

Demographic Surprises

interbiznet Special Edition

March 2006

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<http://www.interbiznet.com>

About interbiznet

interbiznet is a Human Capital Consulting and Publishing Company located in Northern California. Founded in 1993, the firm has chronicled and shaped the evolution of Electronic Recruiting and the accompanying advances in Human Capital Technology. Still led by its founder, John Sumser, the company influences the influencers who shape the investment, technical and execution elements of the burgeoning Human Capital Industry.

The company engages in a wide range of publishing activities. The flagship daily newsletters reach the desks of over 32,000 members of the industry at large. Annual industry analyses, white papers and customized research fill out the firm's operational portfolio.

interbiznet practices "extreme thought leadership". Over the course of its twelve-year history, the company has consistently identified the leading edge of Recruiting Practice and Technology in its reports and daily newsletters. As a result, the company's audience is fiercely loyal and consistently growing. The company works diligently to develop strong relationships with a network of key influencers in all aspects of the industry it covers.

Electronic Recruiting News

<http://www.interbiznet.com/hrstart.html>

Interbiznet Bugler

<http://www.interbiznet.com/interbizbugler/dailyindex.html>

Demographic Surprises Special Edition

St. Patrick's Day is celebrated the world over. Among the world's most influential migrants, the Irish are the archetype of the way that culture moves. They are the poster children for the idea that demographics are destiny. This special edition of the Electronic News is being published on St. Patrick's Day to honor the world's history of population movement and change. The fact that this Irish holiday is a global event is testament to the power of demographics.

The labor shortage is one of many faces of the ageing of the population of the globe. The way that the story plays out will be central to the future and success of everyone who reads this newsletter. Here are some interesting facets of the issue that may surprise you. They certainly raise our eyebrows:

- In Germany, there is a panic about the labor shortage/depopulation issue. A key concern has become whether or not to alter pension benefits for the childless!! (This story is in the Bugler)
- In China, rice production is the single most managed aspect of the economy. During the Cultural Revolution it was widely understood that a food shortage could cause a government to

- topple. Today, China is a net importer of rice because of the Agricultural labor shortage.
- The US Government is advocating part time work as an alternative to retirement. It is losing key workers so fast that it is ready to try anything.
- Japan (the definition of a closed culture) has a solid movement to defend the rights of foreigners that routinely makes front page news.
- Korea (a singularly patriarchal society) is in the process of becoming a global champion of Women's rights.
- Russian game companies are headhunting American CEOs and hiring them.
- Policies devised after World War II to allocate too few jobs among too many workers—generous unemployment, disability and retirement benefits together with labor regulations that sacrifice efficiency for stable employment—will be radically counterproductive in the new era of tight labor markets.
- The competition for workers from the Philippines is global and very intense.
- Towns, States and Nations are investing in Employment branding. Combating recruiting drives and competing for workers are at the root of Brain Drains around the planet.

This is just the tip of the iceberg. The underlying Global Demographics are an essential element of the shape of our future.

Global Demographic Surprises

- The New AARP Report: The State of 50+ America ([PDF Global Aging](#))
- Universal Pensions Viable in Mexico ([Google translation of Spanish Article](#))
- When The Nest Egg Cracks: Financial Consequences of Health Problems, Marital Status and Job Layoffs at Older Ages ([PDF Global Aging](#))
- Global Ageing Statistic from The UN ([Charts](#))
- The Coming Demographic Deficit: How Ageing Populations Will Reduce Global Savings ([McKinsey](#))

Canada:

The global labour crisis hits home

With baby boomers preparing to retire and larger demographic changes ahead, Canadian employers may be facing a war for talent. In about 15 years, the Canadian labour market is expected to experience a serious shortage of about a million workers. This problem is compounded by the fact that there are significant challenges in hiring for technical and skilled jobs, and in retaining existing key talent. The dilemma is also amplified by a number of long-term trends in the

marketplace, including the impending retirement of baby boomers, slower population growth and global competition for jobs. Are Canadian companies ready for this labour gap? ([Deloitte](#))

China:

China's Shrinking Rice Crop Sparks Price Boom, Supply Concerns

Seri Theparak, a rice farmer from northeast Thailand, used to have to beg local rice millers to buy his crop. Not anymore. "They come to my house and offer a guaranteed price even before I start planting," said Seri, 40, who's buying a new \$8,500 truck and 10 rai (4 acres) more land this year to add to his 15-rai plot. "No farmer can remember that happening." Seri and Thailand, the world's biggest rice exporter, are in the midst of a boom fuelled by the demands of one country: China. Thailand's rice exports to China more than tripled in the first four months this year, surpassing last year's total China shipment by 37,000 metric tons, according to the Thai Commerce Ministry. Rice export earnings rose 41 percent to \$680 million. ([Bloomberg](#))

