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## Global Population Megatrends and their Potential Impact on the World of Project Management

**By David L. Pells**

### Introduction

This essay is based on Jack A. Goldstone's fascinating and illuminating 2010 article entitled "*The New Population Bomb: The Four Megatrends That Will Change the World*", in *Foreign Affairs*, one of the leading international relations and foreign policy publications in the United States.<sup>[1]</sup> Professor Goldstone begins with a reference to *The Population Bomb*, an international best selling book by Paul and Anne Ehrlich published in 1980 that predicted mass global starvation as global population outstrips food production in the future.<sup>[2]</sup> That 1980 book was based in no small part on the same predictions by the 18<sup>th</sup> century English political economist Thomas Malthus.<sup>[3]</sup>

As Goldstone points out in his paper, Ehrlich's dire predictions have not occurred, in part due to increased agricultural productivity, the "green revolution"<sup>[4]</sup>, family planning and other economic, social, technological and political developments.

According to the United Nations' Population Division<sup>[5]</sup>, global population is expected to top out at around 9.2 billion in 2075.<sup>[6]</sup> Based on medium growth prospects for the global economy, barring calamity, global economic output is expected to increase by 2-3% per year, meaning that global income will increase faster than population. In theory, this means that the world should be able to feed itself.

But total population growth is only one view of the issue. It is necessary to consider global demographic trends within the context of population growth – things are not the same the world over. Professor Goldstone identified four global population-related demographic megatrends that are occurring, and that politicians and policy makers are not yet seriously responding to, as follows:

1. Increasing Populations in Developing Economies – the relative demographic weight of the world's developed economies will fall by 25% or more, shifting economic power to developing countries;
2. Aging Populations – populations in developed countries are aging rapidly, leading to declining labor forces, constraining economic growth and increasing demand for immigrants;
3. Increasing Young Populations in Muslim Countries – most future population growth will be in developing countries with large Muslim populations where

lack of education, investment and employment opportunities create serious problems; and

#### 4. Urbanization – much of the world's population is rapidly becoming urbanized.

What are the potential impacts of such trends on the project management world? I have wanted to address this topic since reading the Goldstone article last year. I would also like to add another demographic megatrend related to the above that has been causing political turmoil in Europe and the United States in recent years, where political leaders only seem to consider the issues on a local basis rather than the global trend that it is, that is...

#### 5. Labor Migration – the global movement of people across borders in search of employment and economic opportunities

This article explores these five megatrends and some implications for project management, drawing heavily on Professor Goldstone's 2010 article and a few other references.



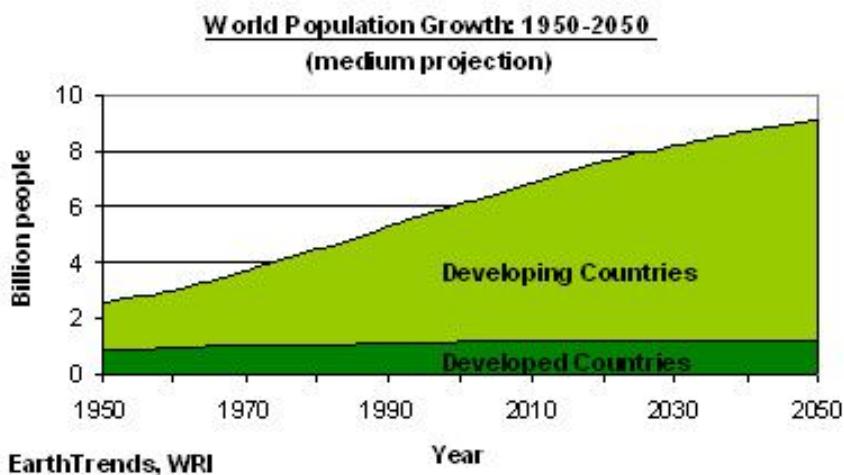
### 1. Population Growth in Developing vs. Developed Economies

**The Trend** – as Goldstone pointed out in his paper, approximately 20 percent of the world's population lived in Europe in 1800. By 1913, 33% of the world's population lived in Europe and North America; more people lived in Europe than in China. By 2003, the proportion of the global population living in Europe, the USA and Canada combined had fallen to 17%; it is expected to decline to 12 % by 2050. <sup>[1]</sup>

Of equal or even greater significance, the proportion of the world's gross domestic product (GDP) produced by Europe and North America was 32% in the early 19<sup>th</sup> century and up to a staggering 68% of the world's total economic output by 1950. By 2003, it was down to 47% and is expected to fall to under 30% by 2050, less than it was in 1820. Not only is the population growing much faster in developing countries, but economic output is projected to grow by 500% over the next four decades. Also according to Goldstone, by 2030 the number of 'middle-class' people, those who can purchase durable goods, will be approximately 1.2 billion in today's developing economies alone, more than the entire population of Europe and North America combined. <sup>[1]</sup>

According to Goldstone, "the main drivers of global economic expansion will be the economic growth of newly industrialized countries, such as Brazil, China, India, Indonesia, Mexico and Turkey." <sup>[1]</sup>

