

# The Global Demographic Transformation: Implications for Economic Development

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**The Competitiveness Institute's 4<sup>th</sup> Annual Conference**  
**October 28-31, 2001, Tucson, Arizona**

“The dominant factor for business in the next two decades - absent war, pestilence, or collision with a comet - is not going to be economics or technology. It will be demographics.”

Peter Drucker, “Looking Ahead:  
Implications of the Present,”  
Harvard Business Review,  
September-October 1997, pp. 18-24.

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# The Widening Global Population Gap

1950	1998	2020	2050	2100
2.524 B	5.926 B	7.672 B	9.367 B	10.23 B

## Population Share

	1950	1990	2050
<b>Developed Countries</b>	32 %	22%	12%
<b>Less Developed Countries</b>	68%	78%	88%

**During the Middle of this Time Frame, 1998:**

**Developed World (19.8 % of Population) Produced 80.3% of World GDP,  
While, Less Developed (80.2% of Pop.) Produced only 19.7 of World GDP**

# Age Structure of World Population

- Fastest Growth of Working Age Population has taken place in Africa, Latin America, and Asia
- Italy, Japan and Germany will become the top three older nations with the highest elderly proportion, 17-18%, and the lowest youth, 14-15%
- By 2050, the elderly in S. Korea, Singapore and Thailand are expected to account for 22-24% of their total population, similar to Europe

# Measuring Human Capital

- Human Capital is the knowledge, skills, competence, and other attributes in individuals that are relevant to economic activities. (OECD)
- Higher quality of labor force is major driver for technology innovation and increased productivity
- Basic literacy is critical to economic development
- Crucial to help illiterate populations acquire basic skills for working and living

# Global Peace and Prosperity

- We live in an increasingly interdependent world
- What happens in developing countries impacts all nations and populations
- The future of the world's economic and social development depends on what happens in the less developed world
- Developed countries must learn to share prosperity
- Raising the standard of living for the majority should be the common goal

# Challenges for Global Economic Development

- Developed countries must take leadership in promoting free trade and economic opportunities for less developed world
- Artificial trade and investment barriers should be eliminated to provide adequate business and financial flows to the less developed world, while retaining education and skills advantages
- Developed world must raise fertility rates to at least replacement rate or suffer “collective suicide”. (Peter Drucker)

# Share and Care

- Global Peace and Prosperity Depends on The Developed World (Minority) Creating Opportunities for the Majority (Less Developed World) to Become Competitive
- Will Benefit All Through Growth of Productivity and Expanded Markets
- TCI Can and Will Play a Role