

## Commentary on Switzerland's domain ranks in the 2015 Global AgeWatch Index

By Professor Dr Jeanne de Bruijn, [jgmdebruijn@gmail.com](mailto:jgmdebruijn@gmail.com)



### Global AgeWatch Index rank

**1**

out of 96

Switzerland ranks first overall and ranks consistently high in all domains.

It is first in the enabling environment domain, with the highest rate of satisfaction with public transport in its region (83%), and above regional average rate of social connectedness (91%) and civic freedom (93%) among older people.

It ranks second in the health domain, with above Index averages for all health indicators: life expectancy at 60 (25), healthy life expectancy at 60 (19) and relative mental wellbeing (97%). Switzerland also ranks second in the capability domain. This increase of 8 places from last year is due revision of educational attainment data.

The country ranks lowest in the income security domain (27), with a higher than average old age poverty rate for its region (16.1%), despite having 100% pension coverage and third highest GNI per capita (USD 54,762).



### Income security

**27**

77.3/100

In the domain of income security Switzerland ranks just 27, with a slight improvement since 2014. This low ranking is due to a high poverty rate of 16% of people aged 60 and over - above the regional average. This is despite a GNI income of US\$54,762 (3<sup>rd</sup> highest) and a pension income coverage of 100%.

Switzerland has a three-tiered social security system, meaning each worker's retirement savings should consist of contributions from a state-run pension plan, occupational pensions and personal savings.

Currently, 1% of all value-added tax (VAT) collected in Switzerland is reserved for the state-run retirement fund. To make the system viable over the long term, a recent government-commissioned study found that the amount should be increased to 3.8%. In addition, employers and employees each currently contribute 4.2% of a worker's wages to his or her retirement fund and the same study recommended this should be increased to a combined total of 11.3%.<sup>1</sup>



### Health status

**2**

81.3/100

EU policies on active ageing are inextricably intertwined with local conditions. Although Switzerland is not a member of the EU, it has also developed programs on active ageing on a local level. The Swiss canton (administrative subdivision) and regional policy structures fit well with the new initiatives on older people's mobility, promoting intergenerational solidarity and other local initiatives.

"Healthy" and "active" ageing are not fully independent of each other, but could be treated as distinct components of successful ageing. Looking at health indicators alone (ie having no major disease or disability and high cognitive and physical functioning, SHARE survey), the proportion of successful ageing in Switzerland is 38.9% with an average of 20.5% for older Europeans.<sup>2</sup> Switzerland has the highest proportion of older people with "high physical functioning" (79%), followed by the Netherlands (69.4%).

Total health spending in Switzerland accounts for 11% of GDP. From a broader perspective of social security the Family, Generations and Society (FGS) domain within the Federal Social Insurance Office deals with all aspects of the social security system which are primarily under cantonal and municipal control.

The number of people living with dementia in Switzerland – currently more than 110,000 – is expected to rise to 200,000 by 2030 and to around 300,000 by 2050. Switzerland drew up a national dementia strategy at the end of 2013.<sup>3</sup> It is aimed at promoting a better understanding of dementia among the population and specialists.



## Capability

2

75.0/100

A total of 71.7% of Swiss people aged 55-64 are in work, well above the OECD average of 54.9%.<sup>4</sup> Switzerland's exceptional performance is attributable to the high proportion of men and university graduates in this age group that are working (respectively 79.5% and 85%). The rate is much lower for women (61.5%), particularly if they are non-graduates (49%).

In addition, once older workers lose their jobs, it is often difficult for them to get back into the labour market: over half (59%) of unemployed Swiss workers aged over 55 had been out of work for more than 12 months in 2012, up from 40% a decade ago and above the OECD average of 47%.<sup>5</sup>

Age discrimination is still legal in Switzerland, unlike almost all other OECD countries, and it is quite common in recruitment advertising. The Swiss Employers' Association has launched a campaign urging employers to leave age requirements out of ads. Overall, less than 1% of advertisements were seeking older workers. In October, the OECD called age discrimination "the biggest gap to fill" in Switzerland.

