share of economic immigrants out of all immigration to Calgary ranged from 29% (55-59 age group) to 82% (40-44 age group) in 2006.

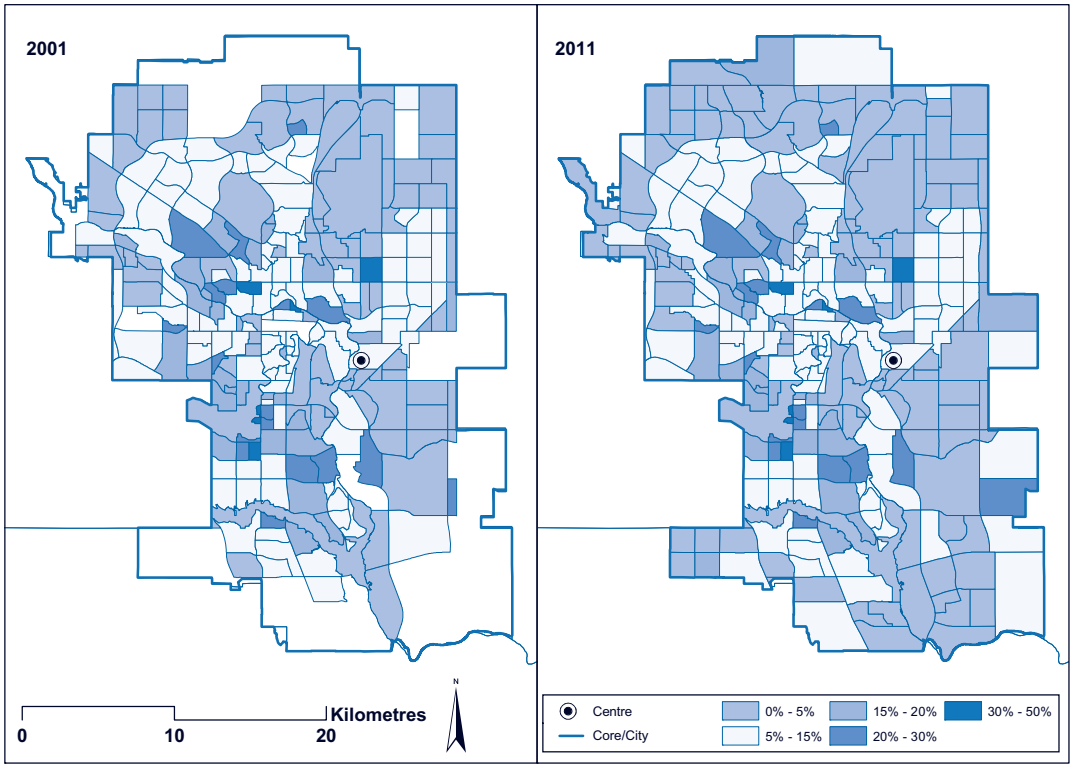
Geographic population distribution

The population in the Calgary metropolitan area, which covers Wheatland County, Foothills County and Rocky View County in the hinterland, is also growing, though at a much slower pace. The majority of the population inflow in the Calgary metropolitan area settles within Calgary's administrative boundaries. The Calgary metropolitan area has a slightly higher older population of 10.8% (2011).

In 2011, the population of older people among the 224 "communities", or neighbourhoods, varied significantly. Calgary's older population ranged from 1.3% in the community of Sage Hill to 44.1% in Chinatown (City of Calgary, 2013a) and the population tends to be younger towards the city's periphery (Figure 9.2). This spatial heterogeneity can be explained by two settlement patterns. The older communities surrounding the inner city were suburban areas in the 1970s and 1980s, developed as residential areas for newcomers, with a high share of young families. Over time, people in these areas have aged and the number of people per housing unit has fallen, with many single people and "empty nest" households. Second, new communities have since developed within the city's administrative boundaries, and their inhabitants tend to have

settled at the same time and to fall within relatively comparable age groups, mainly of younger working age.

Figure 9.2. **Population of older people as a percentage of total population in the urban core in the Calgary metropolitan area, 2001 and 2011**



Note: The figure focuses on Calgary's urban core, due to the large size of hinterland in the Calgary metropolitan area.

Source: Based on data provided by the City of Calgary (2014). OECD calculations on functional urban area. For statistical sources, please see Annex 1.A1.

Economic development

Calgary's GDP grew at an annual average rate of 3% (2001-11), and its share of the national GDP grew to 5.7%, with a forecast growth of an additional 12.8% by 2018. Calgary is central to Canada's oil and gas production industry. With 1 743 businesses in this sector, approximately 85% of Canada's oil and natural gas producers are headquartered in the city, as well as major international companies in the industry. These companies are attracted to Calgary rather than other major Canadian cities primarily because of the low tax rates in Alberta (City of Calgary, 2014).

The energy industry accounted for approximately 51% of Calgary's GDP (2011), and has resulted in a strong service industry with a high concentration of financial, scientific, technical, engineering and high-tech service jobs that serve the energy industry. These accounted for 26.9% of total GDP in 2013 (Calgary Economic Development, 2014). Thanks to the rapid population increase, the construction industry has grown the most rapidly, with a 39.5% increase in GDP (2009-13).

After the financial crisis of 2008, Calgary's real GDP dropped from CAD 97 billion (2008) to CAD 92 billion (2009) after a CAD 2 billion increase between 2007 and 2008. Unemployment rose from 4.6% (2008) to 7.6% (2009) compared to 4.6% in 2008. In 2010, both GDP and unemployment rates rebounded to pre-crisis levels, largely because of high oil and gas prices, which recovered quickly after falling in 2008 (Alquist and Guénette, 2014), and because of the high demand for natural resources, particularly in emerging Asia, despite the economic downturn in many parts of the global economy (Alquist and Guénette, 2014).

As a result of Calgary's economic growth and low unemployment, the city's labour market situation is relatively tight. Calgary's employment growth rate was 27.8% between 2004 and 2013 (Calgary Economic Development, 2014). This has caused wages to rise far above Canada's average, at USD 40 000 and USD 31 000 respectively (2011). In addition, jobs have increased particularly in the energy, professional and financial service industries, which add to Calgary's wage development. The city's share of knowledge-intensive jobs is approximately 10% above Canada's national average, while this type of jobs entails higher than average wages (Statistics Canada, 2014b).

The City of Calgary has strengthened its efforts to diversify its economy and improve its resilience to the volatility in the trade of oil and gas since the 1979 oil crisis. This diversification process has fallen below expectations, which can be partly explained by the energy sector's dominant role within the city's economy. Nevertheless, in the past decade, diversification, particularly within the energy sector, has resulted in increasing investments in renewable energy companies and associated technologies. To continue to diversify Calgary's economy, and reinforce its economic sustainability, the City of Calgary has developed the city's Economic Strategy (2013), which focuses on current industry strengths and advantages in seeking opportunities for diversification. Addressing environmental challenges faced by the energy sector, and supporting technological solutions to these challenges, are efforts to diversify the city's economy and to lower economic dependency on the resource extraction industry.

Ageing challenges

Economic challenges

Calgary's demographic shift to rapidly ageing societies in a growing economy presents a dual challenge to employers over the supply of skilled labour (City of Calgary, 2014). The city experienced a large number of retirements in 2011, and replacing the retiring workforce in a period of strong economic growth, when thousands of new job vacancies need to be filled, has reinforced the city's demographic challenges. The City of Calgary has primarily focused on employment policies targeting younger people, and on making the city an attractive place for young families to settle. Calgary recognises that by 2032, its older population will be more numerous than the age group of 15 and younger, marking a demographic breaking point. Maintaining the labour force in an ageing population at a sustainable level is a critical and urgent economic challenge.

Given the need to increase its labour force, developing policies for employing older people has become a new area for the city to explore. Only 2% of the population of older people participates in the labour force (2010). Understanding under what conditions older employees are willing to remain in the labour force and how the industry can reabsorb older workers is a pressing issue. This requires immediate action, as retirements among the baby boomer generation are increasing.

Social challenges

The city has seen a rapid growth of housing units on its periphery after Calgary's economic boom and population growth. This trend has altered the city's urban form and challenged the provision of services. Substantial investments in the city's infrastructure are required to maintain or improve the delivery of public services, including health and social care, housing and transport. A focus on Calgary's urban form could help mitigate its social challenges of mobility, health and social participation (OECD, 2012).

The number of older people living alone in Calgary is increasing, and the 2013 floods in the area brought to light the extent to which older people are living in difficult conditions, and in particular are at the risk of being exposed to social isolation. This is particularly an issue for older immigrants with limited language proficiency and difficulties accessing public services. Approximately 8% of Calgary's older population are unable to speak English or French at a conversational level, which has prevented a growing proportion of older people from accessing services and participating in their communities.

The floods in 2013 increased awareness that the need for social services has been changing, and that an increase of older people has exacerbated such issues as housing affordability, access to health and transport services, and long-term care. Adapting service delivery to the changing needs associated with ageing is central to Calgary's social challenges. Yet confronting the issues of rapidly ageing societies has been a relatively recent development, and the city is still building its capacity in this area.

The mobility of older citizens is now becoming an issue. Among Calgary's older people, 66% use private vehicles as their primary means of transport, 10% walk and only 6% use public transport. The relatively low use of public transport can be explained by a number of factors, including distance to transit stops, especially during the winter months. Older people's vulnerability to social isolation depends on their financial resources and their ability to pay for essential services such as transport, programme fees or professional assistance. The chances of social isolation are increased among those over 75, and those with health and mobility problems, as well as language or cultural barriers.

The housing requirements of older people are gaining attention in the city, and the notion of "ageing in place" has gained currency (City of Calgary, 2013b). Demand for public housing for older people is on the rise (2011). To continue to live to the later stages of life at home, housing modifications must be made so that older people can move about easily within their living space. An estimated 34% of seniors over the age of 85 are diagnosed with dementia, and long-term care and the capacity to deliver this type of service at home is a growing challenge for the city.

The city estimates that the eligibility for affordable housing has been stable around 18% of all households (renters and owners) since 1911 (Federation of Canadian Municipalities, 2012). Yet, only 2.5% of Calgary's housing is affordable housing (City of Calgary, 2014), suggesting a gap between supply and demand for affordable housing in Calgary. The greatest need for affordable housing is amongst renters, including households with families, recent immigrants, Native Americans, older people and people with disabilities. As Calgary's population continues to increase, the demand for affordable housing will continue to grow and the gap in the housing system is likely to widen. The city itself does not provide housing specifically for older people, but supports "Silvera for Seniors", a housing management body with a mandate to do so.

Policy approaches

Vision

Calgary developed its 100-year vision in imagineCALGARY established in 2006. This reflects the aspirations and interests of the city's communities for sustainable urban development. It integrates social and economic goals such as health improvements for citizens at all ages, access to high-quality recreational experiences regardless of age, integration in the community for all ages, and the opportunity for healthy seniors to contribute to Calgary's economy.

Calgary's Municipal Development Plan (2009) established a vision to direct growth to support high-density and complete communities, refocusing policies for land use and mobility. This plan aims to balance growth between established and greenfield communities and facilitate transit-oriented land use, along transport corridors. It also aims to increase mobility choices and develop a primary transit network, all of which are key elements in Calgary's strategy for handling ageing. In directing this transformation, the city is using a set of indicators that identify land use and mobility-related issues, accompanied by benchmarks intended to provide a desired outcome. In consultation with other cities and stakeholders, these indicators have been established to focus on measuring the city's urban form and expansion, and to set targets to ensure that 50% of the population growth until 2050 occurs within the 2005 built-up area of the city. To meet this long-term objective, the city is developing communities on the periphery that are significantly denser than those built in previous decades, increasing the housing units from 13.9 units per hectare to 19.6 units. It is also identifying areas for development within its built-up area that are appropriate for densification, specifically along nodes and corridors served by public transit.

The city is currently developing the Seniors Age-Friendly Strategy as a guide for local action, formulating a comprehensive approach to the challenges of the demographic shift. This initiative will focus on the needs of older people and delivering high-quality services, working closely with other city programmes, such as the Affordable Housing Strategy (2002) and the Advisory Committee on Accessibility, to co-ordinate the different policy initiatives as they relate to the needs of the ageing population.

