Global Population Age Structures and Sustainable Development

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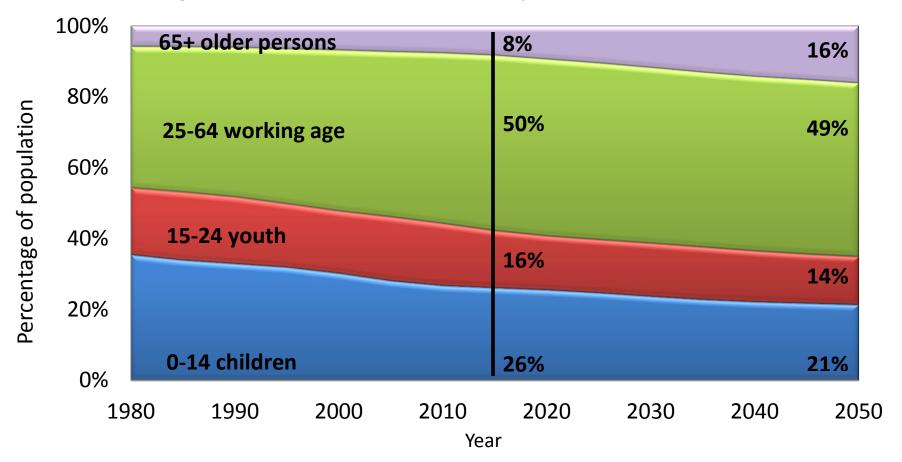
Expert Group Meeting on Changing Population Age Structures and Sustainable Development New York, 13-14 October 2016





I. Changing Population Age Structure:Disparities and Drivers

Age Distribution of the World Population, 1980-2050



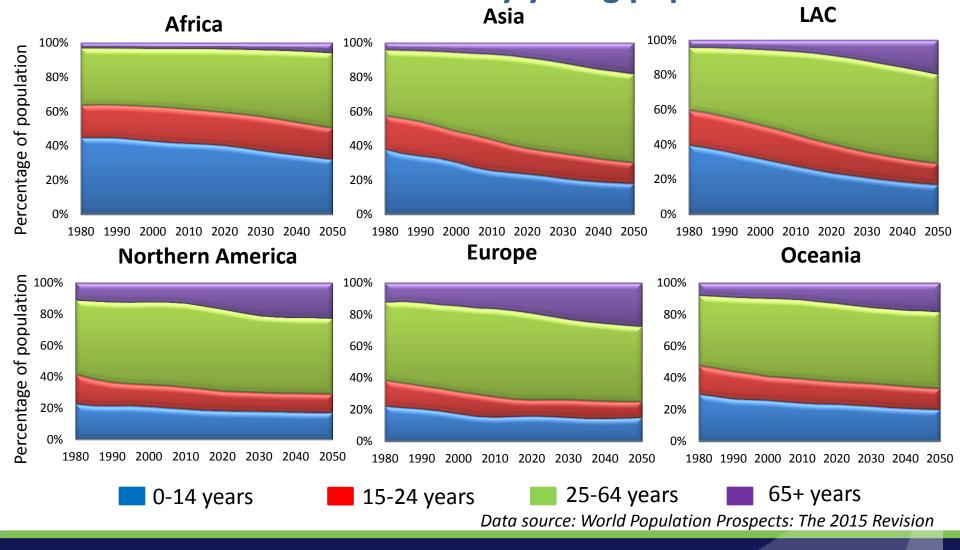
The share of older persons is set to double by 2050, while the share of children and youth will decline. The working-age population is expected to stay at one half of the population.

Data source: World Population Prospects: The 2015 Revision





Europe, Northern America, LAC and Asia are ageing, while Africa has a very young population