As the world's population continues to grow on all continents, great pressure is being placed on arable land, water, energy, and biological resources to provide an adequate supply of food while maintaining the integrity of our ecosystem. As the world population grows, the food problem will become increasingly severe. The most vulnerable will be populations in developing countries. The per capita availability of world grains, which make up 80 per cent of the world's food, has been declining for the past 25 years. Certainly with a quarter million people being added to the world population each day, the need for grains and all other food will reach unprecedented levels. <sup>[7]</sup>

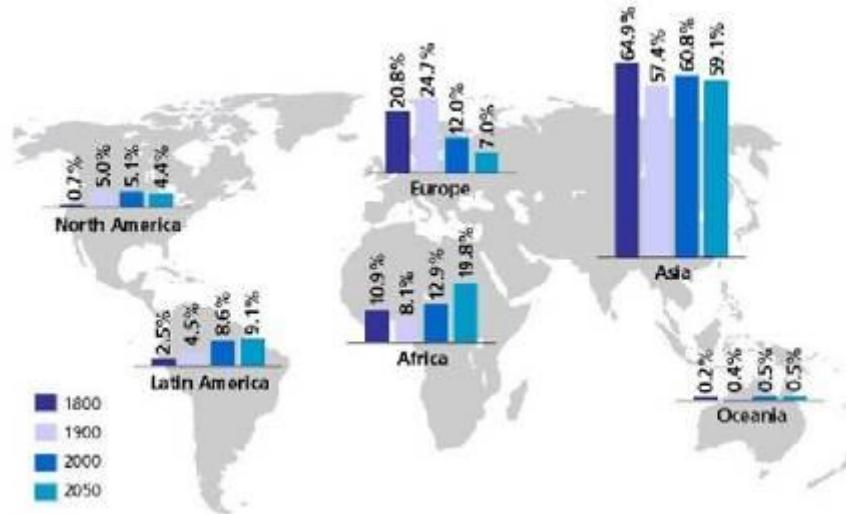


*Image courtesy of earthtrends.wri.org* <sup>[8]</sup>

World population is currently growing by 1.1 percent annually. As shown in the chart above, nearly all of this population growth is occurring within developing countries. By 2050, total population is expected to reach 9.2 billion (medium projection) despite overall declines in population growth rates. Major growth is expected to occur in developing countries' urban populations; assuming current trends "poor countries will have to build the equivalent of a city of more than one million people each week for the next 45 years" (Cohen, 2005). Limited access to health care, contraception, and education in many of these countries has resulted in national demographic trends that exhibit stark contrasts to those of the industrialized world (e.g., fertility rates), leading to high population densities in developing regions of Africa and Asia. <sup>[8]</sup>

A continuation of these trends will create greater pressures on food, water, sanitation, and infrastructure resources, particularly in places where these are already scarce. The rapid increase in global population will also impose significant strains on earth's natural environment. Population growth, therefore, poses a number of socioeconomic and geopolitical challenges, including intensifying agricultural production without further contamination of the world's waterways, increasing energy use without continuing to

raise greenhouse gas levels, and protecting expanding urban and coastal populations from disease and natural disasters. [8]



**Implications for Project Management** – some of the possible effects of this demographic megatrend on the project management world, in my opinion, include the following:

➤ **In Developing Countries:**

- Increased investment in Africa, Asia and Latin America in Coming Years – as populations grow in developing economies, increased investment will occur to meet both basic social needs as well as demand. A majority of investment will be in the form of programs and projects, which in turn will require more project management.
- More projects financed by Development Banks, Developed Economies & NGOs – the next few decades will see increased levels of investment, and many more programs and projects financed by the World Bank, Asian Development Bank, African Development Bank, international aid arms of developed countries and all types of non-governmental agencies. We are already seeing this in Latin America where the Inter-American Development Bank is both funding projects and teaming with European countries to sponsor a wide variety of social and economic development programs. All this should mean increased demand for project management applications and expertise for these types of programs and projects, increased opportunities for PM experts in developed countries, and growth in both demand for and professionalism among project managers in the developing economies themselves.

- Increased number of projects in basic industries in developing countries – Population growth will require huge investments in programs and projects in such basic industries as housing and construction; roads and transportation infrastructure; water and wastewater treatment; trash collection, sanitation and recycling; agriculture, food production and food distribution; healthcare of all types; schools and education (including occupational training); energy and power distribution; and security. Demand for project management in all of these sectors can be expected to grow dramatically in the next few decades.

*Image: traffic congestion in Lagos, Nigeria.*



- Industrial production based in high and medium income countries will begin to migrate to lower income, rapidly growing, developing countries. If labor forces can be educated, and if women can be liberated and empowered, many countries in Latin America and Africa will see factories, assembly plants and industrial goods production shifting from Asia, Japan, Europe and North America, where labor is ageing and costs are higher. Projects will require project management, including PM contract services.
- Increases in programs & projects associated with nation building – developing countries, and especially those with rapidly growing populations, have increased pressure to develop functioning and efficient political, legal and social welfare systems. Economic development will require better security, more efficient courts and legal systems, better functioning governments at all levels, better use of information technology to benefit civil society, better functioning markets, better access to capital (better banking systems) and many other improvements.
- Increased demand for project management in development – there should be a great increase in demand for project and program managers with experience in the economic and social development fields. The organization, Project Management for NGOs, has recognized this fact; nearly all international development aid occurs via programs and projects. This whole field is growing rapidly.