Employment

Policies to employ older people had not been a priority for the city as it focused on attracting younger people to mitigate potential shortages in the labour force. Given Canada's favourable pension scheme, many older people have been reluctant to remain in the labour market. Employment policies for older people are in place for city staff. The City of Calgary Retired Employee Employment Pool, for example, engages retired city employees for limited-term projects that require particular skills or expertise. Engaging the Mature Worker: An Action Plan for Alberta aims to increase the supply of older workers in the province, and minimise the loss of experience and institutional memory. The province is working with employers to retain mature workers by developing appropriate work environments, offering flexible work arrangements and phased retirement.

The city's Economic Development Workforce Division has several initiatives to boost the employment of older people. It started as a programme for city officials, and was extended to the private sector. These include working with mature workforce organisations to share information about the labour pool of older workers. Workshops for

employers have also been organised to encourage them to draw on older workers as a potential pool of labour (Calgary Economic Development, 2014). The initiative also includes gathering and disseminating data across sectors on the hiring needs anticipated due to retirement. Knowledge transfer strategies, including apprenticeship programmes, have been explored to ensure that the knowledge of workers who are entering retirement is not lost.

Land use, transport and housing

The city intends to pursue a compact urban form to reduce travel times for its citizens, and reduce the costs of providing public infrastructure and services (City of Calgary, 2009). The transition toward a more compact urban form is challenged by the fact that newcomers show a preference for detached housing on the city's outskirts where real estate prices are low, and private development firms prefer greenfield over infill development because profits are higher. The city and private development firms are discussing mixed land-use development to form "complete communities", involving schools, shops, hospitals, offices and private housing.

Calgary is co-operating with neighbouring municipalities on working toward a compact urban form. Growth corridors have been identified for the city's long-term needs. These are incorporated into policy documents, including inter-municipal development plans prepared with adjacent municipalities that share the city's boundary. This joint work with neighbouring municipalities supports the objective of a compact urban form by specifying areas where the growth is appropriate, and where it is not. Inter-municipal plans and the Calgary Metropolitan Development Plan (MDP) include goals for intensification, reducing the outward spread of municipalities and directing growth to existing centres and key transport corridors. The city has also prepared area structure plans in consultation with private landowners and developers, to implement the objectives of the MDP. These outline the appropriate land uses and intensity targets in each new community. They call for mixed land use, a mix of housing types and the services required for creating complete communities.

Calgary's long-term RouteAhead strategic plan (2013) is intended to guide transit operations and investments over the next 30 years. The city's main concern is the improvement of public transport and focuses on snow clearance, which absorbs a substantial allocation of funds, and expanding public transport, adding two more tram lines to the city's existing network. The Calgary Transportation Plan (2009), in addition, aims to ensure that all residents are within 400 metres of the nearest transit stop.

Alberta's Residential Access Modification Program (2009) provides grants to help lower income citizens with mobility challenges modify their homes. Calgary's Community Home Assistance Maintenance Program for Seniors (2009) is an initiative to help older people access existing government programmes that provide funds for improving home accessibility. Working with older homeowners, the city determines which grant or programme can provide financial assistance for the repair, and helps find reliable contractors to draw up estimates and complete the work required. The programme has provided assistance to 1 964 clients, allocating a total of CAD 3 952 482 from 2009 to 2012.

The city is working with a variety of stakeholders to provide public housing. The Community Affordable Housing Strategy (2015) will outline the city's broad vision of how to facilitate the provision of affordable housing for all. Housing may be provided by non-profit organisations, the city or the private sector. The focus is to provide affordable

housing to households earning less than 65% of the median income that spend more than 30% on housing, regardless of their demographic.

Home care

In a sprawling urban environment where the costs of delivering home care services for older people can be steep, it is critical to develop financially viable strategies. The province of Alberta has launched the Continuing Care Strategy (2008), which identifies community support initiatives to support the changing demand for healthcare services to older people in their homes. The city is working with key stakeholders including Alberta Health Services in the city-wide Seniors Age-Friendly Strategy to develop and implement strategies to support older people to age in their communities. Silvera for Seniors, a housing management body supported by the city, provides housing specifically for older people. Publicly funded continuing care services in Alberta must grow significantly to match the need and adapt to changing preferences for care. The province also runs emergency support programmes to identify resources, interim care and accommodation for families and community members who assume the care of older people.

Policy highlights

- Calgary's employment and land-use policies are seen as critical for the city's prosperity, and the health and the social conditions of older people have also been declared a top priority.
- Its long-term vision outlines very clearly the impact of ageing on the city's economic development and on well-being for its citizens of all generations.
- Policies to provide better service delivery for older people and to extend opportunities for their economic activity have been clearly defined.
- The city has a well-developed sense of the importance of compact urban form in ageing societies for efficient service delivery and the well-being of older people. Strategies to increase the city's compactness could be more focused through a specific development plan that would help improve accessibility for older people.

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Chapter 10

Brno, Czech Republic

This chapter provides a demographic and economic overview of Brno, followed by an assessment of the current ageing challenges. It analyses current policy actions, in particular, the Brno City Strategy, housing policies for alternative modes of accommodation and the Senior Academy.

Brno background

Brno is the second-largest city in the Czech Republic and, as the regional capital, the largest city in the region of South Moravia. Brno is divided into 29 city districts and governed by the City Council as the highest executive body and local councils in the districts. The City Council, headed by the lord mayor and his deputies, is accountable to the city's General Assembly, which is responsible for approving the city development programme, city budget and generally binding decrees (City of Brno, 2014a).

Table 10.1. **Brno overview**

Total population[1]	Population in the Brno metropolitan area[2]	Population of people over 65 as a % of total population[1]	Population of people over 65 as a % of total population in the Brno metropolitan area[2]	Population of older workforce as a % of total workforce[1]	GDP growth[1]	GDP by sector[1]
378 327 (2012)	639 026 (2011)	18.9% (2012)	16.6%	3.4% (2011)	Not available	Not available

Sources: 1. Based on data provided by the Czech Statistical Office (CSO). 2. See Annex 1.A1 in Chapter 1.

Demographic development

Brno's population increased rapidly in the post-war decades, driven by industrialisation and ensuing rural-to-urban migration, which was supported by national policies of residential development. In the aftermath of Communism, the population dropped from 392 507 to 366 680 between 1992 and 2006, due to suburbanisation which occurred outside of the administrative city boundaries of Brno (Steinführer et al., 2010). In 2012, the older population in Brno was 71 607, accounting for 18.9% of the total population, 1.6% higher than the national average (Czech Statistical Office, CSO). There are significantly more older women than men, due to gender differences in life expectancy. The population of older people grew faster than the rest of the population, with an average annual growth rate of 2.2% (Czech Statistical Office). Population ageing in Brno, quite apart from the long-term decrease in the birth rate and the increased longevity (the so-called "second demographic transition"), is driven by the migration of young families to surrounding municipalities.

The population of older people is expected to reach a total population share of 31% by 2050, and those aged 75 and over are expected to increase threefold from 2006 to 2050 in CSO projections (Seidenglanz at al., 2013). The Centre for Regional Development in Brno estimates that a low-growth variant predicts a population decline of more than 20% for 2011-56, and a population of older people of 35.3% in 2056, whereas a high-growth scenario projects a 4.5% increase of the total population with a population of older people of 29.1% (ibid.).

Inflow and outflow of population

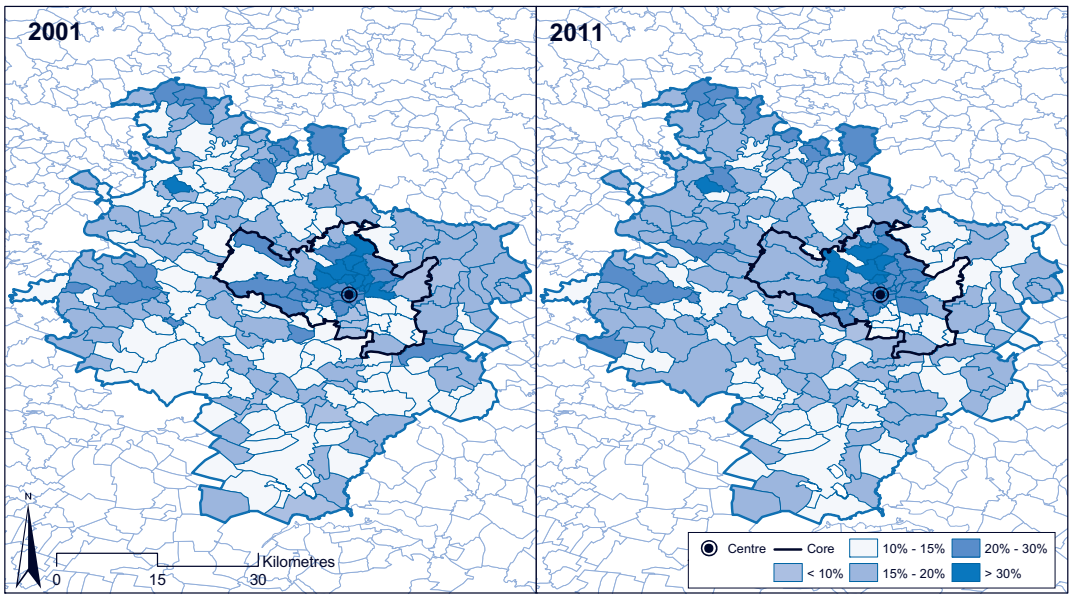
Since 2001, Brno's net migration balance has been negative, with the exception of 2007-09 (CSO data provided by the City of Brno). Net outward migration was driven by young families moving out of Brno to surrounding municipalities, with increasing commuting and residential patterns extending beyond the administrative confines (Mulicek et al., 2013). This process was stimulated by the development of new towns surrounding the city's administrative boundaries in the post-socialist phase in the 1990s, with a shifting emphasis from urban-core high-rise development under the Communist

regime to a development pattern of sprawl, including family and detached housing. A significant share of the inflowing population consists of students and young employees.

Geographic population distribution

The distribution of older people is heterogeneous among the municipalities of the Brno metropolitan area (Figure 10.1). Overall, Brno, which is equal to that of the urban core of the Brno metropolitan area, has a larger older population than the hinterland, since young families tend to live in the hinterland, which is regarded as a suburb of Brno. In 2001, municipalities with a higher older population were concentrated close to Brno. In 2011, the ageing pattern of the metropolitan area has become more widespread.

Figure 10.1. **Population of older people as a percentage of total population in the Brno metropolitan area, 2001 and 2011**



Source: Based on data provided by the Czech Statistical Office. OECD calculations on functional urban area. For statistical sources, please see Annex 1.A1.

