

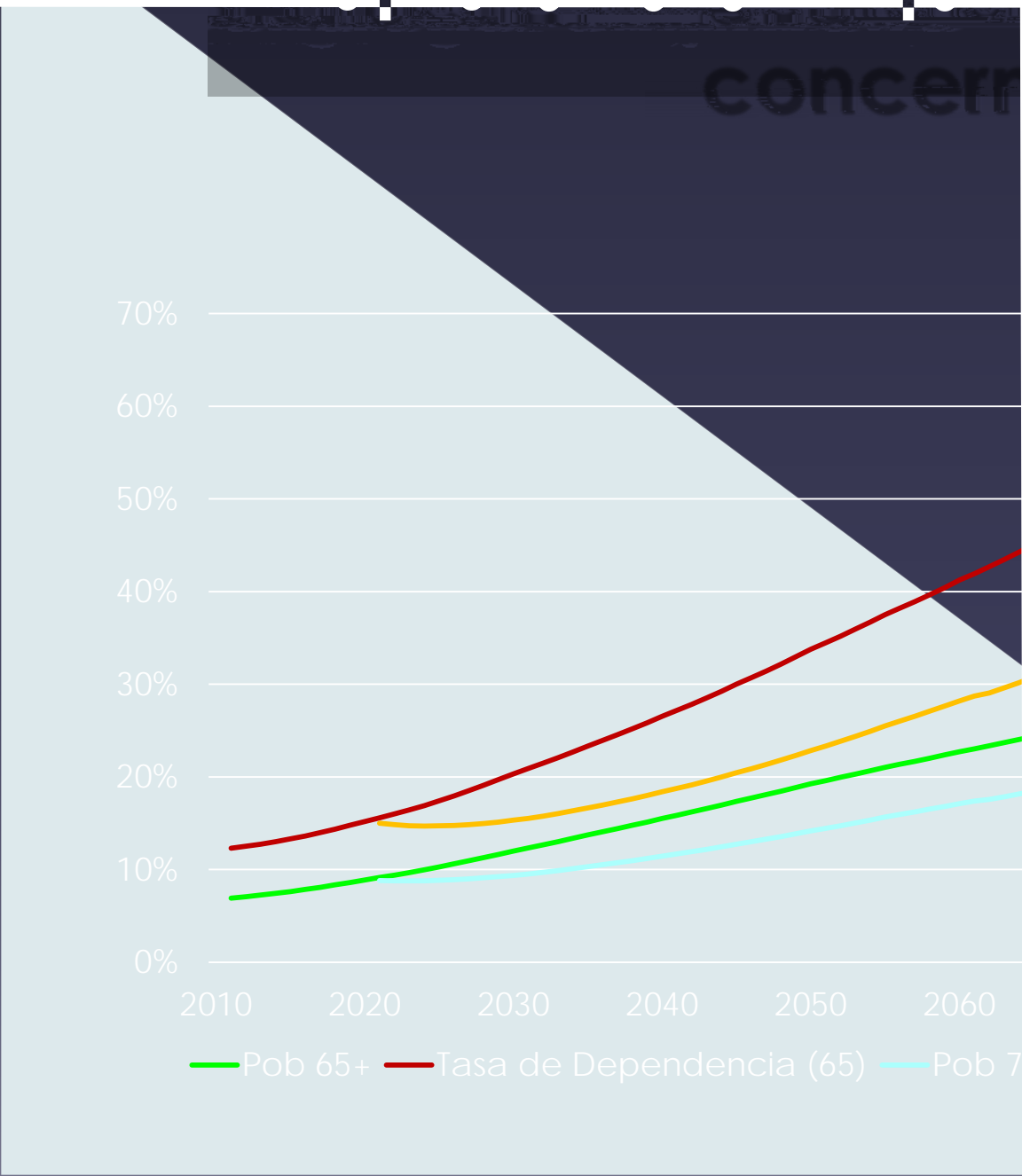
Policy responses

concern

70%
60%
50%
40%
30%
20%
10%
0%

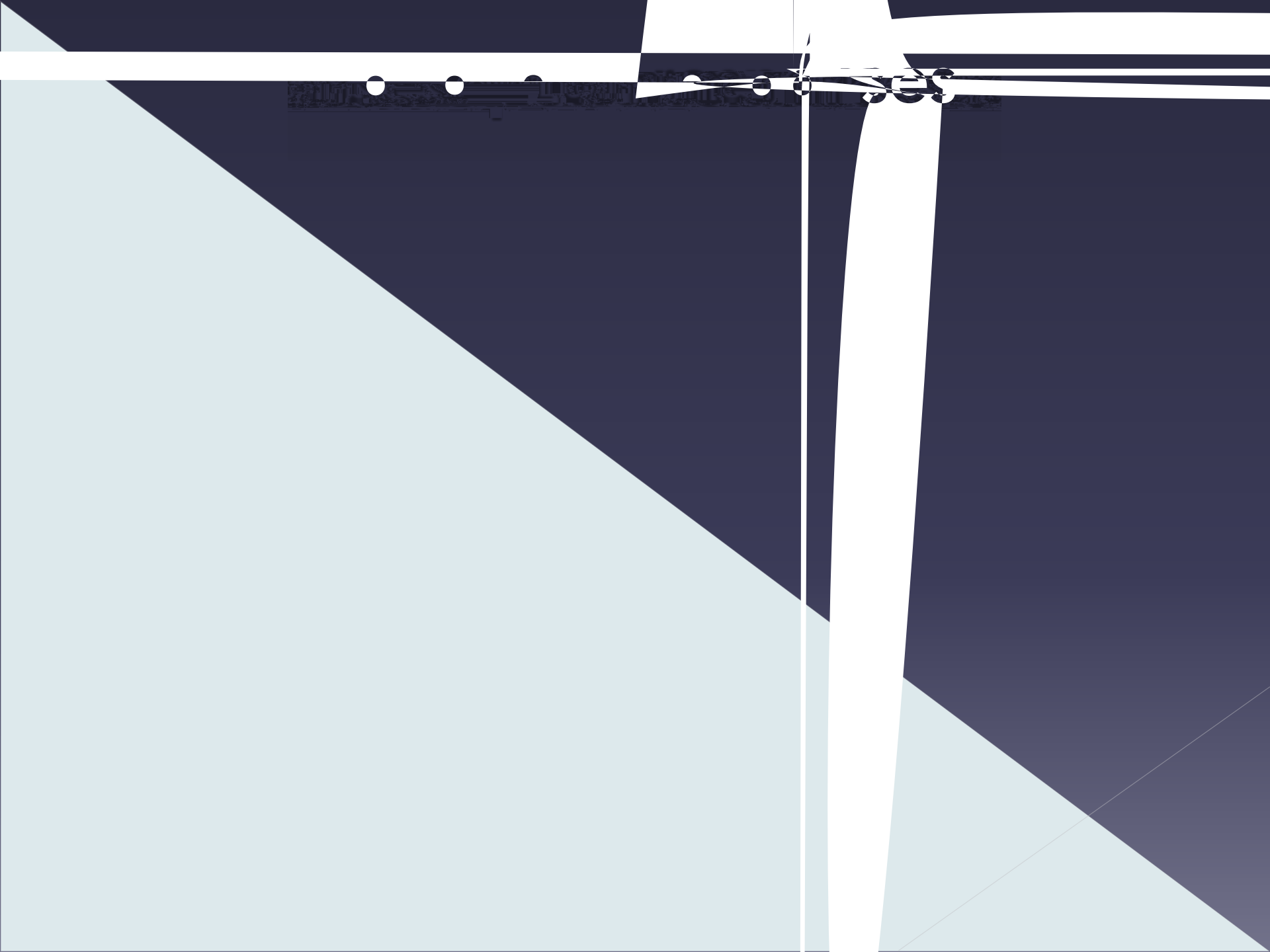
2010 2020 2030 2040 2050 2060

Pob 65+ Tasa de Dependencia (65) Pob 70+

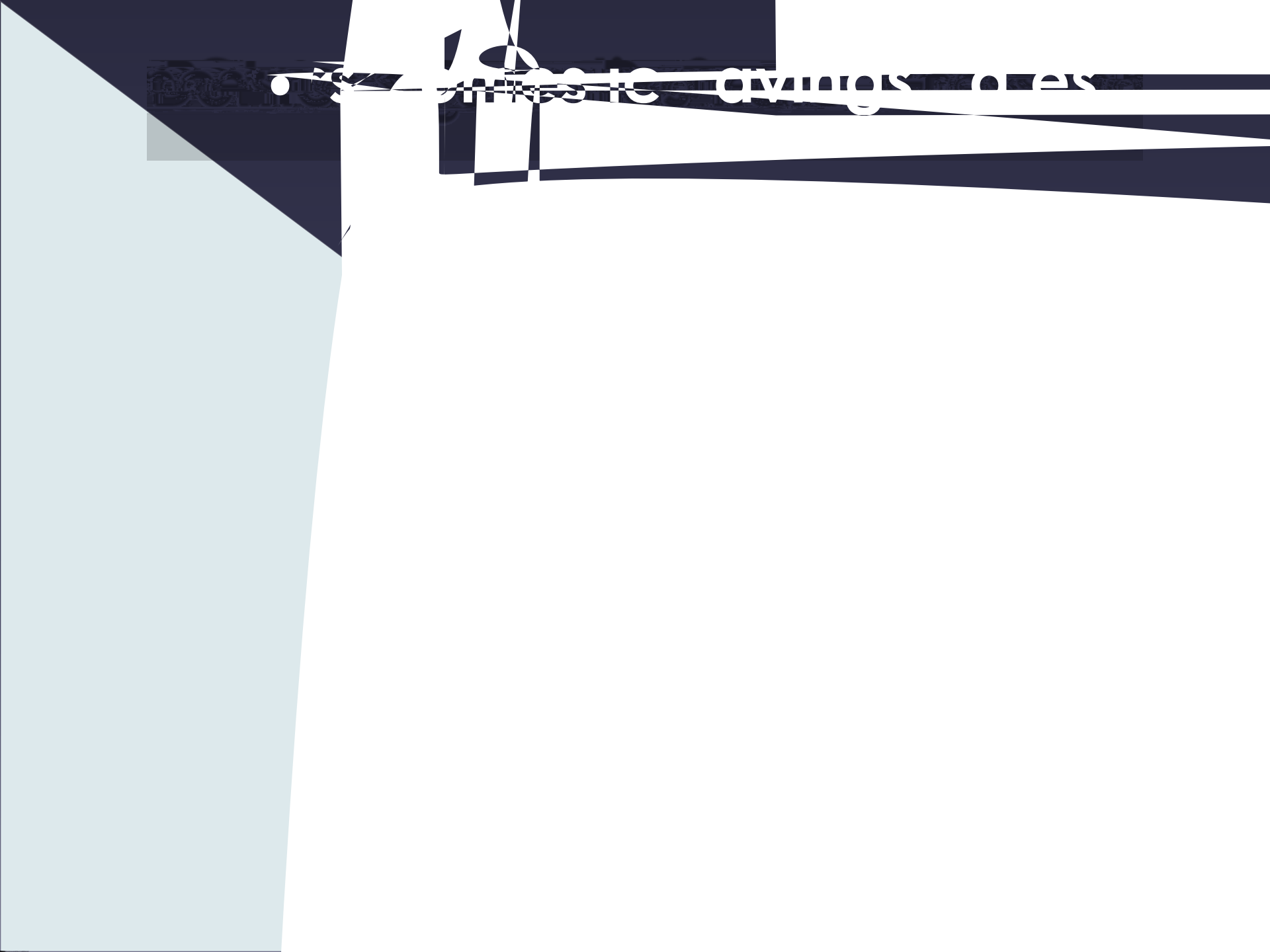


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Domestic Divings







- › More investment (a long term problem in Latin America!)

 - In physical capital (Infrastructure, equipment...)

 - In human capital (education, training)

- › More productivity

 - Development and adoption of technology

- › Effective Distribution

Distributive systems associated to labor market will weaken: Protection should shift from workers to citizen

In conclusion

- › Demographic trends will affect current social security institutions sustainability
- › As policy debates tend to be dominated by short term issues, there is little space to discuss longer term solutions
- › Parametric and structural reforms will shift burdens and risks, but not solve the problem
- › Sustained growth is critical. For this: Human Capital, Physical Capital, Productivity
- › However, that will not be enough. The traditional contributory pension model has significant limitations to achieve social goals

Thanks!