



CANADIAN GLOBAL AFFAIRS INSTITUTE
INSTITUT CANADIEN DES AFFAIRES MONDIALES

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“**T**here's no use trying," Alice said; "one can't believe impossible things." "I daresay you haven't had much practice," said the Queen. "Why, sometimes I've believed as many as six impossible things before breakfast."

Believe it. We live today in a world of impossible things.

And beyond today's impossible things, powerful changes in the structure of our world are unrolling which will set the framework for still more impossible things.

Three recent reports illuminate some of the changes that are taking place now, the impact these changes might have and interactions among them.

First, demographic change. Demography is only one variable shaping our emerging world, but it is very powerful. The UN's *World Population Prospects; The 2015 Revision*¹ tells us that the global population is continues to grow, though more slowly than in past decades. But emerging patterns of population growth are surprising and suggest profound changes in the structure of global relations. According to the 2015 Revision, the world population reached 7.3 billion in mid-2015, up a billion in the past dozen years. Of the world's people, 60% live in Asia (4.4 billion), 16% in Africa (1.2 billion), 10% in Europe (738 million), 9% in Latin America and the Caribbean (634 million), and the remaining 5% in North America (358 million) and Oceania (39 million).

The UN projects world population will increase to 9.7 billion in 2050 and 11.2 billion by 2100. But change will not be uniform around the globe. Some regions will see very slow or even negative population growth. In Eastern Europe and Russia, long term population growth is likely to be negative. Europe's total population is projected to decrease from 740 million to 732 million by 2050. The 27 countries in the European Union (still counting, for the moment, the UK) should roughly maintain their current size. China's population growth will slow and India will become the world's most populous country.

The eye-opener is that more than half global population growth between now and 2100 is expected to occur in Africa. Of the 2.4 billion people projected to be added to the global population between 2015 and 2050, 1.3 billion will be Africans. Africa's share of global population is projected to grow to 25% in 2050 and 39% by 2100, while Asia's share will fall to 54% in 2050 and 44% in 2100.

	1950	2000	2050	2100
Asia	55	61	54	44
Africa	9	13	25	39
Americas	13	14	13	12
Europe	22	7	7	6

Table 1: Percent of global population by world region



According to the UN projections, the 10 most populous nations on Earth in 2100 will be:

1. India 1.66bn
2. China 1.004bn
3. Nigeria 752m
4. US 450m
5. DR Congo 389m
6. Pakistan 364m
7. Indonesia 314m
8. Tanzania 299m
9. Ethiopia 243m
10. Niger 209m

Compare these projections to those for France (76m), Germany (63m) and the UK (82m). These three are projected to total 221 million – compared to Ethiopia’s 243 million. In the population league of 2100, Europeans barely count. The key outlier, of course, is the US whose population is projected to increase substantially, from 334 million in 2015 to 450 million in 2100.

What makes these changes even more remarkable is the speed with which they are taking place. Between 2015 and 2050, the populations of 28 African countries are estimated to more than double. By 2100, ten African countries are projected to increase by at least five-fold: Angola, Burundi, Democratic Republic of Congo, Malawi, Mali, Niger, Somalia, Uganda, United Republic of Tanzania and Zambia.

Many of these nations are among today’s poorest in the world. Some are among the most fragile. (Nigeria, the Democratic Republic of the Congo and Pakistan make the top of the 2015 most fragile nations list.) So the UN report notes: “The concentration of population growth in the poorest countries will make it harder for those governments to eradicate poverty and inequality, combat hunger and malnutrition, expand education enrolment and health systems, improve the provisions of basic services and implement other elements of a sustainable development agenda to ensure that no-one is left behind.”

The distribution of the world’s population is changing. The structure of the world’s population by age is also changing profoundly.

We are getting older. The UN report says that about a quarter of the world’s population is now under 15, 62% are aged 15-59, and 7.6% 65 or over. By 2100, 22.3% of people will be 65 or over.

Again these changes are highly uneven around the world.

A quarter of Europe’s population is already aged 60 years or over and that proportion is projected to reach 35% in 2100. By 2100, Japan’s population is likely to have shrunk to around 50 million – of whom 40% will be 65 or older. In China, close to 30% of the population will be at least 65. Among the developed countries, the US is again the outlier, with only about 22% 65 or older. With more – many more in some cases – older people and fewer younger people, the burden of dependence weighs more heavily on those of working age.

Some countries will be much younger. The contrast between oldest and youngest populations can be stark: With the world’s largest oldest population, only 13% of Japanese people are under



age 15, but half of Niger's population is under 14. In 2012, about 2/3s of the populations of Uganda, Chad, Niger, Angola, Somalia, Zambia, Mali and Malawi was 25 or under.² Most of these nations, understandably, are on the list of countries with the most rapidly growing populations and, as well, are among the world's poorest.