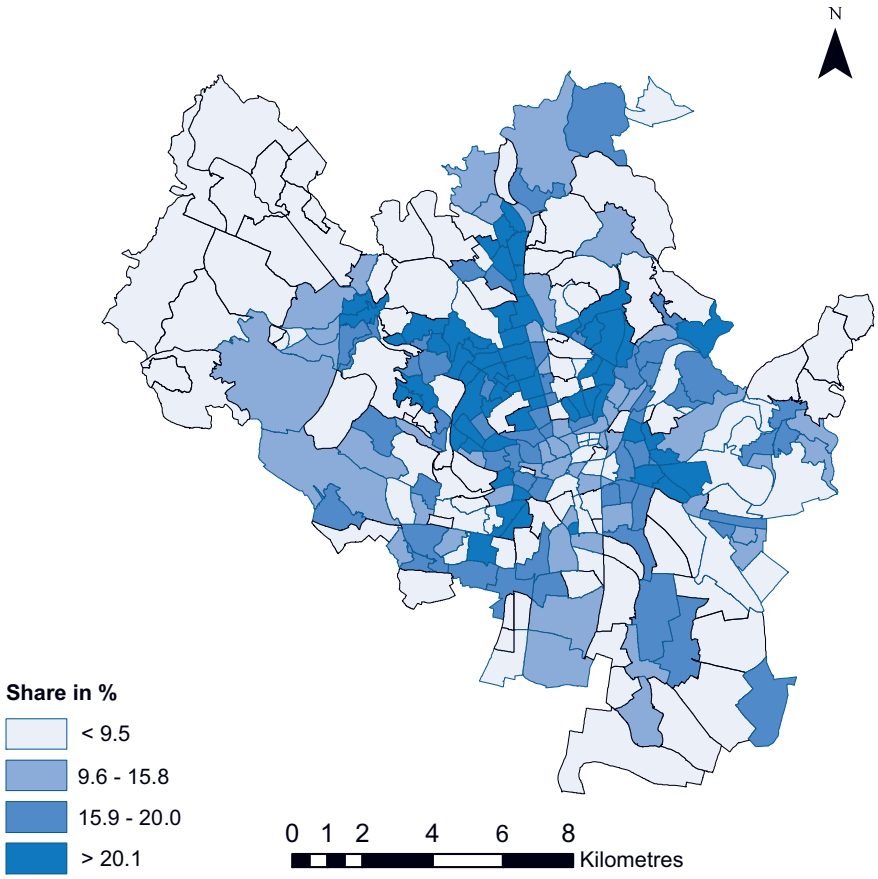
A diverse concentration of older people is observed among the 29 city districts (Figure 10.2) and also among the 283 basic area units within Brno (Figure 10.2). According to the city's Older Index, which measures the ratio between older people (over 65 years old) and children (0-14 years old), the highest index value is found in clusters of sites some distance from the city centre.

Economic development

Brno's economy has a long tradition of textile and manufacturing driven by industrialisation throughout the 19th and 20th centuries. This shaped Brno's urban development pattern of high-density residential areas close to factories in the city's central areas. Since the beginning of the 20th century, economic activity has shifted to mechanical and electrical engineering. Starting in the 1920s, Brno has had a tradition of trade fairs that encouraged industrial development. Since the 1990s, tertiary activities such as information, biotechnology and nanotechnology have increased. Brno has many

universities with a strong focus on science, research and innovation, and the city is a seat of excellence in science. The structural shift of Brno left possibilities for brownfield development in central urban areas where textile and engineering factories used to be located.

Figure 10.2. **Population of older people as a percentage of total population of Brno, per basic area unit, 2011**



Source: Burjanek, A. (2013), *Sociodemografická studie územních částí města Brna (Analýza dat SLDB 2011) (Socio-Demographic Study of Urban Units of the City of Brno)*, Brno, available at: www.brno.cz/fileadmin/user_upload/sprava_mesta/Strategie_pro_Brno/doplnujici_studie/Sociodemograf_SLDB_2011_final.pdf.

The educational profile of Brno's labour force is higher than the national average. In 2011, among the population aged 15 and over, 23.6% had a university degree, compared to the regional level of 14.7% and to the national average of 11.9% (Czech Statistical Office). The service sector, notably education, health and social services, public administration and trade, has the highest concentrations of employment, with 74.4% of the total (City of Brno, 2014b). The manufacturing sector comprises 25.3% of employment. Unemployment increased from 6.1% to 8.6% in the period from 2009 to 2014 (Czech Statistical Office). While Brno has the second-highest GDP per capita of major Czech cities, its unemployment rate was slightly higher than the national average, at 9% compared to 8.6% in 2014 (City of Brno, 2014b). Among older people, 8.9% have undertaken some form of employment, representing 3.4% of Brno's total employed population in 2011 (Czech Statistical Office).

Ageing challenges

Social challenges

Brno prioritised four key challenges in the Brno Active Ageing Plan (2012), whose goals were: 1) to enable older people to live an active and independent life by providing social, cultural and physical activities for older people in their communities; 2) to provide comprehensive care for older people by enacting preventative measures to reduce crimes against older people, and promote their safety and health; 3) removing barriers to mobility in the city through design standards and architectural tools; 4) to raise awareness about and among older people, as well as to improve information services for them.

Finding affordable housing for older people who live alone is proving difficult for the city. The demand for rental housing is an important concern, as 15.7% of senior households are considered at risk of relative poverty, according to a sociological survey of Brno's residents over 65 (HELPS, 2013a). The demand for more compact, cheaper housing has risen (HELPS, 2013b), since 29.2% of older people live in single-occupant households (Czech Statistical Office, 2011), with a significantly higher share of women (37.6%) compared to men (16.4%) (HELPS, 2013c).

Older people in the city have increasingly become the victim of crime. Approximately 20 people over 60 years old are victims of crime each day on average. The total number of registered criminal acts with older victims in 2010 was 6 433. It included 1 162 thefts and frauds committed against older people that robbed them of a total of EUR 1.3 million (Eurocities, 2012). Older people are subject to aggression in public places, telephone scams and visits to their homes ("doorstep crimes"). Removing potential risk, including design-related barriers, from the urban environment is an additional goal of the city (City of Brno, 2012).

A range of social services for older people are offered, but the user rate remains low. According to the sociological survey, carried out under the European HELPS project, only 11% of senior households take advantage of home care services, personal assistance, guides and reading services (HELPS, 2013a). The high cost of services (35%) and lack of information on where to access them (25%) were given as the primary reasons for not using those services by the population surveyed (ibid.). The city recognised as a problem the lack of knowledge about available services, and it was formulated as one of the priorities for improving social services to older people in Brno's second Social Services Community Action Plan for 2010-13 (Eurocities, 2011).

Policy approaches

Vision

Brno's long-term vision is expressed in the Brno City Strategy (2007) as a pledge to become a "city for families" that cares for different generations and life stages of its population, based on changes in their preferences and needs. Five priority areas were identified: 1) branding and promoting the city at the national and international level; 2) stimulating economic development and competitiveness; 3) improving citizens' quality of life; 4) encouraging research, innovation and education for a knowledge-based economy; 5) adapting and extending vital transport and technical infrastructure.

Brno has participated in the World Health Organization's Working Group on Healthy Ageing and the European Network of Healthy Cities since 1996. The city's overarching policy framework on ageing is laid out in the Brno Active Ageing Plan, published

in 2012, which is aligned with the Brno City Strategy. The Active Ageing Plan comprises four priority areas: 1) stimulating active ageing by offering social, cultural and physical activities for older people in their communities; 2) taking a comprehensive approach to care for older people, including the prevention of crimes against older people; 3) ensuring a barrier-free environment through design standards and tools; 4) raising awareness about and among older people as well as improving information services for them.

Safe environments

The Senior Academy project was developed to ensure that older people are independent, well-informed and active, by providing them with a means of self-defence, due to the increasing number of crimes against older people (Eurocities, 2012). The project is implemented by the Brno municipal police in co-operation with the city. It provides, free of charge, subsidised courses for older people related to crime prevention and risks in their local environment. Graduates are designated as "crime prevention assistants" and may perform as an essential part of community policing, contributing to the well-being of their neighbourhood and serving as an important contact person in their community.

Housing

The Housing Strategy (2009) of Brno describes the vision of housing development for Brno, defining the steps necessary to improve the quality of housing. The strategy outlines a new approach to social housing, with its five principal aims: 1) support for the preservation and regeneration of the housing stock; 2) support for all types of construction; 3) development of the housing market; 4) housing support for specific groups of residents in need; 5) co-operation with residents and other subjects. So far, 20 social apartments have been set up based on this strategy, allocated from the city housing stock for older, socially disadvantaged or handicapped inhabitants. The document also stresses the increased demand for small, affordable flats as a housing option for older people. For example, such housing options include sheltered homes for older people that provide social services. There are 48 sheltered homes with 971 small apartments (65 of which are barrier-free). Another type of senior living is barrier-free flats for disabled people and retired people (165 units).

The HELPS Local Action Plan of 2014 seeks to provide alternative modes of accommodation for seniors, such as a shared rental housing scheme, to help older people deal with issues of affordability, social isolation and safety, and the provision of social and healthcare services (HELPS, 2014). The action plan provides three forms of shared rental housing to older people: shared flats with private rooms but shared kitchen and bathrooms; shared flats with separate rooms and bathrooms; and separate small apartments with shared spaces for collective leisure activities. Based on a sociological survey carried out in 2013 by the Department of Socioeconomics of Housing of the Czech Academy of Science, the latter two options are the most accepted among older people (HELPS, 2013a).

Social services

The Community Plan for Social Services is the basic document for social services in the city. It covers professional social counselling, personal assistance, care services, emergency care, relief services, day centres and day-centre services, retirement homes and assisted living. The Brno city municipality, city organisations, non-governmental organisations, professional institutions, citizens and other stakeholders in Brno

participated in creating the third Community Plan for Social Services for 2013-15. One of the target groups of the plan are older people. The goals, connected with this target group, are the first to provide them support services and assistance so they can stay in the neighbourhoods they know for as long as possible, and, in particular, in their own households. The second aim is to improve the comprehensive system of services. The document provides a framework for more effective and efficient provision of social services to older people and for integrating these with social care and healthcare.

Policy highlights

- Brno provides a comprehensive framework addressing the social challenges related to ageing. Particular emphasis is placed on policies covering service provision, housing and accessibility.
- The city pursues people-centred policies to improve housing affordability, service delivery and independent living for older people.
- A better integrated vision for mid- and long-term urban development could help the city to better link physical and social infrastructure, land use and public transport.
- Policies that achieve successful collaboration between housing, health and social care could be expanded.

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Chapter 11

Manchester, United Kingdom

This chapter gives a demographic and economic overview of Manchester, followed by an assessment of the current ageing challenges of Manchester. It assesses current policy actions, in particular, the Age-Friendly Manchester initiative (a long-term vision), the Housing Programme for Alternative Modes of Accommodation, and the Locality Programme, which brings all relevant actors together.

Manchester background

Manchester is the United Kingdom's second-largest metropolitan area and the economic centre of the North West England Region. The city of Manchester forms part of the statutory city-region of Greater Manchester, together with nine other metropolitan boroughs. The Manchester City Council is the local government authority in the city of Manchester and is composed of 96 councillors. The city is subdivided into 32 electoral wards, each of which is assigned three councillors.

Table 11.1. **Manchester overview**

Total population[1]	Population in the Manchester metropolitan area[2]	Population of older people as a % of total population[1]	Population of older people as a % of total population in the Manchester metropolitan area[2]	Population of older workforce as a % of total workforce[1]	GVA growth[1]	GVA by sector[1]
514 400 (2013)	1 862 751 (2011)	9.5% (2013)	14.7% (2011)	7.9% (2011)	1.5% (2010)	Primary: 0.1% Secondary: 17.1% Tertiary: 82.8% (2010)

Sources: 1. Based on data provided by the City of Manchester. 2. See Annex 1.A1 in Chapter 1.

Demographic development

The contrast between the relatively small and decreasing percentage of older people and the larger and increasing percentage of younger generations is characteristic of Manchester's current demographic structure (Figure 11.1). The city's population continuously increased, from 88 577 in 1801 to its peak of 751 292 in 1931, driven by industrial growth (GB Historical GIS/University of Portsmouth, n.d.). In the past decade, Manchester has registered positive annual growth of 2%, with a total population of 514 400 in 2013 (Manchester City Council, 2014a). The population of older people decreased from 53 400 in 2001 to 48 900 in 2013 (Manchester City Council, 2012a). While the increase of the younger population has been driven by domestic and international inflow, the decrease of older people can be explained by natural losses and a negative migration balance (Manchester City Council, 2014a). The population of those aged 85 or over has been steadily increasing during this period.

Population projections suggest that Manchester's population will grow in the next decades. The older population will moderately increase, in particular the population over 85, as the baby boomer generation ages, if life expectancy continues to increase.