National laws stipulate that men can retire aged 65, and women aged 64. In the last 15 years, the average retirement age for women has climbed steadily, while it fell briefly for men before increasing again in recent years. There has been an increasing number of activities over the years (eg job training) to keep older people in work or to return to work after unemployment. Workers cited high job satisfaction, flexibility and a good work climate as the primary reasons for staying in employment longer. The prospect of a higher pension was cited as slightly less important.<sup>6</sup>

The World Economic Forum's (WEF) Human Capital Report released on May 13, 2015, gave the Swiss high marks for making the most of its population's talent through education, skills development and deployment into the workforce.<sup>7</sup>



## Enabling environment

1

83.7/100

In recent years various projects and initiatives have been addressing the problems of the urban environment and population ageing. As part of National

Research Programme 54, "Sustainable development of the built environment", the cities of Lugano and Uster took part in the study "UrbAging: planning and designing the urban space for an aging society". This study, carried out between 2007 and 2008, focused on the point of view of the older population regarding use of public spaces.

Some communities have carried out studies to evaluate the main problems faced by older people. Since 2007, Geneva, for example, has been actively involved in the programme "Age-friendly cities", developed in collaboration with the World Health Organization.

Some communities and organisations working on behalf of older people, such as Pro Senectute, have started projects with the aim of improving liveability and encouraging intergenerational social links. In Zurich, for example, Pro Senectute has been promoting the initiative "Wohnen für Hilfe" ("Housing for Help"). Under this arrangement, older people who have one or more rooms not being used in their homes make them available to students in exchange for services and help.

In canton Valais, on the other hand, "Domino" housing is sheltered apartment living in which older people can opt to co-rent with people of their own age. In 2012 in Bern, a "Swiss network of age-friendly cities" was inaugurated, the aim of which is to develop strategies to deal with the effects of population ageing.<sup>8</sup>

Urban planning for the older population includes creating safe pedestrian areas and ensuring good access to transport. TRACY (Transport needs for an ageing society) is one of the policies to ensure Swiss society is better prepared for ageing.

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<sup>1</sup> [http://www.swissinfo.ch/eng/trend-reversed\\_workers-increasingly-delaying-retirement/33682094](http://www.swissinfo.ch/eng/trend-reversed_workers-increasingly-delaying-retirement/33682094)

<sup>2</sup> Hank K "How successful do older Europeans age? Findings from SHARE", *Journal of Gerontology B Psychol Sci Soc Sci* (2011) 66B (2): 230-236. doi: 10.1093/geronb/gbq089

<sup>3</sup> [http://www.bag.admin.ch/themen/gesundheitspolitik/13916/index.html?lang=fr&download=NHZLpZeg7tJnp6i0NTU042l2Z6ln1ae2IZn4Z2qZpnO2Yug2Z6qpJCLenx,e2ym162epYbg2c\\_JjKbNoKSn6A--](http://www.bag.admin.ch/themen/gesundheitspolitik/13916/index.html?lang=fr&download=NHZLpZeg7tJnp6i0NTU042l2Z6ln1ae2IZn4Z2qZpnO2Yug2Z6qpJCLenx,e2ym162epYbg2c_JjKbNoKSn6A--)

<sup>4</sup> [http://www.swissinfo.ch/eng/society/finding-work\\_employers-urged-to-leave-ages-out-of-job-ads/41259358](http://www.swissinfo.ch/eng/society/finding-work_employers-urged-to-leave-ages-out-of-job-ads/41259358)

<sup>5</sup> <http://www.oecd.org/employment/emp/switzerland-should-encourage-older-people-to-work-longer.htm>

<sup>6</sup> Klima E, Janiszewska A & Mordwa S, *Elderly people and their quality of life—challenges for geography*, 2014

<sup>7</sup> <http://reports.weforum.org/human-capital-report-2015/>

<sup>8</sup> [http://www.swissinfo.ch/eng/social-change\\_cities-face-challenge-of-an-age-old-problem/34118508](http://www.swissinfo.ch/eng/social-change_cities-face-challenge-of-an-age-old-problem/34118508)

The Global AgeWatch Index ranks countries by how well their older populations are faring.

For general enquiries please contact HelpAge International's Media Manager, Sarah Gillam ([sarah.gillam@helpage.org](mailto:sarah.gillam@helpage.org)).