



The Population Division of the Department of Economic and Social Affairs (DESA) of the United Nations Secretariat, in collaboration with the Consejo Nacional de Población (CONAPO) of Mexico and with the support of the National Institute of Aging (NIA) of the United States, organized an expert group meeting on the Social and Economic Implications of Changing Population Age Structure, held in Mexico City from 31 August to 2 September 2005.

The meeting's demographic overview showed that the ongoing transition from high to low levels of fertility and mortality had set in motion a major shift in population age structures all over the world. Countries and regions were currently at different stages of this transformation, though. In most developing countries, especially in Asia and Latin America and the Caribbean, fertility declines in recent decades had led to a decreasing proportion of children and an increasing proportion in the working ages, thus producing demographic conditions favourable for economic growth—a “demographic dividend”. Developed countries were already at the end of the “dividend” period of rising proportions in the working ages and were embarking on a period during which the older population would continue growing while, in most cases, the absolute number in the working ages would fall substantially. In contrast, many African

There was a consensus that population ageing would inevitably affect labour market institutions and policies. In the Republic of Korea, for instance, the proportion of persons aged 50 or over among the total labour force was projected to rise from roughly one quarter to one half over the next 50 years. It was noted that an increase in the labour force participation rate of older workers could help to alleviate the potentially negative effects of declining labour force growth in the coming decades, provided that the quality of employment opportunities and working conditions for older workers improved. Likewise, studies in Japan suggested that a better utilization of older workers, in conjunction with an extension of the retirement age, could help offset rising pension and health system costs. Researchers had projected that the number of healthy or active Japanese older persons would increase from 19 million in 2000 to 30 million in 2025. Other promising responses to ageing discussed at the meeting included an enhanced role of women in the labour force and steps that would encourage more people to work up to the “normal” legal retirement age. In general, immigration was expected to have only a small effect on population age structures and was unlikely to compensate for a declining labour force in most developed countries.

With respect to health conditions, participants observed that poor access to health care had had a deleterious effect on the older population. In Hungary as well as in other countries with economies in transition, for instance, older people had been seri

inception of the Seguro Popular, the proportion of households experiencing catastrophic health expenditures had decreased markedly.

Data on per capita health costs in Mexico showed a pronounced rise with age after age 60, and projections of health expenditures as a percentage of GDP followed an upward trajectory similar to that seen in other countries of the Americas. However, studies had shown that the most effective health systems were not necessarily the most costly, suggesting that countries such as Mexico currently had an opportunity to invest in a more efficient health system.

Several problems were also discussed with respect to social security system in Mexico and other countries of the region, including low coverage, low contribution rates by workers, and high administrative fees. Solving these problems would require major revisions of the retirement savings system that would reduce foreseeable individual shortfalls and address gender inequalities within the system. It was also important to consider the distributional effects of social security reforms, particularly with regard to the goal of reducing poverty.

There was a consensus that many of the most important policy issues for an ageing society involved the interactions between public and private intergenerational transfer systems. Estimates of intergenerational reallocations in selected countries implied substantial intergenerational transfers, both public and private. Country analyses using generational accounting procedures suggested that significant intergenerational imbalances existed in some countries, such as Argentina and Brazil.

It was clear that informal, mostly intra-familial, support transfers were frequent between family members of different generations. Family-based support was agreed to be particularly important in