

The Power of Demography in the 21st Century

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The demographic developments of the 21st century show a unique dynamic compared to the 20th or 19th century. Its characteristics can be summarized as follows:

- Population growth in the 21st century will mainly take place in Africa. By the year 2050 one quarter of the total world population will be living in Africa, according to the current projections by the UN Population Division. This number is expected to rise up to 40% by the year 2100, almost equalizing the population of the currently most populated continent: Asia.
- From a global perspective, the composition of the three age cohorts – youth, working age people, and elderly – will reach a new equilibrium. At the end of this process, all three cohorts will approximately reach the same size – unless the current projections are falsified by unexpected developments.
- The main reason for this development can be found in improved living and working conditions as well as in the widespread availability of a quality health care. The consequences of these improvements manifest themselves in increasing longevity and improved public health.
- The above described developments will ultimately take place on all five continents, although at a different pace. Societies all around the world will be confronted with an ageing population, as well as a decrease in the cohorts of young and working age population. The specific patterns of this change, however, are likely to vary between countries, depending among other things on the impact of future migration streams, which are difficult to forecast.
- That said, demography will most certainly play a key role in the global geopolitical landscape with the potential power to shape political and economic realities of the 21st century.

In order to create new opportunities for people and nations within the outlined demographic developments, we need to rethink and reorganize key elements of our ever longer lives. The question guiding this process should be the following:

"How long and under what conditions do we want to work and be active in the future?"

This question addresses the future evolution of productivity and human capital of a global population that is living longer and healthier lives than ever. Any serious answer to it will have to consider how competitiveness and sustainable development of nations can be secured in order to achieve or maintain welfare and security for their populations.