Demographic trends in Latin America

1. Introduction

Demographic shifts are part of the process of social and economic change that has been taking place in the region over the last few decades, and they are producing age structures that are completely different from those that had prevailed until the middle of the last century.

The changes involved a demographic transition with its own pace and characteristics. The quicker pace of the transition in Latin America compared with that which took place in the countries which are now industrialized has mainly been due to the progress in medicine and health care which followed the Second World War and led to unprecedented improvements in the control of mortality and fertility. The nature of the transition in Latin America were, and still are, influenced by the region’s particular characteristics, which are inherent to its history and its sociocultural and ethnic diversity.

Patterns which Latin American societies have begun to see as usual (such as small families, increased life expectancy and changes in intergenerational relations) previously existed only in the most prosperous sectors in a few countries. Despite the differences which still remain, these patterns have gradually become incorporated into the region’s societies. The change is due to alterations in the reproductive behaviour of the urban sectors which were most educated and enjoyed the best socio-economic conditions, and, to a greater or lesser extent, it subsequently spread to the rest of the population. Nonetheless, Latin America still exhibits some historic lags from the demographic viewpoint—in particular, major gaps in morbidity and mortality levels— which reveal socio-economic inequities, including the disadvantaged economic conditions affecting part of the population and the lack of equal access to health care.

Demographic transformations involve quantitative and qualitative changes in the organization of the region’s societies, and pose major new challenges to public policies. These challenges, at least their most important features, are highly predictable but nonetheless are not always identified in a timely manner. Given their magnitude and the growing impact they will have on society (from both the supply and demand viewpoints), information on these changes in the population is a very important input for the design of policies, both those designed to deal with historic lags and those intended to respond to the emerging challenges of the demographic dynamic.

This chapter considers the principal changes in demographic trends in the Latin American countries, especially the ageing of the population, which is the most significant of those changes. The information used is taken from the 2007 version of the population estimates and projections produced by the Latin American and Caribbean Demographic...
Centre (CELADE) - Population Division of ECLAC. They are produced using the components method and in accordance with United Nations Population Division criteria. In most cases, the estimates and projections were calculated jointly with the countries of the region.

2. The demographic transition and trends in ageing

The countries of Latin America have undergone profound demographic changes, which are variously reflected in the decrease in population growth (1.3% in the period from 2005 to 2010) and in population ageing.

This change results from a rapid fall in fertility, preceded by a sustained reduction in mortality, which began towards the end of the first half of the twentieth century and has now resulted in a life expectancy at birth of 73.4 years (period from 2005-2010). The demographic transition has taken place rapidly. Although there is still some diversity among countries and within them, at the regional level two major changes have taken place: a reduction in demographic dependency, and population ageing.

While the fall in the dependency relationship contributes to a demographic window of opportunity in the medium term, ageing is definitely a source of huge challenges for all societies, since the proportion of persons aged over 65 and their absolute numbers will rise steadily in the coming decades, at a rate three times higher than the growth rate for the population as a whole in 2000-2025 and six times higher in 2025-2050. The proportion of persons aged over 65 will triple between 2000 and 2050, by which time one in every five persons in Latin America will belong to that age group.

2.1. Sustained decline in fertility and mortality

Among the most decisive factors in the region’s demographic development in the past 55 years have been the falls in mortality and fertility.

In the past 55 years, the average lifespan of the population of Latin America has risen by 21.6 years, resulting in a life expectancy at birth ($e(0)$) of 73.4 years for both sexes in the period from 2005 to 2010 (see figure 1). This life expectancy is eight years higher than that of the developing regions as a whole, and only 1.2 years lower than the average life expectancy for Europe. Mortality in the region is at a level similar to that for the more developed countries 25 years ago, which shows that real progress can and must still be made in this regard, and that enough experience has been accumulated as to how it can be done.

As for fertility, a steep fall has been observed, unprecedented in the region’s recent demographic history: in just 55 years, the region has gone from birth rates which were among the highest in the world to levels lower than the worldwide average (see figure 2).

The fall in fertility was preceded by a sustained reduction in mortality, which began towards the end of the first half of the twentieth century. The initial time-lag between the falls in mortality and fertility was the cause of the strong population growth between 1950 and 1970. The birth rate subsequently declined, resulting in a prolonged downward trend in population growth (see box 1 and table I).
THE DEMOGRAPHIC TRANSITION MODEL

The process of demographic transition is characterized by a sustained fall in mortality, followed by a reduction in fertility; both variables subsequently remain at low levels.

