

# Global Britain Briefing Note

No 58

5<sup>th</sup> March 2010

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## The Commonwealth & British Export Growth 2010 – 2050

*“..an overwhelming proportion of the world’s GDP growth between 2003 & 2050 – nearly 80 per cent – will occur outside of Europe, the United States and Canada<sup>a</sup>”*

### *Summary & Conclusion*

For the last 40 years, preoccupied with “Europe”, British governments have neglected the Commonwealth<sup>b</sup>. In the next 40 years, by an accident of history, the Commonwealth will be where much of global GDP growth (and hence of growth in propensity to import) will occur. The Commonwealth, originating in the nineteenth century and functioning in its present form since 1949, is the user-friendly neglected colossus which could enable UK business to fully capitalise on its strengths, focussing on exporting to, & investing in, the growth markets of the future.

The United Nations has 192 member-countries. The **Commonwealth**, which will account for **38 per cent of global labour force** by 2050, has 55 members. The **European Union**, which will account for **5 per cent of global labour force** by 2050, has 27 members.

The UK is a member of all three organisations. It is the founder & headquarters of the Commonwealth, of which the Queen is Head. The common language is English, and the political, educational, financial, legal & accounting principles of most members are based on the British model.

This Briefing Note takes growth in Labour Force, here defined as Working-Age (15-64) Population, to be a proxy<sup>c</sup> for growth in GDP, using the latest projections of working-age population from the United Nations<sup>d</sup>. It concludes that the rest of the Commonwealth will represent a market **over nine times greater** than that of the rest of the EU (*Table 5 below*) by 2050. Similar analyses by firms in Germany, France, the United States and China will have reached similar conclusions: competition to export to and invest in the developing world will be fierce. British exporters will need to maximise their strengths: which is why, over the next forty years, the Commonwealth has the potential to become a valuable component of British trade policy.

*Salient Points from the Tables in the Statistical Appendix below*

- In 2010, ninety-nine point one per cent (99.1%) of global population lives outside the UK. By 2050, that percentage will have increased to 99.2%. *Table 1*
- In the forty-year span between 2010 & 2050 the world's labour force will increase by thirty per cent, from 4.5 billion to 5.9 billion. *Table 2*
- Over that period, with one exception, every continent on the planet will experience growth in its labour force. **The exception is Europe.** *Table 2*
- Within EU-27, amongst the five biggest economies, the UK is the exception: its labour force grows between 2010 and 2050, while the labour forces of Germany, France, Italy and Spain all shrink. *Table 3*
- Between 2010 & 2050 the European Union ("EU-27") experiences a loss in labour force of sixteen per cent or 54 million. In effect, over that period, EU-27 **"loses the whole of Germany"**, since Germany's entire labour force is currently 54 million. *Table 3*
- The **Commonwealth's labour force** will increase by **60 percent or 825 million** between 2010 and 2050. *Table 4*
- From the perspective of British exporters and investors, the labour force of the rest of the Commonwealth ("C-54") grows between 2010 and 2050 by 822 million, while the labour force of the rest of the European Union ("EU-26") shrinks by 57 million: a "swing" of 879 million. *Table 5*
- By 2050, 96 per cent of the Commonwealth's labour force will be in Asia and Africa. *Table 6*
- In 2050, the Commonwealth will account for 45 per cent of the Asian and 45 per cent of the African labour force. *Table 7*
- India alone will account for 50 per cent of the Commonwealth labour force in 2050, compared with 57 per cent in 2010. *Table 8*
- The four Commonwealth members of the Indian sub-continent: India, Pakistan, Bangladesh & Sri Lanka, will account for 67 per cent of the Commonwealth's total labour force in 2050, compared with 73 per cent in 2010. *Table 8*
- Outside EU-27, between 2010 and 2050, the **USA's labour force** will grow by 17 per cent or 36 million: **almost as much as the entire 2010 labour force of Italy.** *Tables 3 & 9*
- Over the same period, China's labour force will shrink by 11 per cent, though it will still be three-and-a-half times as big as the USA's in 2050. *Table 9*
- Russia's labour force will shrink by 31 per cent between 2010 and 2050; that of South Korea by 31 per cent; and that of Japan by 37 per cent. *Table 9*

