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# The New Population Bomb

## The Four Megatrends That Will Change the World

*Jack A. Goldstone*

FORTY-TWO years ago, the biologist Paul Ehrlich warned in *The Population Bomb* that mass starvation would strike in the 1970s and 1980s, with the world's population growth outpacing the production of food and other critical resources. Thanks to innovations and efforts such as the "green revolution" in farming and the widespread adoption of family planning, Ehrlich's worst fears did not come to pass. In fact, since the 1970s, global economic output has increased and fertility has fallen dramatically, especially in developing countries.

The United Nations Population Division now projects that global population growth will nearly halt by 2050. By that date, the world's population will have stabilized at 9.15 billion people, according to the "medium growth" variant of the UN's authoritative population database *World Population Prospects: The 2008 Revision*. (Today's global population is 6.83 billion.) Barring a cataclysmic climate crisis or a complete failure to recover from the current economic malaise, global economic output is expected to increase by two to three percent per year, meaning that global income will increase far more than population over the next four decades.

But twenty-first-century international security will depend less on how many people inhabit the world than on how the global population is composed and distributed: where populations are declining and

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where they are growing, which countries are relatively older and which are more youthful, and how demographics will influence population movements across regions.

These elements are not well recognized or widely understood. A recent article in *The Economist*, for example, cheered the decline in global fertility without noting other vital demographic developments. Indeed, the same UN data cited by *The Economist* reveal four historic shifts that will fundamentally alter the world's population over the next four decades: the relative demographic weight of the world's developed countries will drop by nearly 25 percent, shifting economic power to the developing nations; the developed countries' labor forces will substantially age and decline, constraining economic growth in the developed world and raising the demand for immigrant workers; most of the world's expected population growth will increasingly be concentrated in today's poorest, youngest, and most heavily Muslim countries, which have a dangerous lack of quality education, capital, and employment opportunities; and, for the first time in history, most of the world's population will become urbanized, with the largest urban centers being in the world's poorest countries, where policing, sanitation, and health care are often scarce.

Taken together, these trends will pose challenges every bit as alarming as those noted by Ehrlich. Coping with them will require nothing less than a major reconsideration of the world's basic global governance structures.

#### EUROPE'S REVERSAL OF FORTUNES

AT THE beginning of the eighteenth century, approximately 20 percent of the world's inhabitants lived in Europe (including Russia). Then, with the Industrial Revolution, Europe's population boomed, and streams of European emigrants set off for the Americas. By the eve of World War I, Europe's population had more than quadrupled. In 1913, Europe had more people than China, and the proportion of the world's population living in Europe and the former European colonies of North America had risen to over 33 percent.

But this trend reversed after World War I, as basic health care and sanitation began to spread to poorer countries. In Asia, Africa, and Latin

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America, people began to live longer, and birthrates remained high or fell only slowly. By 2003, the combined populations of Europe, the United States, and Canada accounted for just 17 percent of the global population. In 2050, this figure is expected to be just 12 percent—far less than it was in 1700. (These projections, moreover, might even understate the reality because they reflect the “medium growth” projection of the UN forecasts, which assumes that the fertility rates of developing countries will decline while those of developed countries will increase. In fact, many developed countries show no evidence of increasing fertility rates.)

The West’s relative decline is even more dramatic if one also considers changes in income. The Industrial Revolution made Europeans not only more numerous than they had been but also considerably richer per capita than others worldwide. According to the economic historian Angus Maddison, Europe, the United States, and Canada together produced about 32 percent of the world’s GDP at the beginning of the nineteenth century. By 1950, that proportion had increased to a remarkable 68 percent of the world’s total output (adjusted to reflect purchasing power parity).

This trend, too, is headed for a sharp reversal. The proportion of global GDP produced by Europe, the United States, and Canada fell from 68 percent in 1950 to 47 percent in 2003 and will decline even more steeply in the future. If the growth rate of per capita income (again, adjusted for purchasing power parity) between 2003 and 2050 remains as it was between 1973 and 2003—averaging 1.68 percent annually in Europe, the United States, and Canada and 2.47 percent annually in the rest of the world—then the combined GDP of Europe, the United States, and Canada will roughly double by 2050, whereas the GDP of the rest of the world will grow by a factor of five. The portion of global GDP produced by Europe, the United States, and Canada in 2050 will then be less than 30 percent—smaller than it was in 1820.