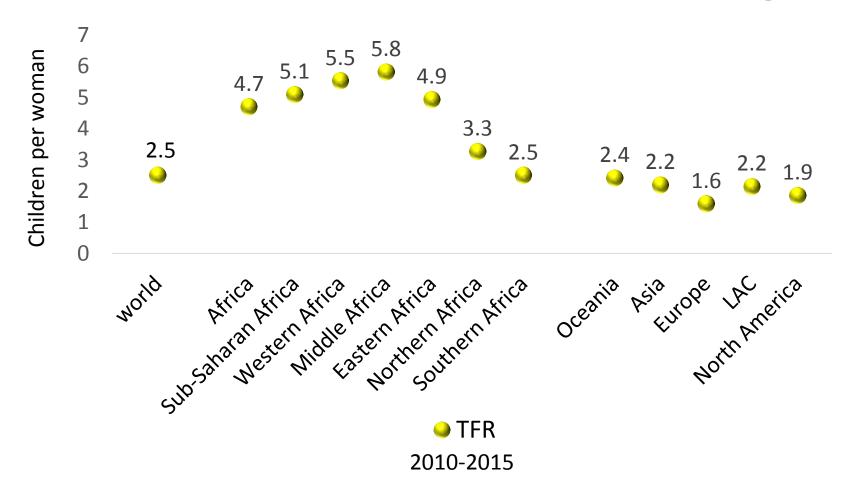




Fertility decline is, by far, the most important driver of population ageing

- Mortality decline occurs among both younger and older age groups, with little overall effect on the age distribution
- Fertility decline reduces the number of births, gradually shifting the balance from young people towards older people in the population

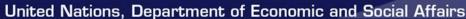
Fertility remains high in many countries in Sub-Sahara Africa; it has fallen to low levels in most other regions.



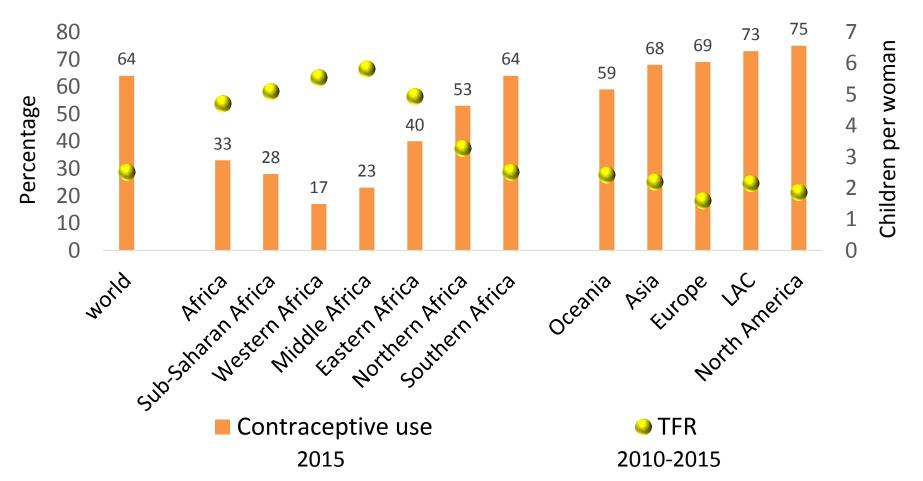
Data source: World Population Prospects: the 2015 Revision







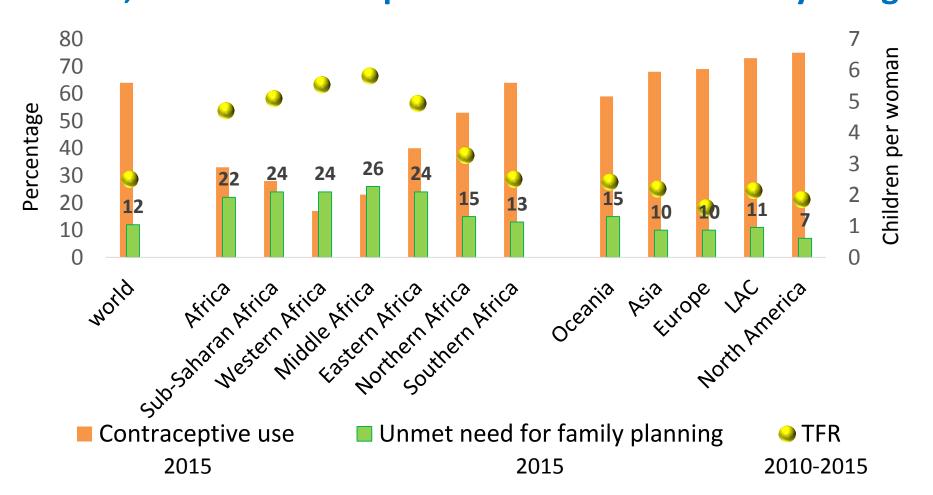
A majority of married or in-union women use contraceptives, but prevalence is low in Western and Middle Africa



Data sources: World Population Prospects: the 2015 Revision and Trends in Contraceptive Use Worldwide 2015



Unmet need for family planning is highest in sub-Saharan Africa, where contraceptive use is low and fertility is high