#### ➤ **In Developed Countries (European Union, Japan, Korea, North America)**

- Continued growth in PM profession, but at declining rate – PMI is already focusing heavily on Brazil, China, India and Latin America. IPMA should do the same. Every developing country will see the birth and growth of project management professional societies over the next two decades. Those based in the West should embrace, cooperate with and support these new PM professional bodies.

- Increased outsourcing to lower and middle income countries – outsourcing is not going away, but should begin to increase again when the global economy starts to recover from the current recession.
- Continued globalization of project supply chains – globalization of project supply chains that has occurred over the last ten years will continue; there is no reversing this change. Suppliers will be wherever high quality lower cost products and services are available, and increasingly in lower and middle income countries where populations are growing and labor costs remain low.
- Increased usage of virtual (international & global) project teams and resources; this is bound to happen as populations and economic development increase in many parts of the world and as globalization of the world's economy continues.
- Project management products and services will be offered in more languages, more developing countries through local offices, and attuned to local cultures and needs.

## 2. Aging Populations

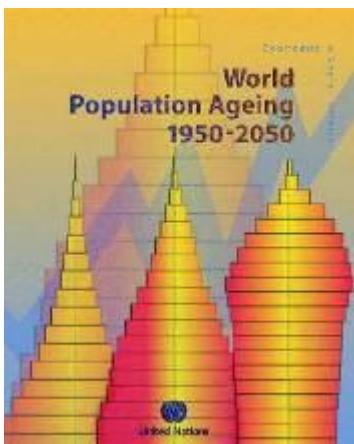
**The Trend** – It is well known that the populations of many developed countries are aging rapidly. Those countries include not only Canada and the USA and many in Europe, but also China, Japan and South Korea. Today, the proportion of people older than 60 in China and Korea is 12-15%; in Europe, the USA and Canada, it is 15-22%; and 30% in Japan. By 2050, 30% of the populations of China, Europe and North America will be older than 60, while more than 40% of Japanese and Koreans will be so old. <sup>[1]</sup>



In other words, over the next four decades, an ever increasing percentage of the population in Europe, Canada, the USA, China, Japan and Korea will be leaving the workforce; will require greater healthcare, pension payments and retirement services; and will contribute to falling economic output. The labor forces in some countries – Germany, Hungary, Japan, Russia, etc. – are already shrinking on an annual basis. With aging populations, shrinking labor forces and lower relative economic output, a greater proportion of GDP in these countries must be devoted to healthcare for the elderly.

Population ageing arises from two demographic effects: increasing longevity and declining fertility. An increase in longevity raises the average age of the population by increasing the numbers of surviving older people. A decline in fertility reduces the number of babies, and as the effect continues, the numbers of younger people in general also decline. A possible third factor is migration. Of these two forces, it is

declining fertility that is the largest contributor to population ageing in the world today. More specifically, it is the large decline in the overall fertility rate over the last half century that is primarily responsible for the population ageing in the world's most developed countries. Asia and Europe are the two regions where a significant number of countries face severe population ageing in the near future. In these regions within twenty years many countries will face a situation where the largest population cohort will be those over 65 and average age will be approaching 50.<sup>[9]</sup>



A report entitled *World Population Ageing 1950-2050* was prepared by the Population Division of the United Nations as a contribution to the 2002 World Assembly on Ageing and its follow-up. The report described global trends in population ageing and included a series of indicators of the ageing process by development regions and countries. The report showed that: (a) Population ageing is unprecedented, without parallel in human history—and the twenty-first century will witness even more rapid ageing than did the century just past; (b) Population ageing is pervasive, a global phenomenon affecting every man, woman and child—but countries are at very different stages of the process, and the pace of change differs greatly; (c)

Population ageing is enduring; we will not return to the young populations that our ancestors knew; and (d) Population ageing has profound implications for many facets of human life.<sup>[10]</sup>

The ageing populations in America, Canada, Europe, Japan and Korea are well known to most; the coming imbalance between those countries with ageing populations and those with much younger and faster growing populations may be news to many.

**Implications for Project Management** – some of the possible effects of this demographic megatrend on the project management world, in my opinion, include the following:

#### ➤ **In Countries with Rapidly Ageing Populations**

- More programs, projects and demand for project management in industries serving older people, including healthcare, medical treatment, housing, personal services, and a wide range of products and services.
- Increasing shortages of younger qualified technical, professional and scientific workers in selected industries, resulting in more immigrants and foreign-born employees, project team members and project managers. Diversity on project teams will increase, raising the need for more multi-cultural awareness, training and practices. This is especially true in industries involving high technology.

- More older people on program and project teams, requiring greater awareness and accommodation of the needs, capabilities and life styles of older workers.

