

Demographic trends

A substantial demographic transition is underway in the LAC region, with a considerable increase in the share of older adult population in the upcoming decades. Although this process can be observed across the world and is strongly related to better outcomes in health and other policy areas, it poses serious challenges to pension systems, labour markets and the delivery of healthcare. The LAC region has seen life expectancy increase by around 4 years since 2000 (see section “Life expectancy at birth” in Chapter 3). Wider access to reproductive health through modern and varied contraceptive methods (see section “Family Planning” in Chapter 4), in addition to increased access to education and feminine participation in labour markets (Cabella and Nathan, 2018^[1]), has also led to a decrease in the fertility rate from 2.6 to 2 births per woman, below the level of replacement rate of 2.1, necessary to maintaining current population numbers.

The share of the population 65 years and older is expected to more than double by 2050, reaching over 18% in LAC33 (Figure 9.1, left panel). This will still be lower than the 27.7% expected among OECD countries, which are deeper in the population ageing process. In LAC, the share of the older population will be particularly large in Barbados, Chile and Cuba, surpassing 25% in 2050. In the lower end, Haiti and Bolivia will be the only countries in the region with less than 10% of their population aged over 65 years old. Women tend to live longer than men, and therefore the proportion of older women will likely be even higher. The speed at which this process is already occurring will be unprecedented and have significant social consequences. Jamaica, Honduras and Belize are the countries where this increase in the share of the older population will be the most accentuated, with the three of them experiencing over 150% increases from 2021 to 2050.

The growth of the share of the population 80 years and older will be even more drastic (Figure 9.1, right panel). On average, the share of this age group is expected to grow 280% by 2050 in LAC33, reaching an average of 4.9% across the region. The largest rises will be in Antigua and Barbuda, and Colombia, which will see at least a quadrupling of this age group. In countries like the Bahamas, Jamaica, Trinidad and Tobago, Costa Rica and Brazil, more than three-fold increases are expected in 2050. National rates also showcase socio-economic disparities in ageing processes. Between residential areas, for instance, it is expected that urban population will go through a faster and more accelerated demographic transition.

In parallel with an increase in the older adult population, the share of working-age adults tends to decrease, aggravating even further the challenges faced by LAC countries during demographic transitions. The ratio of working-age population to people over 65 in LAC will be four times in 2050 compared to eight times in 2022 (Figure 9.2), while in the OECD, this rate will decrease from 3.6 in 2022 to 2.2 in 2050. The situation is particularly severe in Cuba, Barbados, Chile and Antigua and Barbuda, with dependency ratios expected to fall below 2.5 in 2050.

Although non-LAC OECD countries are currently facing more advanced population ageing processes, the speed at which this transition is happening in the LAC region requires more urgent planning for health systems to absorb the changing population needs for the upcoming decades. An integrated response that also addresses pension systems reform, labour markets and how healthcare systems are financed – particularly for long-term care services (see section “Long-term care” in this chapter) – is necessary to ensure the financial sustainability of the system (Álvarez, 2020^[2]). Moreover, older age often reinforces pre-existing inequities based on income, education, gender, and urban/rural residence, highlighting the importance of equity-focused policy making in the future (OECD, 2017^[3]).

