

***2004 ODI SOURCE BOOK ON
DEVELOPMENT-RELATED TRENDS***

Updated by

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SUMMARY

This paper was prepared for the UK Department of International Development under CNTR 04 5620. It is an updated version of a paper prepared by Ian Urey and Natalie Kannemeyer for the Netherlands Ministry of Foreign Affairs in 2001. We are grateful to Natalie Kannemeyer and Roo Griffiths.



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This study highlights current trends and brings together future projections of the main drivers of global change. Fifteen variables are identified and the projections by key organisations are presented in one report. This source book is an update of the ODI source book of 2001.

There have been several attempts to examine future trends in general. There are currently several major forward looking exercises ongoing. One is the Copenhagen Consensus (see <http://www.imv.dk/Default.asp?ID=158>); another forward looking exercise is the UN Millennium Project with interim reports posted on their website <http://www.unmillenniumproject.org/html/about.shtm>. The CIA is also doing an update of its 2015 project, see http://www.cia.gov/nic/NIC_2020_project.html. Then, there are several institutions and agencies that provide projections for individual variables, such as population growth (UNDP), food (FAO), climate change (IPCC), MDG (World Bank and UNDP), HIV/AIDS (UNAIDS) and others, sometimes as far forward as 2050 or 2100.

This report is more limited in scope. It provides information and report on trends and *existing* future projections for a selected number of topics. It does not attempt to build new scenarios. This study is an update of the previous ODI source book of 2001. Since then, several forward looking studies have been published for some variables but not all. Key new publications that were not available last time include

- New monitoring reports on achieving MDGs such as education, health and poverty
- UNEP's Global Environmental Outlook which now reports qualitative scenarios
- Food projections such as for fish and the IMPACT 2020 model simulations

In addition, more recent annual updates (web-based) on trends and projections have been used, such as:

- OECD DAC and IMF reports
- World Bank annual reports such as Global Economic Prospects and Global Development Finance
- Annual UNCTAD and UNDP reports
- Population projections by the UN updates regularly
- UNESCO's Education For All annual reports
- International Red Cross and UNHCR annual reports
- Annual publications by ITU and WTO
- IOM World Migration Reports

The use of these sources has meant that certain variables contain completely new descriptions: Climate Change, Food, Economic Growth, Poverty, Education, Health, Trade and Finance, Aid and Technology. On the other hand, for other variables little information has become available: Demography and Urbanisation, some Environmental variables, Governance, Disasters, Conflict and Refugees. For the latter variables, we have maintained the same structure but updated them according to availability of new reports. We have kept the same categorisation of variables with some minor adjustments.

The projected trends have not changed much for several variables. However, there have been some noticeable changes in trends and projections since the previous source book in May 2001:

- Rebound in forecasts for development assistance
- Recovery of world economy and rise in oil prices
- Sharp fall in FDI in past few years, but a recovery is expected for the near future
- Lower population forecasts
- Renewed insights into the tragedy of HIV/AIDS
- Strengthened focus on Millennium Development Goals
- Increased focus on migration policies and security following 9/11
- Continued strong growth and poverty reduction in China and India
- Rapid increase in democratic governments
- Strong growth in ICT: Mobile subscriptions have overtaken fixed line subscriptions.

The main findings are as follows:

| Key Drivers | Trends |
|--------------|--|
| Population | <ul style="list-style-type: none"> ◆ World population to expand from 6.3 billion now to 8.9 billion in 2050. ◆ Downward revision by 0.4 billion from two years ago, due to lower fertility expectations. ◆ High population growth in least developed regions, especially Africa where population is set to more than double by 2050. ◆ Increasingly ageing populations. Life expectancy 65 in world, but 50 in Africa, but set to converge somewhat. ◆ Higher dependency ratios in developed world. ◆ Lower dependency ratios in developing world. ◆ Aids could severely affect demographic structure. |
| Urbanisation | <ul style="list-style-type: none"> ◆ Percentage of population in urban areas projected to increase from 48% in 2003 to 61% in 2030. ◆ Urbanisation highest in developing world. Urbanisation rate forecast to be highest in Africa and Latin America. ◆ Much of the focus of urban population growth is on the smaller cities and urbanised rural settlements, not on the mega-cities. |
| Environment | <ul style="list-style-type: none"> ◆ Waste generation rises slightly less than private consumption. ◆ Energy efficiency continues to increase. ◆ The number of people facing severe water quantity problems will increase from 1.5 billion in 1990 to 2.1 billion in 2015, mostly in Africa, the Middle East, South Asia and Northern China, but projections on annual water withdrawal prepared in the past 25 years have turned out to be too pessimistic. ◆ Between 1990-2000 the proportion of land area covered by forests for the world as a whole decreased from 30.4% to 29.7%. The deforested area equals 940.000 km² similar to the size of a country like Colombia or Egypt. |

