

# CURRENT DEMOGRAPHIC TRENDS AND THEIR GEOPOLITICAL AND STRATEGIC REPERCUSSIONS

Ionel STOICA

LTC. Eng. PhD, Ministry of National Defense, Bucharest, Romania

*Major worldwide demographic trends impact significantly each aspect of people's lives. The impact will be favorable for some states and completely unfavorable for others since they will depend not only on the magnitude of these tendencies, but also on the aggregated result of the inherent shifts and developments at political, economic, social and military level. Global demographic trends will represent a genuine challenge for the powerful states to maintain the existing global political and economic equilibrium and they will also constitute a genuine shocking force for international security and stability. At the same time, they will represent one of the variables underpinning states' strategies, and domestic and foreign policies and influencing political and military alliances in the future. It is likely that they will lead to the reassessment of the bases of international relations. This paper analyzes the presumed consequences of future demographic shifts on the economic, political, military field and proposes some possible solutions to efficiently manage the issue.*

**Key words:** *demography, populations, ageing, urbanization, migration, security, stability, conflict.*

## 1. MAIN TRENDS IN THE DYNAMICS OF GLOBAL POPULATION

From a historical perspective, demographic dynamics, as well as scientific and technical innovation have been an important catalyst for events with planetary impact. Since the establishment of modern states, population, and implicitly its dynamics, has always been associated with state power - economic, political or military. The theorists of the international relations have underlined this aspect in numerous works (Hans Morgenthau's and Martin Wight's works are convincing in this respect).

Researches in the field of demographics reveal the following major trends in global population dynamics that can lead to significant challenges for the international security and stability in the next

four to five decades:

- divergent demographic dynamics between developed and developing states. At global level, there is continuing increase of the population in developing countries (especially in those poor and quite poor), while the population in the developed countries stagnates and ages. According to some United Nations.(U.N) estimations, 90% percent of the demographic increase in the following four decades will be registered in the poor and quite poor countries;

- demographic aging in the developed countries. The population ages everywhere on the Globe, but the rhythm and the intensity of this process are quite different from one country to another. The process is more accelerated in rich countries, by contrast with developing countries;

- concentration of some young populations in the so-called „arc of instability” (which spreads from the

South Africa to South Asia, including The Middle East). Compared with developed countries, the countries from Africa, South-East, Latin America and the Middle East will have very young populations. Currently, 90% of the global population under 15 years lives in those countries;

- intensification of international migration. In the context of globalization the dynamics of international migration has registered significant shifts, with a major impact upon states and societies affected. The consequences of international migration will overlap with those generated by these developments. International migration will play a central role on national governments' agenda, representing a major challenge due to divergent interests which will put a fingerprint upon the future decisions in this area;

- accelerating the urbanization process, especially in the poor countries. The urbanization process registers an unprecedented rhythm in human history. While in 1950, less than 30% from the global population lived in the urban areas, currently, more than half of the global population lives in urban areas [1]. Most of global population growth will occur in the urban area, while the population in the rural areas will decline. According to some estimates, by 2050 more than 70% from the global population will be urbanized [2]. The majority of the urban population will live in the poor countries.

There is a strong link between the demographic trends and the development of a country, although this link is sometimes insufficiently explained in theoretical works. Some authors [.....] have identified empirical links between the demographic variables and other macroeconomic variables, such as: labor productivity, the

dynamics of the GDP, the level of population's savings, the scientific and technological innovation, the investments, the capital flows and the economic potential.

## 2. CONSEQUENCES ON DEVELOPED STATES

We anticipate at least several consequences for the developed states and these are presented in the subchapters below.

### 2.1. The economic field

Under the circumstances of a foreseeable demographic decline, the diminishing of the labor force basin becomes evident. This, in turn, leads to the increasing costs needed to maintain the current living standard in those countries. It is also presumable that the costs associated with health assurance will increase, because the demographic aging implies a longer period of time for services designated to health assurance. The increasing segment of the ageing population has already fueled the debate regarding the social security reform programs in the developed countries [3]. On the other hand, the basic services will become more costly due to an increasingly smaller number of young people gaining access to full-time jobs.