### *General Conclusions*

- The USA will become more powerful than it is today, economically, militarily, politically, culturally.
- Europe, & the European Union as a whole, will decline economically, militarily, politically, culturally.
- Growth in GDP, market size & equity returns will occur outside Europe.
- Continental EU will be a shrinking market, relatively unattractive to exporters and investors.
- The tax base of Continental EU will shrink: tax rates & public-sector debt will have to increase.
- Shrinking & ageing population in Continental EU will mean more demand for state-provided healthcare & pensions, with fewer active people to provide them.
- Most EU member-states will see falling demand for houses, schools, factories, shops and capital goods, with falling asset values & investment. This will affect both the tax base and the equity markets on which private pension provision depends.
- Sharply-diverging demographics within the EU will make EU-wide “one-size-fits-all” policies (monetary, tax, labour market, agricultural, asylum, immigration, environmental etc) ineffective.
- The political rationale of **integration into a fading regional bloc** - the EU - will become questionable.
- For British exporters and investors, the economic rationale of **integration into a contracting market** – the EU - will become questionable.

*Statistical Appendix*

<b>Table 1: Total Populations: All Ages</b>					
<b>millions</b>	<b>2010</b>	<b>%</b>	<b>2050</b>	<b>%</b>	<b>Change</b>
UK	62	<i>1<sup>3</sup></i>	72	<i>1<sup>3</sup></i>	+ 10
EU-26 <sup>1</sup>	436	<i>7</i>	422	<i>5</i>	(14)
China/HK	1362	<i>20</i>	1426	<i>16</i>	+ 64
Commonwealth <sup>2</sup>	2159	<i>31</i>	3239	<i>35</i>	+ 1080
Rest of World	2890	<i>42</i>	3991	<i>44</i>	+ 1101
<b>World</b>	<b>6909</b>	<b>100</b>	<b>9150</b>	<b>100</b>	<b>+ 2241</b>
<i>1 EU-27 minus UK</i>					
<i>2 Commonwealth minus UK</i>					
<i>3 Precisely: 0.9 % in 2010; 0.8 % in 2050</i>					

<b>Table 2: World Labour Force<sup>1</sup> 2010 - 2050</b>			
<b>millions</b>	<b>2010</b>	<b>2050</b>	<b>Change</b>
Asia	2797	3388	+ 591
Africa	582	1311	+ 729
Central & South America	385	463	+ 78
<b>Europe<sup>2</sup></b>	<b>501</b>	<b>398</b>	<b>(103)</b>
North America	236	274	+ 38
Oceania	23	32	+ 9
<b>World</b>	<b>4524</b>	<b>5866</b>	<b>+ 1342</b>
<i>1 Working-age (15 - 64) population</i>			
<i>2 EU plus Russia &amp; other Europe, of which EU 333 mn in 2010, 280 mn in 2050, reduction 54 mn by 2050</i>			

<b>Table 3: European Union Labour Force<sup>1</sup> 2010 - 2050</b>			
<b>millions</b>	<b>2010</b>	<b>2050</b>	<b>Change</b>
UK	41	44	+ 3
Germany	54	39	(16)
France	41	39	(2)
Italy	39	30	(9)
Spain	31	27	(3)
Other EU	127	101	(26)
<b>Total EU - 27</b>	<b>333</b>	<b>280</b>	<b>(54)</b>
<i>1 Working-age (15 - 64) population</i>			

**Table 4: Commonwealth & EU Labour Forces<sup>1</sup> 2010 - 2050**

millions	2010	2050	Change
C - 55 <sup>2</sup>	1382	2207	+ 825
EU - 27 <sup>3</sup>	333	280	(54)
<i>1 Working-age (15-64) population</i>			
<i>2 The 55 Commonwealth members as at 2010</i>			
<i>3 The 27 EU members as at 2010</i>			

**Table 5: British Export Markets: Commonwealth (excl. UK) Versus EU (excl. UK): Labour Forces<sup>1</sup>**

millions	2010	%	2050	%	Change
C- 54 <sup>2</sup>	1341	29.6	2163	36.9	+ 822
EU-26 <sup>3</sup>	293	6.5	236	4.0	(57)
Rest of World	2890	63.9	3467	59.1	+ 577
World	4524	100.0	5866	100.0	+ 577
<b>C- 54/EU- 26</b>	<b>4.6 times</b>		<b>9.2 times</b>		
<i>1 Working-age (15 - 64) population</i>					
<i>2 The 54 Commonwealth members (excl. the UK) as at 2010</i>					
<i>3 The 26 EU members (excl. the UK) as at 2010</i>					