Inflow and outflow of population

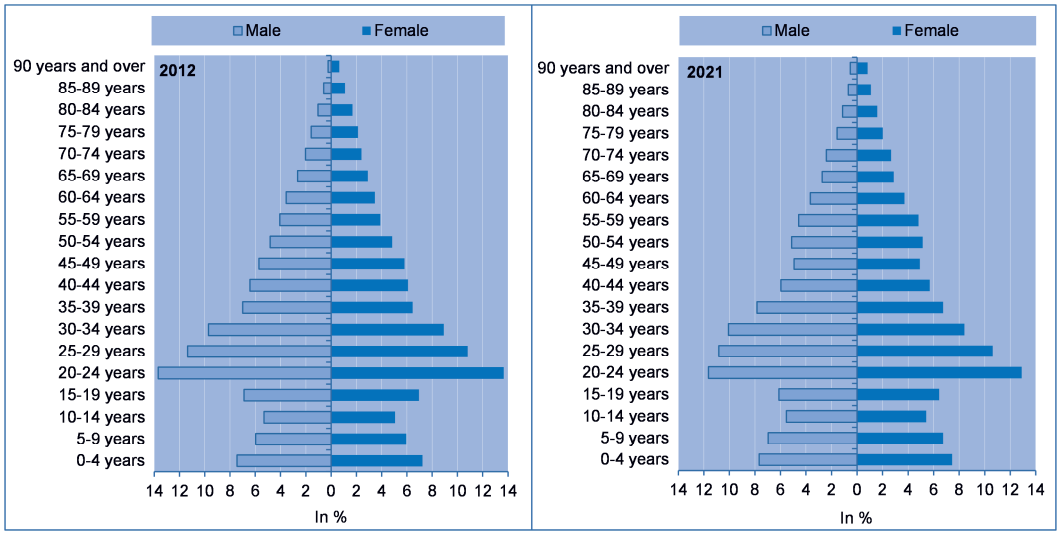
The inflow and outflow of the population slowed slightly between 2005 and 2011, resulting in a negative net migration balance in 2011. Older people represented 2% of total inflow and 2.7% of outflow in 2011. This outflow is partially due to people moving out of the administrative city but who remain within the metropolitan area. Of those who move, 70% are estimated to remain within 10 miles of their previous home, in search of a better living environment nearby.

Geographic population distribution

Further heterogeneity is seen in the spatial distribution of the population of older people in Manchester below the city level (Figure 11.2). Of the 32 wards in the city, 13

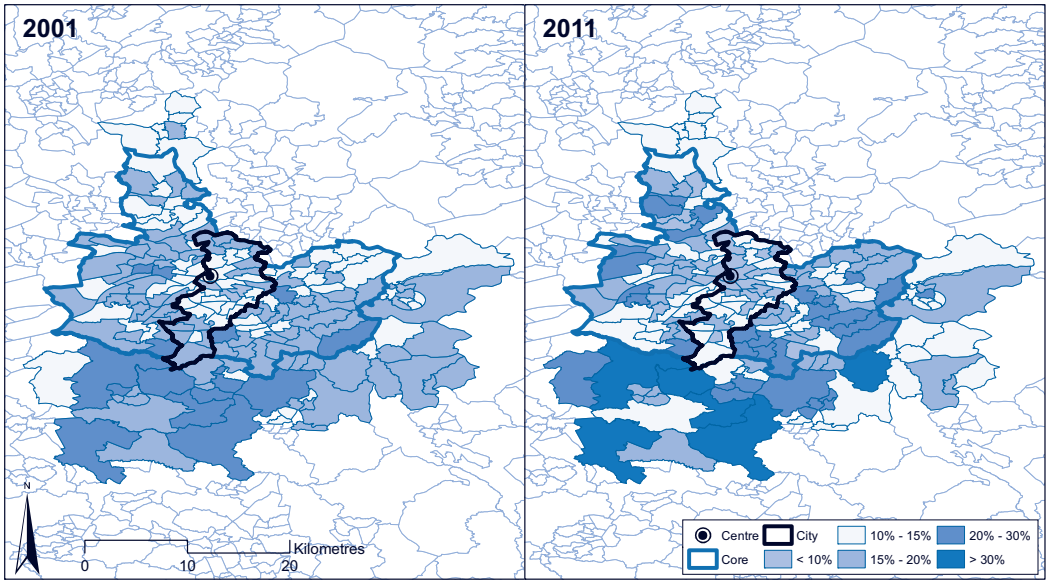
had an older population of more than 10% (and only 3 with more than 14%) in 2011. The highest percentage is observed in Moston (15.7%), a predominantly residential area about five kilometres northeast of the centre. The inner-city ward of Hulme, by contrast, has the lowest population of older people, at 3.5%. These examples show how older people are concentrated in the peripheral areas rather than in the inner city. The spatial distribution of the population of older people corresponds to the ethnic composition of Manchester's neighbourhoods: the most ethnically diverse wards tend to have the lowest shares of older people and vice versa (Manchester City Council, 2014a).

Figure 11.1. **Demographic age structure of the city of Manchester, 2012 and 2021**



Source: Based on data provided by the City of Manchester.

Figure 11.2 **Population of older people as a percentage of total population in the Manchester metropolitan area, 2001 and 2011**



Source: Based on data provided by the City of Manchester. OECD calculations on functional urban area. For statistical sources, please see Annex 1.A1.

Economic development

The city of Manchester is the economic centre of the North West England Region. The world's first industrial city, Manchester was a leading economic centre for textiles and manufacturing in the 19th century. Economic restructuring led to the city's decline throughout the first half of the 20th century. In the last two to three decades, the city has reinvented its economic portfolio around knowledge and service-based activities, such as financial and professional services, life-science industries, culture and media, creative industries, new forms of manufacturing, higher education and communication. Gross value added (GVA) grew by 1.5% in 2010. The service sector contributed the largest share, with 82.8%, followed by manufacturing, with 17.1%. Compared to the national average for the same year, the city of Manchester shows a 2.3% lower labour participation rate for its population of older people.

Ageing challenges

The city of Manchester considers the ageing of the population as a key challenge for its socio-economic and financial sustainability. Older people have become a demographic minority in an economically successful city with an increasingly young and active population. The transition from an industrial- to a service-based economy has had significant socio-economic and health-related implications for Manchester's population of middle-aged and older people. Integrating the challenges of ageing into Greater Manchester's vision of becoming a world-class city will be important for the city and the region's economic performance. Ensuring the city's financial sustainability and enabling older people to live autonomously based on their choices and preferences are key priorities for the Manchester City Council.

Economic challenges

The City of Manchester is under financial pressure as a result of the economic recession and subsequent reduction of government funding (Audit Commission, 2010). A decrease of about 40% in central government transfers for 2011-17 has made it necessary to look for alternative sources of funding, such as bidding for competitive funds, and more efficient ways of delivering key public services. The Manchester City Council anticipates an increasing need for health and social care services in the near future, and the current austerity has put higher demands on public expenditure.

Manchester's population of older people has labour force participation rates lower than the national average. This can be attributed in part to the health profile of older people. Their involvement in caring for family members and the decline of the manufacturing sector has reduced employment of older people (Manchester City Council, 2014a). Of those aged 50 or over, many rely on unemployment benefits. The Manchester City Council considers this group as in need of support and training to improve their job opportunities (Manchester City Council, 2012b), since both regional and national strategies for economic development and employment have focused principally on the younger population.

Social challenges

A significant part of the population of older people in the city of Manchester is said to be in social exclusion, social isolation and poor health (Manchester City Council, 2012a). The age-standardised mortality rate for those aged 65-74 was 64% higher than in England

on average for 2008-10. According to the Manchester City Council, Manchester's population of older people is characterised by significant levels of disadvantage, including isolation, relative poverty, chronic illness and disabilities, all of which have put a strain on health and social services. A 2008 report on ageing in the United Kingdom notes that in Manchester: "Some councils will see an outward migration of affluent people in their 50s and 60s who choose to leave the cities… the remaining older population … tends to be poorer, isolated and more vulnerable, with a lower life expectancy and a need for acute interventions" (Audit Commission, 2008).

The life expectancy of the city of Manchester's total population and the population of older people is lower than the national average, particularly among men, and a large percentage suffer from chronic conditions. Although health profiles have been improving in recent years, health inequalities among socio-economic groups persist (Manchester City Council, 2014a). Improving the health of the older and middle-aged population and reducing their dependency on services is a central issue, as is integrating housing with essential care and community services.

A large proportion of older people live alone, given high divorce rates. In addition, the Manchester City Council noted that out-migration of older people is typical, so that those who remain are dispersed and disconnected. Social housing is of significant importance to those who do not own their homes. The number of people who were housed in social housing in 2011 reached 10 892, as compared with 1 301 in private rentals. Improving access to public transport and walking routes (i.e. streets, pavements and signs), as well as increasing walkability in the city is one of the ways to increase older people's connection to communities. Close communication with the responsible planning body for public transport, the Greater Manchester Combined Authority, is necessary to take into account the local conditions in the boroughs and the needs of local communities.

Policy approaches

Visions

Manchester is seeking to become "a great place to grow older" by focusing on five strategic objectives: 1) creating better neighbourhoods for older people; 2) increasing the income and employment of older people; 3) increasing older people's participation in cultural and learning activities; 4) improving the health of older people; 5) improving care and support for older people. These objectives are accompanied by three cross-cutting objectives focusing on social cohesion, social and civic capital: promoting equality, improving relationships and improving engagement (Manchester City Council, 2012b). While ageing is addressed by various departments of the city's administration, the Age-Friendly Manchester initiative launched by Manchester's Department of Public Health is the guiding element of the City Council's policy agenda on ageing.

One of the main proponents of the city's vision on ageing is the programme Valuing Older People, initiated in 2003. This was extended to the Age-Friendly Manchester programme in 2010 after the city joined the Global Network of Age-friendly Cities established by the World Health Organization (WHO) (Manchester City Council, 2011). A partnership of various agencies, community groups and older residents led by the Manchester City Council, its aim is to formulate policies that improve the living environment of older residents, based on empowerment, participatory planning and delivery.

Manchester takes a unique approach toward older people, both acknowledging the changing nature of "old age", and responding to a new diversity of needs and preferences among people reaching later life. For example, Manchester's policy visions counts people 50 years old and more as "the older people" statistically. This is because the population 50 years old and more has been marked by high unemployment and medical conditions, which might exacerbate their autonomy and well-being in later life. While the number of older people is expected to grow rather slowly, an increase of older people with different ethnic backgrounds will alter the composition of what is referred to as "the older people". The city's policy vision also takes into account positive elements associated with future generations of older people which might play a leading role in transforming neighbourhoods that are age-friendly and benefit all generations (Manchester City Council, 2009).

Housing

The Manchester City Council launched a comprehensive strategy, Housing for an Age-Friendly Manchester, in February 2014. It provides an overarching vision on housing older people by focusing on age-appropriate housing adapted to local environments and design standards, possibilities for social participation, and advice and support services.

A research project on the Old Moat ward was conducted between 2012 and 2013 to develop a plan for improving the social and physical conditions of neighbourhoods for older people. Local academics carried out this project, commissioned by Southway Housing, the biggest social landlord in South Manchester. This project produced 118 short- and long-term recommendations for improving the area, spanning issues such as housing, transport and public spaces. The Old Moat project serves as a pilot project for other districts of the city by adapting the WHO framework on age-friendly cities to the district level.

The city has an extensive strategy of universal design standards that are applied under certain conditions to external areas (streets, parking, crossings, etc.) and buildings, in pursuit of the Manchester City Council's target to become "the most accessible city in Europe" (Manchester City Council, 2013). These guidelines, currently specified under *Design for Access 2* (DfA2), specify requirements for facilities such as lifts, doors, stairs or toilets for newly built or retrofitted buildings. The city also provides housing loans for older people to adapt and modify housing arrangements to their needs.

The Manchester City Council supports a resident-led group seeking to set up a co-housing scheme for older people under the MUCH (Manchester Urban CoHousing) initiative since 2012. It intends to reduce costs and pool resources by providing smaller housing units. Currently in the planning stage, it is funded by Manchester's Housing Department and shares its findings with similar initiatives in Barcelona and Helsinki.

Governance

The Age-Friendly Manchester programme brings together a number of areas of work that support the Manchester Ageing Strategy and the city's status as a WHO-designated Age-friendly City. This is supported by the Age-Friendly Manchester Older People's Board and Senior Strategy Group.