- Increased use of part-time, project-based work across many industries, as highly qualified managers and professionals age, choose to work part time while 'semi-retired', and make themselves available to former employers or other organizations experiencing shortages.

- While project teams and workers are ageing, so are all project stakeholders. This may require new considerations for program and project managers.



- Supply chains will be affected, as ageing populations also affect key suppliers and service providers. Suppliers and service providers operated or provided by older people may become unavailable, due to health, retirement or death.

- Ageing populations will lead to increased outsourcing and global supply chains.

- Ageing populations will lead to an increasingly smaller proportion of the population carrying an ever larger tax and economic burden required to support the growing retirement population. This is a current heavy debate in the United States, but from a PM standpoint, it means that project costs could increase dramatically in coming years for many programs and projects in the EU, USA and other developed economies.

- China faces an especially acute dilemma, as it is a rapidly developing middle-income economy with a large population already, but one that is also rapidly ageing. China faces the need to address both basic services for those still living in poverty and in rural areas, while also increasing the industries and services for older people. This suggests a large and growing demand for programs, projects and project management in China in all sectors for many years to come.

### ➤ In Countries with Rapidly Growing Younger Populations

- Developing countries with rapidly growing younger populations have the opposite set of challenges and opportunities from those with rapidly ageing populations, for example:

- More programs and projects aimed at serving the needs of the young, including education, healthcare and employment; More professional and occupational training programs, with project management being an excellent example.

- Programs to ‘in-source’ work from developed economies, include services for ageing and retired Americans, Canadians, Europeans, Japanese and Koreans. This is already happening in Mexico, Central America and the Caribbean. Medical and health treatment programs in Argentina, India, Mexico and other countries target older people in developed countries. Retirement centers for Americans are growing in Panama, Peru, Uruguay and elsewhere in Latin America, and for Western Europeans in Bulgaria, Romania, Slovenia and other Eastern European countries. All of these initiatives occur via programs and projects, which need to be managed.
- In developing countries with good schools and universities, and large young populations including university graduates such as in Bangladesh, India and those of North Africa, opportunities for international investment abound. Educated, technology-savvy young people are available to work for relatively low wages. Since demand is set to skyrocket for all types of products and services throughout the developing world, we can anticipate thousands of programs and projects to be launched in those countries.
- The demand for project management education and training among the young will increase. Such programs as IPMA’s Young Crew should expand rapidly, as more young professionals move into project-based industries and organizations.
- Investment into programs and projects specifically designed to employ and grow young people should be a very high priority. Programs in industries where energetic young workers are needed should be financed and promoted.
- More project stakeholders will be young. This is an important message for those managing public programs and projects.

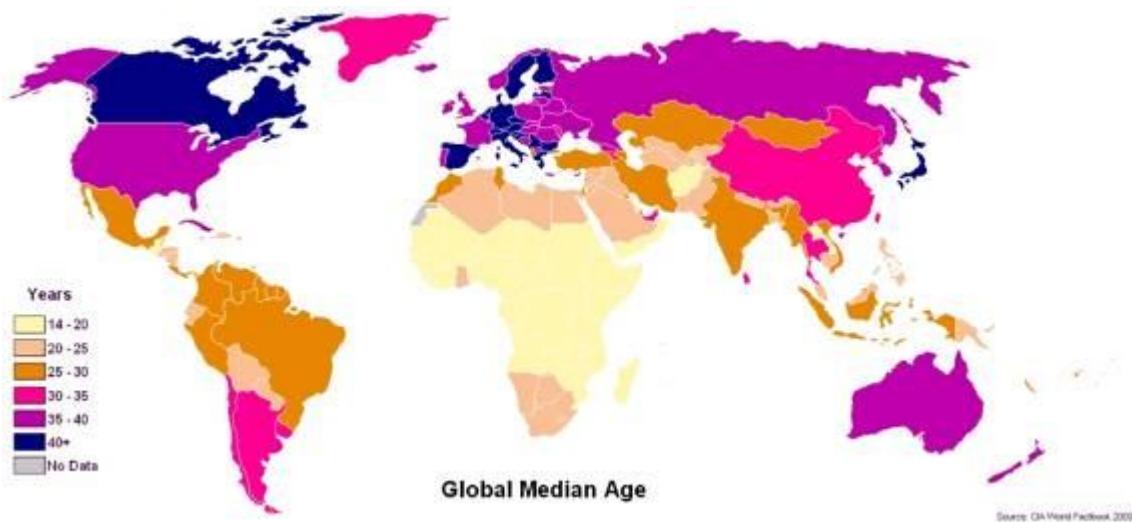
### **3. Increasing Youth in Developing and Muslim Countries**

**The Trend** – The flip side of ageing populations is that nine out of ten children in the world under the age of 15 live in developing countries; over 70% of global population growth over the next four decades will occur in just 24 countries, all of which are classified as low or middle-income countries by the World Bank. Of the 48 countries with the fastest growing populations, 28 have Muslim populations greater than 33% or are majority Muslim. For example, the six countries – Bangladesh, Egypt, Indonesia, Nigeria, Pakistan and Turkey – had a combined population of 886 million in 2009. By 2050, those six countries are projected to add another 475 million, ten times the growth rate of the six most populous developed countries.<sup>[1]</sup>

In all developing countries, access to education, lack of employment opportunities and social unrest are serious problems, exacerbated among the young. There is often no

option but to migrate to cities or other countries where economic opportunities are better. For those who do not emigrate to other countries, poverty, social tension and radicalization can create problems that affect the entire world.