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| | <ul style="list-style-type: none"> ◆ Land degradation continues to worsen. ◆ The North Atlantic and parts of the Pacific areas are already being over fished. All or most of the increase in demand for fish to 2020 will need to be and is expected to be supplied through aqua-culture, since marine capture fisheries show no sign of increasing yields. ◆ Emissions of almost all greenhouse gases continue to rise under even the most environmentally friendly scenarios. ◆ The global average surface temperature is projected to increase by 1.4 to 5.8 °C over the period 1990 to 2100. |
| Food | <ul style="list-style-type: none"> ◆ Despite declining real food prices and expanding world production and trade, food security for the poor will only improve slowly in many regions. ◆ Sub-Saharan Africa, for example, will experience little improvement in per capita calorie availability and the region's number of malnourished children will increase. ◆ Slowly declining world food prices and buoyant international trade will coexist with continuing malnutrition throughout the world. |
| Economic Growth | <ul style="list-style-type: none"> ◆ The global economy is strengthening with average annual growth forecasts for 2004 and 2005 projected at 4.5 percent. Risks remain: the large US current account deficit and surpluses in Asia; addressing medium-term fiscal situations in many developed and developing countries and managing the eventual transition to higher interest rates. ◆ Developing country growth, on a per capita basis, is projected to more than double during the next ten years compared with the performance of the 1990s. ◆ Projections show a continued divergence in GDP per capita between Sub-Saharan Africa and the rest of the World |
| Poverty | <ul style="list-style-type: none"> ◆ Poverty projections indicate a poverty rate of 13.3% in 2015 compared with 29.6% in 1990, with the number of poor declining to 809 millions from 1.1 billion in 1999 ◆ Much of this reduction is due to China and India, poverty will remain a problem in South Asia and Sub Saharan Africa. |
| Education | <ul style="list-style-type: none"> ◆ By 2015 most regions will have achieved the target of UPE ◆ However, South Asia is struggling and Sub-Saharan Africa will miss the target by a wide margin. ◆ 60% of 128 countries will miss reaching gender parity at primary and secondary levels by 2005 |
| Health | <ul style="list-style-type: none"> ◆ 34-46 million people live with HIV/AIDS, two thirds in Africa. HIV / AIDS will reduce life expectancy in African from 49.2 recently to under 46 in 2010 ◆ Deaths from communicable diseases to decline, but increase expected in the prevalence of deaths due to non-communicable diseases ◆ Global warming could increase annual number of malaria cases from 50 million a year to 80 million by 2100 |

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| Trade and Finance | <ul style="list-style-type: none"> ◆ Trade growth expected of 6.8% between 2005-2010 ◆ Reduction in trade barriers will depend on the Doha round but growth in the range of non-tariff barriers. ◆ Rebound in FDI expected in the coming few years after steep decline in the early 2000s. ◆ Unequal distribution of this FDI in absolute volumes but not when scaled by host country size. |
| Official Development Assistance | <ul style="list-style-type: none"> ◆ After declines in the levels of ODA over the 90s, aid is now at it highest level in real and nominal terms. ◆ ODA expected to increase to US\$75 billion in 2006 from around \$55 billion in the past years ◆ An increasing proportion of ODA is going to the social sectors ◆ Increasing importance of global funds |
| Technology | <ul style="list-style-type: none"> ◆ The number of countries with a direct connection to the Internet increased from 8 countries in 1988 to 209 countries in 2003. ◆ Telephone subscribers per 100 inhabitants increased from 11.6 in 1993 to 36.4 in 2003. Cellular mobile subscriptions have for the first time surpassed fixed line subscribers. ◆ Large digital divide between low and high income groups. ◆ Digital divide between large and poor countries is shrinking. ◆ Advances in medical technology change the burden of diseases. |
| Governance | <ul style="list-style-type: none"> ◆ Increasing levels of democracy to continue ◆ Growth in the number of international NGOs |
| Migration | <ul style="list-style-type: none"> ◆ International migration set to rise from 175 million today to 230 million in 2050, representing a decline from 2.9% to 2.6% of the total population. ◆ Developed countries need and continue to absorb immigrants ◆ Migrants are increasingly sending remittances to developing countries, surpassing ODA levels by more than half ◆ Increasing tensions for migration policy after 9/11 |
| Disasters | <ul style="list-style-type: none"> ◆ The number of disasters is increasing and affecting more people, particularly in less developed regions ◆ Disasters are becoming less deadly ◆ But the financial costs are becoming higher, particularly in more developed regions. |
| Conflict and refugees | <ul style="list-style-type: none"> ◆ Internal conflict to increase ◆ Interstate conflict to decline ◆ The number of refugees has decline slightly recently. |