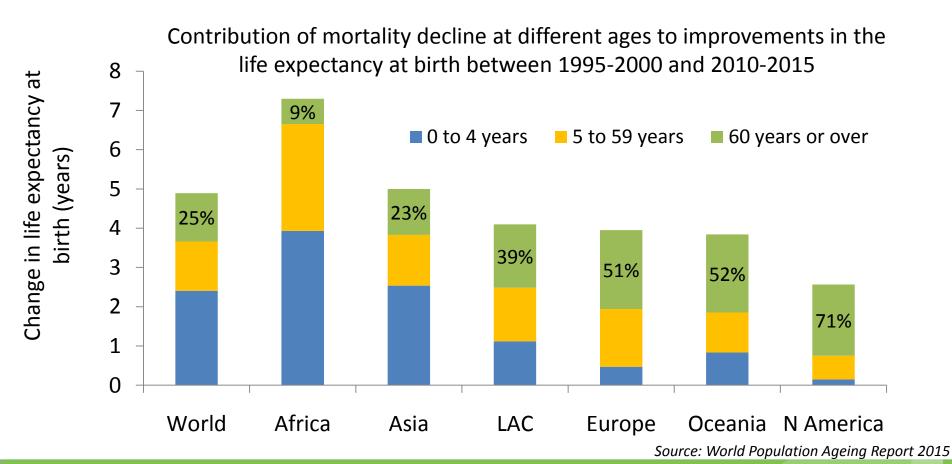


Data sources: World Population Prospects: the 2015 Revision and Trends in Contraceptive Use Worldwide 2015





Improvements in survival at age 60+ accounted for more than half of the total improvement in longevity in Oceania, Europe and N. America, while reduced mortality at younger ages was more important in Africa, Asia and LAC.





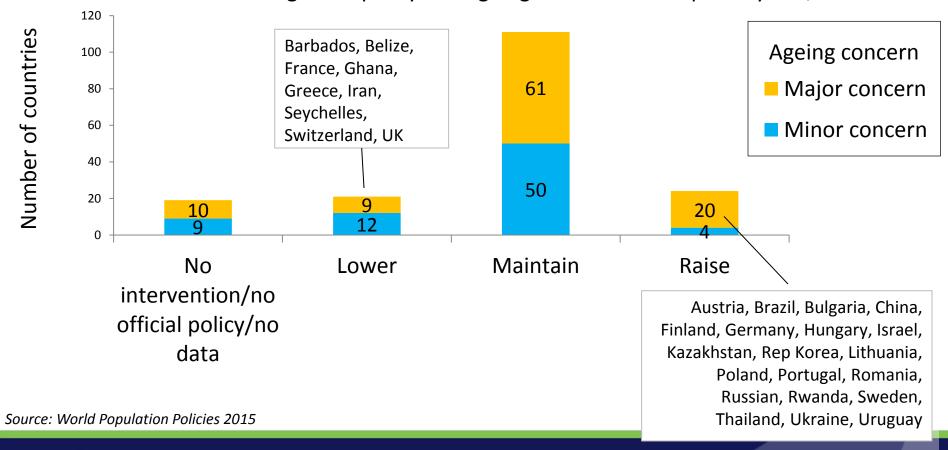
Can population ageing be slowed or reversed?

- Population ageing is in many ways a demographic success story, driven by changes in fertility and mortality that are associated with economic and social development.
- But the changes in population age structure brought on by sustained low fertility pose challenges, including an expanding older population and shrinking workforce to pay for social services and pensions and to drive economic growth



Governments that consider populating ageing as major concern are more likely to have policies to maintain or raise regular immigration into their countries.

Government migration policy and ageing concerns in the past 5 years, 2015







II. Social and Economic Implications and Policy Priorities for Sustainable Development

Sustainable Development

- Sustainable development entails meeting the needs of the present without compromising the ability of future generations to meet their needs
- The 2030 Agenda for Sustainable Development embraces 3 core elements: economic growth, social inclusion and environmental protection, to be achieved through 17 goals
- Demographic change and population age structure affect the trajectory of development, and the type of policies best suited to each stage of the demographic transition

Economic consequences of population age structures are also determined by the characteristics of the economic life cycle

Philippines, 1999 (young age structure) Germany, 2003 (aged population) Consumption Aggregate flows (billion pesos) Aggreate flows (billion euros) Labor income Labor income Consumption Source: National Transfer Accounts Manual, United Nations 2013. Old-age deficits are larger

