

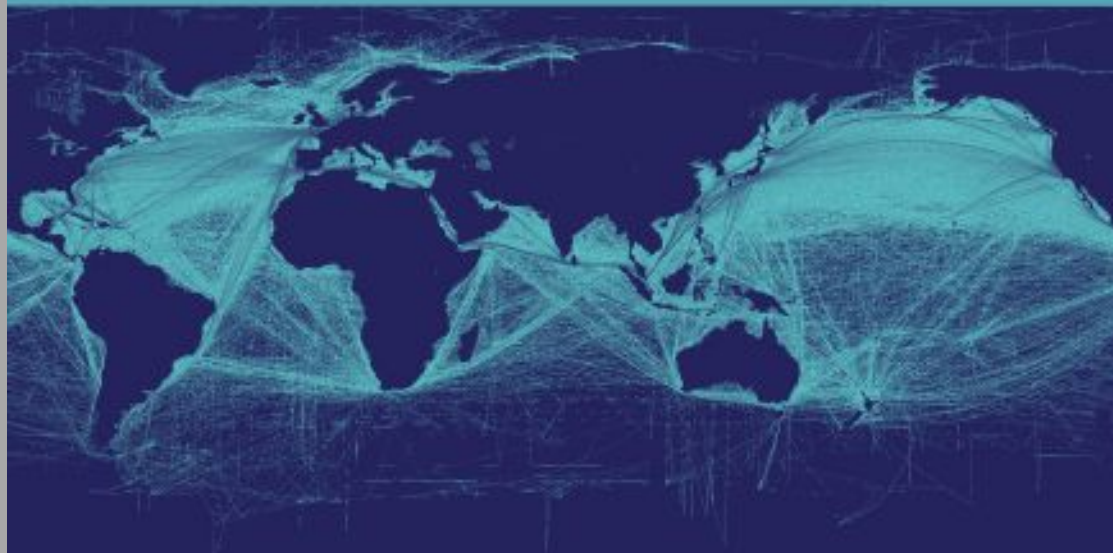
A young child with rosy cheeks is smiling from a window. The child is wearing a blue denim jacket over a green shirt. The window frame is made of light-colored wood, and the wall behind the child is painted a vibrant red. The background to the left of the child is dark. A teal-colored banner is overlaid on the bottom half of the image, containing the title and author information.

# The World in 2050

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EMF Global  
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# The world in **2050**

Striving for a more just, prosperous, & harmonious global community



Edited by Harinder S. Kohli

Foreword by Michel Camdessus, Enrique García, Horst Köhler,  
Alejandro Toledo, & Hiroshi Watanabe





# INTRODUCTION

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- Covers three main points:
  1. Brief history and background of the book
  2. Global megatrends and challenges
  3. Main findings of the book



# I. BRIEF HISTORY AND BACKGROUND OF THE BOOK

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- 26 authors from a dozen countries and 18 months in the making
- Goes beyond issues related to growth: inequality, well-being, sustainability of the planet, and governance in a multipolar world
- Presents a long-term perspective to balance current focus on daily headlines on short-term issues and crises



## II. GLOBAL MEGATRENDS AND IMPLICATIONS

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- Ten megatrends fundamental to long-term prospects of economies worldwide
- They are relevant to advanced and emerging economies alike; fortunes of all economies are becoming more intertwined
- Distinctions between developed and developing countries are getting increasingly blurred
- These megatrends interact with each other



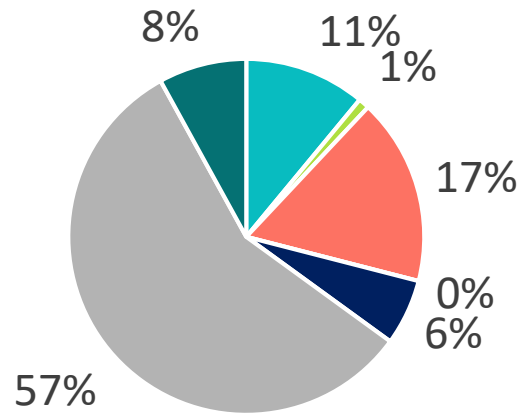
# 1. DEMOGRAPHICS

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- Growth rates have eased in most parts of the world
- Today, the world has 7.3 billion people. By 2050, we may be 9.7 billion, with Africa accounting for 55 percent of growth
- Except for Africa and the Middle East, all regions will share new challenges of aging; declining populations (Japan, China)
- Fundamental social, economic and political implications
- Major global challenge: jobs for Africa's bulging youth population; hundreds of millions of African immigrants

