



Center for Strategic & International Studies
Washington, DC

**Building Human Capital in an Aging Mexico:
Demography, the Future Workforce,
and Economic Competitiveness**

**A Roundtable hosted by the CSIS Global Aging Initiative
and the CSIS Mexico Project**

**October 29, 2004
Washington, DC**

Issue: Mexico is about to undergo a stunning demographic transformation that will require huge new investments in human capital—and in particular, in education and training for the science and technology-intensive jobs of the future. Today, there are nine Mexican children for every elderly adult. By mid-century, there will be as many elderly adults as children. This transformation adds great urgency to Mexico's human capital formation agenda. While it is still young, Mexico must rush to improve education and worker skills and boost investment in productivity-enhancing technology. The CSIS roundtable has two primary objectives. First, it will examine the human capital implications of Mexico's demographic transformation—and in particular, the human capital development strategies that Mexico can pursue to raise living standards and improve its competitiveness. Second, it will explore the implications of the transformation for the U.S.-Mexico relationship and seek to identify demographic and workforce development synergies that could be capitalized on for the long-term benefit of both nations.

Methodology: The Roundtable will bring together a team of multidisciplinary experts from both countries on the themes of aging, human capital development, and competitiveness for an open discussion of relevant trends, best practices, and future strategies. The ideas and policy recommendations that emerge from the discussion will eventually be incorporated into a policy report to be drafted by the CSIS Global Aging Initiative and Mexico Project. The report will acknowledge the contributions of the roundtable and its participants. The U.S.-Mexico Binational Council, a high-level entity co-sponsored by CSIS and the Mexico City-based Instituto Tecnológico Autónomo de México whose collective mission is to foster more informed and constructive relations between its member countries, will also provide recommendations on the content of the report. The final report will be presented to the U.S. and Mexican congresses and executive branches under the auspices of the Binational Council.

Preparation: Participants are asked to come prepared to discuss the questions posed in the attached agenda and to formulate additional questions they think important. Since our primary interest is to have an open, interactive dialogue, we request that participants do not prepare formal presentations.

ROUNDTABLE AGENDA

8:30 – 9:00 **REGISTRATION & COFFEE**

9:00 – 9:30 **INTRODUCTION & OVERVIEW**

Peter DeShazo, *Director, CSIS Americas Program*
Armand Peschard-Sverdrup, *Director, CSIS Mexico Project*
Richard Jackson, *Director, CSIS Global Aging Initiative*

9:30 – 10:45 **SESSION 1: Navigating Mexico's Demographic Transition**

The first session will explore how Mexico's demographic transition promises to reshape its economy and society—and thus its human capital equation.

- *Will slower workforce growth shift demand from labor-intensive to capital and skills-intensive industries?*
- *Will rising median ages mean rising rates of savings and broader and deeper capital markets?*
- *Will smaller families want to invest more in the education of their children—and will they be able to afford to do so while caring for a larger number of elders?*

10:45 – 11:00 **CONTACT BREAK**

11:00 - 12:15 **SESSION 2: A Highly Skilled Labor Force: The Key to Enhancing Mexico's Competitiveness**

The second session will assess the strengths and weaknesses of Mexico's current human capital formation strategies. Both demography and globalization demand that Mexico invest effectively in human capital in order to move its economy up the global "value chain" and develop a highly skilled workforce for the capital-intensive jobs of the future.

- *Have current human capital formation policies been successful?*
- *Are Mexico's educational and training systems preparing tomorrow's workers to fill tomorrow's jobs—or is there an emerging "skills gap"?*
- *How can human capital development policies be retooled to ensure the long-term competitiveness of Mexico's workforce and economy as Mexico's population ages?*

12:15 - 13:15 **LUNCHEON**

13:15 - 14:30 **SESSION 3: Implications for the U.S.-Mexico Relationship:
Challenges and Opportunities for Policy Convergence**

The third session will examine the impact of Mexico's demographic transformation on the United States in terms of migration, economic integration, and trade patterns and why it should be an item on the bilateral agenda.

- *What are the synergies between Mexico's still relatively young workforce and projected U.S. labor needs in the medium to long term?*
- *Will the slowdown in Mexican workforce growth reduce "immigration push"?*
- *What are the advantages of bilateralism in terms of workforce development?*
- *How, in particular, can the U.S.-Mexico Agreement on Scientific and Technical Cooperation be strengthened to invigorate and harmonize national workforce development strategies?*

14:30 – 14:45 **CONTACT BREAK**

14:45 – 15:45 **SESSION 4: Policy Recommendations**

The final session will focus on identifying policy solutions.

- *What policy recommendations are most important?*
- *Is there agreement on "best practices"?*
- *What are the appropriate roles of government and business?*
- *How can we build on current bilateral efforts to promote human capital formation?*
- *Does the political will exist to implement these policy changes?*

15:45 – 16:00 **CLOSING REMARKS**