

50th Session of the Commission on Population and Development

Statement by ECLAC on Changing population age structures and sustainable development

(Mr. Paulo Saad, Chief, CELADE-Population Division)

The Latin America and Caribbean region is currently in the midst of a demographic transition which will lead to a dramatic shift in the age structure of the population, with sharp declines in the proportion of children and increases in the proportion of older persons. Since people's economic activities are strongly linked to their stage in the life cycle, changes in population age structure have an important impact on economic development.

Although countries in the region are at various stages in their demographic transition, most of them are experiencing a period that is particularly conducive to economic development known as the demographic dividend, in which the proportion of working-age people increases relative to the rest of the population.

This beneficial period will be followed –sooner in some countries and later in others— by a period of rapid population ageing that will pose new social and economic challenges. Taking advantage of the opportunities and responding to the new challenges presented by the demographic transition will certainly require forward-looking policies which take into account population dynamics.

This is fully acknowledged in the *Montevideo consensus on population and development*, where Latin American and Caribbean governments agreed, among other actions to “Design and implement public policies, plans and programmes —at all political and administrative levels— that take into account changes in the age structure, in particular population ageing, and the opportunities and challenges associated with these changes over the medium and long term” They also agreed to “Formulate policies to take advantage of the unique opportunity provided by the demographic dividend... that include coordinated investments in education and health and the creation of decent work on the basis of intergenerational solidarity”

As the technical secretariat for the Regional Conference on Population and Development in Latin America and the Caribbean, ECLAC is responsible for following up on the implementation of the Montevideo Consensus, which includes providing guidance and technical assistance to member states on the implementation of priority actions.

In this regard, I would like to highlight a project that has recently started being implemented in the region – within the context of the United Nations Development Account and under the coordination of ECLAC – aimed at improving the capacity of policymakers to assess the

opportunities and challenges brought by the demographic transition in order to advance towards the Sustainable Development Goals.

The underlying assumption is that the success of the 2030 Agenda for Sustainable Development is strongly bound to anticipating and planning for the effects of the demographic transition that will unfold during the period from 2015 to 2030.

An important feature of the project is to properly incorporate the gender dimension in the analysis of the impact of population changes on economic and social development. Gender constitutes a key factor to take into account when formulating sustainable development policies. While much academic and policy interest has been focused on the demographic dividend, it is likely that the “gender dividend” would be of a similar or greater magnitude.

Broadly defined, the gender dividend refers to the increase in per capita economic output that is generated as progress is made towards equality between women and men in the labor market, which implies overcoming discriminatory barriers against women that exist both inside and outside of the labor market.

The project builds upon a well-established methodology – the National Transfer Accounts – which constitutes a system that measures the flow of economic resources between age groups in a manner consistent with National Accounts, using an international standard: the United Nations *National Transfer Accounts Manual*. Currently, 12 Latin American and Caribbean countries participate in the global National Transfer Accounts Network, which comprises more than 50 countries from different regions of the world.

By providing a framework for understanding the impact of changing age structures on national economies, this project is expected to provide support to countries in the region in complying with the commitments of the Montevideo Consensus as well as in advancing towards the Sustainable Development Goals.