The city's Locality Programme operates through various local networks seeking to bring together all relevant local actors to improve and co-ordinate services and initiatives for older people. These include community groups and associations, residents and service

providers, such as housing providers or city agencies responsible for the respective ward. By 2011, 17 out of 32 wards were covered by a Locality Network (Manchester City Council, 2011). Depending on the date of formation, size, capacity and collective agency, Locality networks vary in terms of their activities and outcomes. For instance, while the Locality Network of Chorlton and Chorlton Park wards were in the process of revising their Age-Friendly Neighbourhood Action Plan as of December 2014, the network that used to be active in the wards of Hulme and Moss Side still needed to be re-established (Manchester City Council, 2014b).

The Manchester City Council has closely collaborated work with local key actors, particularly in the universities, in order to become a leading centre for research on ageing. The Manchester Institute for Collaborative Research on Ageing (MICRA), based at the University of Manchester, was created in 2010 to promote interdisciplinary research on all aspects of ageing. One productive outcome of such collaboration has been the *Research and Evaluation Framework for Age-Friendly Cities* published by the UK Urban Ageing Consortium in 2014 and driven by the partnership between the Manchester City Council and members from MICRA. The framework includes various tools and resources to design, measure and evaluate "age-friendly" policies intended to be applied in the city in the coming years. In co-operation with Keele University, the Manchester City Council offers an ageing studies programme to provide high-quality training to frontline staff who work with older people.

Working with the semi-private sector is one way to offer age-appropriate housing alternatives and specialised housing. Based on its positive working experience with the social housing provider Southway Housing, it piloted a charter as part of the Old Moat Project.

The Manchester City Council uses ACORN (A Classification of Residential Neighbourhood), a geo-demographic information system, to gain a better understanding of its population, based on postcode areas and census data. Using advanced tools for identifying potential needs and preferences among older people could be useful for policy making.

Policy highlights

- Manchester has a well-structured approach towards ageing that is both people-centred and location-oriented, co-ordinated with the city's overall development strategy. The city focuses strongly on policies in the areas of access to services and social inclusiveness.
- Manchester's policies are supported by the commitment of the city's leadership, which has placed the concerns and needs of older people at the centre of the city's initiatives. Strategies are based on local partnerships involving residents and service providers, a helpful approach for addressing ageing in a young and growing city. The city has been successful in promoting the concept of a "great place to become old" among civil societies.
- The city could explore the possibility of promoting its policies for ageing societies as a source of new commercial opportunities.

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Chapter 12

Philadelphia, United States

This chapter provides a demographic and economic overview of Philadelphia, followed by an analysis of the current ageing challenges. It discusses Philadelphia 2035 (a long-term vision), new buildings that integrate concerns for "older people" and programmes with the American Association of Retired Persons to improve walkability.

The city of Philadelphia background

The city of Philadelphia is the largest city in the state of Pennsylvania and the fifth-largest city in the United States. The city accounted for 1.5% of the national gross domestic product (GDP) in 2010. After a shift toward the service industry, the telecommunication and financial service sectors are now the main drivers of Philadelphia's economy. The city is governed by a mayor and 10 council members that represent Philadelphia's 12 districts. Philadelphia's metropolitan area includes four other counties: Camden, Bucks, Delaware and Montgomery counties.

Table 12.1. **The city of Philadelphia overview**

Total population[1]	Population in the Philadelphia metropolitan area[2]	Population of older people (+65) as a % of total population*	Population of older people (+65) as a % of total population in the Philadelphia metropolitan area[2]	Population of older workforce as a % of total workforce[1]	GDP growth[3]	GDP by sector[3]
1 553 165 (2013)	4 024 830 (2011)	14.1% (2013)	13.5% (2011)	3.9% (2013)	2% (2012-13)	Primary 1% Secondary 13% Tertiary 86% (2013)

Sources: 1. US Census Bureau (2013). 2. See Annex 1.A1 in Chapter 1. 3. US Bureau of Economic Analysis (2014).

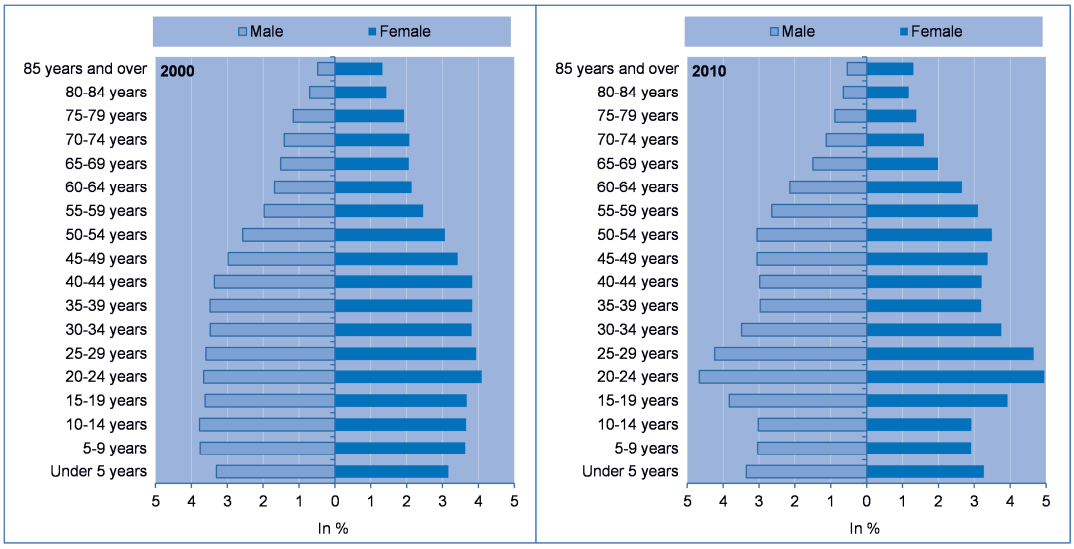
Demographic development

Philadelphia's population declined after 1960, following the loss of large parts of its industrial base, and began to increase after 2000 (US Census Bureau, 2010) (Figure 12.1). This growth was carried substantially by the growth in the city's Asian and Latino immigrant population, which offset the long-term decrease in the city's white population (Center City Philadelphia, 2011). Philadelphia's ethnic composition consists of white (44%), African American (43%), Asian (7%) and American Indians (1%) (US Census Bureau, 2010). The city's Asian population grew by 43.4% between 2000 and 2010 (52 684) and the Latino population by 47.7% (66 073), illustrating the significance of these two ethnic groups for the city's population growth. The city's population of older people is very diverse with respect to race, ethnicity, educational attainment, health status, national origin and income (PCA, 2011). By 2020, the number of older adults aged 65-69 in the city is expected to increase by 24% and the number of people aged 70-74 by 19%. In the African American, Asian and Latino communities, the number of those aged more than 85 is expected to double during this period.

Inflow and outflow of population

Newcomers to Philadelphia make up a significant percentage of the total population. In 2013, 5% of the rural population had arrived in the city within the previous year. The majority of newcomers came from other states, other counties in the state of Pennsylvania and through international migration. International migration has increased its importance in the city's population flow. Older people make up the smallest percentage of migrants, ranging between 1.3% for people migrating internationally to 0.3% for people moving from other states (City Center Philadelphia, 2011).

Figure 12.1. **Age structure of the city of Philadelphia, 2001-10**



Source: Based on data provided by the City of Philadelphia.

Geographic population distribution

The population of older people among the communities varies significantly. The population tends to be older towards the city's periphery (Figure 12.2). Downtown residents are attracted by the close proximity to jobs, given that 51% of all service jobs in Philadelphia are located in the city's downtown area (City Center Philadelphia, 2011). In the 20th century, the downtown neighbourhoods were the home of working-class families, which began to change after 1990, with a shift toward smaller and more educated households with jobs in the city's service and university districts. This trend transformed many of the downtown area buildings from empty warehouses to multifamily residential housing. Tax abatement in 1997 facilitated the conversion of underutilised office space and warehouses to residential use.

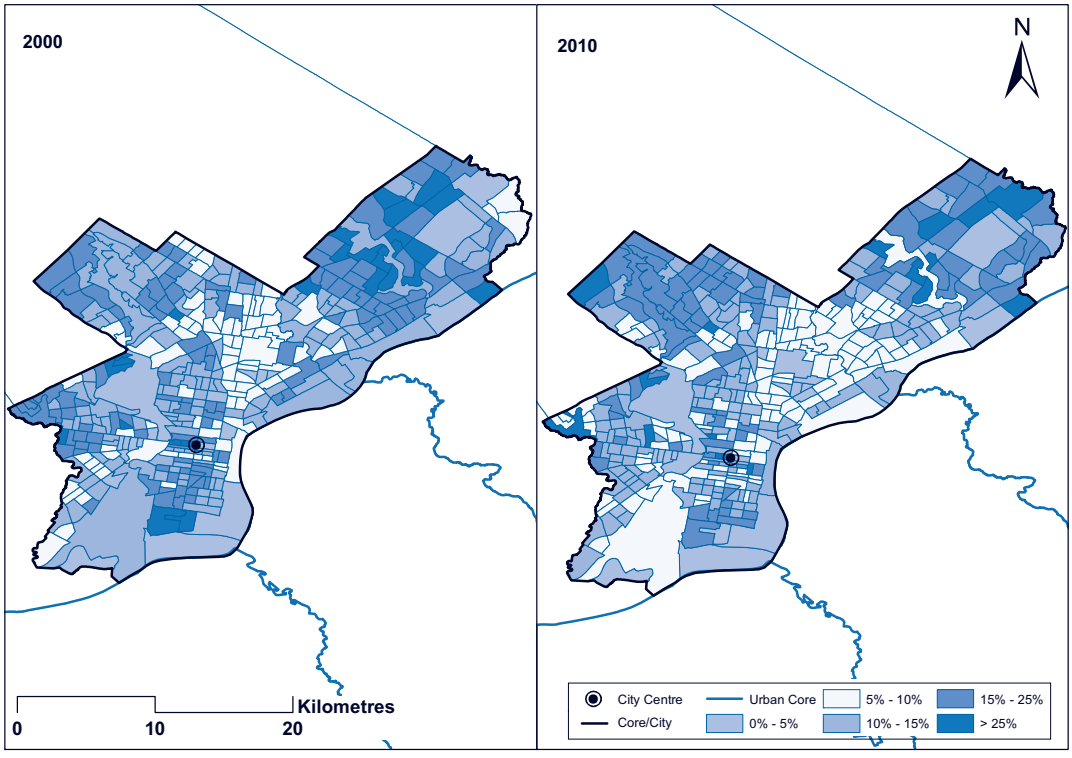
Economic development and employment

Historically, Philadelphia's economy was based on manufacturing of textile, steel and shipbuilding, and its affiliated distribution services (Bowie, 1990). Since the 1950s, the city's manufacturing industries have substantially declined after the relocation of industries to other parts of the country or overseas. Manufacturing jobs dropped steeply, from 330 000 in 1950 to less than 35 000 in 2010. Meanwhile, the economy has diversified toward information technology and financial services. Other industries include insurance companies, the printing and publishing industries, and the biomedical field, including hospitals, medical schools and pharmaceutical firms.

Ageing challenges

Issues for Philadelphia's older people include low income and poverty, health, mental health and disability, housing, community and isolation. The number of older people in need of assistance is increasing, yet cuts in funding for many ageing and poverty-related services continue (PCA, 2011). State cuts in public spending have reduced the funds at the city's disposal, and Philadelphia's budget fell by 12% from fiscal year 2013 to 2014 (City of Philadelphia, 2014).

Figure 12.2. **Population of older people as a percentage of total population in urban core in the Philadelphia metropolitan area, 2000 and 2010**



Note: The figure focuses on Philadelphia's urban core, due to the large size of the hinterland in the Philadelphia metropolitan area.

Source: OECD calculations on functional urban area. For statistical sources, please see Annex 1.A1.