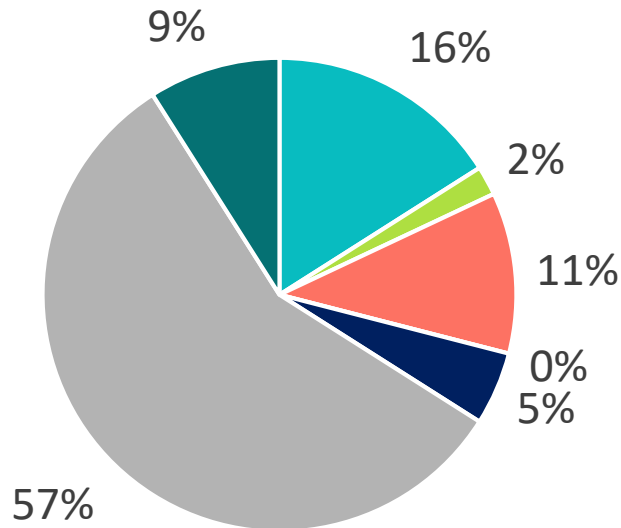
# GLOBAL POPULATION

1980



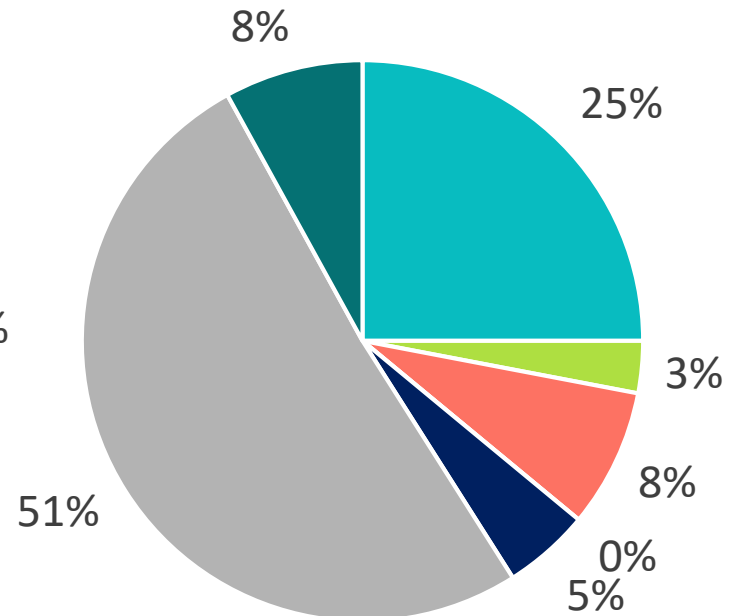
4.4 billion

2015



7.3 billion

2050



9.7 billion

Africa

Oceania

Latin America & Caribbean

Middle East

North America

Europe

Asia



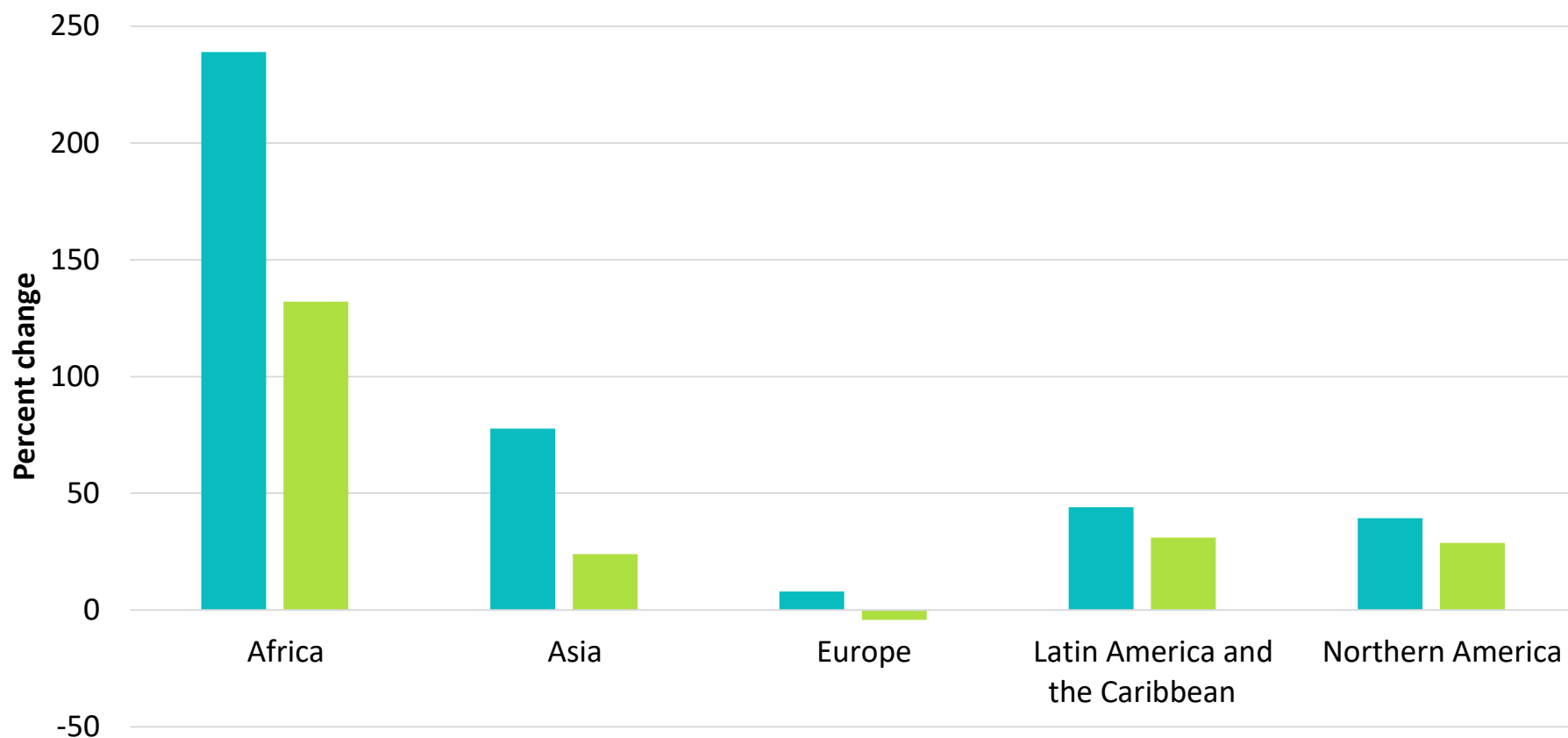
## 2. URBANIZATION

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- Today, just over 50 percent of global population urbanized
- By 2050, the world will experience an avalanche of urban migration (Asia and Africa). Worldwide, 65 percent of the population is expected to be urbanized (6.3 vs. 3.7 billion)
- Between 80-90 percent of economic output in urban areas
- Key implications—cities will need to:
  - Modernize swiftly to support economic modernization and competitiveness
  - Meet fast rising expectations of the public
- Massive investment needs: management challenges



