

Think

new things

Make

new connections

Terms of Reference

Canadian Ditchley Biennial Conference

Does older mean poorer?

**What will demographic change
mean for economic prosperity and
social cohesion in developed
economies?**

14-16 June 2024

at Montebello, Québec, Canada

DITCHLEY

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Summary

What do national governments, businesses and citizens need to understand about the rapid demographic changes the world is currently undergoing?

This Ditchley conference in partnership with Canadian Ditchley will focus on the perspective of developed economies but must do so within a context of still expanding populations in parts of the global South, climate change impacts and technological changes. Will ageing populations in developed countries automatically mean lower growth and shrinking GDP? What other social and political impacts could we see? What are the policy options and adaptations of work and society that could address the impact of an ageing society? What are the opportunities of an ageing society and/or a more diverse society as a result of immigration? Could technology break the link between population growth and economic growth? How can change be framed positively by political leaders?

Detail

The slowdown in birthrates in developed economies began several decades ago and will be very hard, if not impossible, to reverse, based on the evidence so far. This means an ageing society with progressively fewer people in work, or retirement age incrementally extended, and/or increased immigration. An ageing society will also mean increasing health and care costs for individuals, society or government to bear. Falling fertility rates thus could have profound economic, social and political effects for advanced economies. Policies to address this demographic change could also have profound effects and we are seeing those play out, for example in protests against the raising of the retirement age in France and widespread concern across various industrialised countries on levels of immigration.

At the same time, although birthrates are also slowing with urbanisation in developing countries, total populations in a number of developing countries are still set to grow greatly. The UN estimates that global population is estimated to hit 8.5 billion by 2030, to increase further to 9.5 billion by 2050 and to 10.4 billion by 2100, falling thereafter. Africa will be the last young continent but at present local economic development does not look close to matching the numbers that will be entering the workforce. Put simply, most economic growth is predicted to be in the Indo-Pacific but most demographic growth in Africa. How can centres of economic growth and rich resources of human talent be connected whilst taking forward Africa as well as other areas?

What do these population changes mean for G7 countries? As industrialised countries age, will they be able to compensate sufficiently through social policies, immigration policy, or technological change such as the automation of physical and intellectual work, whether this means displacement of drivers by autonomous vehicles, factory and logistic workers by robots, or knowledge workers by efficiencies through AI? Will demographic change, climate and technological impacts disrupt previously settled assumptions on the correlation between population growth and economic growth? Are we in danger of clinging to outdated economic models and preconceptions that will not serve us well?

What kinds of political and policy decisions have industrialised democratic countries taken to adapt to the demographic shifts already underway? What can we learn from those decisions and what is being planned now for future policy? Will changes in the political framing of demographic issues and more radical policies be necessary, as the effects of population change on societies and economies become more pronounced? (For example, in areas of immigration or the consequences of climate impacts.)

This conference will bring together key constituents including policymakers from a range of countries, politicians, economists, other experts, journalists, technologists, business leaders and those with knowledge and experience on migration. It will examine the different measures countries are adopting to manage the many and diverse consequences for societies – for governments, companies, workforces and individuals – and for economic prosperity.

For the central part of the conference, we will split into three working groups so as to be able to address some of these questions in more detail. We can't say at this point exactly which countries will be directly represented but each working group, indeed the plenary discussions too, will want to keep in mind that not all industrialised countries' experience of these demographic changes is the same. Arguably, most exposed to the demographic changes are those countries with both very low birth rates and low inward migration, for example Japan, Korea and in Europe, Italy. There is a middle group with gradually shrinking populations and quite high migration and increasingly diverse populations, for example the UK and Germany. And then there are countries with forward leaning planned migration policies such as the United States, Australia and of course, Canada. For Australia a very tough approach to illegal migration is seen as underpinning political acceptance of high levels of planned migration and the US and UK are moving in that direction too, it seems.

Working group A will look at **the economic impact of changing demographics and migration and the policies to deliver the best outcomes.**

What impact will changing demography have on working age populations and in turn what economic impact will this have? What can economic and fiscal policies do to prepare for and address potentially sustained lower growth in industrialised economies?

What is the economic impact of planned legal migration in different countries? Could we see new arrangements where younger workers stay in their home developing countries, contributing to society there but work remotely with companies in industrialised countries? Will temporary loans of workforces across countries become more common (as is already seen in health sectors)?

Is there a case for more radical economic thinking in industrialised countries with ageing populations? Does low growth have to mean low prosperity and economic discontent? How might demographic shifts fit with a transition to a more sustainable green economy? How can education help a sustainable shift from the current economy to newer economic models?

Working group B will look at the implications of **social policy and migration policy** for governments, business and society.

How can we make modern society and modern working life in an industrialised economy radically more family friendly? This could include taxation, education, support for families,

housing, childcare and social security more generally. How would work need to evolve for career breaks for parents to be normalised and negative impact on careers mitigated? Where is there effective practice from which we can learn?

What can we learn directly from participants about changing social attitudes to having children, to ageing, planning for child and elder care and to intergenerational relations? What will be the impact on health services as populations age and how can this be addressed?

The shape of the demographic changes means generally that racial and ethnic diversity within national populations will increase anyway and increase further as migration increases. What kinds of shifts in social policy and culture are needed to realise the opportunities of a more diverse society? How do we build a sufficient sense of shared national identity as multicultural societies evolve rapidly? What can we learn from recent immigrants about the processes of immigration and the success or otherwise of policies in different countries? How are demographic change and increased migration affecting politics in different countries?

Working group C will look at the impact of technology combined with that of demographic shifts.

To what extent will automation of both physical and intellectual work mitigate reductions in working age populations? Will the disruption of classes of jobs and parts of other jobs mean that we need fewer workers overall? Or will the automation of the physical parts of work and a continued move to a knowledge-based economy in industrialised countries mean that more people can continue to work to a much later age? As noted above, could digitisation also mean more opportunities for remote work, bringing potential new sources of labour from developing economies into the economies of industrialised countries whilst remaining in their country of origin?

Could the continued technological revolution break the connection between population growth and economic growth, with a stronger focus on the deployment of capital to build automated capabilities within the economy? If growth can be maintained through the deployment of capital, then how could/should increased GDP be distributed amongst the population?