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World social situation 2023: leaving no one behind in an
ageing world

Note by the Secretariat

Summary

Population ageing signals humankind’s extraordinary collective success in
improving living conditions for billions of people around the world. The present note
examines the economic and social implications of the process of population ageing
and presents policy recommendations to manage this global trend equitably. The note
presents the main findings of the World Social Report 2023: Leaving No One Behind
in an Ageing World.

* A/78/150.
I. Introduction

1. Population ageing is a defining global trend. People are living longer, and the global share of older persons is larger than ever. Extraordinary improvements in health and survival and reductions in fertility have driven this momentous shift, which has begun or is expected to begin soon in all countries and areas. This change brings both challenges and opportunities as countries strive to achieve the Sustainable Development Goals.

2. In 2022, the world marked the twentieth anniversary of the adoption of the Madrid International Plan of Action on Ageing. This landmark agreement provides a framework for national policies to enable the creation of equitable, inclusive societies for people of all ages. To commemorate this agreement, the present note summarizes findings on the economic and social implications of the ageing of the human population and provides recommendations to put the rights and well-being of older persons at the centre of policymaking across the life course.

3. Population ageing is an inevitable result of the demographic transition towards longer lives and smaller families. It should be widely understood as more than just a set of discrete concerns mainly for one group of people who have advanced beyond a given age. Ageing influences economies and societies, from health care and education to employment and taxation. Each stage of life can contribute to or detract from well-being at older ages.

4. While the shift towards older populations is irreversible in large part, collective action and policy decisions shape its path and consequences. Postponing critical measures that allow societies to benefit from and adapt to population ageing would impose high social, economic, fiscal and health-related costs for both current and future generations. By contrast, with appropriate foresight and planning, Governments can manage the challenges of population ageing while enhancing opportunities for all people to thrive and ensuring that no one is left behind.

II. An ageing world is a success story

5. Population ageing signals humankind’s extraordinary collective success in improving living conditions for billions of people around the world. Improved sanitation and medical therapies, greater access to education and family planning, and strides towards gender equality and women’s empowerment have all contributed to and, in some cases, benefited from the steady move from high to low levels of fertility and mortality. These advances have ushered in an era in which rapid population growth is slowly ending, accompanied by a gradual but permanent shift towards older ages. Over several decades, both the number and population share of older persons have risen globally, while the number and share of children and young people have begun to fall. By 2050, the number of persons aged 65 years or older is expected to double, surpassing 1.6 billion.

6. Currently, population ageing is furthest along in Europe, North America, Australia, New Zealand and most of East and South-East Asia. In most countries of these regions, the proportion of older persons – defined in the report as those aged 65 years or older – exceeds 10 per cent and, in some cases, 20 per cent of the total population. Most parts of sub-Saharan Africa and Oceania (excluding Australia and New Zealand) remain in an early stage of this transition, while most countries in Central Asia, South Asia, Western Asia, North Africa, Latin America and the Caribbean are at an intermediate stage.
7. Declining mortality throughout the life course has driven the increase in life expectancy at birth in most countries and globally. Greater longevity has accompanied a narrowing of the age range in which most deaths occur. In the past, death was common at all ages; for example, many children died from infectious diseases, and women frequently died in childbirth. In most countries today, “premature death” before age 60 or 70 is relatively rare.

8. Higher global life expectancy reflects underlying improvements in health. In countries with available data, the number of years lived in good health has increased, accounting for most of the rise in years lived overall. Statistical averages hide broad disparities in life expectancy, however, including by sex and socioeconomic status. In almost all societies, women live longer than men on average, and the rich live longer than people living in poverty. These differences stem in part from poor nutrition and exposures to environmental and occupational hazards that are more common among people with limited income and education.