## POPULATION CHANGE, URBAN AND TOTAL, 2010-2050



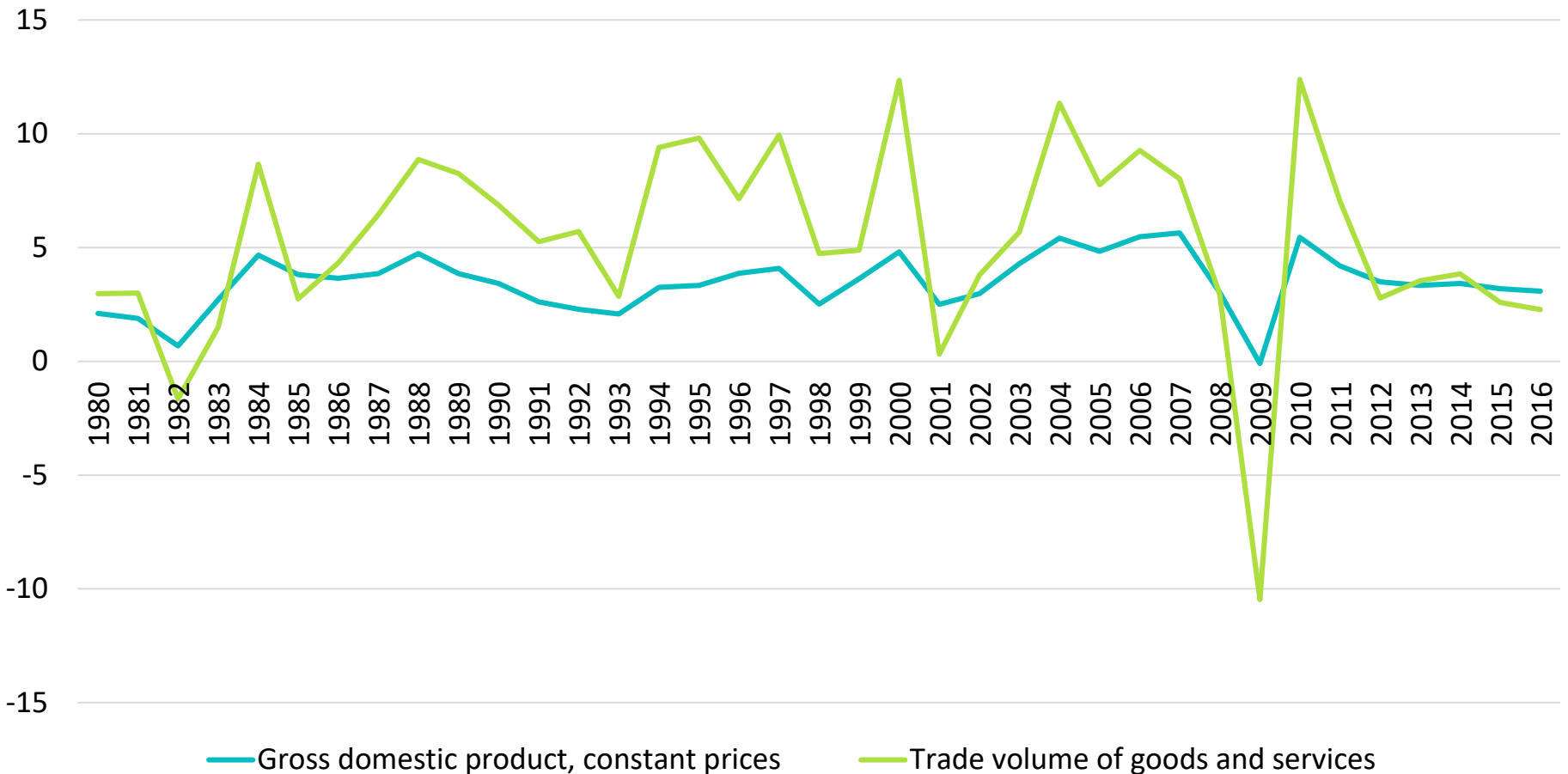


## 3. GLOBALIZATION: INTERNATIONAL TRADE

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- Despite setbacks during the Great Recession, further globalization expected through 2050, BUT at slower pace
- Key implications:
  - Emerging markets must do more domestically to improve international competitiveness
  - Creation of domestic jobs in face of globalization a key challenge worldwide to alleviate current backlash
  - International community must maintain an equitable and open trading system

# GLOBAL GDP GROWTH VS TRADE VOLUME GROWTH (1980-2016)





## 4. GLOBALIZATION: FINANCIAL MARKETS

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- Global Financial Crisis of 2007-08 was a “wake-up call” to entire world
- World today is awash with excessive liquidity, leveraging and risk-taking, which cause repeated financial crises
- Current institutions ill-suited to handle new realities and prevent the next crisis
- Urgent: Strengthen domestic regulatory and supervisory frameworks, and competition
- Urgent: Reconfiguration of international monetary and financial architecture

