

WDA Discussion Paper

On Demographic Challenges

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“The Power in Demography – Unlocking the Value of Health”

Clear Thinking and Careful Analysis with
the Aid of “*Demographic Heat Maps*”

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by Nicholas N. Eberstadt

There is no shortage of trouble to worry about in our world today — from immediate and pressing worries regarding the still unchecked global Coronavirus pandemic itself and the political polarization it engenders, to the longer term threats to humanity from climate change and weapons of mega-death. Yet if we only permit ourselves a moment of reflection, we should be able to see that our era has also been **a century of absolutely breathtaking developmental successes** — and on a truly global scale.

Between 1913 and 2016, to go by estimates from the Maddison project, per capita output for the world as a whole has roughly sextupled. Over roughly those same years, according to Our World In Data, the proportion of humanity living in absolute poverty (under roughly \$2 per day) has plummeted from over 80 percent to under 10 percent. This **“Great Escape”**, as Nobel Economics Laureate Angus Deaton termed it, took place even as human numbers were exploding. **The world’s population is over four times larger today than a century ago.** So, humanity has not only cheated Malthus—but done so on a scale and in a manner our forebears would scarcely have imagined.

The key element in this Great Escape has been a revolutionary transformation in the value of human time—from the standpoint of development, arguably the world’s most important non-renewable resource. Improvements in the value of human time today are universal, continuing, and in important ways self-sustaining. **Continuing expansion of the frontiers of scientific knowledge are of the essence in this revolution — and the main engine of this revolution comes by its application to human resources.** Human potential is augmented through enhancing “human capital” — the advances in nutrition, health, knowledge and skills that extend human capabilities, including economic capabilities. An auspicious “business climate” — institutions and policies of propitious quality — make it easier to “unlock the value” in accumulated human potential.

Decision-makers in both the public and private sectors can do much to facilitate both the augmentation of human potential and the “unlocking of value” in humanity. **Demographics is central to the Great Escape, and demography is a discipline that can help abet it.** The WDA’s paper **The Power of Demography** is an exemplary illustration of how careful thinking, aided by useful new analytical tools such as **“Demographic Heat Maps”**, can contribute to just such a process.

This valuable paper introduces a new pathway for explorations by both researchers and practitioners. **There is great promise to this investigation — and the questions this paper raises are just a beginning.**

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