9. In 2020, the World Health Organization and the United Nations designated 2021–2030 as the Decade of Healthy Ageing. Through the Decade, the World Health Organization and the United Nations promote evidence-based strategies that support well-being among older persons. They advocate for developing and maintaining functional abilities as people age, recognizing that these depend on an individual’s intrinsic capacity, the surrounding environment and the interaction between the two. The Decade builds on the Madrid International Plan of Action on Ageing and aligns with the timing of the Sustainable Development Goals.

III. Population ageing brings economic rewards and challenges

10. Levels of economic production and consumption vary over the life course. Typically, people in the middle phases of life produce more than they consume, generating a surplus to provide for their dependent children and others who rely on them for support and contributing to economic security for themselves at older ages. The demographic transition includes first an increase and then a decrease in the share of working-age people in the total population. The initial increase occurs following a sustained reduction in fertility, which lowers the share of children and young people in the population. The subsequent decrease in the relative size of the working-age population is driven by rapid growth in the proportion of older persons.

11. When the share of working-age people is growing, countries have a window of opportunity to jump-start rapid economic gains. Reaping this “demographic dividend”, however, depends on maintaining or expanding investment in education and health and on generating opportunities for productive employment and decent work as rapidly growing numbers of young people enter the workforce.

12. While consumption and production patterns change as people age, older persons make important economic and social contributions at all stages of the demographic transition. Many continue paid employment. Within families, older persons often provide financial support to other family members or assistance with childcare.

13. Standard demographic indicators, such as the old-age dependency ratio,¹ do not account for many of the contributions that older persons make, however. In addition, __________________________________________________________________________________________

¹ The old-age dependency ratio compares the size of the older population to that of the working-age population. By defining age groups in a chronological and static manner, the old-age dependency ratio does not consider changes over time in the health and activity levels of older persons or their diverse capabilities. In addition, by including older persons but omitting children and young people in calculating the ratio, the measure provides an incomplete picture of age-related dependency over the life course.
many older persons still encounter obstacles that limit their contributions. Age-based discrimination in the labour market, for example, undercuts their full participation in the economy.

14. Older persons should have the option of continuing to work for as long as they desire and are able to do so. Nevertheless, the ability to work and generate income wanes sooner or later at advanced ages. As populations grow older, questions arise regarding ways to support rising numbers of older persons in the face of escalating pension, health-care and long-term care costs, in particular if equitable and sustainable systems are not in place to distribute resources across age groups.

15. The means of financing goods and services for older persons differ across countries. In more developed regions, public transfer systems, including pensions and health care, provide more than two thirds of the consumption by older persons. In less developed regions, older persons tend to work longer and rely more on accumulated assets or family assistance. Countries at all stages of the population ageing process should take proactive and forward-looking measures to adapt and innovate in their labour markets and pension and health-care systems to ensure that support for older persons is both adequate and fiscally sustainable.

16. Lower fertility opens doors for families and societies to invest more in children’s education. Higher levels of personal savings in anticipation of a longer life can spur capital accumulation, increased productivity and faster economic growth. These trends can continue as long as the savings are invested productively.

IV. Paths to older ages are unequal

17. Although the improvements in health and survival that drive the growth of older populations have been shared broadly, not everyone benefits equally. Many of today’s older persons are in excellent health; others live with multiple ailments or severe disability. While some are economically active and enjoy income security, many live in poverty. Population averages conceal the vast inequalities and diverse needs and abilities of older persons.

Poverty can rise with age

18. Reducing poverty among older persons is a core objective of the Madrid International Plan of Action on Ageing. Older persons face specific risks of falling into poverty. Most older persons begin to work less or stop working altogether at some point for health-related reasons or family responsibilities, or because they are obligated or wish to retire at a statutory retirement age. Discrimination may undermine further employment. While many older persons remain productive, many of their contributions to their countries’ economies, communities and families are not formally recognized or compensated.

19. Older persons are more likely to live in relatively poor households than people of working age in both developed and developing countries, according to the available data. The gap in levels of poverty between older and working-age populations is much larger in developing countries. In general, countries with comprehensive social protection systems and universally accessible essential services, including education and health care, have been more successful at reducing poverty at older ages than those without such systems.