The possible implications of these changes in the structure of global society are truly profound. If these projections prove accurate, it is hard to imagine that Africa with some 4 billion souls and many of the world's largest nations will not demand a greater role in world affairs. How would systems of global governance be reorganized to reflect the arrival of these new big guys on the block? The other side of the coin: How does Europe with a declining, aging population fit into this emerging global picture? (What about Japan? Russia?)

Yet, one wonders how likely this is, and whether these population trends will instead further fragment Africa's nations. How would Nigeria, which barely keeps together with today's population of 173 million, manage to govern 750 million people? The same holds for many of the other African nations on the most rapidly growing list.

Much can change in half a century. Look at China or Vietnam. And, to be sure, Sub-Saharan Africa as a whole has enjoyed better growth rates over the past decade than any other world region though from a low base, and in cases, dependent on rising demand for commodity prices which have now fallen dramatically.³

But almost unimaginable feats of institutional innovation would be required to support stable political and social systems in countries experiencing the rate of population growth forecast for these countries. To provide necessary food and material required for life, they must be much more deeply integrated into global trade and financial networks; to provide jobs, they must create new, more modern economies and educational systems; to accomplish any of this, they must build vast new physical and social infrastructures.

This is a formidable menu. Large numbers of young people can be key levers of economic growth – if they are educated and trained, if jobs are available. But masses of unemployed young people, on the other hand, are fire starters. Moreover, for better or worse, an increasingly large share of young people, with or without education and skills, will crowd into Africa's emerging megacities.

A second recent report adds more depth to this emerging picture. The United Nations Refugee Agency's recently released *Global Trends; Forced Displacement in 2015*⁴ finds that more than 65 million people are refugees, asylum seekers or displaced. This number – 1 in 113 of everyone on the planet – would constitute the world's 21st largest country. In 2015, 12.4m people were newly displaced by conflict or persecution. 54% of refugees came from just 3 countries: Syria, Afghanistan and Somalia; and half of all refugees are children under 18. This is the largest number since end of WWII when millions of "Displaced Persons" (DPs) streamed out of camps and across Europe seeking to get home or to find one.

The report details the rising number of refugees and internally displaced people in many regions of the world. In the past five years, at least 15 conflicts have erupted or reignited: eight in Africa (Côte d'Ivoire, Central African Republic, Libya, Mali, northeastern Nigeria, Democratic Republic of Congo, South Sudan and Burundi); three in the Middle East (Syria, Iraq, and Yemen); one in Europe (Ukraine) and three in Asia (Kyrgyzstan, and in several areas of Myanmar and Pakistan).



Refugee and displacement crises aren't new. History is full of forced population movements. What was new was establishing an international agency under the League of Nations in 1921 to cope with refugees – the office of the High Commissioner for Refugees – when voluntary agencies were overwhelmed in the aftermath of WWI. The High Commission and the agencies that followed have had successes. Against the background of rapid economic growth in Europe and North America, the rise of the Cold War and the founding of Israel, the worst of the DP problem seemed to be resolved. Similarly, in 1956, Hungarians. The Palestinian refugee situation has hardly been resolved but relatively stabilized, and resettlement and economic growth in Vietnam alleviated the much of the worst distress among Indochinese refugees.

These events however dreadful, seem to be one-off, each involving a fairly clear narrative and some perception of resolution or stabilization. The current crises seem more borderless and shapeless, with complex narratives involving an array of political, religious-cultural-ethnic, economic and environmental variables – almost all, it seems, involving the collapse of core institutional structures and processes. It's difficult to tease out any chance of resolution. In many cases, refugees can neither go back nor move on. The likelihood of large scale resettlement is diminishing, caught up rising waves of anti-immigration sentiment, populism, nativism, nationalism all tangled together.

What this leads to is increasing rigidity of older, more developed and increasingly fearful states on one side and intensifying fragility of poorer, least developed states (but often with rapidly growing populations) on the other. The rapid growth of population puts extraordinary stress on weak institutions. Indeed, one fears that this kind of massive population displacement could become the new normal in parts of the world. And not just in poorer, less developed states: In the United States, presidential candidate Trump has made the deportation of 11 million people a key element of his election campaign and the Brexit vote seems to have unleashed similar views in England.

Finally, the third recent report – the McKinsey Global Institute's *Bridging Global Infrastructure Gaps*⁵. The report looks at power, clean water, sewage, transportation and telecom infrastructure – infrastructure necessary to provide essential services such as education, health, housing and economic activity. The conclusion is both clear and familiar: “Too many countries—emerging and advanced economies alike—have paid insufficient attention to maintaining and expanding their infrastructure assets, creating economic inefficiencies and allowing critical systems to erode.”