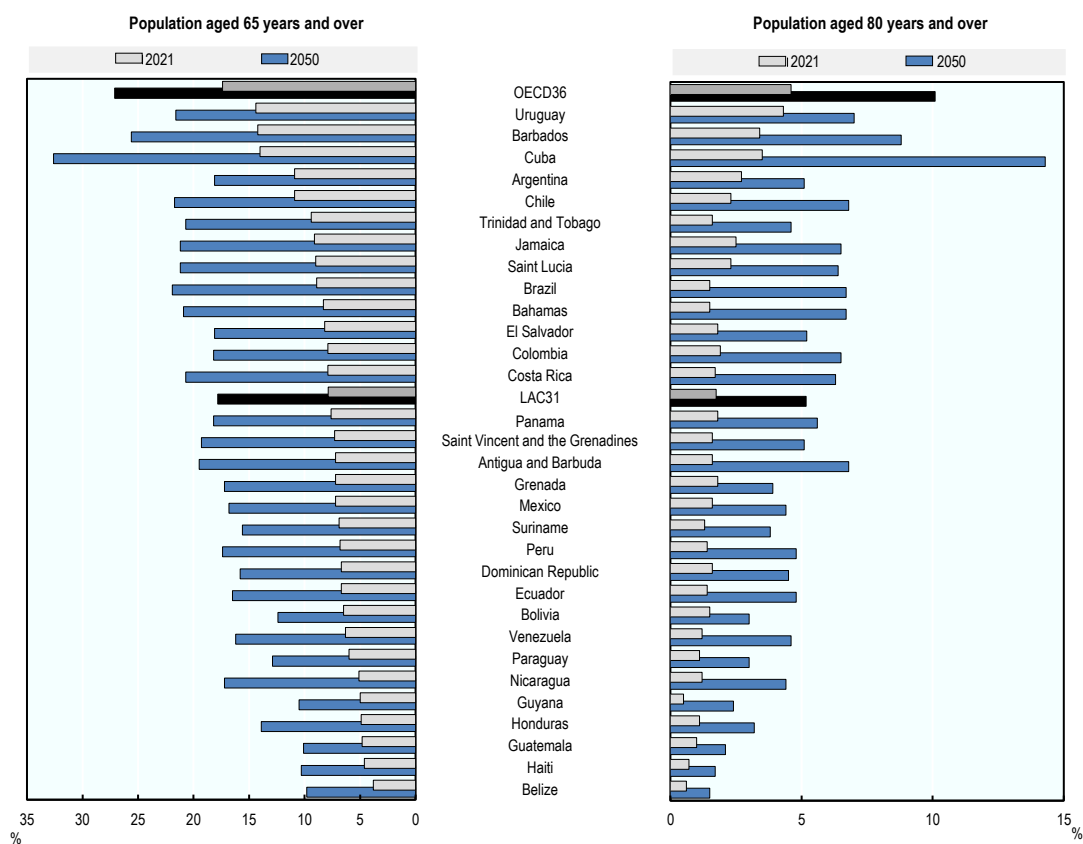
Definition and comparability

Population projections and estimates of current population by age and sex are extracted from the most recent “medium-variant” projections from the United Nations World Population Prospects – 2022 revision.

References

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- Cabella, W. and M. Nathan (2018), *Challenges Posed by Low Fertility in Latin America and the Caribbean*, United Nations Population Fund, <https://lac.unfpa.org/sites/default/files/pub-pdf/Baja%20fecundidad%20en%20ALC%20%28jun%202018%29%20version%20web%20ingl%C3%A9s.pdf>. [1]
- OECD (2017), *Preventing Ageing Unequally*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264279087-en>. [3]

Figure 9.1. Current estimate and projected share of the population aged 65 and 80 years or older, 2022 and 2050



Source: United Nations World Population Prospects, 2022.


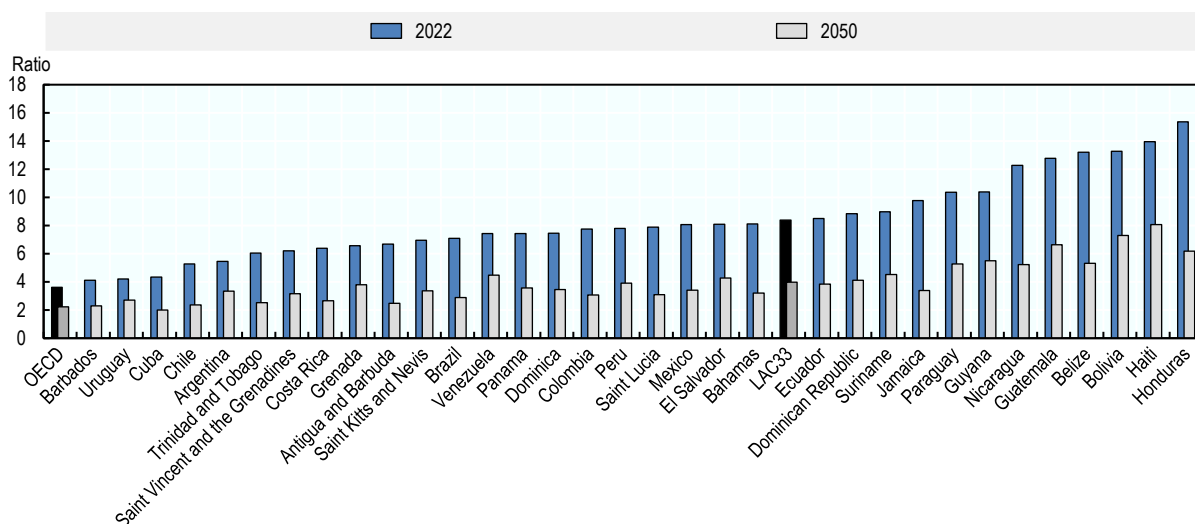
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Figure 9.2. Current estimate and projected rate of population aged 15-64 to population aged 65 or older, 2022 and 2050



Source: United Nations World Population Prospects, 2022.

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From:

Health at a Glance: Latin America and the Caribbean 2023

Access the complete publication at:

<https://doi.org/10.1787/532b0e2d-en>

Please cite this chapter as:

OECD/The World Bank (2023), "Demographic trends", in *Health at a Glance: Latin America and the Caribbean 2023*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/6a6cce99-en>

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