The figure below clearly illustrates that process. Before the demographic transition, population growth rates are relatively low owing to a combination of high mortality and fertility rates. There is a second stage during which a fall in mortality while fertility remains high, causing the population growth rate to rise. Subsequently there is a more marked fall in fertility, leading to a reduction in the growth rate. Lastly, the situation tends towards equilibrium in which low mortality and fertility rates lead to moderate population growth.

Consequently, four stages are identified in the demographic transition: (i) incipient transition, where the birth rate and mortality are high and relatively stable and population growth is low; (ii) moderate transition, where mortality falls while fertility remains the same or increases as a result of better living conditions, and population growth is high; (iii) full transition, where the birth rate falls while mortality is stable, so population growth is less high; and (iv) advanced and very advanced transition, where both variables show low values and population growth is low or zero.

While some exceptions can be found to the process described above, this is a useful model for analysis of recent demographic trends in the Latin American countries.
In the mid-twentieth century, the annual growth rate of the population of Latin America was 2.8%, but it is now only 1.3% (see figure 3).

Owing to relatively high growth in the early decades of the century, the region’s population more than tripled from 161 million in 1950 to 561 million in 2007. Projections suggest that the population will rise to 677 million in 2025 and 763 million in 2050 (see tables 1(a) and 1(b)). Consequently, although in 1950 the region represented less than 6.4% of the world population, this proportion has now risen to almost 8.4%. Given the unevenness of the transition, some countries are some distance from the current average growth rate. The extreme values for annual growth rates in the region are 0% in Cuba and 2.5% in Guatemala (see figure 3).

Population growth rates vary widely for different age groups (see figures 4 and 5). The rates for children aged under 15 years, which was the fastest-growing group in the mid-twentieth century, will tend to diminish through the first half of the twenty-first century. In fact, by the...
2040s the growth of all age groups below the age of 40 will have shrunk in absolute terms. The strongest absolute growth is currently among the age groups in the middle of the range, but as 2050 approaches, that wave will move gradually towards the 65-plus age group.

2.3. Fall in the demographic dependency rate

The changes being observed in the age breakdown of the population represent major challenges in social and economic terms. The demographic dependency rate — the ratio of the population aged 0-14 years and 65 years and over to the potentially active population (aged from 15 to 64 years) — and the indicators of population ageing reflect these changes.

The drop in the demographic dependency ratio has given rise to the idea of a “demographic bonus”. This term refers to a development–friendly situation in which the potential burden on persons of working age is relatively lower than during earlier periods. It should be noted that it is also lower than it will be in future, owing to the increasing numbers of older persons. At the beginning of the demographic transition, the dependency ratio was high owing to the large percentage of children in the population, which placed huge demands on the countries’ education and health systems, especially in relation to maternal and child health care. In a second stage, thanks to the drop in the fertility rate, the dependency ratio fell to values of less than 60 persons at the two extremes of the age spectrum (under 15 or over 60 years) for every 100 persons between the ages of 15 and 59, with the values being lower in countries where the transition was more advanced. The lower pressure of the demands generated by the child population, which initially occurs before any significant increase in the group of older persons has taken place, is currently sustaining the demographic bonus. This situation opens up opportunities for generating productive investments or increasing social investment in order to combat poverty, improve education and reform the health system. It would also
be useful to make investments in preparation for the increase in the older adult population before it occurs, as the requirements associated with this age group will be more costly (see figure 6).

The demographic bonus is limited in time, as shown in figure 6, because lower fertility, together with increased longevity, eventually increases the proportion of older persons and the dependency ratio thus rises again, generating additional needs in areas such as health services for older persons, economic security and social protection.

At the same time, the benefits of this bonus are not guaranteed, as they depend on the capacity of the region’s economies to generate employment while the window exists. Efforts must be made to absorb the labour supply of a growing working-age population and of a population of older persons who will aspire to stay in the labour market for longer periods. Also, revenue must be collected so that social security coverage can be expanded, taking account of historic lags, sociocultural diversity, labour market informality and gender equity.

3. Population ageing and the challenges it poses

Slowly but surely, the population of Latin America is getting older. In each of the countries of the region, the proportion and the absolute number of persons aged 65 and over will rise steadily in the coming decades (see table II). In absolute terms, between 1950 and 2000, 23 million older persons joined the 5.5 million already in that age group, and between 2000 and 2050 the increase will be almost 108 million. That age group is growing rapidly (3.3%), more so than younger age groups.