Africa's population has exceeded 1 billion, and is projected to top 2 billion by 2050. In addition to having the highest population growth rate, Africa is one of the regions with the highest proportion of young people as a percentage of its total population. According to United Nations World Population Prospects, 60% of Africa's population is less than 25 years old. Only 5% of Africa's population falls within the age range of 60 to 80 years old, remarkably different from other regions such as Europe whose estimate for the same age group is 26%. Consequently, while Africa's population doubles in 2050, Europe's, which is currently over 700 million, will decline to 691 million. <sup>[11]</sup>

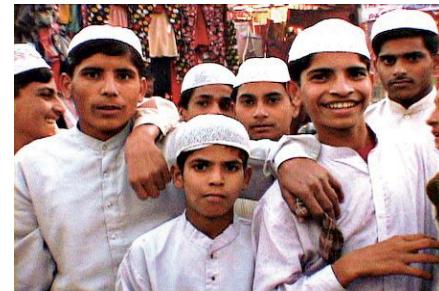


Image, courtesy of <http://satyameva-jayate.org/2010/12/07/young-population/>

Africa has only 15% of global population but possesses 60% of the world's uncultivated arable land. The continent holds 20% of the world's known natural resources. If Africa's area alone can accommodate China, India, US, Western Europe, and Argentina, whose combined 3.6 billion population is more than half the world population, then the continent should be able to sustain a population that would be about 2.1 billion in 40 years. Thus, the focus should be on good governance and responsible leadership. With good governance and adequate social policy, Africa can build the capacity to properly manage its resources, develop its human capacity, and maintain a sustainable population growth. There are enormous benefits to be accrued to the continent if its various governments invest massively in education, health care, infrastructure development, youth development and women empowerment. In fact, education and women empowerment alone can significantly regulate Africa's population within sustainable proportion. <sup>[11]</sup>

By 2040, Africa's labor force is projected to reach 1.1 billion, overtaking China's and India's. If Africa can provide its young people with the education and skills they need, this large workforce could account for a significant share of both global production and consumption. The continent's increasing youth population would be an asset for transformation if its leaders would govern well and implement adequate social policies to improve education, health care delivery, infrastructural development, human capital development, and the empowerment of African women. The failure of African leaders to do what is right could on the other hand force the youths to orchestrate the change that they want to see. The revolutions that started in Tunisia and now spreading to many parts of the continent show clearly that a new Africa driven by the creative energy and transformative aspirations of the youth is possible. <sup>[11]</sup>

The world's Muslim population is expected to increase by about 35% in the next 20 years, rising from 1.6 billion in 2010 to 2.2 billion by 2030, according to new population projections by the Pew Research Center's Forum on Religion & Public Life. Globally, the Muslim population is forecast to grow at about twice the rate of the non-Muslim population over the next two decades -- an average annual growth rate of 1.5% for Muslims, compared with 0.7% for non-Muslims. If current trends continue, Muslims will make up 26.4% of the world's total projected population of 8.3 billion in 2030, up from 23.4% of the estimated 2010 world population of 6.9 billion. <sup>[12]</sup>



A majority of the world's Muslims (about 60%) will continue to live in the Asia-Pacific region, while about 20% will live in the Middle East and North Africa, as is the case today. But Pakistan is expected to surpass Indonesia as the country with the single largest Muslim population. The portion of the world's Muslims living in sub-Saharan Africa is projected to rise; in 20 years, for example, more Muslims are likely to live in Nigeria than in Egypt. Muslims will remain relatively small minorities in Europe and the Americas, but they are expected to constitute a growing share of the total population in these regions. <sup>[12]</sup>

Several factors account for the faster projected growth among Muslims than non-Muslims worldwide. Generally, Muslim populations tend to have higher fertility rates (more children per woman) than non-Muslim populations. In addition, a larger share of the Muslim population is in, or soon will enter, the prime reproductive years (ages 15-29). Also, improved health and economic conditions in Muslim-majority countries have led to greater-than-average declines in infant and child mortality rates, and life expectancy is rising even faster in Muslim-majority countries than in other less-developed countries. <sup>[12]</sup>

**Implications for Project Management** – some of the possible effects of this demographic mega trend on the project management world, in my opinion, include the following:

➤ **For those in developing Muslim countries** – points made above related to growing populations in developing economies obviously apply to those that are majority Muslim. Here I want to make some additional points.

- More investment programs and projects in Muslim-majority countries – including Afghanistan, Egypt, Indonesia, Iran, Iraq, Nigeria, Pakistan, Turkey and others. Investment in these countries will be necessary to provide more stability in potentially unstable countries such as Afghanistan and Pakistan. More programs and projects will require more project management.