The \$2.5 trillion world spends each year on infrastructure has not been enough to avoid significant gaps. Investment needs are growing to some \$3.3 trillion annually through 2030 – about 3.8% of global GDP. This amount would just support current economic growth projections.

In fact, infrastructure investment rates have actually declined in much of the world since the global financial crisis.

If we step back a bit we see that there are really three parallel but distinct dimensions of infrastructure need. One, to remedy the erosion of critical infrastructure in developed nations. (In the US, the American Society of Civil Engineers' most recent Report Card gives an overall grade of D+ on America's infrastructure.⁶) Two, the demand for new infrastructure to support



economic and social development in developing nations. And, three, the unknown demand for infrastructure driven by emerging disruptive technologies – for example, the impact of electrification of transportation systems on mid-20th century grids, of building serviceable infrastructure for emerging megacities throughout Asia and Africa, or of coping with the impact of more frequent severe weather events on ports and transportation.

The report says that while the US and Europe have substantial infrastructure needs, most investment will be required in emerging economies. China will continue to mop up vast investment in infrastructure despite recent overinvestment – this will be so even if China experiences economic slowdown.

The situation ahead looks unpromising: “If current investment rates remain unchanged, the world will fall far short of these projected needs. Baseline needs already exceed investment by around 0.4 percent of global GDP, or \$350 billion annually. In cumulative terms, the gap totals \$5.2 trillion globally across the entire period from 2016 to 2030.” Furthermore, the report continues, “the size of the gap triples when we compare current investment against what would be required to meet the UN Sustainable Development Goals, which are critical for the future of undersupplied regions such as Africa.”

And remember, the easiest tasks will be done first, those where return on investment is less risky will go soon and the cost of investment capital will rise as demand increases and risks rise.

Fundamental and enormously complex decisions are required. In the developed world, for example, what should be the balance between repairing existing infrastructure and innovating with new technologies, between spending on projects that create needed jobs or on new technology that create fewer jobs? In Africa, spending new national transportation systems or on systems that create continental links? In increasingly dry areas, how to divide up water? Can coal be by-passed or is providing the widest possible access to electricity the key objective?

We can imagine possible things, even before breakfast. We can imagine how markets and resources, aging communities and younger communities, restoring some existing infrastructure and building on new technologies that look forward could all fit together, supporting economic growth and social welfare. We could figure out how to afford all of this, how to combine public and private initiative and capital, and how to link efficiency and sustainability. There’s no shortage of good ideas.

Sure.

But making these decisions will require global, regional and national governance infrastructures that now seem both inadequate and deteriorating. Making these decisions will require yet unreached levels of collaboration and overcoming enormous pressures of fragmentation. And none of these targets is standing still. These three reports state clearly that decisions must be made against a background of massive change in the structure of the world and amidst a sea of rising desperation.



¹ https://esa.un.org/unpd/wpp/publications/files/key_findings_wpp_2015.pdf

² Amy Wu, The 10 Youngest Nations by Population? They're Mainly in Africa

<http://passblue.com/2015/02/10/the-top-10-youngest-nations-by-population-theyre-mainly-in-africa/>

³ African Economic Outlook 2016, p. 5

⁴ UNHCR, Global Trends: Forced Displacement in 2015 <http://www.unhcr.org/en-us/statistics/unhcrstats/576408cd7/unhcr-global-trends-2015.html>

⁵ <http://www.mckinsey.com/industries/infrastructure/our-insights/bridging-global-infrastructure-gaps>

⁶ <http://www.infrastructurereportcard.org/>

► About the Author

Stephen Blank (BA, Dartmouth; MA, Cambridge; MA, PhD, Harvard). Stephen Blank's career has spanned the academic (U Pittsburgh, Pace, visiting professorships), business (founding partner MultiNational Strategies Inc) and not-for-profit (Ford Foundation, Conference Board) communities. His work has dealt with Britain, multinational corporations, political risk analysis and corporate intelligence systems and, for several decades, North American integration (regionalism, trade corridors, cross border production-distribution systems and physical infrastructure). Stephen Blank was a Council on Foreign Relations International Affairs Fellow and a scholar in residence at the Villa Serbelloni in Italy, Claude Bissell Professor of US-Canada Relations at the University of Toronto, Fulbright Distinguished Professor at the University of Montreal, Ross Distinguished Visiting Professor at Western Washington University and Fulbright Chair of Governance and Public Administration at the University of Ottawa. He served as Managing Director of the PanAm Partnership for Business Education and Co-Chair of the North American Transportation Competitiveness Research Council. Blank is the author/co-author of many books and articles. A member of the Council on Foreign Relations, he was awarded L'Ordre National du Quebec by the Government of Quebec. He serves as Senior Fellow and Special Advisor, Collaboratory on Energy Research and Policy of the Institute for Science, Society and Policy at the University of Ottawa.

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