As a result of this growth rate, the proportion of persons aged 65 or over will be almost five times higher in 2050 than the estimated level for 2000. In 2050, it is estimated that one in five Latin Americans will be 65 or over. With increasing longevity, the proportion of the oldest persons will also grow; the over-75 age group rose from 1% to 2% between 1950 and 2000, and will reach 8% by 2050.

There is considerable diversity within the region. To reflect this, countries can be classified in four categories according to the stage they have reached in the population ageing process, as follows:

- Incipient ageing: includes countries such as Bolivia, Guatemala, Haiti, Honduras, Nicaragua and Paraguay.
- Moderate ageing: the countries in this group include the Bolivarian Republic of Venezuela, Brazil, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Mexico, Panama and Peru.
- Moderately advanced ageing: includes Argentina and Chile.
- Advanced ageing: the region’s leading countries in terms of ageing include Cuba and Uruguay.

Demographic ageing offers significant challenges for governments, families and older persons themselves. There is a consensus that in order to ensure economic security it is essential to increase the social security coverage of the current work force — halting the trends towards stagnation or to an outright decline in coverage that have been seen in the last few years in various countries — and expand the coverage of persons who are already older adults, including the option of non-contributory or welfare pensions. This is a matter for political decision in each case, which should be taken not only by the government and the private sector, but with the participation of society as a whole. In short,

The process may accelerate if the downward trend in fertility continues or accelerates.
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social security systems should continue to maintain and increase the capacity of the pension systems, in order to achieve their social objectives, ensure their financial viability, improve their capacity to respond to changes in society and in the persons who will be older in the future, and guarantee equality of opportunity for men and women with regard to employment and social protection, and the coverage of the rural population.

The role and characteristics of health care in old age need to be redefined. First, the fatalistic view of old age—which results in discrimination in care—must be replaced by the new paradigm of a healthy old age, focusing on the need to maintain functionality as long as possible, and delay the onset of limitations. Second, there is a need to reengineer health systems, which requires, among other things, a human resources training plan to qualify staff to offer comprehensive care for older persons. Third, the focus of care must be shifted to afford more importance to preventive care and health promotion, not only in old age, but also at all other stages of the life cycle. Lastly, training, regulation and oversight must be provided for agencies responsible for long-term care, while at the same time initiating actions to prevent excessive institutionalization. Health systems should thus deal with the process of change in health services by including health care for older persons (with special emphasis on reducing the health care gap in old age), use of specialized health personnel, adapting the installed infrastructure and biomedical culture, and seeking to strengthen preventive mechanisms that would help to reduce health care costs in the context of progressive population ageing.

Lastly, services and care for older persons will exert a strong pressure on families, which have traditionally been responsible for providing assistance and care in old age. Support mechanisms will have to be created to enable families to continue to play this role. Support for community networks is also essential so that part of the help required by older persons can be provided at the local level and older persons can continue their lives in an enabling environment that allows them to exercise their rights and potential.

The above does not necessarily mean a negative outlook. The greater ageing of the population is an achievement of humanity. Older people are now and should continue to be important in the development of the societies of the region. active citizens who fully exercise their rights and duties. As in the case of other population groups, however, older adults require specific measures to ensure that they, and especially the most vulnerable among them, can live their lives with dignity and in security.

### Table II

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<tbody>
<tr>
<td>Population aged 65 and above (thousands)</td>
<td>5 572</td>
<td>11 203</td>
<td>20 735</td>
<td>28 688</td>
<td>38 829</td>
<td>81 506</td>
<td>13 6425</td>
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<tr>
<td>Percentage of persons aged 65 and above</td>
<td>3.5</td>
<td>4.0</td>
<td>4.8</td>
<td>5.6</td>
<td>6.7</td>
<td>11.6</td>
<td>17.9</td>
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<tr>
<td>Percentage of persons aged 75 and above</td>
<td>1.0</td>
<td>1.2</td>
<td>1.6</td>
<td>2.0</td>
<td>2.6</td>
<td>4.5</td>
<td>8.2</td>
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<tr>
<td>Median age of the population</td>
<td>19.9</td>
<td>18.6</td>
<td>21.8</td>
<td>24.3</td>
<td>27.4</td>
<td>33.9</td>
<td>39.6</td>
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<tr>
<td>Ratio of older persons to young persons*</td>
<td>67.0</td>
<td>70.2</td>
<td>49.8</td>
<td>17.6</td>
<td>35.0</td>
<td>28.4</td>
<td>26.1</td>
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* Ratio of the population aged 65 and above to the population aged under 15 years.