These figures also imply that an overwhelming proportion of the world’s GDP growth between 2003 and 2050—nearly 80 percent—will occur outside of Europe, the United States, and Canada. By the middle of this century, the global middle class—those capable of purchasing durable consumer products, such as cars, appliances, and electronics—will increasingly be found in what is now considered the developing

world. The World Bank has predicted that by 2030 the number of middle-class people in the developing world will be 1.2 billion—a rise of 200 percent since 2005. This means that the developing world's middle class alone will be larger than the total populations of Europe, Japan, and the United States combined. From now on, therefore, the main driver of global economic expansion will be the economic growth of newly industrialized countries, such as Brazil, China, India, Indonesia, Mexico, and Turkey.

#### AGING PAINS

PART OF the reason developed countries will be less economically dynamic in the coming decades is that their populations will become substantially older. The European countries, Canada, the United States, Japan, South Korea, and even China are aging at unprecedented rates. Today, the proportion of people aged 60 or older in China and South Korea is 12–15 percent. It is 15–22 percent in the European Union, Canada, and the United States and 30 percent in Japan. With baby boomers aging and life expectancy increasing, these numbers will increase dramatically. In 2050, approximately 30 percent of Americans, Canadians, Chinese, and Europeans will be over 60, as will more than 40 percent of Japanese and South Koreans.

Over the next decades, therefore, these countries will have increasingly large proportions of retirees and increasingly small proportions of workers. As workers born during the baby boom of 1945–65 are retiring, they are not being replaced by a new cohort of citizens of prime working age (15–59 years old). Industrialized countries are experiencing a drop in their working-age populations that is even more severe than the overall slowdown in their population growth. South Korea represents the most extreme example. Even as its total population is projected to decline by almost 9 percent by 2050 (from 48.3 million to 44.1 million), the population of working-age South Koreans is expected to drop by 36 percent (from 32.9 million to 21.1 million), and the number of South Koreans aged 60 and older will increase by almost 150 percent (from 7.3 million to 18 million). By 2050, in other words, the entire working-age population will barely exceed the 60-and-older population. Although South Korea's case is extreme, it represents an increasingly

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common fate for developed countries. Europe is expected to lose 24 percent of its prime working-age population (about 120 million workers) by 2050, and its 60-and-older population is expected to increase by 47 percent. In the United States, where higher fertility and more immigration are expected than in Europe, the working-age population will grow by 15 percent over the next four decades—a steep decline from its growth of 62 percent between 1950 and 2010. And by 2050, the United States' 60-and-older population is expected to double.

All this will have a dramatic impact on economic growth, health care, and military strength in the developed world. The forces that fueled economic growth in industrialized countries during the second half of the twentieth century—increased productivity due to better education, the movement of women into the labor force, and innovations in technology—will all likely weaken in the coming decades. College enrollment boomed after World War II, a trend that is not likely to recur in the twenty-first century; the extensive movement of women into the labor force also was a one-time social change; and the technological change of the time resulted from innovators who created new products and leading-edge consumers who were willing to try them out—two groups that are thinning out as the industrialized world's population ages.

Overall economic growth will also be hampered by a decline in the number of new consumers and new households. When developed countries' labor forces were growing by 0.5–1.0 percent per year, as they did until 2005, even annual increases in real output per worker of just 1.7 percent meant that annual economic growth totaled 2.2–2.7 percent per year. But with the labor forces of many developed countries (such as Germany, Hungary, Japan, Russia, and the Baltic states) now shrinking by 0.2 percent per year and those of other countries (including Austria, the Czech Republic, Denmark, Greece, and Italy) growing by less than 0.2 percent per year, the same 1.7 percent increase in real output per worker yields only 1.5–1.9 percent annual overall growth. Moreover, developed countries will be lucky to keep productivity growth at even that level; in many developed countries, productivity is more likely to decline as the population ages.

A further strain on industrialized economies will be rising medical costs: as populations age, they will demand more health care for longer

periods of time. Public pension schemes for aging populations are already being reformed in various industrialized countries—often prompting heated debate. In theory, at least, pensions might be kept solvent by increasing the retirement age, raising taxes modestly, and phasing out benefits for the wealthy. Regardless, the number of 80- and 90-year-olds—who are unlikely to work and highly likely to require nursing-home and other expensive care—will rise dramatically. And even if 60- and 70-year-olds remain active and employed, they will require procedures and medications—hip replacements, kidney transplants, blood-pressure treatments—to sustain their health in old age.