China's Runway Challenge

With fewer than 200 airports certified to handle transport category aircraft, China will have to move mountains of earth to ensure that ground infrastructure keeps pace with the rapid development of air travel. If China is to become the world's largest aviation market by 2020, it will have to move mountains of earth to provide enough runways. The country has just 196

certified airports for transport aircraft and 329 "GA Temporary Landing Points" to serve a population of just over 1.3 billion. By comparison, the US with 270 million people has 14,807 airports, while Australia with just over 20 million has 444 and tiny Iceland has 100. ([ATW Online](#))

Germany:

Politicians Discuss Pension Cuts for Childless

Germans: Germany's younger generation is dwindling. New statistics confirming the declining birth rate have sent Germany in to a state of panic, amid a growing consensus that pensions should be increased for people with children and reduced for those without. "People without children should either receive a reduced pension or pay more into pension schemes," said Norbert Geis from the CSU. Johann Eekhoff, director of the Cologne institute for Economic Policy said a reform of the pension system was long overdue. "People without children should never have been admitted into pension schemes because these only work when they are financed by subsequent generations," he said in an interview with mass-circulation Bild newspaper. "Their pensions should be cut by 50 percent." ([DW-World.de](#))

Global:

Global Aging and the Global Workforce

During the coming decades, the rapid aging of populations in the industrialized countries—and the population declines

that will result in many of them—will have a profound impact on the size, composition, and cost of the available labor force in the developed world. The precise implications of global aging for the workforce will vary widely between countries, regions, and specific industry clusters, however, due to a variety of important factors. As policymakers and business decision-makers alike begin to grapple with the impact of aging on the workforce, a simple framework—call it the Aging/Workforce Equation—can help them envision the magnitude of the challenge and the range of potential responses.

The equation has four components. First is the set of general conditions and trends that together constitute the challenge of global aging to workforce development. Second is the set of varying national and regional factors that either exacerbate or mitigate the workforce challenge arising from global aging. Third is an array of policy options that political and business leaders can manipulate to improve the ability of a particular country or sector to navigate the workforce challenge of global aging. Fourth is a small group of “wildcard” factors that have the potential

to significantly improve or worsen the assumed problems of aging on a global scale.

The Aging/Workforce Equation, then, looks something like this:

Global Aging + Regional Factors + Policy Options + Wildcards=Workforce Outcomes

Policy researchers have compiled a solid body of data and analysis to illuminate the various components of this equation, but they are only beginning to consider how the pieces fit together. Hudson Institute's forthcoming study, *Beyond Workforce 2020* (to be published in 2004), will examine the Aging/Workforce Equation in detail.

([Hudson Institute](#))

The International Federation on Ageing (IFA) 8th Global Conference 2006-05-30 Copenhagen Denmark
Welcome to the 8th Global Conference of the International Federation on Ageing (IFA), which will take place in Copenhagen from 30 May to 2 June 2006. The demographics of global ageing introduces ageing as a compounding factor in the global population development Ð with those countries least adapted to

meeting the challenges facing the most dramatic development in the course of the next 50 years. In becoming a global phenomenon, ageing becomes a global responsibility. The IFA 8th Global Conference in Copenhagen will emphasize this fact and at the same time ensure that global responsibility becomes everyone's responsibility. By highlighting ageing as a truly global issue of demographically staggering dimensions, the aim is not simply to focus on the situation of those countries with the demographic quake. The primary aim of this international Conference is to involve all actors in meeting the challenges of global ageing as well as meeting the challenges in their own environment. ([IFA](#))

Depopulation and Ageing in Europe and Japan: The Hazardous Transition to a Labor Shortage Economy

The arrival of the twenty-first century heralds a turning point for the postwar welfare state. Most of the advanced industrial democracies entered the new millennium with a record share of their populations in the working ages—20 to 65. Yet, by 2010, tens of millions of postwar baby boomers will be streaming into retirement, and available labor forces in the European Union (EU) and Japan will never again be so large in our lifetimes. This historic shift means that the problems of unemployment that dominated social thinking in the twentieth century will soon give way to the social crisis of labor shortages. Policies devised after World War II to allocate too few jobs among too many workers—generous unemployment, disability and retirement

benefits together with labor regulations that sacrifice efficiency for stable employment—will be radically counterproductive in the new era of tight labor markets. Reforming these policies may become a task no less urgent than the upheaval that led to their rise in the first place. (GlobalAging.org)

What is the Global Aging Initiative?

