

# Global Britain Briefing Note

No 26

25th April, 2003

## Old Europe, Young America

*In the next fifty years, America will become far stronger. The EU's decline' will continue. The power gap<sup>2</sup> between America and Europe will dramatically widen.*

He did not mean it that way, but Donald Rumsfeld's remark about "Old Europe" aptly sums up Continental Europe's demographic predicament. "Young America" neatly describes the very different demographic prospects across the Atlantic. The geopolitical consequences of the widening US - EU power gap will be profound.<sup>3</sup>

- By 2050 the **US economy will be twice or three times as big** as that of EU 15. *Table 1*
- In the next fifty years, the **US share of global output will continue to increase**, representing over a quarter of the world total. Meanwhile, **EU 15's share of global output will almost halve.** *Table 1*
- By 2050, **the working population of the USA will have increased** by more than the **entire present working population of Germany.** *Tables 3 & 4*
- **EU 15**, in contrast, **will have lost** almost as much working population by 2050 as the **entire present working population of Germany.** *Tables 3 & 4*
- Only two EU 15 nations (apart from the Grand Duchy of Luxembourg) are projected to experience **growth in working population by 2050: Ireland and the UK**, both English-speaking offshore islands. *Table 4*
- The **remaining EU 15 nations** are projected to **suffer losses** in working population ranging from the **manageable** (France, minus 8%) to the **catastrophic (Spain, minus 35%, Italy, minus 41%).** *Table 4*
- **The further east one goes, the worse demography gets.** All of the twelve official and unofficial EU candidate countries (not counting Turkey) are projected to **suffer losses in working population** by 2050, ranging from slight (Cyprus, Malta) to awful (Bulgaria, Latvia and Estonia). *Table 5*
- By 2050 the combined working population of Russia, Ukraine and Belarus will have **shrunk by 46%.** *Table 4*
- In the Far East, the **shrinkage in Japanese working population** is projected to be **38%**, as bad as that of the 12 EU candidate countries *Tables 4 & 5*
- Turkey's working population is projected to **grow strongly** by 2050. *Table 4*
- In 2050, the **US population will be as "young"** as the EU population was in 2000. *Table 6*
- **EU 15 population will have grown dramatically older**, its median age rising from 38 in 2000 to almost 50 in 2050. *Table 6*

% World GDP	2000	2050	Change
EU "15"	18	10	(44%)
USA	23	26	+13%
Ratio US/EU	1.3 times	2.6 times	

millions	2000	2050	Change	% Change
EU "15"	377	370	(7)	(2%)
USA	285	409	+124	+43%

**Table 3:**  
**Projected Working Age (15-59) Population<sup>4</sup>**

millions	2000	2050	Change	% Change
EU "15"	232	187	(45)	(19%)
USA	177	231	+54	+31%

**Table 4:**  
**Projected Working Age (15-59) Population:  
EU "15" and Others<sup>4</sup>**

millions	2000	2050	Change	% Change
Luxembourg	0.3	0.4	0.1	+ 47%
Ireland	2.4	2.6	0.2	+ 10%
UK	35.3	35.9	0.6	+ 2%
France	36.0	33.3	(2.7)	(8%)
Netherlands	10.1	9.1	(1.0)	(10%)
Denmark	3.3	2.8	(0.4)	(14%)
Belgium	6.2	5.3	(0.9)	(15%)
Sweden	5.3	4.5	(0.8)	(15%)
Finland	3.2	2.6	(0.6)	(20%)
Germany	50.4	39.8	(10.5)	(21%)
Portugal	6.3	4.5	(1.8)	(28%)
Austria	5.1	3.6	(1.5)	(29%)
Greece	6.7	4.6	(2.1)	(32%)
Spain	26.2	17.1	(9.1)	(35%)
Italy	35.4	20.8	(14.6)	(41%)
<b>EU "15"</b>	<b>232.0</b>	<b>186.9</b>	<b>(45.1)</b>	<b>(19%)</b>
<b>USA</b>	<b>177.0</b>	<b>231.3</b>	<b>54.3</b>	<b>+ 31%</b>
Japan	78.9	48.9	(29.9)	(38%)
Russia, Ukr., Bel.	129.3	69.2	(60.1)	(46%)
Turkey	41.1	56.7	15.6	+ 38%

**Table 5:**  
**Projected Working Age (15-59) Population:  
12 EU "candidate" countries<sup>4</sup>**

millions	2000	2050	Change	% Change
Cyprus	0.5	0.5	(-)	(1%)
Malta	0.2	0.2	(-)	(16%)
Slovakia	3.5	2.5	(1.0)	(29%)
Poland	24.8	16.3	(8.6)	(34%)
Romania	14.1	9.1	(5.0)	(36%)
Hungary	6.3	3.8	(2.5)	(40%)
Czech R	6.7	4.0	(2.7)	(40%)
Lithuania	2.1	1.2	(0.9)	(41%)
Slovenia	1.3	0.7	(0.6)	(45%)
Bulgaria	5.1	2.5	(2.6)	(50%)
Latvia	1.4	0.6	(0.8)	(59%)
Estonia	0.8	0.3	(0.5)	(65%)
<b>12 Candidates</b>	<b>67.0</b>	<b>41.7</b>	<b>(25.3)</b>	<b>(38%)</b>

**Table 6:**  
**Projected Median Population Age<sup>1</sup>**  
*"Median Age" is the age at which there are  
as many people below as there are above that age.*

Median Age	2000	2050
EU "15"	38	49
USA	35	39
Japan	41	53

### Notes & References

- 1 Source: European Commission: *The EU Economy: 2002 Review*: ECFIN/475/02-EN: 11th December 2002. See pp 197-199: "...the EU has already witnessed a steady erosion in its share of global output, a trend which is forecast to continue over the coming decades....the EU will be badly affected by ageing..."
- 2 For a discussion of the power gap, see *Paradise & Power: America & Europe in the New World Order*, Robert Kagan, Atlantic Books, 2003
- 3 For a discussion of the consequences, see **Global Britain Briefing Note No 18, Demographic Change 2000 - 2050**, 15th February 2002. This was based on the UN Population Division's 2000 Revision. The 2002 Revision shows a smaller decline in population in 2050 for the EU "15" than in the 2000 Revision, and a higher increase in 2050 for the USA than in the 2000 Revision. Nonetheless, the broad picture, of a growing, young USA and an ageing, declining EU "15", does not change. See also Martin Wolf, *Financial Times, Peoples, plagues & prosperity*, 27th February 2003, & *How to prevent old Europe becoming a dying continent*, 5th March 2003
- 4 Source: United Nations Population Division: *World Population Prospects: The 2002 Revision: Medium Variant*: 27th February 2003: [www.un.org/esa/population/unpop](http://www.un.org/esa/population/unpop)
- 5 Due to rounding, columns & rows may not sum.