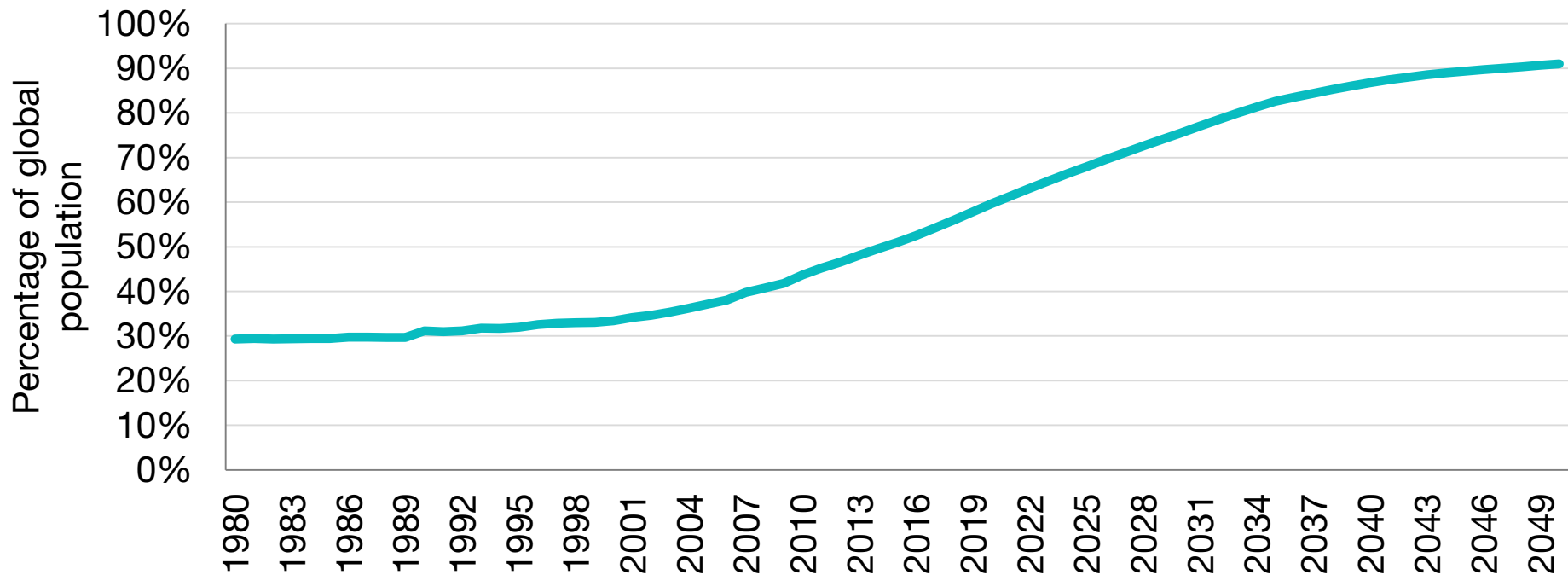


## 5. RISE OF A MASSIVE MIDDLE CLASS

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- Emergence of a massive middle class in emerging economies will be a defining feature of this century
- In 2050, middle or upper class population could rise to just over 8 billion people (under central scenario)
- There could be as many as 4 billion additional middle class consumers, fueling further consumption
- Fundamental social and political implications throughout emerging economies

## WORLD POPULATION CLASSIFIED AS UPPER OR MIDDLE CLASS (%)



Centennial Group (2015)



## 6. COMPETITION FOR NATURAL RESOURCES

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- Prospects of universal prosperity also create a new dilemma: Our fragile planet already showing strains (i.e. global warming; water stress)
- Highly unlikely that its finite natural resources can support 4 billion potential new consumers adopting the current Western consumption pattern
- Technological breakthroughs will help reduce unit demands for natural resources, BUT unlikely to be enough
- People worldwide will need to adopt new life styles: more frugal, more modest and in greater harmony with nature



