

## **How a Vast Demographic Shift Will Reshape the World**

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The world’s demographics have already been transformed. Europe is shrinking. China is shrinking, with India, a much younger country, overtaking it this year as the world’s most populous nation.

### **U.S. Workforce Percentage Already Too Small**

But what we’ve seen so far is just the beginning. The projections are reliable – and stark: By 2050, people aged 65 and older will make up nearly 40 percent of the population in some parts of East Asia and Europe. That’s almost twice the share of older adults in Florida, America’s retirement capital. That means extraordinary numbers of retirees will be dependent on a shrinking number of working-age people to support them.

In all of recorded history, no country has ever been as old as these nations are expected to get. As a result, experts predict, things many wealthier countries take for granted — like pensions, retirement ages and strict immigration policies — will need overhauls to be sustainable. And today’s wealthier countries will almost inevitably make up a smaller share of global G.D.P., economists say.

### **U.S. Ability to Drive Economic Growth Weakening**

This is a sea change for Europe, the United States, China and other top economies, which have often had the most working-age people in the world, adjusted for their populations. Their large workforces have helped drive their economic growth.

Those countries are already aging off the list. Soon, the best-balanced work forces will mostly be in South and Southeast Asia, Africa and the Middle East, according to U.N. projections. The shift could reshape economic growth and geopolitical power balances, experts say.

## Largest working-age share of population

1990	Top 10 largest economies today 2023	2050
Japan	South Korea	South Africa
South Korea	Brazil	Myanmar
Germany	Colombia	India
Italy	China	Bangladesh
Russia	Thailand	Philippines
United States	Iran	Pakistan
France	Myanmar	Kenya
China	Vietnam	Indonesia
Thailand	Bangladesh	Egypt
United Kingdom	Indonesia	Ethiopia

Sources: U.N. World Population Prospects, World Bank Graphic includes countries with at least 50 million people in 2023. Largest economies are determined by gross domestic product.

In many respects, the aging of the world is a triumph of development. People are living longer, healthier lives and having fewer children as they get richer.

The opportunity for many poorer countries is enormous. When birth rates fall, countries can reap a “demographic dividend” when a growing share of workers and few dependents fuel economic growth. Adults with smaller families have more free time for education and investing in their children. More women tend to enter the work force, compounding the economic boost.

Demography isn’t destiny, and the dividend isn’t automatic. Without jobs, having a lot of working-age people can drive instability rather than growth. And even as they age, rich countries will enjoy economic advantages and a high standard of living for a long time.

- **1990:** The world’s dominant powers had large **working-age** populations in the 1990s. Others were still very **young**.
- **2023** Today, much of Europe is **aging**, and Japan is particularly **old**.
- **2050:** In 2050, most of today’s richest countries will be **old**. Others will have huge **working-age** populations

But the economic logic of age is hard to escape. “All of these changes should never surprise anyone. But they do,” said Mikko Myrskylä, director of the Max Planck Institute for Demographic Research. “And that’s not because we didn’t know. It’s because politically it’s so difficult to react.”

## The Opportunity of Youth

### 50 youngest countries in 2050

Countries with a very high proportion of children today will have fewer child dependents and more workers in 2050. Many are in **Africa**, **Asia** or **Oceania**.

(greatest number of children, in descending order)

**Niger**

**Democratic Republic of Congo**

**Somalia**

**Central African Republic**

**Angola**

**Tanzania**

**Nigeria**

**Afghanistan**

**Ethiopia**

**Tajikistan**

**Kenya**

Source: Times analysis of U.N. World Population Prospects

As in many young countries, birth rates in Kenya have declined drastically in recent years.

Women had an average of eight children 50 years ago, but only just over three [last year](#).

Demographically, Kenya looks something like South Korea in the mid-1970s, as its economy was beginning a historic rise, although its birth rate is declining somewhat more slowly. Much of South Asia and Africa have similar age structures. The upside is enormous.

A similar jump in the working-age population may explain about a third of the economic growth through the end of the last century in South Korea, China, Japan and Singapore, according to the [best estimates](#) — an enormous amount of economic growth. Many of these demographic changes are already baked in: Most people who will be alive in 2050 have already been born.

But predictions always involve uncertainty, and there is evidence that sub-Saharan African countries' [fertility rates are dropping even faster than](#) the U.N. projects — meaning that those African countries could be even better positioned in 2050 than currently expected. But without the right policies, a huge working-age population can backfire rather than lead to economic growth. If large numbers of young adults don't have access to jobs or education, widespread youth unemployment can even threaten stability as frustrated young people turn to criminal or armed groups for better opportunities.

"If you don't have employment for those people who are entering the labor force, then it's no guarantee that the demographic dividend is going to happen," said Carolina Cardona, a health economist at Johns Hopkins University who works with the Demographic Dividend Initiative. East Asian countries that hit the demographic sweet spot in the last few decades had particularly good institutions and policies in place to take advantage of that potential, said Philip O'Keefe, who directs the Aging Asia Research Hub at the ARC Center of Excellence in

Population Aging Research and previously led reports on aging in East Asia and the Pacific at the World Bank.

Other parts of the world – some parts of Latin America, for example – had age structures similar to those East Asian countries' but haven't seen anywhere near the same growth, according to Mr. O'Keefe. "Demography is the raw material," he said. "The dividend is the interaction of the raw material and good policies. "Today's young countries aren't the only ones at a critical juncture. The transformation of rich countries has only just begun. If these countries fail to prepare for a shrinking number of workers, they will face a gradual decline in well-being and economic power.

The number of working-age people in South Korea and Italy, two countries that will be among the world's oldest, is projected to decrease by 13 million and 10 million respectively by 2050, according to U.N. population projections. China is projected to have 200 million fewer residents of working age, a decrease higher than the entire population of most countries.