- Programs and projects must be launched in Muslim countries specifically aimed at employing young persons, in order to support economic growth, social development and political stability. Project management can contribute significantly to achieving such objectives.

- Demand for project management education, training and professional services will grow, especially for courses, certifications and services offered in local languages and sensitive to local customs, histories and laws.

- More people will enter the PM field, establish PM related careers and consider PM professionalism. PM professional organizations will appear and grow in these countries and regions. The PM profession can become a major opportunity for engagement between Muslim and non-Muslim communities.

➤ **For those in high income countries**

- More project team members will be Muslim, have Muslim backgrounds or families, and will be located in Muslim-majority countries. This will certainly be true of projects in those countries owned or sponsored by American, Australian, Canadian, European, Japanese or Korean investors and contractors.

- More projects will have significant Muslim stakeholders, requiring greater awareness and knowledge of Muslim issues and concerns. This is true for all projects located in Muslim countries. Processes, standards, laws, regulations, expectations may all be different than in non-Muslim environments.

- Multi-cultural awareness, valuing diversity and religious tolerance will become important soft skills for project managers and project management in industries and

organizations working internationally and with cross-border and virtual project teams. This will include managing global supply chains.

- Since engagement with Muslim organizations, executives and professionals will increase (be required) in the future, those in the West who start the engagement process early will have competitive advantages

- Project management product and service providers, including software and training companies, should offer PM courses and tools in languages and manners attractive to Muslims. It is a huge and growing market for project management.

#### 4. Urbanization

**The Trend** – the world is urbanizing at an unprecedented rate. By 2050, 70% of the world's population will live in or near large cities. Lower income countries in Asia and Africa are urbanizing especially rapidly. Urbanization in Sub-Saharan Africa is expected to grow to 67% by 2050, China to 73% and India to 55%. Worldwide, urban populations will increase by 3 billion over the next 40 years, creating enormous strain on infrastructure, governments and societies.<sup>[1]</sup>

Because much of the world's urbanization is occurring in low income countries, where populations are increasingly younger, unemployment, lack of education and lower incomes combine to create possible environments for more poverty, crime and civil unrest. With greater access to technology and the internet, international terrorism may increase.<sup>[1]</sup>



Photo: skyline of São Paulo, Brazil – population 20+ million, photo courtesy of Wikipedia

Cities with over 5 million inhabitants are known as megacities. There were 41 in the year 2000. This number is expected to grow as the population increases in the next few decades. It is predicted that by the year 2015, 50 megacities will exist, and 23 of these are expected to have over 10 million people. The rapid growth of urban areas is the result of two factors: natural increases in population (excess of births over deaths), and migration to urban areas.<sup>[13]</sup>

The urbanization process refers to much more than simple population growth; it involves changes in the economic, social and political structures of a region. Rapid urban growth is responsible for many environmental and social changes in the urban environment and its effects are strongly related to global change issues. The rapid growth of cities strains their capacity to provide services such as energy, education, health care,

transportation, sanitation and physical security. Because governments have less revenue to spend on the basic upkeep of cities and the provision of services, cities have become areas of massive sprawl, serious environmental problems, and widespread poverty.<sup>[13]</sup>



Hyderabad, India

One of the major effects of rapid urban growth is “urban sprawl”- scattered development that increases traffic, saps local resources and destroys open space. Urban sprawl is responsible for changes in the physical environment, and in the form and spatial organization of cities. Developed and less developed countries of the world differ not only in the percent living in cities, but also in the way in which urbanization is occurring. In Mexico City (950 square miles), as in many other megacities in the developing world, urban sprawl exists as nearly 40% of city dwellers live in the urban periphery in poverty and environmental degradation. These high density settlements are often highly polluted owing to the lack of urban services, including running water, trash pickup, electricity or paved roads. Nevertheless, cities provide poor people with more opportunities and greater access to resources to transform their situation than rural areas.<sup>[13]</sup>

According to the Asian Development Bank in 2005, an estimated US\$40 billion per year is needed for urban infrastructure investments to meet the demands of the explosive urbanization of Asia during the past four decades. City growth has been largely unplanned and uncontrolled, with a plethora of problems ranging from inadequate water supply to festering slums. Despite this, cities are the engines of national economic growth, for example, Bangkok generates about one-third of Thailand's gross domestic product (GDP).<sup>[14]</sup>

**Implications for Project Management** – some of the possible effects of this demographic megatrend on the project management world, in my opinion, include the following:

- Obviously, industries and technologies related to city services will see increased investment, numbers of projects and demand for project management.

- Growth will occur in such industries as urban water and wastewater treatment, sanitation and waste processing; schools construction and education; hospitals, medical treatment and healthcare; food distribution and retail; roads and public transportation; police and security services; municipal government services, etc.

- Remote and virtual work will increase, across all industries and organizations, due to traffic congestion and transportation difficulties (time, distances, cost, crowding). More people will work at home (telecommuting) to avoid urban travel stressors.

- Project teams will include more urban dwellers and workers, requiring new considerations for workplace details, communications, employee benefits, etc.

- More project stakeholders will live in cities with urban issues and concerns.

- Project plans, risk assessments, supply considerations (procurement and contracting) must all take more urban issues into consideration.