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20. Beyond economic disadvantages, older persons also face spatial and social barriers that exacerbate the risk of social exclusion. The fact that disability grows with age, but supportive infrastructure is often insufficient, limits autonomy, mobility and access to spaces, markets and services. Persons aged 50 and older report lower life satisfaction, fewer social interactions and less social support than people aged 15 to 49. Against a backdrop of age discrimination, people aged 50 and over also express a lack of agency or control over their lives and feel that they are not treated with dignity and respect.

21. Poverty and inequality take root early in life. Without policies to prevent them, disadvantages reinforce one another throughout peoples’ lives, leading to wide disparities at older ages. Education and employment consistently emerge as primary determinants of health and economic outcomes at every stage of life, including at older ages. A person’s education, and even that of their parents, affects their income, access to health care, lifestyles and social networks throughout the life course. Employment and health are closely intertwined. Poor health can negatively affect employment opportunities, while the type of work that people do, the conditions in which they work and whether they have a job in the first place have an impact on their physical and mental health all the way into old age.

22. With growing numbers of older persons in both developed and developing countries, high levels of economic insecurity and persistent social exclusion should be rising concerns. Longer life expectancies and policy reforms that reduce future retirement income could exacerbate these trends.

The future of ageing may be more unequal

23. Inequalities evolve over the life course and vary from one generation to the next. Today’s young people are, in general, healthier and better educated than prior generations. Moving forward, they are expected to be healthier and to live longer on average. Education levels are likely to continue to increase, notwithstanding disruptions caused by the coronavirus disease (COVID-19) pandemic.

24. At the same time, young people today face great uncertainty and economic insecurity in the transition to adulthood. Profound changes in the world of work are affecting job stability and disrupting income security. Informal employment continues to be the norm in many developing countries. The prevalence of other precarious forms of work – involuntary temporary, part-time and casual work, including zero-hours contracts, subcontracted labour and self-employment, as well as new forms of employment linked to the “gig” economy – is on the rise globally. Young people, women, migrants and other disadvantaged groups are overrepresented among workers who are engaged under these non-standard contracts.

25. Growing disparities in the labour market will likely result in higher levels of inequality as people age. For most countries with available data, income inequality has risen from one 10-year birth cohort to the next at almost all ages in both developed and developing regions. This rise may spur widening disparities in health and life expectancy among future cohorts of older persons. Moreover, persistent informality and growing instability in the world of work threaten access to adequate pensions and other social protection benefits, putting economic security at risk for large numbers of older persons. Without swift and bold policy action to counter these trends, there

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is a significant risk that living standards at older ages will become increasingly unequal.

V. Gender disparities drive unequal ageing

26. Poverty levels at older ages are typically higher among women than men. There are several reasons to explain why older women are economically more insecure. Levels of participation in formal labour markets are lower among women of all ages. Levels of labour force participation are lower among women than among men of all ages. Women also have shorter working careers and lower wages compared with men. Given women’s longer life expectancies, older women are more likely than older men to be widowed, less likely to remarry and more likely to live alone, three features that can exacerbate economic insecurity.

27. Women also bear the brunt of deficiencies in caregiving. The unequal distribution of care and domestic work within families curtails women’s working lives and constricts their pension incomes. In the labour market, most caregivers are women, working in both the informal and formal sectors of a poorly regulated care economy in which workers typically earn low wages. At the end of their lives, older women are more likely to need long-term care because they live longer and are at greater risk of age-related disabilities than their male counterparts.