The world stands on the threshold of a demographic revolution with few parallels in humanity's past. It's called global aging, and in the coming decades it will subject nations around the world to extraordinary economic, social, and political challenges. CSIS established the Global Aging Initiative in 1999 to raise awareness of the scope and magnitude of these challenges and to encourage timely reform. Over the past six years, GAI has pursued an ambitious educational agenda. We have organized half a dozen major international conferences—in Beijing, Berlin, Brussels, Paris, Tokyo, Washington, and Zurich—that have brought together world leaders to discuss common problems and explore common solutions. We have also undertaken cutting-edge research and published high-profile reports, including: (CSIS)

Made in China: Is it Over for the U.S. Textile Industry?

On January 1, 2005, after more than 40 years of protection, the remaining quotas on textile and clothing imports established under the Multifibre Agreement were removed. The impending liberalization sent a

shock through the U.S. and global textile and clothing industries. Fears mounted that China's textile industry would take over world markets and decimate domestic textile industries. International organizations and producer groups predicted that China would account for 50 and 75% of the world trade in textiles and clothing, respectively, and 65 to 75% of the U.S consumer market. The American Textile Manufacturers Institute predicted U.S. job losses in the range of 650,000, and the National Council of Textile Organizations put the number of global job losses at 30 million. (Choices)

'Bare Branches' and Danger in Asia

If tens of millions of your society's young men were unable to find wives, would you be concerned? This is the troubling scenario that China and India must now face. The technology to identify the sex of a fetus became widespread in Asia in the mid-1980s, and more and more parents each year have used it to weed out less-valued daughters before they are born. Even though identification of the sex of a fetus, as well as sex-selective abortion, is illegal throughout Asia, the balance of boys and girls in the younger generations continues to worsen in many of these countries. (Washington Post) (Amazon)

Intel Science Talent Search Awards

In a step forward to deploying innovative ideas coming from yet *undiscovered potentially talented people*, Intel's Science Talent Search has awarded one more round of its prizes to the young winners for their

interesting contributions which may lead to remarkable scientific progresses in the future. Intel Corporation today awarded Shannon Babb of Highland, Utah top honors and a \$100,000 scholarship in the Intel Science Talent Search. Babb, the competition's first Utah winner, will take her place among esteemed alumni that include six Nobel Laureates, three National Medal of Science winners, 10 MacArthur Foundation Fellows and two Fields Medalists. ([Playfuls](#))

Introduction to Asia

In 1961, there were about 29 countries and/or important territories in Asia and rice was grown in 28 of them. In 1997, there were 50 countries and/or important territories and rice was grown in about 29 of them. Hong Kong, East Timor, Saudi Arabia, and Syria were reported to grow some rice in 1961. However, in 1997, no rice cultivation was reported in these countries. The new rice producing countries of the Asian continent are Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. Asia is the home of *O. sativa* and rice has been cultivated in this continent for several thousand years. *Indica*, *Japonica*, and *Javanica* (or *Tropical Japonica*) are the cultivated sub-species. *Japonica* is dominant in Japan, Korea, northern China, Iran, Turkey, Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan; whereas *Indica* is dominant in the rest of Asia. *Javanica* is found in Indonesia. ([FAO](#))

Korea needs more foreign workers

Here is the good news for Filipino skilled workers. The Korean government has announced that it has opened its doors to skilled workers from different countries, including the Philippines, to solve its labor shortage this year. The Korean Ministry of Labor disclosed that South Korea will invite as much as 105,000 workers from 10 countries this year to ease labor backlog at small- and medium-sized companies. ([Manilla Times](#))

The Emerging Global Labor Market

- **Part I The Demand for Offshore Talent in Services**

Although the practice of offshoring is growing among companies in developed countries, a wide gap exists between the number of service jobs that they could locate remotely and the actual number of jobs that they have located offshore, or plan to offshore, by 2008. The potential for offshoring varies depending on the industry.

[Read more](#)
[executive summary \(PDF - 188 KB\)](#)
[full report \(PDF - 3.66 MB\)](#)

- **Part II The Supply of Offshore Talent in Services**

The number of graduates with a university degree and 7 years of experience in low-wage countries exceeds the supply from high-wage

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countries by two-fold. But the total quantity of graduates that can actually be deployed in offshoring is smaller than the raw numbers suggest.

[Read more](#)

[executive summary \(PDF - 203 KB\)](#)

[full report \(PDF - 1.31 MB\)](#)

- **Part III How Supply and Demand for Offshore Talent Meet**

At an aggregate level, the supply of suitable talent from low-wage countries exceeds likely demand. Importantly, of all the occupations, engineering has the least supply relative to demand. Offshoring will raise wages in some occupations in the lowest-cost supply countries, but will not significantly impact wages or employment in developed countries.