- Huge opportunities will emerge for companies and individuals with expertise and experience in urban projects, including urban planning, parts development, historic buildings reconstruction, high rise construction, underground infrastructure and utilities, wireless communications, etc. Demand for project management for such projects will increase.

- And of course, massive investment in programs and projects from the various international development banks, governmental aid agencies and NGOs.

## 5. Labor Migration

**The Trend** – According to the International Labor Organization (ILO), the number of migrants crossing borders in search of employment and human security is expected to increase rapidly in the coming decades due to the failure of globalization to provide jobs and economic opportunities.<sup>[15]</sup>

Managing international migration – people moving across national borders – is a global challenge for the 21st century. Almost 200 nation states issue their passports and visas and regulate who can cross their borders and stay. The number of international



migrants reached 175 million in 2000, up from 154 million in 1990, according to the UN Population Division.<sup>1</sup> About 60 percent of the world's migrants are in more developed countries, including 56 million in Europe and 41 million in Northern America. The number of international migrants is likely to continue increasing in the 21st century for both economic and non-economic reasons. There are as many reasons for migration as there are migrants, but most individuals who cross national borders do so for economic reasons. The factors that lead individuals to migrate, in turn, are motivated and sustained by three major types of influences— demand-pull factors in the destination area, supply-push factors in the origin area, and network factors that link origin and destination. <sup>[16]</sup>

Given its prominent coverage by national media, the economic consequences of international migration would seem to be one of the burning issues of our time. In receiving countries, public debate about immigration drives national politics, with recent electoral campaigns in Australia, Denmark, France, Switzerland, and the US each devoting substantial attention to the topic. Immigrants are blamed for disrupting civil society, draining public coffers, and lowering wages, among other woes (Huntington, 2004). At the same time, skilled immigrants receive credit for spurring innovation and the growth of technology sectors (Freeman, 2006). Sending countries are no less conflicted about labor mobility. Emigration has brought a welcome financial windfall in the form of remittances (Acosta et al., 2008), but it also threatens to drain poor economies of their most educated workers (Docquier and Rapoport, 2008).<sup>[17]</sup>

To an economist, it is no surprise that international migration is contentious. By arbitraging the vast differences in wages that exist between countries, labor flows alter the distribution of income in sending and receiving economies alike. In this dimension, international migration is similar to international trade. Both are mechanisms for globalization that create winners and losers. But there are other dimensions in which trade and migration differ significantly. In most receiving countries, immigrants pay taxes and have the right to draw on at least some public services, changing the net tax burden on native residents. Once they become citizens, immigrants generally obtain the right to vote, altering domestic politics (Razin, Sadka, and Swagel, 2002). In sending countries, emigrants cause corresponding fiscal and political disruptions by their departure. Differences between trade and migration are evident in policy (Hatton and Williamson, 2005). While most countries now belong to the World Trade Organization, and maintain a nominal commitment to lowering trade barriers, a multilateral agreement that would allow international labor mobility is a dim prospect, at best.<sup>[17]</sup>

What does economic research have to say about the costs and benefits of international migration? Should we expect economists to advocate for the free international movement of labor as intensely as they tend to support free trade? The persistence of large differences in average income between countries is *prima facie* evidence that allowing greater international labor mobility would raise world welfare (Pritchett, 2006).

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Allowing labor to move across borders more freely would be a simple and obvious way to help narrow global income gaps.<sup>[17]</sup>

Ninety million people migrate for work globally every year and an increasing percentage of those workers are moving between emerging economies, rather than to industrialized nations. Otherwise known as South-South labor migrants, these workers are filling jobs in manufacturing, agriculture, construction and service industries in countries like Malaysia, the United Arab Emirates, Jordan and Egypt. Migrant workers provide a cost-effective and hardworking labor force in labor-intensive industries, but they are also vulnerable, isolated and often heavily indebted. Reports of abuse, forced labor and human trafficking are increasingly common.<sup>[18]</sup>

I have quoted only a few sources on this big topic, and have not addressed the subject of refugees, another enormous flow of immigrants from conflict zones and unstable or poorly governed countries. I think the points are clear however, in the global economy, the flow of migrant workers is large and expected to increase.

**Implications for Project Management** – some of the possible effects of this demographic mega trend on the project management world, in my opinion, include the following:

- More projects will include project managers, team members and workers who are or have recently been immigrants or migrant workers. This fact should be incorporated into teambuilding, communication and leadership plans and actions. These questions should be considered.
- Organizations and executives must know and understand the status of workers (including knowledge workers) on their projects in all countries. For example, are they legal residents, immigrants with families in distress in home countries, immigrants in temporary living situations, etc.? This can affect productivity and risks on projects.
- Cross-border migration offers both opportunities and risks for project managers in some industries and countries (as evidenced during the recent conflict in North Africa, where many foreign workers were stranded or evacuated.)
- Growth in businesses and programs serving immigrants and migrating people – especially South-South migration (migration from developing country to another developing country.)
- Migrant workers and immigrants can offer high quality, low cost labor and expertise, especially for labor-intensive projects related to agriculture, construction, mining and other industries. These workers, however, can also be less stable and more susceptible to climate, social and political changes.

