



Demographics in focus I

Population Growth

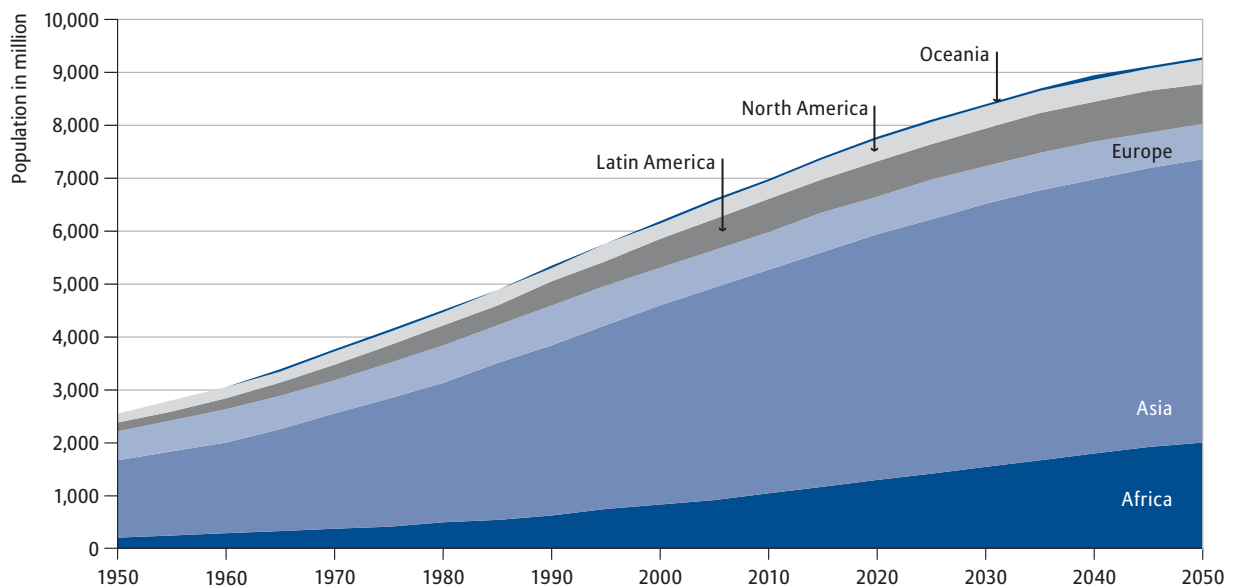
Demographic developments and the rapid ageing of populations in particular are the driving forces for pension reforms in countries worldwide. This paper focuses on key factors of demographic developments as projected by the UN Population Division in its 2008 revision*.

World population will grow to more than 9 billion in 2050

Within the next four decades, world population is projected to grow to a total number of more than 9 billion people according to the medium variant projection

of the UN Population Division. As the highest growth rates are to be found in the least developed countries, Africa will experience especially strong growth. Its share of the world population will increase from 15% today to 22% by 2050. Most of the world's population

The world population continues to grow – Emerging countries are expanding their share



Sources: UN Population Division

today (4.16 billion) is living in Asian countries. In the 2030s, this figure will rise to 5 billion. In 2050, 5.2 billion people will be living there. Although this is a considerable increase in numbers, Asia's share in the world population will decrease from 60.5% today to 57.3% in 2050. Asia has had its highest share of the world population in the last decade.

In North America as well as in Latin America, the population is expected to grow in the near future. However, this growth is not enough to stabilize their share of the world population. On the other hand, Europe will experience yet more drastic change. It is the only continent where the total number of people will actually decline: from 730 million people to roughly 665 million in 2050. Accordingly, its portion of the world population will shrink even faster. In the late 2020s, the population of Latin America will outstrip the number of people living in Europe.

Population growth in Asia is not homogenous

Yet, there is not one single growth rate for a specific region. Much to the contrary and in Asia in particular, population growth differs significantly from country to country. The number of people in a highly developed nation like Japan is shrinking rapidly whereas India retains a large percentage of young people. Its