Poverty among older people in Philadelphia has been growing. Single people earning USD 5 700 a year or less are designated by the government as in deep poverty, and between 2007 and 2013, the numbers of older people falling into this bracket increased by 19%, a total of 14 500 people, according to the Philadelphia Corporation for Ageing (PCA, 2011).

Enabling citizens to grow older in their own homes is considered by the city to benefit not only individuals but neighbourhoods. According to the PCA (2011), among the 208 429 Philadelphia citizens over the age of 60, 66% wish to remain in their current homes for at least 10 more years. Of these older homeowners, 23% have some sort of minor disability and 22% indicate they have mobility problems requiring handrails in their homes. The biggest challenge, however, is covering the cost of housing, a problem reported by 38% of the population above the age of 60.

Policy approaches

Vision

The Philadelphia 2035 development plan does not include a specific focus on the ageing population. However, the city's leadership has closely collaborated with the PCA, AARP and other non-profit organisations dedicated to improving the life of

Philadelphia's older citizens. The PCA's *Laying the Foundation for an Age-Friendly Philadelphia* and membership of the AARP's Network of Age-Friendly Communities and the World Health Organization's Global Network of Age-friendly Cities and Communities provides a strategy for addressing the challenges of an ageing society. Its agenda is to improve the physical and social environment of the city's population of older people and help them remain healthy, active and engaged in their communities for as long as possible. Its basic tenets include accessible housing, ease of public transport, safe and inviting public spaces, and a vibrant workforce aware of the issues older adults face. The PCA and the city have developed a number of initiatives, outlined below.

Housing

The city's Zoning Code Commission has issued new zoning recommendations to incorporate the concerns of "ageing," "older people" and "senior citizens" into new building codes. Its recommendations were adopted by the City Council in 2011. In particular, accessory dwelling units, additional housing units constructed within a residential property or garage, have been promoted by many ageing network organisations as an alternative solution helping older people to remain in their homes. These can permit older homeowners to downsize and to live in the same building as caregivers without having to leave the community or relocate into an institution.

Low-income seniors who wish to live independently in their community benefit from subsidies for social rental housing and home modification. The city helps older people to access financial resources from a number of federal and local sources. The PCA, in particular, provides assistance for accessing federal home assistance programmes such as the Department of Housing and Urban Development's housing assistance payments or direct loan programmes such as the Section 202 programme. The Philadelphia Housing Authority owns and operates more than 15 000 apartment units in Philadelphia, generally in high-rise complexes, garden apartments or townhouses. Some are part of large developments, others are individual units scattered throughout the city. A number of housing units are accessible to people with disabilities (PCA, 2011), and disabled persons entitled to file a request for accommodation will be compensated for modifications if the request is found to be valid.

Walkability

There are many initiatives under way to help Philadelphia become a more walkable community. In 2010, an Executive Order for Complete Streets was enacted, making Philadelphia the first city in Pennsylvania to adopt a policy to ensure that city streets are designed to be safe for pedestrians, bicyclists, drivers and transit users of all abilities and ages. The City of Philadelphia Planning Commission and the Philadelphia Department of Health and Human Services are also in the process of crafting a city-wide Pedestrian and Bicycle Plan, and the Next Great City Coalition has committed to a new agenda for the City Council that promotes Complete Streets for people of all ages.

Programmes to improve walkability in the city are being carried out with AARP. Surveys have been conducted throughout the city to identify obstacles to walkability and to formulate possible solutions. The city is actively seeking to retain and attract residents of all ages and has evaluated the safety of sidewalks and intersections to improve walkability and increase liveability. AARP volunteer teams have evaluated crosswalks for pedestrian safety and accessibility using a "walkability" survey developed by AARP Public Policy Institute.

Policy highlights

- The City of Philadelphia has developed policies on ageing in collaboration with many public and private partners, in particular in the area of housing and improving the walkability of the city.
- The city has a strong appreciation of the diversity of older people of different social and economic backgrounds. Its policy approaches responding to diversified and growing ethnic groups can offer guidance for other cities in similar contexts.

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Chapter 13

Helsinki, Finland

This chapter provides a demographic and economic overview of Helsinki, followed by an assessment of the current ageing challenges. It discusses the Vision 2050 (a long-term vision), a pilot project on home-based care services and use of technological innovation.

Helsinki city background

The city of Helsinki and its metropolitan area is the political, economic and cultural centre of Finland, and the country's wider regional and global gateway. The city is governed by the City Council, the main decision-making body, consisting of 85 members. The City Council is primarily charged with social, health, education, urban planning and transport issues. The city is administratively divided into 8 major districts, each of which is subdivided into several of the 34 districts that make up the smallest administrative units. Helsinki Region, which is the equivalent of the Helsinki metropolitan area, is composed of 14 municipalities: Helsinki City, Espoo, Kauniainen and Vantaa are the metropolitan core area, and the remaining 10 municipalities form the hinterland.

Table 13.1. **Helsinki overview**

Total population[1]	Population in the Helsinki metropolitan area[2]	Population of older people (+65) as a % of total population[1]	Population of older people (+65) as a % of total population in the Helsinki metropolitan area[2]	Population of older workforce as a % of total workforce	GDP growth[3]	GDP by sector[3]
612 664 (2014)	1 466 120 (2011)	16.1% (2014)	14.3% (2011)	–	0.6% (2011)	Primary: 0.2% Secondary: 19.4% Tertiary: 80.4% (2011)

Sources: 1. Urban Facts (2014), *Facts about Helsinki 2014*, City of Helsinki Urban Facts, Helsinki. 2. See Annex 1.A1 in Chapter 1. 3. GDP data refer to Helsinki Region (Helsinki Region Statistics).

Demographic development

Helsinki has enjoyed continuous population growth for the last three decades. After population decline in the 1970s, the population grew from 483 743 in 1980 to 612 664 in 2014 (Figure 13.1) (Helsinki Region Statistics (n.d.a)) driven by an increasing net migration from the rest of Finland and by a high level of natural population increase (Urban Facts, 2013). Helsinki has a higher rate of ageing than the national or European average, due to increasing life expectancy and to the baby boomer generation turning 65. The percentage of older people was 16.1% (2014) in the city of Helsinki, higher than in the Helsinki Region (13.5%), and lower than in Finland as a whole (17.5%) (Helsinki Regions Statistics (n.d.b)). The population of older women is higher, at 17.6% compared to 11.9% for men (2011). Women have a life expectancy of 82.7 years, 6.2 years higher than that of men (2008-12) (Urban Facts, 2014).

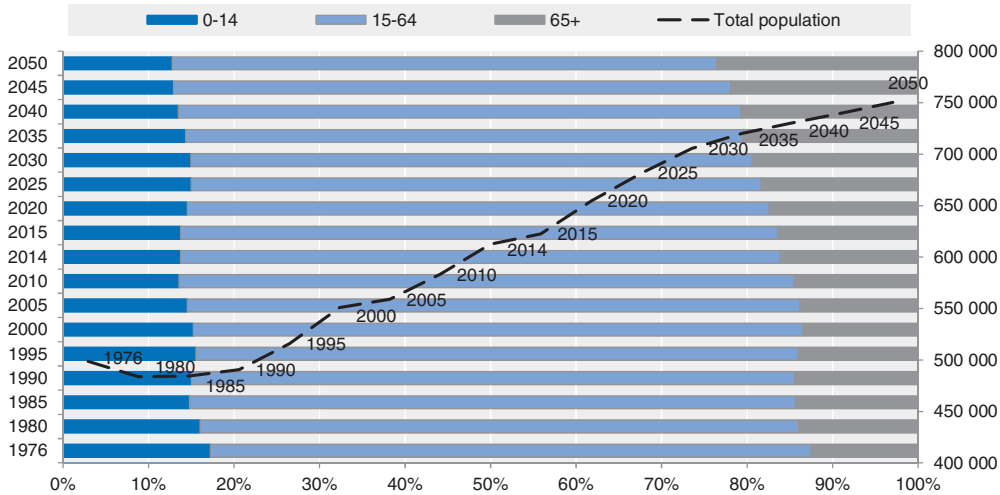
The City of Helsinki projects that its population will increase from 612 664 in 2014 to 750 391 by 2050 (Figure 13.1). The population of older people is expected to grow steadily, reaching 23.6% by 2050. The growth of the population of older people is projected to increase more rapidly after 2030, as overall population growth slows. Overall, Helsinki's population structure is projected to remain young, although the share of the working-age population will decrease.

Inflow and outflow of population

Migration is the key driver of population change in the city of Helsinki. The net migration balance has almost doubled since 1993, from 2 776 to 5 431 (2011) (Helsinki Regions Statistics (n.d.b)). The city of Helsinki's migrant population comes from other areas of the country (43%) and other municipalities of the Helsinki Region (39%)

(Helsinki Regions Statistics (n.d.b)), while the number of people moving from the city to the region is larger than people moving from the region to the city. In-migration to Helsinki City and the surrounding region is driven by employment and training opportunities (Helsinki Regions Statistics (n.d.b)).

Figure 13.1. **Past and future population growth in the city of Helsinki, broad age groups**



Source: OECD calculations based on data from *Helsinki Region Statistics Database*.

The city of Helsinki absorbed almost 24% of the international migrants who came to Finland in 2011. Helsinki is becoming more culturally diverse, as the ratio of foreign language speakers, whose mother language is other than Finnish, Swedish or Sámi, is growing (Urban Facts, 2013). For example, of residents aged 7-15 years in Helsinki, 12% do not speak the official languages. International in-migration was initiated and facilitated by the industrial shift towards services, as well as the breakdown of the Soviet Union and civil unrest in sub-Saharan Africa. The biggest migrant groups are Russians, Estonians and Somalis. The immigrant population of the city is younger than the Finnish population. This also suggests that although young immigrants are currently skewing the city's population younger, they will boost the number of older migrants in the near future.

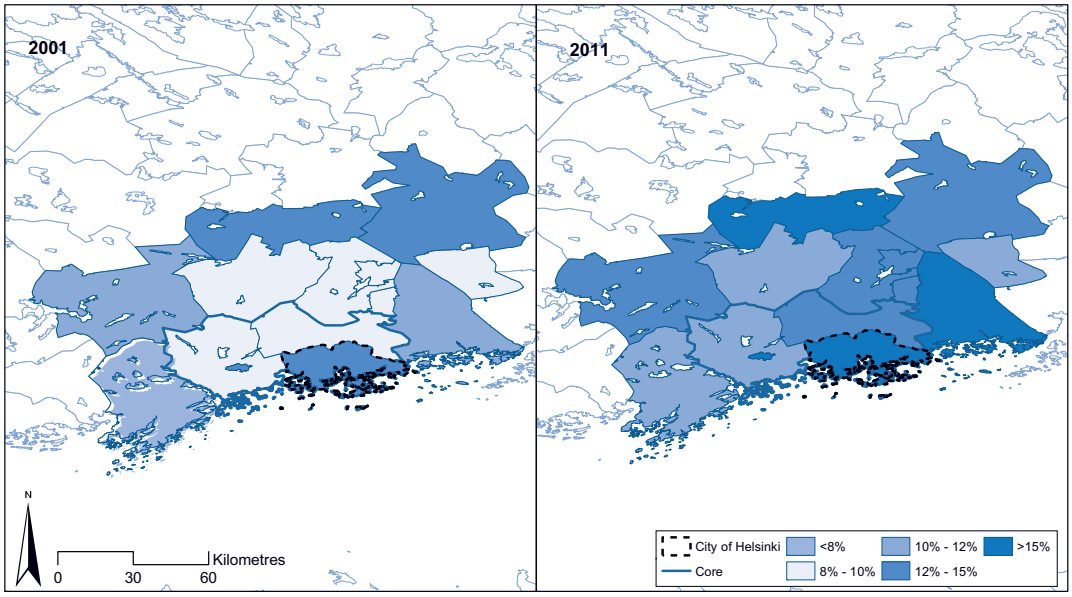
Geographical population distribution

The population of older people in the municipalities of the Helsinki metropolitan area (Figure 13.2) varies. Maunula District, in the city's northwest, has the highest percentage of older people. Newly arriving younger people tend to settle around Alppiharju District, west of the city centre.