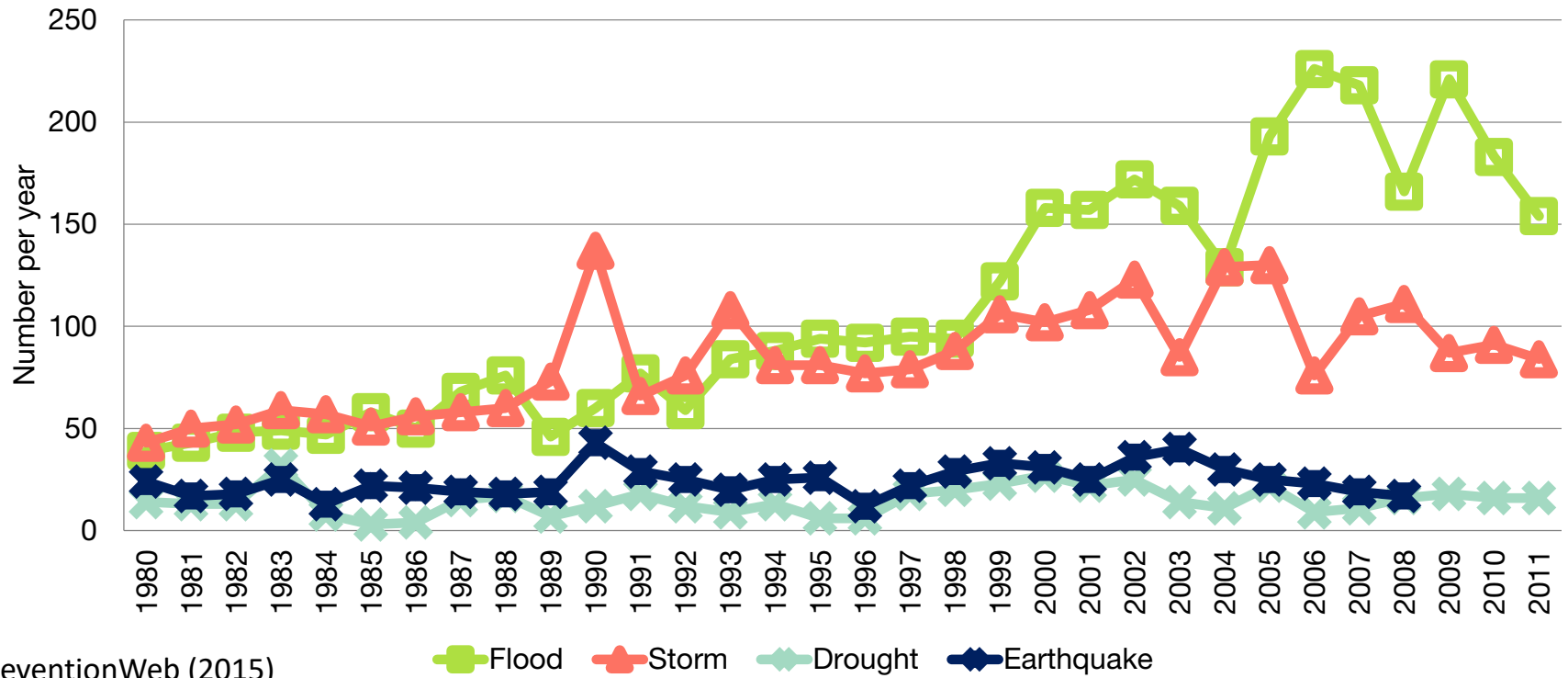
## 7. CLIMATE CHANGE

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- Global consensus that climate change will have a critical impact on economic and social well-being
- Examples: increased frequency of severe weather events; rise in sea levels and coastal flooding; sharp increase in drought stricken areas; and poor urban air quality
- Both mitigation and adaptation measures necessary
- After years of frustrating international negotiations, COP-21 in December 2015 was a breakthrough
- Now starts the real test: to convert political promises into real actions by all to arrest global warming



## INCREASE IN GLOBAL FREQUENCY OF NATURAL DISASTERS, 1980-2010



PreventionWeb (2015)

Flood Storm Drought Earthquake



## 8. TECHNOLOGICAL PROGRESS

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- Pace of technological progress is accelerating; breakthroughs could help tackle global challenges
- Example: by 2050, practically all Internet connections could be through mobile devices
- Technological breakthroughs could help resolve current and emerging issues like climate change, energy shortages, cancer, and other diseases, aging, etc.
- Technological innovation can also meet the needs of “the bottom billion”
- But, technology can also be misused by anti-social elements