28. While individual wealth plays an increasingly important role for economic security in old age, labour market disadvantages and the unequal care burden affect women’s capacity to accrue wealth. Women also face legal obstacles; for example, in 76 of 190 countries, women’s property rights remain restricted.6

29. Gender equality requires rebalancing care duties within families and adopting family and labour policies that enable women and men to manage both domestic responsibilities and market employment. Such changes will foster women’s labour force participation, strengthening the productive capacity of economies as populations grow older. However, increased participation in the labour market will not be sufficient on its own. Substantial improvement in women’s economic security throughout the life course, including at older ages, depends on eliminating gender disparities in education and ensuring access to decent work for both women and men. Bringing care work more consistently into the formal economy would create decent jobs and expand employment opportunities for women.

VI. Long-term care needs are soaring

30. Demand for long-term care is soaring in many countries as the population of older persons grows larger, especially at ages 80 and higher. Traditionally, cohabiting family members, usually unpaid women and girls, have met the care needs of older persons. Intergenerational co-residence is declining in both developed and developing countries, however. Care models that rely exclusively or primarily on families are increasingly inadequate.

31. To date, public spending in most countries has not been sufficient to cover the growing demand for long-term care. Average expenditure by countries of the Organisation for Economic Co-operation and Development was just above 1 per cent of gross domestic product in 2016 and 2020.7 Insufficient funding means that

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7 Calculation is based on Organisation for Economic Co-operation and Development health statistics (accessed on 22 June 2023).
caregivers are undervalued, underpaid and inadequately trained and often work in difficult conditions. A shortage of well-trained caregivers leads to poor-quality care. Many countries, even wealthy ones, continue to rely on informal services by paid or unpaid caregivers.

32. The COVID-19 pandemic exposed existing weaknesses in health care for older persons, especially long-term care, and demonstrated how such weaknesses can aggravate inequalities. Poor-quality and underfunded systems of care, insufficient provisions for care at home, low wages and precarious conditions for paid care workers and a lack of reliable protocols to prevent COVID-19 transmission within health facilities contributed to a heavy death toll among older persons. The crisis underlined the imperative for fundamental reforms of long-term care.

33. While those who deliver unpaid or poorly compensated care to older persons provide critical services, their contributions are not adequately recognized. Governments can close this gap by developing integrated long-term care strategies that build on appropriate regulation, training and support for caregivers, as well as mechanisms such as accreditation and monitoring, to ensure quality. Instituting compulsory public insurance can free individuals from burdensome out-of-pocket costs for long-term care. Promoting formal employment for care workers and improving their working conditions can help to meet the demand for quality care. Rethinking approaches to long-term care will benefit not only today’s older persons and those who care for them, but also future generations of older persons and their caregivers.

VII. Leaving no one behind in an ageing world requires policy action now

34. The present note highlights action on two fronts to build societies for all people at all ages. The first front consists of action that can be taken throughout people’s lifetimes to promote labour market participation and increased productivity, uphold good health and prevent poverty. The second front consists of policies to reduce inequality and promote economic security at older ages in an equitable and fiscally sustainable manner, taking into account both pensions and health care.

Action to address the root causes of disadvantage for older persons begins at birth

35. Giving every person an equal chance to grow older in good health and with economic security begins with promoting equal access to opportunities from birth. All children should be able to develop and advance their capabilities, including through quality education and health care. Given rapidly evolving technologies and labour markets, education should not stop after childhood or young adulthood. Opportunities for continued learning and skills development throughout the life course help workers to adapt to shifts in labour demand, to use new technologies more effectively and to increase their productivity over time.

36. Improved education can raise labour productivity and reduce poverty and inequality but only when coupled with realistic prospects for decent work. While job creation matters, so does the quality of the work. Employment in the informal sector is often characterized by low worker productivity, limited access to social protection programmes and marginal contributions to public revenues. At the same time, decades of wage stagnation jeopardize the ability of low-wage workers to save for old age.

37. Increasing investment in the institutions of work – from regulations and employment contracts to collective agreements, labour inspection mechanisms and comprehensive social protection systems – will accelerate pathways to formalization,
boost productivity and, above all, strengthen the social contract in an ageing world. Formalizing large informal sectors will take time, however. Throughout this transition, countries should progressively extend the coverage of social protection systems to all workers in the informal economy.

