

Global Britain Briefing Note

The EU's Demographic Anaemia

The latest UN population projections of countries' working-age populations¹ confirm that – with the exception of a handful of offshore English-speaking islands & Sweden – the outlook for the EU ranges from the bleak to the catastrophic

UK Exports: Future Growth Markets

A good proxy for the productive potential of the population is “WAP” – working-age population – defined by the UN as those aged 15 to 64: the part of the whole population whose work and incomes provide for children at one end of the spectrum and for old-age pensioners at the other, and which accounts for the bulk of an economy's consumer spending. In developed countries the association between changes in GDP and WAP is quite strong; less so in developing and poor countries. The just-published projections of WAP from the UN are a useful “broad-brush” predictor of where export growth is likely to come from after 2015.

- In future, EU countries, with one or two exceptions, will be *shrinking* export markets for the EU (*Table 1*). Europe is the only continent on the planet that will suffer a drop in its working-age population (“WAP”) over the next four decades, and, consequently, a drop in its GDP and in its propensity to import. All other continents will experience growth in their WAPs by 2050.
- Although EU-26 will lose 59 million of WAP by 2050 (more than the entire present WAP of Germany), EFTA will gain WAP over this period. So will NAFTA: 67 million in WAP by 2050. The “swing” in WAP between EU-26 and NAFTA by 2050 will be 126 million (59 + 67 million) in favour of NAFTA. (*Table 3*).
- The 54-country (ex-British) Commonwealth will gain almost a billion in WAP by 2050, of which its most populous member, India, will account for over 400 million. After India, Nigeria (118 million), Pakistan (104 million) and Bangladesh (78 million) are the Commonwealth countries with the next biggest increases in WAP.
- By 2050, the working-age population of the Commonwealth will be well over nine times as big as that of EU-26, and account for 37 per cent of global working-age population. (*Table 3*)
- With the exception of the UK, Ireland and Sweden, all other significant EU-27 member-states will experience shrinkage in WAP by 2050. By 2050, the UK's WAP will increase by 1.3 million, Ireland's by 0.9 million and Sweden's by 0.3 million (*Table 1*).
- By 2050, UK WAP will be almost the same as Germany's. (Today, German WAP is around 40 per cent bigger than the UK's.) In 2050, German, French & British WAPs will be almost the same (*Table 2*).

- Shrinkage in WAP in most East European countries which joined the EU in 2004 and 2007, as well as in Russia, Ukraine and Belarus, is projected to be somewhere between disastrous and catastrophic. Bulgaria will lose 48% of its WAP by 2050; Russia will lose 43%(Tables 1, 2 & 3).

Table 1 : EU-27: Working-Age Population (15-64): Change 2005 – 2050: Ranked by Growth (+) or Decline (-)		
Country	'000	%
UK	+ 1294	+ 3.3
Ireland	+ 872	+ 30.9
Sweden	+ 321	+ 5.4
Cyprus	+ 154	+ 27.1
Luxembourg	+ 149	+ 48.5
Malta	(30)	(10.8)
France	(170)	Negl.
Estonia	(250)	(27.3)
Denmark	(262)	(7.3)
Finland	(367)	(10.5)
Slovenia	(480)	(34.2)
Latvia	(556)	(35.0)
Belgium	(669)	(9.8)
Lithuania	(750)	(32.2)
Austria	(826)	(14.6)
Netherlands	(874)	(7.9)
Slovakia	(1156)	(30.0)
Greece	(1546)	(20.7)
Portugal	(1609)	(22.7)
Hungary	(2027)	(29.1)
Czech R.	(2308)	(31.9)
Bulgaria	(2588)	(48.4)
Spain	(5494)	(18.4)
Romania	(5925)	(39.4)
Italy	(9352)	(24.1)
Poland	(9785)	(36.4)
Germany	(13644)	(7.5)
EU-27 total	(57878)	(17.5)
EU-26 (EU-27 less UK)	(59172)	(20.4)