All this means that just as aging developed countries will have proportionally fewer workers, innovators, and consumerist young households, a large portion of those countries' remaining economic growth will have to be diverted to pay for the medical bills and pensions of their growing elderly populations. Basic services, meanwhile, will be increasingly costly because fewer young workers will be available for strenuous and labor-intensive jobs. Unfortunately, policymakers seldom reckon with these potentially disruptive effects of otherwise welcome developments, such as higher life expectancy.

#### YOUTH AND ISLAM IN THE DEVELOPING WORLD

EVEN AS the industrialized countries of Europe, North America, and Northeast Asia will experience unprecedented aging this century, fast-growing countries in Africa, Latin America, the Middle East, and Southeast Asia will have exceptionally youthful populations. Today, roughly nine out of ten children under the age of 15 live in developing countries. And these are the countries that will continue to have the world's highest birthrates. Indeed, over 70 percent of the world's population growth between now and 2050 will occur in 24 countries, all of which are classified by the World Bank as low income or lower-middle income, with an average per capita income of under \$3,855 in 2008.

Many developing countries have few ways of providing employment to their young, fast-growing populations. Would-be laborers, therefore, will be increasingly attracted to the labor markets of the aging developed countries of Europe, North America, and Northeast Asia. Youthful immigrants from nearby regions with high unemployment—

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Central America, North Africa, and Southeast Asia, for example—will be drawn to those vital entry-level and manual-labor jobs that sustain advanced economies: janitors, nursing-home aides, bus drivers, plumbers, security guards, farm workers, and the like. Current levels of immigration from developing to developed countries are paltry compared to those that the forces of supply and demand might soon create across the world.

These forces will act strongly on the Muslim world, where many economically weak countries will continue to experience dramatic population growth in the decades ahead. In 1950, Bangladesh, Egypt, Indonesia, Nigeria, Pakistan, and Turkey had a combined population of 242 million. By 2009, those six countries were the world's most populous Muslim-majority countries and had a combined population of 886 million. Their populations are continuing to grow and indeed are expected to increase by 475 million between now and 2050—during which time, by comparison, the six most populous developed countries are projected to gain only 44 million inhabitants. Worldwide, of the 48 fastest-growing countries today—those with annual population growth of two percent or more—28 are majority Muslim or have Muslim minorities of 33 percent or more.

It is therefore imperative to improve relations between Muslim and Western societies. This will be difficult given that many Muslims live in poor communities vulnerable to radical appeals and many see the West as antagonistic and militaristic. In the 2009 Pew Global Attitudes Project survey, for example, whereas 69 percent of those Indonesians and Nigerians surveyed reported viewing the United States favorably, just 18 percent of those polled in Egypt, Jordan, Pakistan, and Turkey (all U.S. allies) did. And in 2006, when the Pew survey last asked detailed questions about Muslim-Western relations, more than half of the respondents in Muslim countries characterized those relations as bad and blamed the West for this state of affairs.

But improving relations is all the more important because of the growing demographic weight of poor Muslim countries and the attendant increase in Muslim immigration, especially to Europe from North Africa and the Middle East. (To be sure, forecasts that Muslims will soon dominate Europe are outlandish: Muslims compose just three to ten percent of the population in the major European countries

today, and this proportion will at most double by midcentury.) Strategists worldwide must consider that the world's young are becoming concentrated in those countries least prepared to educate and employ them, including some Muslim states. Any resulting poverty, social tension, or ideological radicalization could have disruptive effects in many corners of the world. But this need not be the case; the healthy immigration of workers to the developed world and the movement of capital to the developing world, among other things, could lead to better results.

#### URBAN SPRAWL

EXACERBATING twenty-first-century risks will be the fact that the world is urbanizing to an unprecedented degree. The year 2010 will likely be the first time in history that a majority of the world's people live in cities rather than in the countryside. Whereas less than 30 percent of the world's population was urban in 1950, according to UN projections, more than 70 percent will be by 2050.

Lower-income countries in Asia and Africa are urbanizing especially rapidly, as agriculture becomes less labor intensive and as employment opportunities shift to the industrial and service sectors. Already, most of the world's urban agglomerations—Mumbai (population 20.1 million), Mexico City (19.5 million), New Delhi (17 million), Shanghai (15.8 million), Calcutta (15.6 million), Karachi (13.1 million), Cairo (12.5 million), Manila (11.7 million), Lagos (10.6 million), Jakarta (9.7 million)—are found in low-income countries. Many of these countries have multiple cities with over one million residents each: Pakistan has eight, Mexico 12, and China more than 100. The UN projects that the urbanized proportion of sub-Saharan Africa will nearly double between 2005 and 2050, from 35 percent (300 million people) to over 67 percent (1 billion). China, which is roughly 40 percent urbanized today, is expected to be 73 percent urbanized by 2050; India, which is less than 30 percent urbanized today, is expected to be 55 percent urbanized by 2050. Overall, the world's urban population is expected to grow by 3 billion people by 2050.

