



United Nations

Department of
Economic and
Social Affairs

Launch of *World Social Report 2023: Leaving No One Behind in an Ageing World.*

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Statement by John Wilmoth, Director of the Population Division, Shantanu Mukherjee, Director of the Economic Analysis and Policy Division and Daniela Bas, Director of the Division for Inclusive Social Development

United Nations Department of Economic and Social Affairs

Good afternoon, ladies and gentlemen.

The *World Social Report* is a flagship publication of the United Nations Department of Economic and Social Affairs that covers major topics in the area of social development. Over the years, it has served as a background document and provided policy analysis for intergovernmental discussions of social and economic matters. It has identified emerging social trends of global concern and analyzed relationships among major development issues of national and international significance.

The 2023 edition of the *World Social Report*, ‘Leaving No One Behind in an Ageing World’, has been prepared to commemorate the 20-year anniversary of the adoption of the Madrid International Plan of Action on Ageing. It shows that population ageing – and policies implemented in response to this global trend – can be harnessed to uphold the pledge of the 2030 Agenda for Sustainable Development that no one will be left behind. The report is being launched in today’s context of multiple and intersecting crises with major and sometimes devastating impacts on societies, economies and the environment across the world.

The Report highlights how, by working together, we can address today’s inequalities for the benefit of future generations, managing new challenges while also capitalizing on the opportunities that an ageing society offers. At a time of declining trust in governments and in each other, policies that promote sustainability and equity in an ageing world can foster solidarity across generations

World Social Report 2023: Leaving no one behind in an ageing world

and communities. Building on the Secretary General's vision of *Our Common Agenda*, such policies can form the basis for a renewed social contract suitable for the 21st century.

For the first time, the World Social Report has been produced jointly by three divisions of the Department of Economic and Social Affairs. I am very happy that the directors of my two sister divisions have joined me this afternoon here on the podium.

Each of the three directors will offer a brief overview of the chapter or chapters whose preparation was led by their respective teams.

Ladies and gentlemen,

Let me start with the good news, which is that people all over the world are living longer and there are now more people alive at older ages than ever before. Globally, a baby born in 2021 could expect to live 71 years on average, almost 25 years more than a newborn from 1950. While the gains in longevity have been broadly shared, there continue to be large differences across countries and regions and between social groups, including a 5-year advantage, on average, for women compared to men.

Most of the increase in life expectancy has been due to reductions in childhood deaths, as documented in the report released by UNICEF and partners earlier this week. However, in recent decades, we have also seen substantial gains in longevity at older ages. In 2019, before the COVID-19 pandemic, at age 65 the average person globally could expect to live an additional 18 years, compared to 11 years in 1950. As a result, celebrating one's 70th or even 80th birthday is becoming more and more common throughout the world.

While people are living longer, they also tend to have healthier lives. For countries that collect such data, the available evidence suggests that the number of years lived in good health has increased overall for most people. However, for both men and women, the gains in total life expectancy have been somewhat faster than the gains in healthy life expectancy. This means that the additional years of life are mostly healthy ones but also include some additional time spent in poor health or disability at older ages.

Despite the gains in healthy life expectancy, substantial gaps between populations remain. For example, although women may live longer than men on average, they are likely to experience more years with poor health or disability at older ages compared to men.

Given the health challenges faced by older persons, their living arrangements have a special importance, including for provision of their care. Data compiled by DESA reveal a general trend towards smaller families and smaller households globally. This trend has affected older persons, who are increasingly likely to live alone or with their partner only. These changes in living arrangements have not reduced the burden on women, who are the primary caregivers for older persons worldwide. In most cases, it is female relatives – daughters and wives – together with growing numbers of informal care workers -- often immigrants from less developed countries – who provide the care needed by older persons. Often, however, the caregivers lack formal training and qualifications, are poorly compensated and do not enjoy appropriate legal protections.

I will now turn the discussion over to my colleague, **Mr. Shantanu Mukherjee**, who will offer some comments on the economic impacts of population ageing as described in the report.

The relationship between population ageing and the economy has several different aspects. In this report, we limit our attention to just a few.