The ageing population and the demographic decline are also associated with a diminishing of the social and economic dynamism [4]. The ageing population leads to a diminishing in working labor mobility and capacity to adapt to new technological development. Moreover, innovation and entrepreneurship will register a setback. The ageing societies are more conservative and therefore more unlikely to assume risks associated with investments in financial assets.

The demographic decline and the ageing population will also lead to a diminished number of tax payers

and, in the long term, to a reduced Gross Domestic Product (GDP) in developed countries, compared to those in developing countries. This will lead to partially reduced economic power) on behalf of developed countries, simultaneously with a translation of the economic power from the developed countries to some of the emergent economies that have large populations and a constant high economic growth pace. A consequence of such developments will be the reduction of the current influence of developed countries at global level (an exception is the USA, whose population and GDP will increase as a share in the world's population and global GDP).

As a consequence of the demographic decline, the consumption associated to domestic needs will also diminish [4]. This, in turn, will affect the economic growth in those countries. The demographic ageing will lead to a change in the current structure of consumption in these countries: the consumption associated to medical care and spending spare time will increase, while that associated to the acquisition of industrial goods is likely to decline.

At the same time, the ageing population has an impact on capital flows dynamics, materialized in inflows and outflows of pensions' funds. According to life cycle theory, the age of a household influences its investing behavior [5]. As the share of the young population in the total labor force will diminish, the volume of the capital inflows in the pensions' funds will also diminish, and that will influence developments on financial markets.

The structure of the population by age groups has an impact on the current account deficit (this deficit is determined as the disequilibrium between savings and investments) at the level of a national economy. The diminishing rate in savings, as a result of the diminishing segment

of young population, is equal to the disequilibrium of the current account of a country. In an increasingly globalised world, the differences between national demographic dynamics can reverse or emphasize the current differences between the current accounts of the states.

All these consequences will affect economic performance and, implicitly, the living standard in those countries.

## **2.2. The military field**

Demographic dynamics will influence the types of missions to be fulfilled in the future, as well as the future operational framework. That will determine the necessity of continuous adaptation of the training process, of weapons and structures of the military force to new types of missions [6]. Apart from adaptation to a new operational framework, the development of new military capabilities (new systems of weapons, but also new means of monitoring the operational framework) and non-military ones (for instance, learning new foreign languages, almost unknown in the developed countries) will become a necessity.

The training for traditional military operations should be maintained as the inter-states conflicts remains plausible, in the context of economic developments and disputes over resources. Moreover, this kind of training should be joined with training for missions of a non-traditional nature, for instance, the preparation for new type of military operations (such as contra-insurgency, especially in the urban areas, humanitarian missions, missions for stability, etc.), whose frequency is likely to increase.

In such a fluid and volatile global framework, building political and military alliances with some of the developing states which share

almost similar or corresponding sets of values, (states that for instance, show willingness to send troops to operations theatres, in exchange for some benefits delivered by the rich states, such as financial aid or licenses for the new technologies), should become a priority for the developed countries. It becomes more and more evident that the developing countries are to play an essential role in international stability and security in the following decades.

Current demographic dynamics and global trends generate new tasks and priorities for the security structures of the developed states [7]. These structures are required to adapt to the changes in the global strategic framework. At least the following requirements will become priorities for these organizations:

- orientation of the information collection process towards new security risks. This task involves increased financial and human effort, as the old risks and threats to security perpetuate and interfere with the new ones. Apart from this additional effort, a better and prompt understanding of the regional, national and even sub-national dynamics is required. This is a fundamental prerequisite for a successful adaptation to the transformation of the strategic framework. Concerning that, the necessity of developing a recurrent internal process of strategic analysis aiming at the continuous reprioritization of information collection requirements becomes evident;

- development of capabilities needed for acquiring knowledge of and understanding the characteristics (including the cultural ones) of the operational frameworks where future conflicts are to unfold;

- redefining security threats and conflict indicators, especially those related to strategic warning;