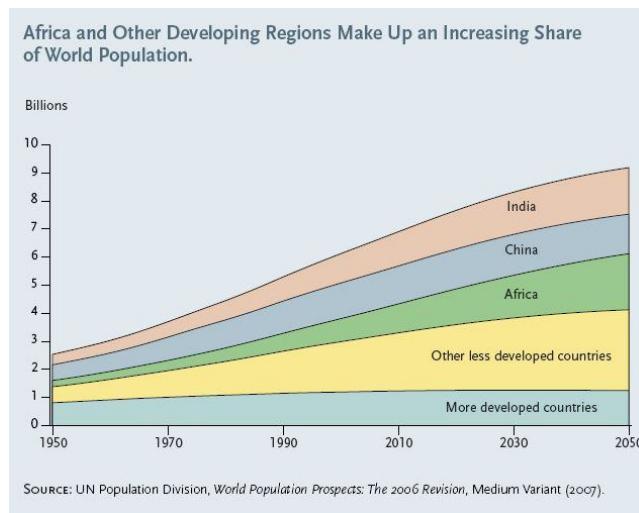
Clearly this topic has economic, political and social repercussions. The whole subject however, deserves more attention. The public needs more education, and political leaders need to consider longer term issues and use more global perspective.

The main point to me is that global migration is a natural result of population growth, the demographic changes and trends mentioned earlier in this article, and the disparity in incomes and economic opportunities around the world. Global cross-border migration cannot be stopped; it will increase as the population and demographic pressures increase in lower income countries. Rather than fight this human flood, it would seem both smarter and wiser to recognize these people as resources and the associated opportunities for employing them (on projects, for example).

## 6. Summary – Global Megatrends and Project Management

While the above paragraphs have considered five global population megatrends, when taken together some common themes emerge.

- The population is increasing much more rapidly in developing countries than in the European Union and North America; in 40 years the number of people living in today's lower and middle income countries will far outnumber those in today's fully developed economies.



- The proportion of the world's population living in Muslim countries is increasing more rapidly than in non-Muslim countries; by 2050, Muslims will constitute over 20% of the world's total population. Engagement and cooperation between Muslim and non-Muslims are needed to ensure a peaceful and prosperous future for everyone. Because modern project management was developed and has matured in "the West", in developed countries first, Muslim executives and project management professionals should connect with and learn from the experts, practitioners and professional organizations such as IPMA and PMI. At the same time, project management leaders

and businesses in developed countries should understand and embrace the opportunities in Muslim countries where billions of people live and thousands of projects will need PM over coming decades.

- The proportion of the world's population living in urban areas is increasing rapidly; by 2030 a majority of the world's population will live in or near large cities – this is true in both industrial and developing countries.

- The rapidly growing populations in low income countries, developing economies and urban areas will require massive investment into infrastructure, health services, education, transportation, agriculture and other basic services. Programs and projects in those sectors and locations can be expected to increase very rapidly.

- The increasing investment in programs and projects in developing countries will provide enormous demand for project management expertise and resources, and will create big opportunities for businesses and contractors that are positioned to respond.

- The demand for project management education, training and certification, and for networking and sharing of experiences, in these areas will increase. The demand for PM in Africa and Latin America should accelerate dramatically over the next few decades.

- More research should occur, and a global body of knowledge developed, specifically aimed at managing development projects, or programs and projects in developing economies, urban areas of emerging countries, and Muslim developing economies. Much work has already occurred in this area, but more is needed.

- Project management product and service companies should offer more localized project management education options, training courses, software tools and consulting services. This is an opportunity for large global companies and for small entrepreneurial businesses in the local markets.

- Project management professional bodies will appear and grow in all parts of the world, as projects increase in number, more interaction occurs between organizations from various countries, and the PM field emerges and matures. IPMA and PMI should embrace and nurture these local organizations and leaders.

If you have a comment related to this editorial, please send an email to me.

Good luck with your projects.

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**David L. Pells** is Managing Editor of the ***PM World Journal***, a global eJournal for program and project management, and Executive Director of the PM World Library. He is also the president and CEO of PM World, the virtual organization behind the journal and library, and of PM World Services, an executive P/PM advisory firm. David is an internationally recognized leader in the field of professional project management with more than 35 years of experience on a wide variety of programs and projects, including engineering, construction, defense, energy, transit, high technology, and nuclear security, and project sizes ranging from several thousand to ten billion dollars. He has been an active professional leader in the United States since the 1980s, serving on the board of directors of the Project Management Institute (PMI®) twice. David was awarded PMI's Person of the Year award in 1998 and Fellow Award in 1999. He is an Honorary Fellow of the Association for Project Management (APM) in the UK; Project Management Associates (PMA - India); and of the Russian Project Management Association SOVNET. From June 2006 until March 2012, he was the managing editor of the globally acclaimed *PM World Today* eJournal. David has published widely, speaks at conferences and events worldwide, and can be contacted at [editor@pmworldjournal.net](mailto:editor@pmworldjournal.net).