Economic development

The city of Helsinki has a diversified economy, increasingly dominated by the service sector. In 1991, the secondary sector had 18.5% of total employment while the tertiary sector had 79%. In 2011, the secondary sector ratio decreased to 9.8%, while the tertiary sector increased to 88.2% (Helsinki Region Statistics (n.d.)). Between 2000 and 2010, gross domestic product (GDP) of the Helsinki metropolitan area grew annually by 2.24%, at a rate 0.5% higher than the national average (OECD, 2014).

Figure 13.2. **Population of older people as a percentage of total population in the Helsinki metropolitan area, 2001 and 2011**



Sources: Based on data from Helsinki Regions Statistics (n.d.b). OECD calculations on functional urban area. For statistical sources, please see Annex 1.A1.

The majority of the city of Helsinki's labour force is employed in three sectorial groups: healthcare and social welfare; wholesale, retailing and vehicle repair; and professional, scientific and technological activities. The city's employed population grew at a slightly lower rate than that in the metropolitan area, at 0.5% between 2001 and 2011 (Helsinki Regions Statistics (n.d.b)). Unemployment decreased from 6.4% to 5.7% for 2001-11. Unemployment was 2% higher for men than for women. The city of Helsinki's population is better educated than the national average. Of its working-age population, 46.8% had 13 or more years of education, as compared to a national average of 37% (Helsinki Regions Statistics (n.d.b)).

Ageing challenges

Helsinki's demographic development requires the city to reconcile the challenges of ageing with those of increasing numbers of children and a growing share of the foreign language population. The city's economy is concentrated in knowledge-based services, so providing access to education and IT skills is of utmost importance if citizens are to remain socially and economically active in later life. The city considers that housing alternatives and flexible services for older people, IT skills and care for those in need are their priorities.

The city's small but rapidly growing population of older people has created a particular demand for targeted care services. According to a study by the Finnish National Institute for Health and Welfare, one of the most pressing priorities is providing long-term home-based care for older people, both by public institutions and family members. Compared to other Nordic countries, Finland has a strong tradition of institutionalised care services, and developing and extending home-based services is an important concern.

While Helsinki provides high-quality health and social services, social isolation is an issue. A large and increasing proportion of older people live alone. The city is aware that this can result in issues beyond the reach of conventional public services. For example, addressing the lack of computer skills might be an important factor to enable older people living alone to access essential services.

Policy approaches

Vision

According to the city's current Strategic Spatial Plan, laid out in 2008, Helsinki aims to become an "urban, rapid rail transport network city", as laid out in Helsinki's Vision 2050. Demographic change is recognised as a central concern. The City of Helsinki is considering making the "spatial structure more compact" as the key element in remaining a competitive, liveable and ecologically sustainable city into the future. The population is expected grow by an additional 265 000 people by 2050. The current Strategic Spatial Plan emphasises rail transport, transit-oriented land-use patterns and developing walkability as a key feature. It also seeks to tackle current and future challenges of increasing traffic congestion and soaring housing prices, by reorganising the Helsinki Region into a polycentric metropolitan area with decentralised cores of living and services connected to extensive transport networks.

The City of Helsinki has developed the Strategy Programme 2013-2016, which identified the city's objectives, targets and measures, as well as action programmes. It clearly stated in one of the four objectives of "Well-being for the residents of Helsinki" that "[t]he elderly are cared for", mentioning that "[r]esidents that are aged … will receive the care, rehabilitation and services they need, without delays and in the right institution". This strategy focused on older people over 75 years old as the most demanding age group for healthcare and social services, and highlighted that the service structure is renewed by increasing the services that are given at home or that support living at home, and by reducing institutional care.

Service delivery

Lauttasaari, an island neighbourhood in west Helsinki, is the site of a pilot project for a customer-oriented, home-based care service network for older people. The project emerged from the European city network DAA (Design-led Innovations for Active Ageing), addressing demographic change under the EU 2020 strategy. It provides flexible services for older people through personal budgeting that gives them individual discretion over how to spend financial resources. A key element of its home-based care is that service is provided by relatives and professional staff according to each individual's preferences and needs.

Care

To extend preventative care, the city of Helsinki runs 13 service centres that offer physical, social and cultural activities for older people to stay active and healthy. Helsinki uses a range of tools toward the national goal of keeping older people at home for as long as possible. This reflects both the preference of many to grow older in their own homes and public concern to reduce costs and provide services more efficiently. Finnish municipalities are required to abide by the recently passed guidelines on caring for older people (Elderly Care Act of 2013).

Helsinki has been experimenting extensively with different tools, making use of technological innovation and private sector involvement. Various pilot projects and collaborations with research facilities and private companies focus on "virtual care" solutions. For example, the city co-operated with the Kustaankartano Centre for Older People to develop floor-sensor systems that allow nurses to monitor the activities of older people. Another example involved developing tablet solutions allowing older people, especially those with mental disabilities, to access remote services. The project My e-Design aims to make electronic services easily available for older people and promotes computer skills for their everyday needs. Such experimental projects are a hedge against the anticipated shortage of trained service personnel in this sector, and aim to allow older people to help monitor themselves.

Other initiatives involve building self-sustaining local networks run by older citizens, volunteers and private actors. The city of Helsinki engages in the exchange of good practices with other European cities, for example through the European Network for Social Authorities (ENSA).

Policy highlights

- Helsinki's age-related policies tend to be sector-oriented and focus mainly on health and social care services. Through a customer-oriented service network, older people living at home are provided with essential social and healthcare services through the private sector.
- Helsinki's emphasis on a compact urban form facilitates access to services for all generations and older people in particular.
- The city's experience with IT-based policy solutions driven by the private sector should lead to positive economic spillovers.
- The promise of pilot projects for health and social care indicate that better co-ordination across policy sectors could improve outcomes, particularly in care services, housing and transport.
- Neighbourhood networks can help co-ordinate initiatives at the local level more effectively.

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Chapter 14

Cologne, Germany

This chapter gives a demographic and economic overview of Cologne, followed by an analysis of the current ageing challenges. It discusses the Leitbild 2020 (a long-term vision), a housing programme for alternative modes of accommodation and the Senior Network programme.

Cologne background

Cologne is the fourth-largest city in Germany and economically important, contributing 1.7% to the national gross domestic product (GDP) (2008) (City of Cologne, 2011). It is the most populous city and the dominant economic and cultural centre in the federal state of North Rhine-Westphalia (NRW). The city of Cologne is governed by a Municipal Council headed by a mayor. Four deputy mayors represent the lord mayor and moderate city council discussions. Administratively, Cologne consists of 9 boroughs that are further subdivided into a total of 86 districts. Each borough consists of a mayor and a council. The ageing of the city's overall population faster than its growth rate is likely to increase the share of older people and the very old within the next two decades.

Table 14.1. **Cologne city overview**

Total population[1]	Population in the Cologne metropolitan area[2]	Population of older people as a % of total population[1]	Population of older people as a % of total population in the Cologne metropolitan area[2]	Population of older workforce as a % of total workforce[1]	GDP growth[1]	GDP by sector[1]
1 044 555 (2012)	1 922 022 (2011)	18.1% (2010)	18.9% (2011)	1.39% (2012)	5.9% (2009)	Primary 10% Secondary 17% Tertiary 73% (2010)

Sources: 1. Based on data provided by the City of Cologne (2014). 2. See Annex 1.A1 in Chapter 1.

Demographic development

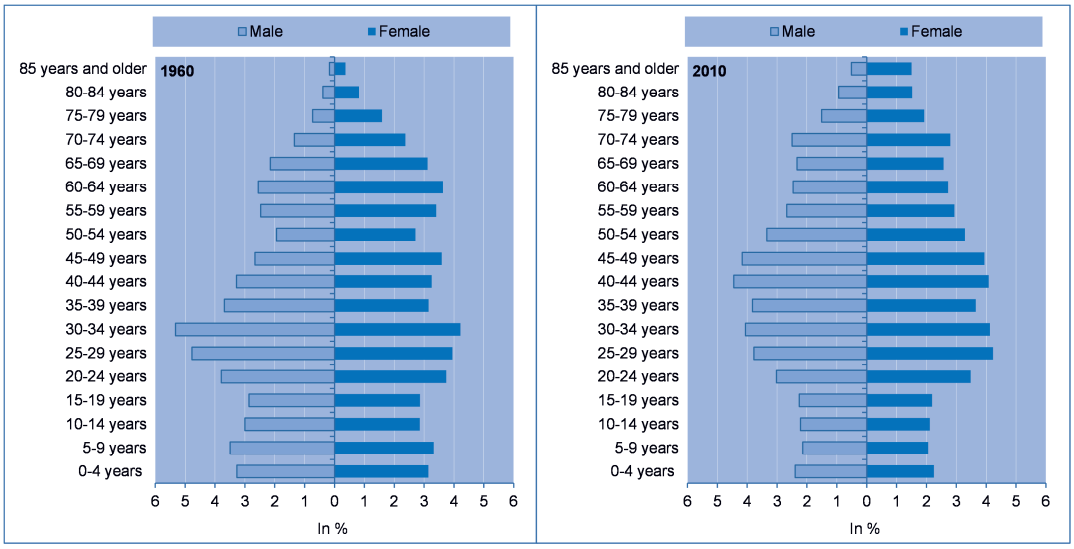
Cologne's population increased with industrialisation and the expansion of the productive sector during the 1960s and 1970s. In the 1980s, it experienced population decline, mainly due to residential suburbanisation. Industrial restructuring from manufacturing to services also influenced the population outflow. Since the 1990s, the population has started to increase again, given the city's growing appeal for training, jobs and higher education. Cologne's population increased from 968 917 (2000) to 1 044 555 (2012), with an annual average growth rate of 0.6% (City of Cologne, 2012a). Cologne's demographic structure in 2010 shows two strong concentrations as compared to 1970: the population of over 65 and that between the ages of 15 and 30 (Figure 14.1).

According to population forecasts by the Office for Urban Development and Statistics, Cologne's population will continue to grow until 2020, reaching a peak of 1.06 million (City of Cologne, 2013). Moderate population decline after 2020 will be driven by decreasing migration. The population of older people will increase, reaching 20.7% of the population in 2040. In particular, the share of those over 80 will increase rapidly (City of Cologne, 2013).

Inflow and outflow of population

Migration plays an important role in population growth in Cologne. While the net migration balance was negative in 1995, it turned positive during the 2000s. Young people aged 18-30, who have moved to Cologne for job and educational opportunities, make up 50% of in-migration. The city has a relatively large share of people between the ages of 20 and 35, and the average age of its population is 6 years less than the national average. The inflow of younger people will slow around 2020, owing to a decrease in the 18-30 year-old age cohort in both North-Rhine-Westphalia and Germany.

Figure 14.1. **Demographic structure in Cologne, 1960 and 2010**

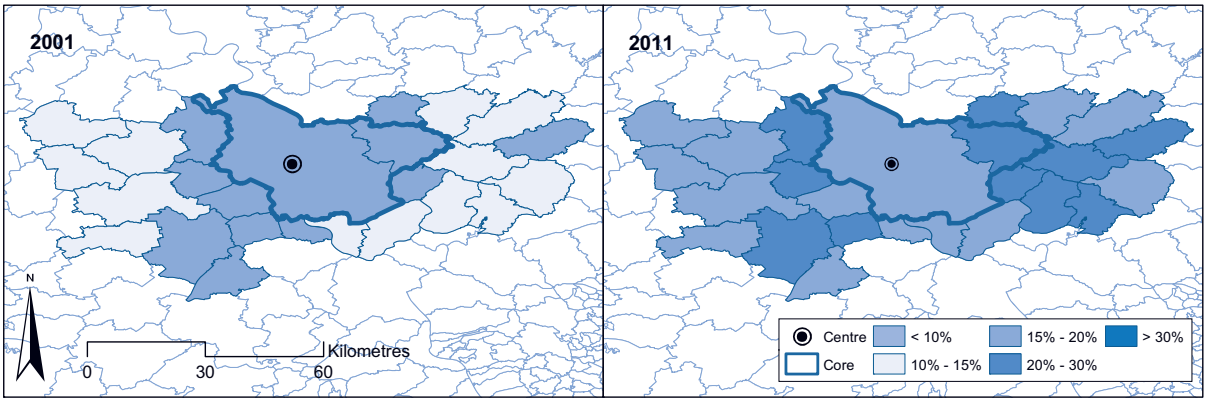


Source: OECD calculation based on data provided by the City of Cologne.