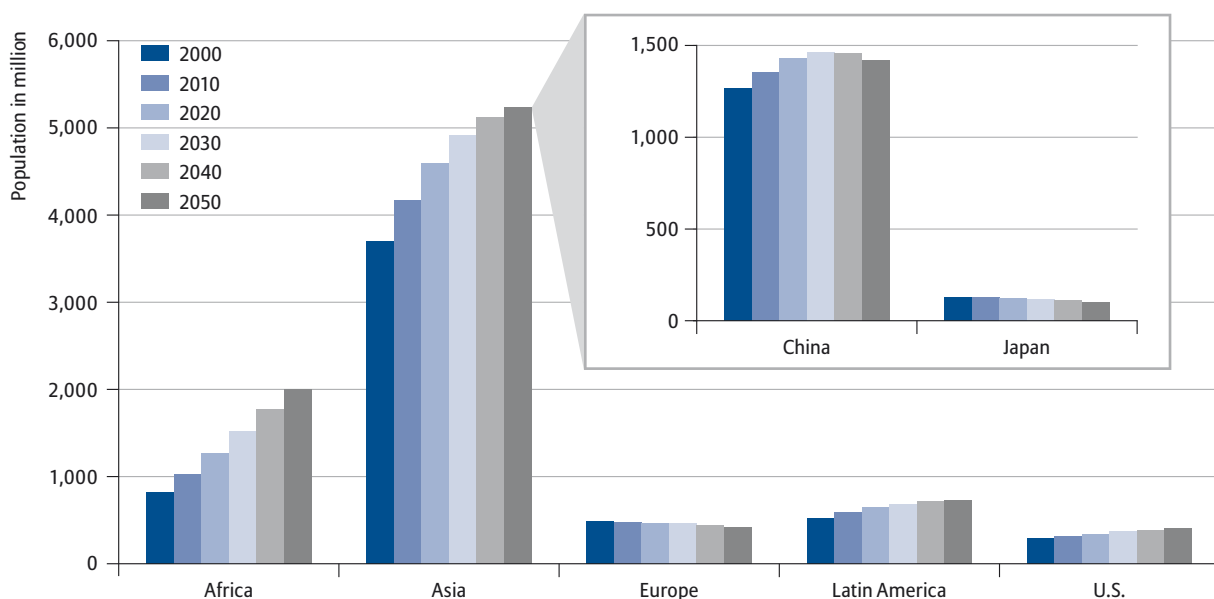
population growth is above average compared to the world wide growth rate. In 2050, 1.61 billion people will be living in India, up from 1.2 billion today. The most populous country in the world today, China, will see declining numbers in the first half of the century due to its one-child policy and declining birth rates. Around 2030, India will surpass China. Other emerging economies in Asia like Thailand are also supposed to experience a decline in population around the mid of the century.

In Europe, the various countries will experience very different developments: While Eastern Europe has already started a continuous decline in total population probably due to emigration and decreasing fertility rates, some Western European countries are expected to grow in the long run. "Young" Ireland and ageing Germany are at the extreme ends of this development.

Most people live in urban areas

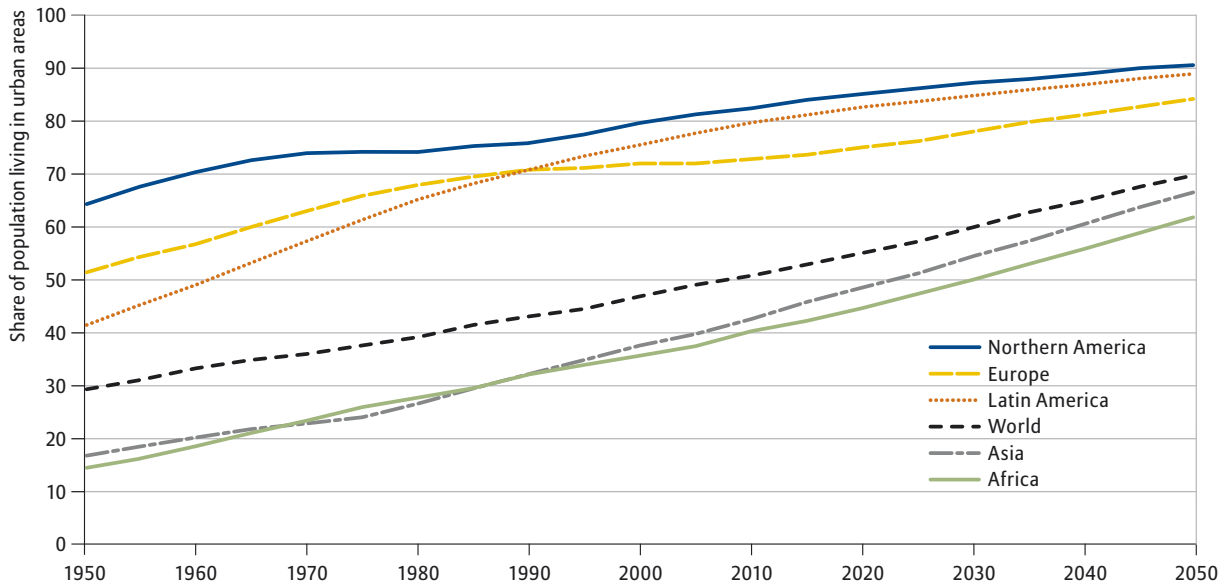
Another major trend is the fact that the way of living is changing. Urbanization has progressed rapidly in developing countries in the last couple of years. In developed countries this movement has started much earlier: in 1950, most of the people were already living in urban areas. In 2008, living patterns in the world as a whole changed from rural to urban living and this

Within Asia population growth is not heterogeneous



Sources: UN Population Division

Urbanization is increasing



Sources: UN, Department of Economic and Social Affairs

trend will continue according to the UN**. The world urban population is expected to nearly double by 2050, increasing to 6.4 billion. By then, the number of people living in urban areas will roughly reach the number of the world’s total population in 2004.

This increased urbanization has caused extreme socio-economic changes and led to a breakdown of traditional family structures. Since families in developing countries often provided for their elders, formal old age provision systems have to be established.

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* Population Division of the Department of Economic and Social Affairs of the UN Secretariat, 2009: “World Population Prospects: The 2008 Revision, Medium Variant”

** UN Department of Economic and Social Affairs, World Urbanization Prospects, 2007 Revision

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