This urbanization may prove destabilizing. Developing countries that urbanize in the twenty-first century will have far lower per capita

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incomes than did many industrial countries when they first urbanized. The United States, for example, did not reach 65 percent urbanization until 1950, when per capita income was nearly \$13,000 (in 2005 dollars). By contrast, Nigeria, Pakistan, and the Philippines, which are approaching similar levels of urbanization, currently have per capita incomes of just \$1,800–\$4,000 (in 2005 dollars).

According to the research of Richard Cincotta and other political demographers, countries with younger populations are especially prone to civil unrest and are less able to create or sustain democratic institutions. And the more heavily urbanized, the more such countries are likely to experience Dickensian poverty and anarchic violence. In good times, a thriving economy might keep urban residents employed and governments flush with sufficient resources to meet their needs. More often, however, sprawling and impoverished cities are vulnerable to crime lords, gangs, and petty rebellions. Thus, the rapid urbanization of the developing world in the decades ahead might bring, in exaggerated form, problems similar to those that urbanization brought to nineteenth-century Europe. Back then, cyclical employment, inadequate policing, and limited sanitation and education often spawned widespread labor strife, periodic violence, and sometimes—as in the 1820s, the 1830s, and 1848—even revolutions.

International terrorism might also originate in fast-urbanizing developing countries (even more than it already does). With their neighborhood networks, access to the Internet and digital communications technology, and concentration of valuable targets, sprawling cities offer excellent opportunities for recruiting, maintaining, and hiding terrorist networks.

### DEFUSING THE BOMB

AVERTING THIS century's potential dangers will require sweeping measures. Three major global efforts defused the population bomb of Ehrlich's day: a commitment by governments and nongovernmental organizations to control reproduction rates; agricultural advances, such as the green revolution and the spread of new technology; and a vast increase in international trade, which globalized markets and thus allowed developing countries to export foodstuffs in exchange for

seeds, fertilizers, and machinery, which in turn helped them boost production. But today's population bomb is the product less of absolute growth in the world's population than of changes in its age and distribution. Policymakers must therefore adapt today's global governance institutions to the new realities of the aging of the industrialized world, the concentration of the world's economic and population growth in developing countries, and the increase in international immigration.

During the Cold War, Western strategists divided the world into a "First World," of democratic industrialized countries; a "Second World," of communist industrialized countries; and a "Third World," of developing countries. These strategists focused chiefly on deterring or managing conflict between the First and the Second Worlds and on launching proxy wars and diplomatic initiatives to attract Third World countries into the First World's camp. Since the end of the Cold War, strategists have largely abandoned this three-group division and have tended to believe either that the United States, as the sole superpower, would maintain a *Pax Americana* or that the world would become multipolar, with the United States, Europe, and China playing major roles.

Unfortunately, because they ignore current global demographic trends, these views will be obsolete within a few decades. A better approach would be to consider a different three-world order, with a new First World of the aging industrialized nations of North America, Europe, and Asia's Pacific Rim (including Japan, Singapore, South Korea, and Taiwan, as well as China after 2030, by which point the one-child policy will have produced significant aging); a Second World comprising fast-growing and economically dynamic countries with a healthy mix of young and old inhabitants (such as Brazil, Iran, Mexico, Thailand, Turkey, and Vietnam, as well as China until 2030); and a Third World of fast-growing, very young, and increasingly urbanized countries with poorer economies and often weak governments.

To cope with the instability that will likely arise from the new Third World's urbanization, economic strife, lawlessness, and potential terrorist activity, the aging industrialized nations of the new First World must build effective alliances with the growing powers of the new Second World and together reach out to Third World nations. Second World powers will be pivotal in the twenty-first century not

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just because they will drive economic growth and consume technologies and other products engineered in the First World; they will also be central to international security and cooperation. The realities of religion, culture, and geographic proximity mean that any peaceful and productive engagement by the First World of Third World countries will have to include the open cooperation of Second World countries.

