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Journal Essays on Economic Policy (ESPE) - Demographic Change and Its Economic Implications for Colombia

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How will population aging and declining fertility shape the future of Colombia and its regions? This article examines the evolution and outlook of demographic change, compares alternative scenarios, and shows how regional differences may influence economic growth, health care, education, and pensions over the coming decades.

Publication Date: Thursday, 17 of September 2026 **Approach**
Demographic change has become a central issue for economic analysis and public policy design in Colombia. This article characterizes demographic change, examines its recent evolution, and projects its main long-term trends. It also assesses its effects on economic growth, the transmission of monetary policy, CO? emissions, and the provision and financing of public goods, particularly in education, health care, and pensions. The analysis incorporates a regional perspective and draws on the latest population projections from the National Administrative Department of Statistics (DANE), the United Nations' World Population Prospects, and alternative scenarios under different fertility and mortality assumptions.

Contribution
A key contribution of the article is the development and comparison of alternative demographic scenarios relative to both the United Nations baseline scenario and the projections published by DANE in July 2025. These scenarios make it possible to assess how different fertility and mortality trajectories may alter both the size and age structure of the population, as well as their implications for economic growth and pressures on the education, health care, and pension systems.

The analysis also highlights the importance of the regional dimension of demographic change. Accordingly, it presents a departmental-level assessment that identifies differences in the opportunities and challenges associated with the demographic dividend, population aging, and future demand for public goods.

Results

The findings show that Colombia is undergoing an accelerated demographic transition characterized by declining fertility, rapid population aging, and marked regional disparities. While some departments face a high proportion of older adults, others maintain relatively young population structures and continue to benefit from the demographic dividend.

From a macroeconomic perspective, the decline in the working-age population will reduce long-term economic growth, particularly under scenarios of accelerated aging. Population aging also alters the responses of output, consumption, prices, and investment to changes in productivity, demand conditions, and monetary policy.

Declining fertility eases pressure on the education system and creates opportunities to strengthen human capital. In contrast, population aging increases expenditures on health care and pensions, generating growing pressures on public finances. Taken together, these effects confirm that demographic change constitutes a structural fiscal challenge.

Finally, the article emphasizes that there is scope for policy action to mitigate the economic and fiscal effects of aging. Such measures include increasing labor force participation, strengthening human capital and productivity, improving the efficiency of the health care system, gradually adjusting the retirement age, and reallocating public resources in line with the evolving population structure.

Fuente: https://www.banrep.gov.co/en/publications-research/espe/demographic-change%20-economic-implications