# COMMISSION ON POPULATION AND DEVELOPMENT Fortieth Session

## WORLD POPULATION MONITORING, FOCUSING ON THE CHANGING AGE STRUCTURES OF POPULATIONS AND THEIR IMPLICATIONS FOR DEVELOPMENT (E/CN.9/2007/3)

### Report of the Secretary-General

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Mr. Chairman, distinguished Delegates, ladies and gentlemen,

I have the pleasure to introduce the report entitled "World population monitoring, focusing on the changing age structures of populations and their implications for development" (E/CN.9/2007/3).

### Mr. Chairman,

During the twentieth century, the world population experienced an unprecedented transition from high mortality and high fertility to low levels of both. This transition has led to major changes in the age structures of populations that are expected to continue over the coming decades. These changes have conditioned and will continue to affect the options that Governments have in addressing a number of pressing development issues. The report provides an overview of the state of population age structures today and prospects for the future together with a comprehensive discussion of the major social and economic implications of the changes foreseen.

The population of the world is ageing. The impressive reduction of fertility that has occurred in the majority of countries of the world has led to a reduction in the share of children in their populations. Persons under 15 years of age constitute today 28 per cent of the world population but their share is expected to drop to 20 per cent in 2050.

Because the reduction of fertility started at different times in different countries, there is

represent potential gains that need a supportive economic environment to be realized, they indicate that a favourable age distribution can contribute to economic growth.

To accrue the potential benefits of increasing support ratios, it is important to improve the educational attainment of children and youth, and to generate sufficient decent jobs for the growing labour force. Achieving these objectives is challenging, particularly in developing countries, where the overall number of children and young people has reached an all time high and is expected to remain high, especially in the least developed countries.

#### Mr. Chairman,

Population ageing can bring other benefits. In populations where longevity is increasing, individuals of working age tend to accumulate wealth to provide for their consumption in old age. Consequently, as a population ages, average wealth per capita increases and can give rise to a second demographic dividend. The report argues that the potential benefits associated with the second dividend can be reinforced by policies that promote savings in anticipation of the longer retirement periods associated with increasing longevity. Models used to test the impact of the second dividend suggest that its effects can be long-lasting in that the accumulation of savings can increase investment and, consequently, both the capital stock and production, leading to higher

focused on the sustainability of pension systems. Most countries have unfunded public pension programmes that transfer funds from the working population to the elderly. In Western countries, the coverage of those programmes is virtually universal. Coverage is lower in the transition economies and varies greatly in developing countries. Levels of coverage rise with national income per capita, with coverage in low-income countries tending to be very low. Consequently, in most developing countries people continue to work until advanced ages and many older persons depend on intra-familial transfers. If the conditions of older persons are to improve in the future, initiatives to improve educational levels among the children of today, to increase employment levels among young and middle-age persons, and to foster savings for old age are urgently needed.

Also important is to address the changing health needs of ageing populations. As mortality declines, death is less commonly caused by infectious disease and more often the result of chronic or degenerative diseases. Developing countries are beginning to adapt to this shift in the burden of disease. Although increasing longevity seems to be associated with shorter periods of ill health, as a population ages the number of older persons requiring health care increases markedly. Both developed and developing countries need to devise innovative approaches to delay ill health and ensuring the sustainability of health service provision.

#### Mr. Chairman,

Clearly, changes in the age structure of populations, both current and future, pose important challenges to people, families, communities and societies. Yet these challenges, which are unavoidable, should be welcome. After all, as the first Director of the Population Division observed in 1954: "Pessimists may see only problems in population ageing, [but] it is actually a great triumph of civilization". We should not be victims of our own success.

Thank you Mr. Chairman.

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