Family Database in the Asia-Pacific Region, http://oe.cd/fdb-asia OECD and OECD KOREA Policy Centre

LMF1.4: Employment profiles over the life-course

Definitions and methodology

This indicator presents age-employment profiles for men and women aged between 20 and 65 based on employment rate data for each of the underlying five-year age groups.

'Employment' here refers to the ILO definition, whereby all persons who during a specified reference period were either in paid employment or were self-employed for at least one hour are classified as 'employed'. The employment rate is defined as the proportion of the population in each five-year age group that is employed.

Key findings

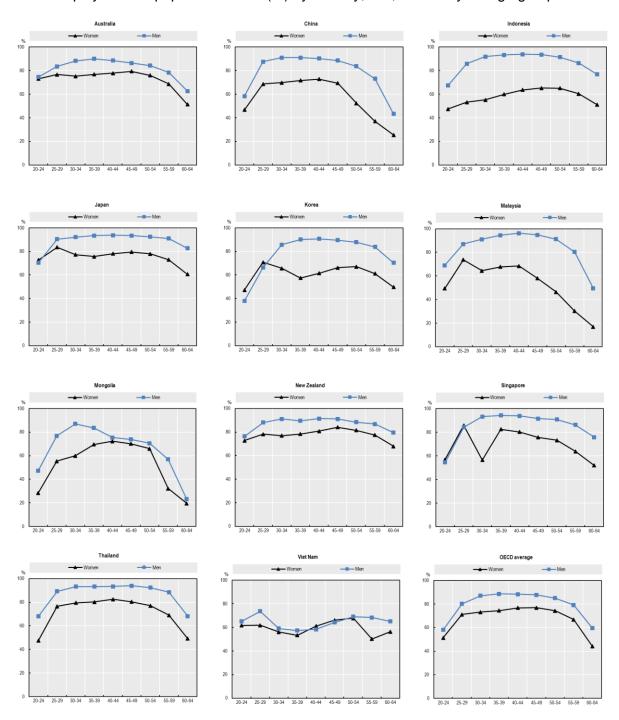
Age-employment profiles – as shown in Chart LMF1.4.A for the Asia/Pacific countries included here, plus also the OECD as a whole – illustrate patterns of employment and labour market entry and exit over the life course. In the Asia/Pacific region, as in many countries worldwide, men's and women's patterns of employment often differ considerably, largely on account of the differential effects of various life events such as the transition from youth to adulthood, marriage, parenthood, and the approach to retirement. These differences in behaviours not only create gender gaps in the overall level of male and female employment, but also produce different age-employment profiles across age cohorts.

Male age-employment profiles often take the shape of an inverted 'U' (Chart LMF1.4.A). Employment rates tend to be relatively low for young men in their early-20s as many are finishing education or training. Rates usually increase for men in their late-20s and early-30s and peak at around age 35-39 or 40-44, before stabilising and then declining as retirement approaches at about age 55-59 and especially age 60-64. This inverted U is visible to varying extents across all the Asia/Pacific countries included here, but is perhaps most pronounced in Korea and Mongolia – where employment rates are especially low for young men in their early 20s – and in China – where there is a particularly large decline in the likelihood of employment once men reach 60-64.

Female age-employment profiles are much more diverse (Chart LMF1.4.A). In some Asia/Pacific countries (Japan, Korea, Malaysia, and Singapore), the female profile takes on something of an 'M' shape: female employment rates increase initially before declining around the prime years of family formation (30 to 39) and then rebounding at about between 45 and 54. This is indicative of women exiting the labour force entirely upon parenthood, only to re-join again once their children grow up. In other Asia/Pacific countries (Indonesia and Mongolia and, to a much lesser extent, Australia, China, New Zealand and in average across OECD countries) female employment rates grow until women's late-40s and then continuously decrease until retirement age. This suggests that many mothers do no re-enter the labour force even once their children have grown up. In Thailand, there is no decline in employment at all around the ages of 30-34 and 35-39, with the female profile instead largely echoing the inverted 'U' shape prevalent among men, albeit at a slightly lower level. In Viet Nam, female employment rates are higher than in other Asia/Pacific countries in early-20s but slightly decrease until women's late-30s. They continuously increase between early-40s and early-50s and then decline until retirement.

1 Updated: December 2023

Chart LMF1.4.A. **Age-employment profiles by sex, 2021 or latest available year** Employment-to-population ratios (%) by country, sex, and five-year age group



Notes: Data refer to 2020 for China, Indonesia, and Viet Nam. Data refer to resident employment rate for Singapore.

Sources: Australia, Indonesia, Japan, Korea, New Zealand and OECD total: OECD Employment Database; China: 1% National Population Sample Survey and Population Census Yearbook, Book 2 (2020); Malaysia: Labour Force Survey (2021); Mongolia: National Statistics Office, Labour Statistics; Singapore: Ministry of Manpower (2020), Labour Force Survey; Thailand: National Statistical Office, Labour Force Survey: Viet Nam: VHLSS 2020.

Further data regarding unemployment rates by age and sex can be found in the accompanying Ms-Excel file.

Other relevant indicators: LMF1.6 Gender differences in employment; LMF2.1 Usual weekly working hours among men and women by broad hours groups

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Comparability and data issues

All the data used in this indicator are taken from national labour force surveys or, in the case of China, from the national population census. Organisations such as the International Labour Organization (ILO) set out and define numerous <u>standards and guidelines</u> that should be followed by countries when conducting labour force surveys and producing labour statistics, which should help reduce comparability issues. Still, a couple of issues should be noted:

- The data on employment used in this indicator cover people who were employed during the survey reference period only, and do not cover people who were not in-work but who were actively looking for a job (i.e. unemployed). As a result, the age-employment profiles shown here may reflect at least in part the ability of individuals (of a given age and gender, and in a given country) to actually find a job, in addition to their willingness to work and participate in the labour market. Differences in unemployment rates across ages, genders and countries could have some effect on the extent of economic activity.
- The data on employment-to-population ratios used in this indicator are based on head counts only, and do not account for differences in work intensity (e.g., different weekly working hours). Cross-national differences in the hours worked by men and women may also have a substantial effect on gender differences in the extent of economic activity (see Indicators LMF1.6 and LMF2.1).

Sources and further reading: International Labour Organization (2022), Asia–Pacific Employment and Social Outlook 2022: Rethinking sectoral strategies for a human-centred future of work, https://www.ilo.org/asia/publications/WCMS_764084/lang--en/index.htm; International Labour Organization (2023), World Employment and Social Outlook: Trends 2023, wcms_865332.pdf (ilo.org).