



**Latin American and Caribbean Workshop on
Assessing the Economic and Fiscal Consequences of Population Ageing
Santiago, 9-11 September 2019**

CONCEPT NOTE

I. Background

Integrating population and development strategies into planning and decision-making is a key objective of the Programme of Action of the International Conference on Population and Development (ICPD). It is also an important area of work of the United Nations Population Division of the Department of Economic and Social Affairs (DESA) and the United Nations Economic and Social Commission for Latin America and the Caribbean (CEPAL) in support of Member States.

Achievement of an inclusive economic development that leaves no one behind requires good investment and good planning. Because achieving the Sustainable Development Goals (SDGs) by 2030 also means insuring their sustainability beyond 2030, training in the use of long-run population, economic, and fiscal forecasts is an important component of capacity development as envisioned by Madrid International Plan of Action on Ageing.

In this context, the Population Division of DESA and CEPAL are organizing the Latin American and Caribbean Workshop Assessing the Economic and Fiscal Consequences of Population Ageing, to be held at CEPAL in Santiago from 9 to 11 September 2019.

The Workshop recognizes that population ageing will be one of the most important forces shaping the outcome of social and economic policy in the coming decades in the Latin America and Caribbean region, yet it is not always explicitly included in policy discussions. Because its influence is difficult to discern in the short-run, a myopic policy focus inevitably results in delays in addressing mounting challenges such as population ageing, climate change, non-communicable disease and environmental degradation.

The Workshop will instruct participants in the use medium- and long-run economic and fiscal forecasts to deal with the aforementioned issues, and address the cost, equity, and sustainability of development policies and programmes.

The ability of policymakers and analysts in national statistical offices, ministries in the planning, economic and social sectors, and research institutions of many developing countries to undertake policy analysis in the area of population ageing and development has been hampered by a lack of:

- Data on economic activity disaggregated by age (earnings, consumption, receipt of social benefits, payment of taxes, etc)
- Methodological frameworks to assess the socioeconomic implications of changing age structures on economic well-being, economic growth, and the sustainability of support mechanisms

The first obstacle has been addressed by the methodological framework of National Transfer Accounts (NTA). NTAs disaggregate national economic activities, such as consumption and earnings by age, and are based on the same principles, standards and definitions of the System of National Accounts.¹

The second obstacle can be addressed by using medium- and long-run economic and fiscal forecast models based on population projections, age-disaggregated data from NTAs, and empirically-based observations of relationships between economic development and the roles played by individuals, families, communities and the state in providing support for children and older persons.²

This workshop focuses on addressing this second obstacle.

II. Objective

The Workshop objective is to introduce innovative methods for assessing the medium- and long-run economic and fiscal impacts of population ageing.

The Workshop is intended for government officials and national professionals (demographers, statisticians, economists and others) involved in envisioning national futures via population, economic, fiscal or budgetary forecasts. It is expected that participants will be informed on the use of population projections for economic and fiscal planning and thereby ensure long-term sustainable development.

III. Format and substantive materials

The Workshop will consist of interactive lectures and hands-on training for participants to apply the methods learnt and present their results for discussion.

Sessions will cover the following topics:

- Assessing likely impacts of changing age structure on economic growth via the “demographic dividend” and “demographic tax.”
- Forecasts of GDP per capita over long time-horizons through the use of demographic data.
- Demographic “stress-tests” of support systems for older persons (financial, familial, and public sector).
- Measurement and international comparisons of generosity of benefits provided through education, health care, and pensions by societal-as-whole and by the public sector.
- Forecasts of future public spending on education, health care, and pensions in an older and wealthier Latin America and the Caribbean.

¹ In previous work funded by the 7th Tranche of the Development Account, the Population Division of DESA produced a set of guidelines for the preparation of NTAs: “National Transfer Accounts Manual: Measuring and Analysing the Generational Economy” (UN E.13.XIII.6). This remains the “gold standard” used by all 94 countries in the NTA project, as of 2019. This workshop is a follow-up activity in support of that capacity-building work.

² In a project funded by Canada’s development programme (IDRC) and the University of California at Berkeley, the Population Division of ECLAC developed such a model. The model has been used by ECLAC, and subsequently the World Bank, for long-run fiscal forecasts for low- and middle-income countries.

The Population Division of DESA and CEPAL will prepare training materials. A reading list will be sent out to participants as background information some weeks before the Workshop. Participants are encouraged to actively participate throughout the Workshop, including by means of presenting a short summary on the use of forecasting by their government.