Q&A

ASIA-PACIFIC HUMAN DEVELOPMENT REPORT

SHAPING THE FUTURE:

HOW CHANGING DEMOGRAPHICS CAN POWER HUMAN DEVELOPMENT

Why are demographic changes in the Asia and Pacific region so astounding?

Demographic change in Asia-Pacific is happening at a rate the world has never seen before. Population shifts that took over a hundred years in the west are happening here in a matter of decades.

Fourteen of our countries are already "middle aged". Their working age populations are large and will continue to grow between now and 2060. A further eight are young countries that need to prepare now for a working age population bubble.

This gives the region a unique "demographic opportunity" to accelerate human development. We have more working-age people and fewer dependents than at any point in history. Region-wide, 68% of people are of working age and only 32% are dependents.

When countries have a greater share of people who can work, save and pay taxes, they have the potential to transform their economies and power investments in healthcare, education and other areas of human development.

At the same time, ageing is happening faster in the Asia Pacific region than anywhere else on earth. The share of older people in the west doubled from 7 to 14 percent over 100 years; here, it is occurring in less than 30.

One third of our countries already faces the challenge of supporting ageing populations and making sure older people can also contribute their skills and experience to human development. By 2030, three quarters of our countries will be dealing with these issues.

Will demographic dividends arrive automatically?

The opportunities provided by population change can only be taken if the right plans and policies are in place. Governments need to think in terms of decades, not years. And they need to start planning and investing now.

What challenges need to be addressed?

Many countries are still below global recommended minimums for spending on education and healthcare.

There have to be more decent, productive jobs, and people need opportunities to develop key skills to find employment or transition from school to work. Those who do work need adequate protection.

Few women participate in paid employment, particularly in South Asia.

Most countries will need to balance investments for young, working-age and older people against a backdrop of limited resources and capacities.

What specific challenges are faced by young, "middle-aged" and older countries?

Young
Asia-Pacific has more than half of the world's youth, but youth unemployment is up to three times the general unemployment rate. About 220 million youth are not in school or the labour market. Those in school have difficulty transitioning into work.

"Middle-aged"
For countries with a large working-age population, unemployment is a major issue. Asia-Pacific created about 20 million new jobs a year over the last decade, but there are still too few stable, decent jobs, particularly for women. Wages and productivity are low and there is a lack of ways to channel savings into productive investments.

Older
Investments in healthcare are inadequate and many countries are still below the global average for pension coverage. Older people are often undervalued, particularly in the workplace, and badly served by housing, transport and other infrastructure.

What do governments need to do?

Understanding demographic trends can make a powerful contribution to economic growth and human development.

Planning and investing in the right policies now will allow countries to take advantage of emerging opportunities and reduce a sharp escalation of costs later on. This planning and investment must be informed by better data and analysis.

What polices does UNDP recommend?

There is no one-size-fits-all solution, but a few common policy options are clear. UNDP is recommending a new set of Nine Actions for Sustainable Development in Asia and the Pacific.

- States with **young populations** need to invest in basic capabilities by improving education and healthcare, smooth the transition from school to work and encourage youth participation.
- Countries with more **working people** need to create decent jobs, bring women into the labour market and channel savings into investments.
- **Older countries** need to design fair, sustainable pension systems, support active ageing and promote appreciation for the value of older citizens. This includes making sure that older people who want to work can bring their skills and experience to the market.

At the same time, the region's diversity provides room for cooperation. Governments need to share experiences on how to manage sustainable pension systems, encourage safe migration to fill labour shortages in older countries and deepen financial markets so that more savings are put to productive use within the region.

How can UNDP support the implementation of "people-centred" development strategies in Asia and the Pacific?

Over the past 50 years, we designed, implemented and evaluated thousands of projects that improved the lives of millions of people through integrated economic, social and environmental interventions.

UNDP is the "facilitator" and "connector" that mashes up public and private, domestic and international sources of development finance and expertise into effective programmes that accelerate progress.

We produced more than 140 MDG reports in Asia and the Pacific, tracking progress and recommending improved anti-poverty strategies.

The demand for UNDP's services by governments from Asia and the Pacific with their own funding – called government co-financing – has nearly doubled over the past five years.

Our US$ 2 billion global portfolio of environmental projects, funded mainly by the Global Environment Facility, has attracted US$ 8.35 billion of new co-financing investments.

When it comes to SDG implementation, UNDP is playing a role within the broader UN Development Group's initiative on mainstreaming, acceleration and policy support.

As the UN's lead development organization, UNDP will continue to serve as the coordinating agency of the UN development system which ensures the coherence of the UN's work on the ground.

In terms of our own SDG offer, we are preparing a package of services called "CLEAR" which stands for Coherence and Linkages, Expertise, Access and Reporting.

We are already supporting the SDG agenda at the request of governments.

We are mainstreaming the SDGs into national development plans and budgets in Afghanistan, Bhutan, Indonesia, Lao PDR, Mongolia, the Philippines and Tonga.