38. Gender equality in the world of work begins at home. Reducing the burdens of domestic care work, which fall disproportionately on women and impede their equal participation in the workforce, should be a central objective of employment and social policies. From parental leave to investment in public childcare services and dependent child tax credits, policies can foster the equitable sharing of unpaid care work and promote equal opportunities for women in the paid workplace.

**Improving the lives of older persons calls for adequate pensions**

39. Countries at advanced stages of population ageing may struggle with concerns about the sustainability of public expenditure, in particular for health care and pensions. Some proposed pension system reforms intended to ensure fiscal sustainability can, when applied across the board, negatively affect income security among low-income earners.

40. Most public pension systems have not kept up with changes in employment patterns, especially the growing insecurity of low-paying jobs. The COVID-19 pandemic and earlier crises have exposed the risks of cutting public transfers across the board. In acting to ensure that pension costs are sustainable, Governments must strive to maintain or increase the role of pensions in reducing inequality. Shifting the financial risks associated with pension funds onto individuals or moving away from collective risk-sharing can increase inequalities and economic insecurity in old age.

41. Countries without comprehensive social protection systems should focus on extending pension coverage, providing adequate benefits and financing public pension systems to reach target 1.3 of the Sustainable Development Goals. Although there is no one-size-fits-all route to increased pension coverage, three actions can help to ensure the financial well-being of all older persons. The first is to encourage private savings and improve financial literacy. The second is to introduce or expand tax-funded pension schemes so that all older persons maintain a basic level of income security. The third is to strengthen the institutions of work to promote transitions from informal to formal employment and improve economic security at all ages.

42. A critical factor in extending pension coverage and guaranteeing adequacy is funding. In most countries, it is possible to increase public revenue without intensifying the tax burden on low-income workers or the middle class. With an understanding of how population ageing may have an impact on different categories of taxes, Governments can adopt forward-looking reforms to prepare for and address foreseeable fiscal pressures. For many developing countries, a top priority should be to improve their capacity for generating tax revenue, including by promoting transitions from informal to formal employment, combating tax evasion and strengthening tax administration. Such efforts need to be supported by effective and inclusive international cooperation on tax issues.

43. As populations age, all countries will face the challenge of providing adequate pensions and care for older persons while ensuring the long-term fiscal sustainability of current support systems. In this context, the possibility that future generations of older persons may be more unequal and economically insecure than those of today must be considered. Pension systems must be fiscally viable; however, reforms

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8 The aim of target 1.3 is “to implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable”.

weakening their redistributive power will jeopardize the well-being of growing numbers of older persons. If such reforms are seen as ineffective and unfair, then they may also undermine the capacity of States to maintain pension systems.

44. It is also important to put inequalities across age groups and generations into perspective. Although these certainly require policy attention and action by Governments, discussions of sustainability and fairness to future generations should be cast in the broader context of the large and persistent divide separating the rich and people living in poverty today, both within and among countries.

VIII. Putting ageing at the centre

45. The world continues to suffer from destabilizing shocks, with profound impacts on well-being and economic prosperity. After more than three years of the COVID-19 crisis, multiple humanitarian crises loom large amid a fragile social and economic recovery. Climate change is inflicting severe and unprecedented droughts and floods, further stressing the global food supply and threatening the survival of many. Progress made towards achieving many of the Sustainable Development Goals was too slow even before those crises, however. The root causes of insufficient progress run deep and have been gathering force for decades.

46. The present note, including the review of policy options to address population ageing, is intended to provide the General Assembly with information and policy guidance as it charts a path forward and renews commitments to achieving the Sustainable Development Goals. Rebuilding after multiple crises and advancing the implementation of the 2030 Agenda for Sustainable Development hinge on wide-ranging and comprehensive policy responses at the national and multilateral levels to manage the challenges of population ageing while making the most of its opportunities.