Source: World Population Prospects: The 2006 Revision: Medium Variant: United Nations

**Table 2: EU-27: Working-Age Population
(15-64) in 2005 & 2050: Ranked by
Projected Size in 2050: '000**

Country	2050	2005	Change
Germany	41613	55257	(13644)
UK	41 028	39734	+ 1294
France	39657	39827	(170)
Italy	29515	38867	(9352)
Spain	24343	29837	(5494)
Poland	17112	26897	(9785)
Netherlands	10137	11011	(874)
Romania	9119	15044	(5925)
Sweden	6229	5908	+ 321
Belgium	6160	6829	(669)
Greece	5940	7486	(1546)
Portugal	5491	7100	(1609)
Czech R.	4937	7245	(2308)
Hungary	4935	6962	(2027)
Austria	4816	5642	(826)
Ireland	3696	2824	+ 872
Denmark	3319	3581	(262)
Finland	3133	3500	(367)
Bulgaria	2758	5346	(2588)
Slovakia	2695	3851	(1156)
Lithuania	1577	2327	(750)
Latvia	1032	1588	(556)
Slovenia	925	1405	(480)
Cyprus	723	569	+ 154
Estonia	667	917	(250)
Luxembourg	456	307	+ 149
Malta	249	279	(30)
EU-27	272262	330140	(57878)
EU-26 (EU-27 less UK)	231234	290406	(59172)
<i>Source: World Population Prospects: The 2006 Revision: Medium Variant: United Nations</i>			

Table 3: Changes in WAP (Working-Age [15-64] Population) 2005 – 2050, by economic or political grouping or country

<i>Grouping</i>	<i>WAP in 2005 million</i>	<i>WAP in 2050 million</i>	<i>Change in WAP million</i>	<i>Change in percentage</i>
EU-26 ¹	290	231	(59)	(20%)
EFTA ²	8.3	8.6	+ 0.4	+ 5%
NAFTA ³	289	356	+ 67	+ 23%
Commonwealth ⁴	1228	2163	+ 935	+ 76%
India	704	1116	+ 412	+ 59%
Turkey	48	63	+ 15	+ 31%
USA	201	248	+ 48	+ 24%
Russia, Ukraine & Belarus	142	89	(53)	(37%)
Japan	85	52	(33)	(38%)
China (ex-HK)	929	860	(69)	(7%)
<i>1: EU-27 less the UK</i>				
<i>2: EFTA comprises Switzerland, Norway, Iceland & Liechtenstein</i>				
<i>3: NAFTA comprises the USA, Canada & Mexico</i>				
<i>4: the Commonwealth, a fifty-four member association, includes one NAFTA member, Canada, and two EU-26 members, Cyprus & Malta</i>				
<i>Source: World Population Prospects: The 2006 Revision: Medium Variant: United Nations</i>				

References

1. The United Nations Population Projections

www.un.org/esa/population/publication/wpp2006

The UN's demographic projections are regarded as the world's benchmark. In making its projections, the UN takes account of fertility (birth-rates), mortality (death-rates, including the incidence of HIV on life expectancy), immigration and emigration. Its projections are updated every two years. How reliable are they ?

Demographic variables such as fertility and mortality tend to evolve slowly over time. The mid-point of the 15-64 age-range being considered here is 39.5 years. Those who will be aged between 43 and 64 in 2050 are already alive today. Those who will be between 39.5 and 43 in 2050 will have been born by 2010. In other words, three and four years from now, roughly half of the "fertility variant", one of the main variables in the projections, will no longer be a variable, but a fixed quantity. So, while the UN's 2050 projections will undoubtedly turn out to be "wrong", they may not be "wrong" by much.

Enquiries: Ian Milne, Director, Global Britain, 57 Tufton Street, London SW1P 3QL

Web: <http://www.globalbritain.org>

Lord Stoddart of Swindon (Independent Labour) Lord Pearson of Rannoch (United Kingdom Independence Party)