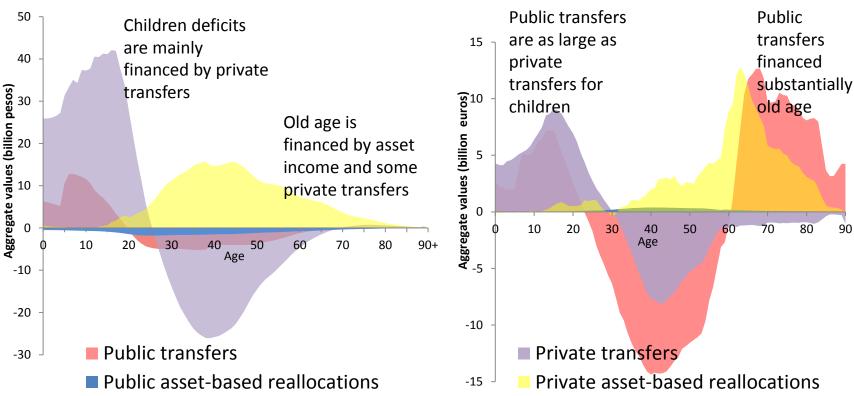


Child deficits are large

than child deficits

How economic life cycle is being financed has important implications on fiscal sustainability and welfare of individuals





A balance approach to old-age support by having asset income, increase labour supply at older ages, public social protection may yield less fear from population ageing

Data source: computed from the NTA database. Available at http://www.ntaccounts.org/





Economic Implications and Policies

- How to spark demographic transition by addressing human development challenges and speeding up the decline in fertility needed to raise working-age population to boost economic growth?
- How to accelerate job creation to grab the first demographic dividend for countries with large share of working-age population?

Economic Implications and Policies

- How to prepare for rapid ageing population for countries facing high share of older population soon, especially for countries without sound social protection system?
- How to maintain population welfare and economic growth with rapid ageing?
- What are the implications for gender and social equality, intergenerational equity, and individual behavioral change (i.e. living arrangement, health)?

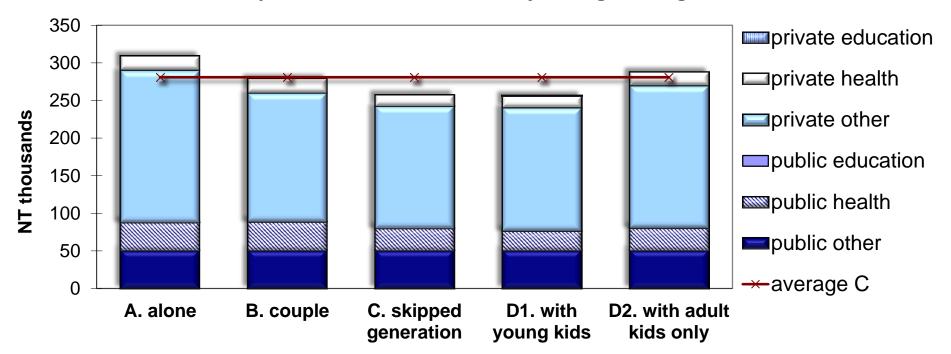
Acknowledgement

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Thank you

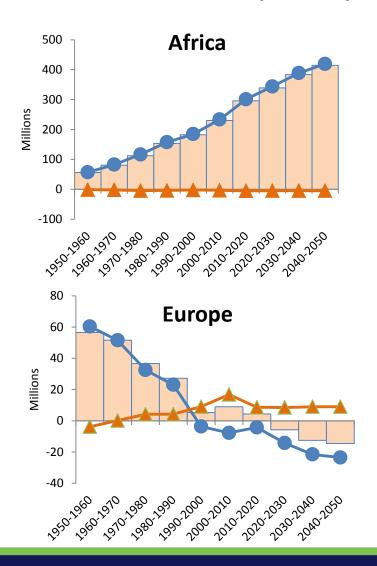


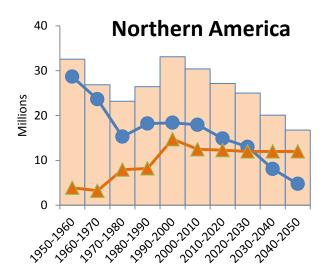
Mean Consumption of Older Persons by Living Arrangement



Source: Tung and Lai, 2013

Migration can contribute to population growth, especially where fertility is low





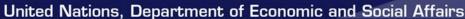
Net change

Natural increase

→ Net migration







International migration is expected to add modestly to the working-age populations of some regions

Working age population, Medium variant vs. Zero net migration (starting in 2015)