Geographic population distribution

The spatial distribution of older people varies across the Cologne metropolitan area (Figure 14.2) and among the nine boroughs within the city (Figure 14.3). The peripheral boroughs, Rodenkirchen (21.7%) and Porz (21%), south of the inner city, include higher percentages of older people, while the inner-city borough Innenstadt (15.2%) and neighbouring Ehrenfeld (16.2%) have the lowest percentages. Pockets of older people form a belt that surrounds the inner city. This pattern can be explained by the preference of younger age cohorts to settle in the inner-city areas, due to the smaller housing structures and proximity to amenities and services. Peripheral boroughs with detached residential housing are preferred by families and older people (City of Cologne, 2012b).

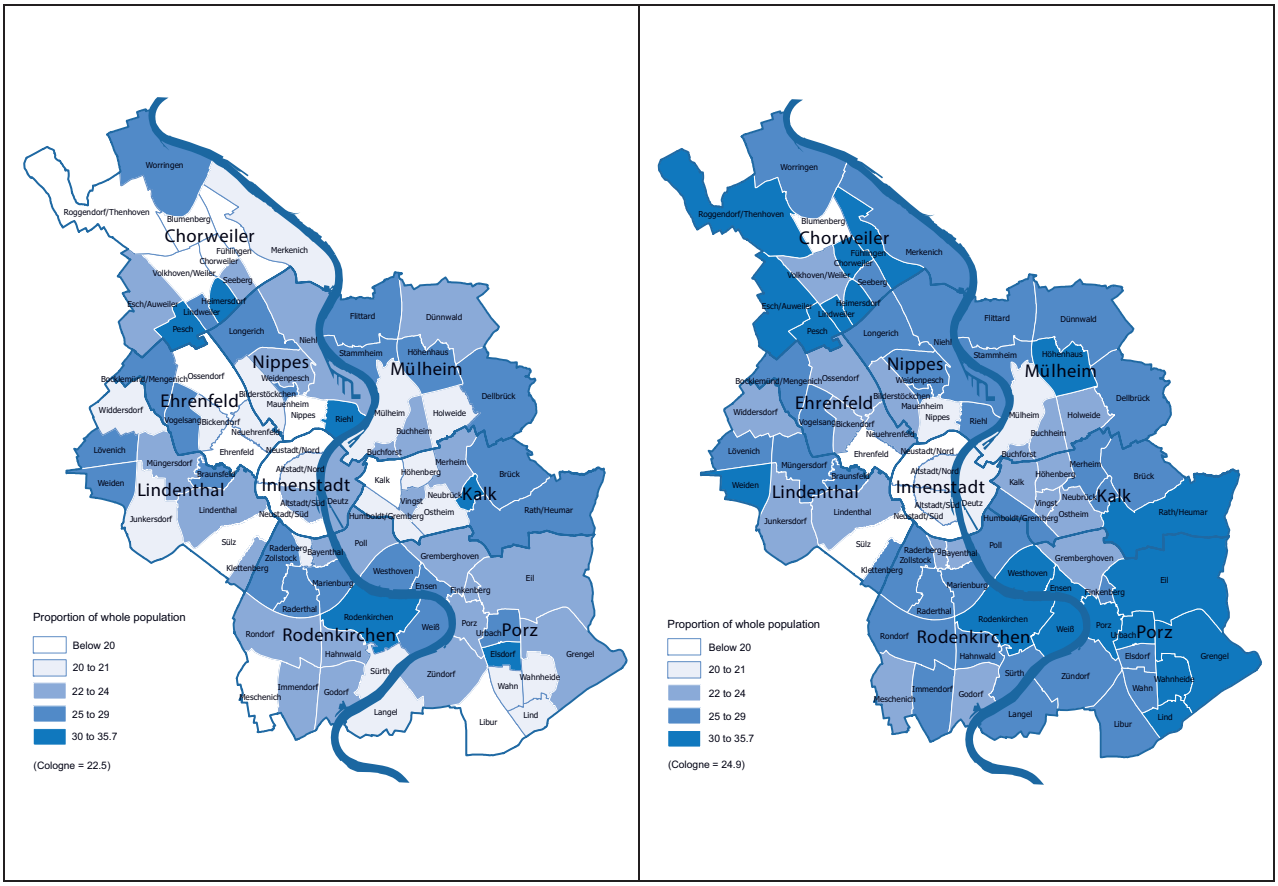
Figure 14.2. **Population of older people as a percentage of total population in the Cologne metropolitan area, 2001 and 2011**



Source: OECD calculations on functional urban area. For statistical sources, please see Annex 1.A1.

Figure 14.3. **Share of the population aged 60 and over, 2005 and 2025**

In %



Source: City of Cologne (2009a), "Demographic change in Cologne. Strategic concept for demographic change", City of Cologne, Cologne, Germany.

Economic development

Cologne's economy used to be led by the manufacturing sector. Since the 1980s, structural economic changes in Germany have led to the relocation of companies from Cologne to foreign countries, in particular to Asia. This process of de- and reindustrialisation reshaped the city's industrial composition from manufacturing to services. While employment in the manufacturing sector declined by 48% between 1988 and 2008, employment increased by 87% in services (City of Cologne, 2014a). In 2010, 76% of Cologne's employed population worked in the service sector, 15% in manufacturing and 6% in technical professions. Currently, Cologne has a large insurance sector, media production and an expanding social and health sector. Gross domestic product (GDP) has seen high annual growth rates: 6.7% (2006), 6.2% (2007) and 5.9% (2010). Business administration, management and consulting are a key sector, with the highest employment growth rates for 2012-13 (City of Cologne, 2014b).

Ageing challenges

Cologne's population trend provides a generally positive outlook regarding ageing and is driven by a growing service economy, which attracts talent from elsewhere. The decrease of the working-age population in the near future and increasing need for knowledge-based skills, however, provide the economic backdrop for the issue of ageing in the city. Accessibility, in terms of location and the design of facilities and services, is a central concern, associated with urbanisation and the pattern of residential development.

Social challenges

The City of Cologne considers social isolation a major challenge to the independence of many of its older citizens. The majority of older people polled in a city survey prefer to remain in their homes in later life, with their spouse and family (City of Cologne, 2009b). While more prefer to be cared for by relatives, this is not always possible. This is more critical for women, who tend to have a longer life expectancy and to live alone. Gender differences in later life increase the polarisation between the wealthy and poor.

The increasing diversity of the cultural backgrounds of older people may affect social cohesion and service delivery. About one-third of Cologne's population is of immigrant backgrounds. The largest minorities, of Turkish and Italian origin, represented 7% of the population of older people in 2011, but the number of older people of foreign origin is projected to rise faster. While the age cohort of Germans aged 70-80 is expected to decrease by 5% between 2006 and 2025, older immigrants of the same age cohort are expected to increase by 91% (City of Cologne, 2009a). As cultural norms and attitudes vary, the City of Cologne needs to adapt health and social services and prepare frontline staff to meet new preferences and demands.

The City of Cologne understands the need to improve ambulant and home-based care services (Jonas, 2013). The city estimates that current policies will provide adequate care and service facilities for older people in need until 2015. However, while the number of older people in need of care is rising, the supply of informal and home-based care services is decreasing (Jonas, 2013).

Cologne faces pressure to provide affordable housing in central areas, while restricting extensive land consumption. Population inflow and outflow and industrial transformation have influenced the city's recent urban development. Continued population growth, mainly among younger age groups, has raised the demand for housing in the well-connected and well-equipped areas around the inner-city borough. This trend has been accompanied by increasing housing prices in these areas, rendering the city less affordable for certain sectors of the population. Tensions between residential, commercial and recreational uses have arisen in inner-city areas and have reduced affordable housing options for older people close to the services they need.

Economic challenges

Cologne assumes that a declining working-age population could lead to labour shortages and encourage employers to recruit older people, at least on a part-time basis, to cover their needs. While the labour participation of older people among the total workforce was 1.39% of the total employed population in Cologne (2012), it has been on the rise. Incentives for employers and older people to consider full-time jobs in later life need to be considered.

Policy approaches

Visions

The city government's long-term vision, Leitbild 2020, focuses on cultivating human capital of all ages through training and education opportunities for an open-minded knowledge society. The framework includes various activities for remaining a competitive, inclusive and sustainable city. The vision's theme, Modern Urban Society, frames the policies addressing demographic change. Key themes are: 1) family-friendly development; 2) promoting fairness and tolerance; 3) civic participation and social responsibility among citizens; 4) a barrier-free environment; 5) a healthy city. The strategic concept of "decentralised centralisation" for urban planning is introduced based on a polycentric system of 80 centres. This foresees a balanced coverage of essential services in the city's districts.

Cologne has established a set of indicators and benchmarks to capture the progress of policies and programmes that address demographic change, as outlined in Leitbild 2020. For example, the city aims to increase the number of publicly subsidised housing units by 1 000 units per year until 2030, to reach a total of 52 000 social housing units. To make the city more attractive for young families, increasing to 40% the percentage of child-care opportunities for children below the age of three, was a goal set for 2013.

Housing

The city promotes several housing projects to ensure better social cohesion, civic engagement, assistance for older people in need, as well as reduced housing costs. For example, the Living for Help programme brings students and older people together to share housing. Since 2009, 220 living arrangements have been facilitated. In these arrangements, students and older residents in need of daily assistance share an apartment. Students are granted free living space in exchange for helping older people on a daily basis. The city considers these initiatives beneficial for students looking for affordable accommodation, and for older people living alone.

"Multigenerational living" (since 2005) aims to incentivise the construction of multigenerational housing through public housing enterprises as well as private construction companies, in co-operation with the state of North Rhine-Westphalia. After completing five pilot projects between 2007 and 2010, the city considers that the success of such projects depends on how the public sector can facilitate all stakeholders involved.

An important element for adapting housing stock for the use of older people is barrier-free design. The German Institute of Normalisation norm for barrier-free housing 180401 lays out regulations on the accessibility of public buildings, as well as apartments. North Rhine-Westphalia provides grants at low interest of up to EUR 18 000 (2013) for initiatives that seek to reduce barriers in housing. These modifications may include measures to increase energy efficiency or provide barrier-free design elements.

Land-use development

The city actively promotes the relocation and establishment of small-scale shops in the city's centre and surrounding commercial centres to compensate for the land-use mismatch of residential and commercial areas. In the last two decades, large retail complexes have been established in peripheral areas that are often difficult to reach by public transport. Furthermore, the city supports the development of alternative modes of

grocery deliveries in areas where such services are lacking. Convenient stores and kiosks in residential areas are seen by the city as useful means of providing people with reduced mobility the necessary goods and services.

Social participation

The Senior Networks programme has encouraged older people to participate and remain active since 2002. It aims to create social capital for older people and their communities, incentives for civic engagement, and improvements that allow for the preferences and needs of older people and other population groups. The programme is financed by the City Department of Social Affairs and welfare organisations. It has three phases: first, the challenges and opportunities of a district are identified and priorities for action determined by the principals. The second phase involves implementing the priorities and requires co-ordination between the citizens participating and supporting agencies. In the last phase, co-ordinating and supporting actors are expected to hand over responsibility to older citizens themselves.

Policy highlights

- Age-related policies target social inclusion, and emphasise the role of housing, health and social care services, as well as accessibility.
- Cologne manages to balance the challenges presented by ageing with other aspects of well-being, such as accessibility and public health, among all generations.
- The city enhances cultural diversity, which is critical for understanding the needs and preferences of older people, in terms of transport and healthcare services.
- Strengthening alternatives for older people in the areas of housing, access to health and social services could be improved, using senior networks as a platform for co-ordination at the neighbourhood level.

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