Strategists, therefore, must fundamentally reconsider the structure of various current global institutions. The G-8, for example, will likely become obsolete as a body for making global economic policy. The G-20 is already becoming increasingly important, and this is less a short-term consequence of the ongoing global financial crisis than the beginning of the necessary recognition that Brazil, China, India, Indonesia, Mexico, Turkey, and others are becoming global economic powers. International institutions will not retain their legitimacy if they exclude the world's fastest-growing and most economically dynamic countries. It is essential, therefore, despite European concerns about the potential effects on immigration, to take steps such as admitting Turkey into the European Union. This would add youth and economic dynamism to the EU—and would prove that Muslims are welcome to join Europeans as equals in shaping a free and prosperous future. On the other hand, excluding Turkey from the EU could lead to hostility not only on the part of Turkish citizens, who are expected to number 100 million by 2050, but also on the part of Muslim populations worldwide.

NATO must also adapt. The alliance today is composed almost entirely of countries with aging, shrinking populations and relatively slow-growing economies. It is oriented toward the Northern Hemisphere and holds on to a Cold War structure that cannot adequately respond to contemporary threats. The young and increasingly populous countries of Africa, the Middle East, Central Asia, and South Asia could mobilize insurgents much more easily than NATO could mobilize the troops it would need if it were called on to stabilize those countries. Long-standing NATO members should, therefore—although it would require atypical creativity and flexibility—consider the logistical and demographic advantages of inviting into the alliance countries such as Brazil and Morocco, rather than countries such as Albania. That this seems far-fetched does not minimize the imperative that

First World countries begin including large and strategic Second and Third World powers in formal international alliances.

The case of Afghanistan—a country whose population is growing fast and where NATO is currently engaged—illustrates the importance of building effective global institutions. Today, there are 28 million Afghans; by 2025, there will be 45 million; and by 2050, there will be close to 75 million. As nearly 20 million additional Afghans are born over the next 15 years, NATO will have an opportunity to help Afghanistan become reasonably stable, self-governing, and prosperous. If NATO's efforts fail and the Afghans judge that NATO intervention harmed their interests, tens of millions of young Afghans will become more hostile to the West. But if they come to think that NATO's involvement benefited their society, the West will have tens of millions of new friends. The example might then motivate the approximately one billion other young Muslims growing up in low-income countries over the next four decades to look more kindly on relations between their countries and the countries of the industrialized West.

#### CREATIVE REFORMS AT HOME

THE AGING industrialized countries can also take various steps at home to promote stability in light of the coming demographic trends. First, they should encourage families to have more children. France and Sweden have had success providing child care, generous leave time, and financial allowances to families with young children. Yet there is no consensus among policymakers—and certainly not among demographers—about what policies best encourage fertility.

More important than unproven tactics for increasing family size is immigration. Correctly managed, population movement can benefit developed and developing countries alike. Given the dangers of young, underemployed, and unstable populations in developing countries, immigration to developed countries can provide economic opportunities for the ambitious and serve as a safety valve for all. Countries that embrace immigrants, such as the United States, gain economically by having willing laborers and greater entrepreneurial spirit. And countries with high levels of emigration (but not so much that they experience so-called brain drains) also benefit because

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emigrants often send remittances home or return to their native countries with valuable education and work experience.

One somewhat daring approach to immigration would be to encourage a reverse flow of older immigrants from developed to developing countries. If older residents of developed countries took their retirements along the southern coast of the Mediterranean or in Latin America or Africa, it would greatly reduce the strain on their home countries' public entitlement systems. The developing countries involved, meanwhile, would benefit because caring for the elderly and providing retirement and leisure services is highly labor intensive. Relocating a portion of these activities to developing countries would provide employment and valuable training to the young, growing populations of the Second and Third Worlds.

This would require developing residential and medical facilities of First World quality in Second and Third World countries. Yet even this difficult task would be preferable to the status quo, by which low wages and poor facilities lead to a steady drain of medical and nursing talent from developing to developed countries. Many residents of developed countries who desire cheaper medical procedures already practice medical tourism today, with India, Singapore, and Thailand being the most common destinations. (For example, the international consulting firm Deloitte estimated that 750,000 Americans traveled abroad for care in 2008.)

Never since 1800 has a majority of the world's economic growth occurred outside of Europe, the United States, and Canada. Never have so many people in those regions been over 60 years old. And never have low-income countries' populations been so young and so urbanized. But such will be the world's demography in the twenty-first century. The strategic and economic policies of the twentieth century are obsolete, and it is time to find new ones. 🌐