Societies have come up with a range of arrangements and institutions to ensure that even though the capacity to be economically productive changes significantly from birth to death, the consumption needs of individuals can be met at all ages.

Families, communities, governments and market institutions establish ways through which transfers take place from those who are economically active to those who are not.

Any changes in the proportion, or productivity, of those who are economically active therefore has profound implications on this entire system of transfers and, more broadly, on economic growth, public finances, poverty and inequality.

Because demographic changes can be foreseen, policies, too, can be rolled out in advance.

For instance, in ageing societies, strengthening the **productive capacity** of the economy through measures such as enhancing labour force participation and worker productivity, are essential.

In many countries, ensuring the full and equitable participation of women in the formal labour market can strengthen the preparations for an ageing society. The global labour force participation rate of women still remains more than 20 points lower than for men for persons aged between 20 and 64 years.

Closing the gender gap in labour force participation provides a major opportunity to boost GDP per capita and expand the economic base in countries with ageing populations.

A key challenge is to ensure a more equitable sharing of conflicting work and care demands.

Increasing **worker productivity** is also essential. In a period of rapid technological change, this needs investments in continued learning and skills development on the one hand, while policies should also stimulate innovation and access to technologies.

These latter measures become especially critical for countries that are early in their demographic transition with relatively large, even growing proportions of economically active people. In **Africa** for example, the working-age population (20-64 years) is projected to double from 639 million in 2021 to 1.3 billion in 2050.

Population ageing also changes the nature of aggregate demand, and can strain public finances. The rising demand for services for older people presents an opportunity for new kinds of jobs. But increasing costs of providing these services from public revenues can strain public finances as well.

Even though there is no `on-size-fits-all`, boosting productivity, enlarging the labour force, improving efficiency and ensuring inclusion in service provision can help ageing societies achieve a soft landing for all their members.

DISD/Daniela Bas

Let me go into more depth on the social implications of population ageing.

One key message from the report is that giving every person an equal chance to grow older in good health and with economic security starts with promoting equal opportunities from birth.

Without policies to prevent it, disadvantages reinforce one another through peoples' lives, leading to large inequalities among older persons (this process of 'unequal ageing' is illustrated in the displayed slide). Indeed, we find that older persons are more likely to live in income poverty than people of working age.

Ensuring lifelong access to quality education, health care and decent work opportunities for all can promote economic security at older ages and reduce inequalities among older persons. These policies can also ease pressures on public pension and long-term care budgets.

The report shows that investments in decent work are paramount to reverse the decades of wage stagnation that have jeopardized people's ability to support themselves in older ages. Informal employment and various non-standard forms of employment limit workers' social protection coverage and their contributions to public revenues.

If countries do not act to reduce inequalities throughout people's lives, older persons in the future are increasingly likely to suffer from high economic inequality.

With ageing populations in all regions, inequality and economic insecurity at older ages can jeopardize progress towards the SDGs and undermine already shaky trust in Governments.

In general, concerns over fiscal sustainability have dominated policy discussions about population ageing, especially in relation to old-age pensions. There have been policy reforms aimed to cut public pension expenditure. However, pension benefits are still too low in many countries and beyond the reach of some groups.

The report calls on Governments to guarantee minimum pension benefits for all older persons, universally. And to introduce flexible retirement ages into pension schemes. Workers who spend their lives in physically demanding jobs should be able to retire earlier than many white-collar workers who may desire to keep working beyond statutory retirement ages.

Governments should balance the need for public pension systems to be fiscally sustainable with the goal of ensuring income security for all older persons, in all countries. It is important to remember that economic security is a human right enshrined in the Universal Declaration of Human Rights.

It is also important to eliminate barriers to the participation of older people in formal, decent work and to support learning and skills development throughout the life course.

World Social Report 2023: Leaving no one behind in an ageing world

In closing, I wish to thank my two colleagues with me on the podium for their collaboration and leadership. But also, and especially, I wish to congratulate the entire writing team and to thank them for contributing the time, skill, passion and expertise that have led to the report that we are launching here today.

We would welcome any questions that you may wish to ask.

Thank you.