[Read more](#)

[executive summary \(PDF - 210 KB\)](#)

[full report \(PDF - 999 KB\)](#)

([McKinsey](#))

| Material | URL | Source |
|--|---|---------------------------------------|
| The New AARP Report: The State of 50+ America | http://www.globalaging.org/elderrights/us/2006/fiftyplus.pdf | Global Action on Aging/AARP |
| Universal Pensions Viable in Mexico | http://translate.google.com/translate?u=http://www.globalaging.org/pension/world/2006/penumex.htm&langpair=es en&hl=en&ie=UTF-8&oe=UTF-8&prev=/language_tools | Google translation of Spanish Article |
| When The Nest Egg Cracks: Financial Consequences of Health Problems, Marital Status and Job Layoffs at Older Ages | http://www.globalaging.org/pension/us/private/research.pdf | Global Action on Aging |
| Global Ageing Statistic from The UN | http://www.un.org/esa/socdev/ageing/agewpop1.htm | United Nations |
| The Coming Demographic Deficit: How Ageing Populations Will Reduce Global Savings | http://www.mckinsey.com/mgi/publications/demographics/index.asp | McKinsey |
| The global labour crisis hits home | http://www.deloitte.com/dtt/article/0,1002,sid=3648&cid=78115,00.html | Deloitte |
| China's Shrinking Rice Crop Sparks Price Boom, Supply Concerns | http://quote.bloomberg.com/apps/news?pid=10000080&sid=aXW_BBi0fxwo&refer=asia | Bloomberg |

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|--|---|---|
| China's Runway Challenge | http://atwonline.com/magazine/article.html?articleID=1532 | ATW Online |
| Politicians Discuss Pension Cuts for Childless Germans: Germany's younger generation is dwindling | http://www.dw-world.de/dw/article/0,2144,1934571,00.html | DW-World.de |
| Global Aging and the Global Workforce | http://www.hudson.org/index.cfm?fuseaction=publication_details&id=2740 | Hudson Institute |
| The International Federation on Ageing (IFA) 8th Global Conference 2006-05-30 Copenhagen Denmark | http://www.thematuremarket.com/SeniorStrategic/International_IFA_8th_Global_Conference-122--5.html | TheMatureMarket.com/ International Federation on Ageing |
| Depopulation and Ageing in Europe and Japan: The Hazardous Transition to a Labor Shortage Economy | http://www.globalaging.org/health/world/depopulationeuropejapan.htm | Global Action on Aging |
| What is the Global Aging Initiative | http://www.csis.org/index.php?option=com_csis_progj&task=view&id=27 | The Center for Strategic and International Studies (CSIS) |

Made in China: Is it Over for the U.S. Textile Industry

<http://www.choicesmagazine.org/2005-4/grabbag/2005-4-16.htm>

Choices Magazine

Branches' and Danger in Asia

Washington Post

<http://www.washingtonpost.com/wp-dyn/articles/A24761-2004Jul2.html>

Intel Science Talent Search Awards

http://www.playfuls.com/news_00423_Intel_Science_Talent_Search_Awards.html

Playfuls.com

Introduction to Asia

<http://www.fao.org/ag/agp/agpc/doc/riceinfo/Asia/ASIABODY.HTM>

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Korea needs more foreign workers

<http://www.manilatimes.net/national/2006/mar/17/yehey/metro/20060317met1.html>

Manila Times

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Part 1 The Demand for Offshore Talent in Services

<http://www.mckinsey.com/mgi/publications/emerginggloballabormarket/Part1/>

Read more

http://www.mckinsey.com/mgi/reports/pdfs/emerginggloballabormarket/Part1/MGI_demand_executivesummary.pdf
executive summary (PDF)

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http://www.mckinsey.com/mgi/reports/pdfs/emerginggloballabormarket/part1/MGI_demand_fullreport.pdf
full report (PDF)

Part II The Supply of Offshore Talent in Services

<http://www.mckinsey.com/mgi/publications/emerginggloballabormarket/Part2/Index.asp> Read more

http://www.mckinsey.com/mgi/reports/pdfs/emerginggloballabormarket/Part2/MGI_supply_executivesummary.pdf
executive summary (PDF)

http://www.mckinsey.com/mgi/reports/pdfs/emerginggloballabormarket/part2/MGI_supply_fullreport.pdf
full report (PDF)

Part III How Supply and Demand for Offshore Talent Meet

<http://www.mckinsey.com/mgi/publications/emerginggloballabormarket/Part3/Index.asp> Read more

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executive summary

(PDF)http://www.mckinsey.com/mgi/reports/pdfs/emerginggloballabormarket/part3/MGI_supplyanddemand_fullreport.pdf full report (PDF)

<http://www.mckinsey.com/mgi/publications/emerginggloballabormarket/index.asp>

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interbiznet Special Edition Publication

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