## 9. THREAT FROM VIOLENT NON-STATE ACTORS

- Terrorism and other non-state violence now a worldwide threat to peace and security
- Fundamentalism, rebellion against existing institutions, and misuse of technology are a deadly combination
- Critical to improve domestic economic prospects, equity, and credibility of institutions, and reinforce more tolerance and inclusivity
- Threats from violent non-state actors are a global issue that require global action and solidarity



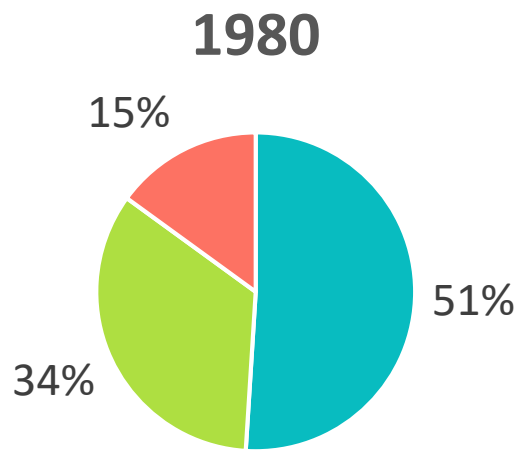
## 10. RISE OF EMERGING MARKET ECONOMIES

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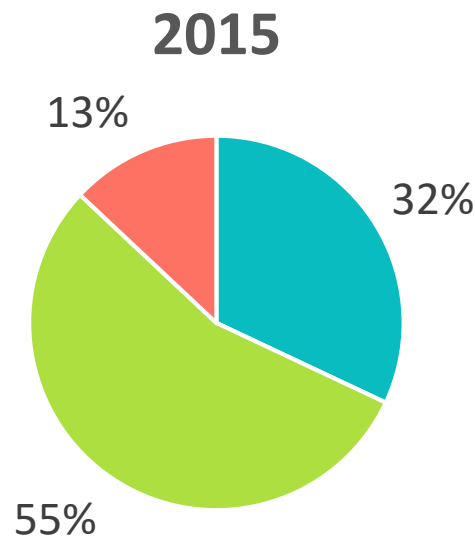
- Emerging markets already produce 58 percent of global GDP (PPP); a total reversal of their relative weight just 40 years ago
- The latest IMF WEO estimates emerging economies will account for 75% of global growth in 2016
- By 2050, today's emerging market economies could account for between 62-71 percent of global output
- But, the G7 countries will still have a much higher GDP per capita (PPP) than emerging economies: \$75K vs. \$30K (under central scenario)
- However, such outcomes are far from certain as indicated by alternate scenarios