**Table 6: Commonwealth by Continent: Labour Forces<sup>1</sup>**

millions	2010	2050	Change
Commonwealth in Asia	1038	1522	+484
Commonwealth in Africa	256	588	+332
Commonwealth in RoW <sup>2</sup>	88	97	+9
<b>Total C'wealth</b>	<b>1382</b>	<b>2207</b>	<b>+825</b>
<i>1 Working-age (15 - 64) population</i>			
<i>2 RoW = Rest of World</i>			

**Table 7: 2050 Labour Forces<sup>1</sup>: Commonwealth as a Proportion of World**

millions	Asia	Africa	RoW <sup>2</sup>	World
Commonwealth	1522	588	97	2207
World	3388	1311	1167	5866
<b>Commonwealth/World</b>	<b>45%</b>	<b>45%</b>	<b>8%</b>	<b>38%</b>
<i>1 Working-age (15-64) population</i>				
<i>2 RoW = Rest of World</i>				

millions	2010	2050	Change
India	781	1098	+317
Pakistan	110	224	+114
Nigeria	86	192	+106
Bangladesh	107	149	+42
Tanzania	24	70	+46
Uganda	17	58	+42
Kenya	22	56	+33
UK	41	44	+3
South Africa	33	38	+6
Ghana	14	30	+15
Mozambique	12	29	+17
Canada	24	26	+2
Malaysia	18	26	+8
Cameroon	11	24	+13
Malawi	8	24	+16
Australia	14	17	+3
<b>16 most populous (above) in 2050</b>	<b>1322</b>	<b>2105</b>	<b>+783</b>
<b>39 least populous (not listed) in 2050</b>	<b>60</b>	<b>102</b>	<b>+42</b>
<b>Total: 55 C'wealth members</b>	<b>1382</b>	<b>2207</b>	<b>+825</b>

*1 Working-age (15 - 64) population*

millions	2010	2050	Change
China <sup>2</sup>	979	875	(103)
USA	212	248	+36
Indonesia	156	184	+28
Brazil	132	137	+5
Mexico	73	80	+7
Russia	101	70	(31)
Turkey	51	62	+11
Japan	82	52	(30)
South Korea	35	24	(11)
Switzerland	5	5	(0.1)
Norway	3	4	+0.4

*1 Working-age (15 - 64) population*  
*2 China + Hong Kong & Macao*

### *Notes & References*

- a) In *The New Population Bomb*, by Jack Goldstone, George Mason School of Public Policy, in *Foreign Affairs*, January/February 2010 [www.foreignaffairs.com](http://www.foreignaffairs.com). This article also cites a World Bank prediction that “by 2030 the number of middle-class people in the developing world will be 1.2 billion.....larger than the combined total populations of Europe, Japan & the United States”.
- b) “*The Commonwealth’s structure is based on unwritten traditional procedures, and not on a formal constitution or other code....the Commonwealth is a voluntary association of sovereign independent states, each responsible for its own policies*” .....Declaration of Commonwealth Principles, Singapore, 22<sup>nd</sup> January 1971. Founded in 1931 (though the concept originated in 1884), headquartered in London, the Commonwealth has 55 members, mainly but not exclusively former British dominions & colonies. [www.thecommonwealth.org](http://www.thecommonwealth.org). See also Global Britain Briefing Note No 38, *The Commonwealth: Neglected Colossus ?* [www.globalbritain.org](http://www.globalbritain.org) > Briefing Notes.
- c) Growth in labour force is not the only driver of growth in consumer demand, and growth in consumer demand is not the only driver of growth in GDP. Nevertheless, the associations are strong in developed economies, less strong in poor and developing countries.
- d) Population Division of the Department of Economic & Social Affairs of the United Nations, *World Population Prospects: The 2008 Revision* <http://esa.un.org/unpp> . This is the world’s most authoritative source of demographic data.

*End/IM/March 2010*

# Global Britain

**Lord Stoddart of Swindon**  
*(Independent Labour)*

**Lord Pearson of Rannoch**  
*(United Kingdom Independence Party)*

**Lord Willoughby de Broke**  
*(United Kingdom Independence Party)*

**Lord Harris of High Cross (1924- 2006)**  
*(Cross-Bencher)*