# SHARES OF GLOBAL OUTPUT (PPP)

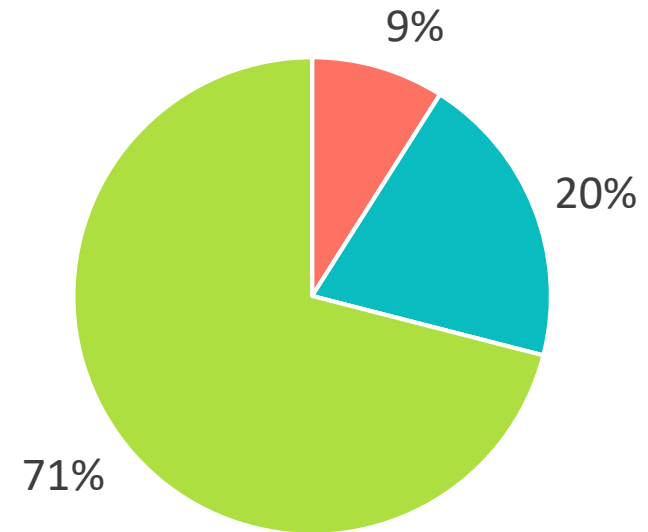
2050 – Central Scenario



\$31 trillion



\$110 trillion



\$345 trillion

G7

Emerging & Developing

Rest of World

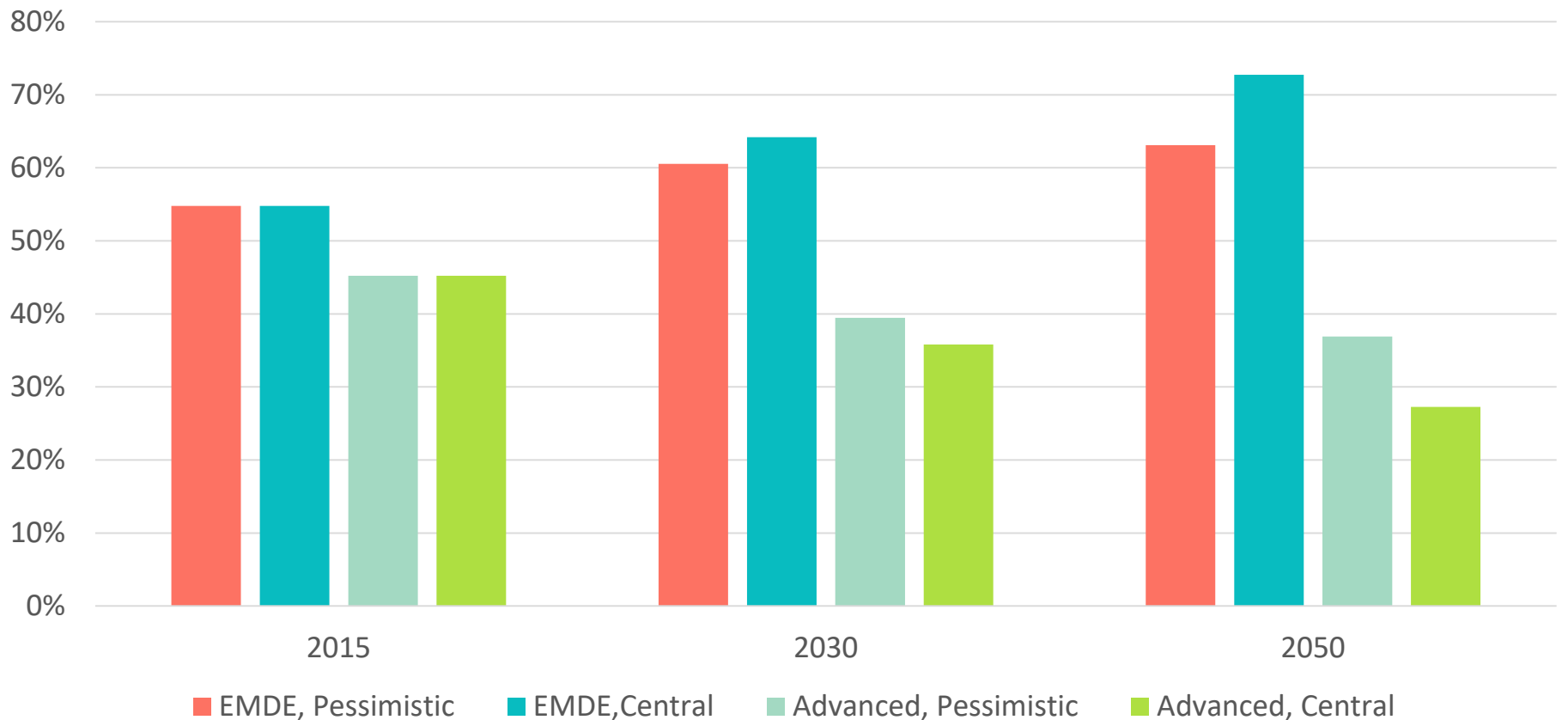
## III. MAIN FINDINGS

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- Book paints four scenarios of world in 2050
- Central scenario: The world will be richer; and distinctions between developed and developing countries will become diffused
- Some 5.8 billion people in as many as 80 countries could have living standards equal to or higher than Southern Europe today
- In this new prosperous world will emerge new issues: inequality, sustainability of our planet, quality of life, need for rethinking global governance

# OUTCOMES UNDER CENTRAL SCENARIO VS. PESSIMISTIC SCENARIO

EMDE Share of World GDP (PPP, \$2011)



# CENTRAL SCENARIO VS. PESSIMISTIC SCENARIO

GDP per capita (PPP, \$2011), EMDE vs. Advanced