- paying increasing attention to the planning process of the military operations in urban areas. On short term, the most important endeavor is related to troops training. On long term, new capabilities such as unmanned aerial vehicles, will play a very important role in the increasing adaptation capabilities of troops to the new conditions in urban areas;

- undertaking a more in-depth analysis concerning the interconnections and interdependences between demographic dynamics and related processes (at global, regional and national scale), as well as their likelihood of generating conflicts. Intelligence services could be required to elaborate analytical products on quite diverse issues that may be far different from current ones (for instance, the effects of foreign non-military aid, such as development funds, over the domestic stability of beneficiary states, strategic consequences of climate changes at global scale, etc.);

- last, but not the least, the integration of the intelligence effort into foreign policy goals and priorities will become a stringent necessity.

### 2.3. The political field

Imposition on behalf of developed states of a political pattern to be followed by the whole world will face increasing resistance from developing states. Consequently, developed states will have to assure the support of at least some of the emerging economies (China, India, Brazil, Russian Federation, Mexico, Turkey, Iran, South Africa, and Egypt) in order to maintain the current global political equilibrium. The extending spectrum of countries that take part into the political and economic decisions having impact at planetary scale, from the Group

of 8 (G8) and the Group of 20 (G20), is an indicator regarding the necessity of extending cooperation with at least some of the developing countries whose large economies have a steady growth pace in the global governance.

#### **2.4. The social field**

Current demographic trends will lead to changes in social dynamics, as a consequence of the interplay of more specific future aspects.

One major change in this respect concerns people's social behavior. An ageing population is associated with a conservative behavior, which opposes risks, including those raised by military intervention outside national territory. For instance, in the case of European countries, missions related to protecting the South borders of the continent from illegal immigrants coming from Asia and Africa will become a priority. Consequently, the humanitarian missions or the peace enforcement operations to which European countries have regularly participated in the last two decades will likely diminish their prevalence. At the same time, families with fewer children, as is the case of the majority of families in developed countries, will be less likely willing to assume the risk of sending their children to fight in foreign lands. Electoral constraints could force the political leaderships in those countries to increase the level of funds allocated to public needs and to reduce those designated to military interventions abroad.

Another change with major social impact is related to the ethnic composition of the population in the aforementioned countries. International migration, more than any other demographic phenomenon, can lead to changes in the structure and composition of states' population. People migration involves shifts in identities, ideas, cultures and interests.

Ideological interactions and clashes can lead to conflicts or social tensions.

Demographic ageing raises a dilemma for European countries: they either accept the process with its negative consequences mentioned above, or they accept an unprecedented level of migration coming from countries with quite different religious and cultural backgrounds from that of Europe. The first option would mean a gradual but certain diminishing of the economic and political power of those countries, a perspective difficult to be accepted by European leaders and population at the same time. The alternative instead, the acceptance of an increasing number of immigrants in order to keep economic competitiveness high and to maintain pension systems and social care services functioning, could modify the current ethnic map of these states and, implicitly, of the political framework on the continent - another unacceptable perspective for European leaders and populations. The effects of this can already be noticed by ascension to power, during the recent years, of the right-extreme parties (traditionally anti-immigration), in some of the European countries. Current experience reveals that the integration of these immigrants in Western societies develops with difficulty. As these immigrants gain social and political rights in their resident countries, their desire for a free expression of their spirituality will increase, as it is the case with the current tensions between the autochthons and the Maghreb immigrants in some of the West-European countries. Consequently, sporadic episodes could develop into acute problems. At the same time, migration and the increasing percentage of minority ethnic groups

will have a negative impact on social cohesion. In an increasing globalised world, cultural sensitivities are and will continue to be important.

Substantial changes in the existing ratio between the segment of middle aged population (40-59 years) and that represented by the ageing population could generate social tensions between these age groups, in connection with prioritizing the allocation of the available resources. Inherently, the materialization of this hypothesis could also affect social cohesion in developed countries.

### **3. CONSEQUENCES FOR DEVELOPING COUNTRIES**

Most probably, some of these countries will take advantage of the future global demographic context, while others will face new vulnerabilities and risks. But an overall estimation, generally true for all of these countries, is practically impossible, because of their quite diverse historical, social, political, economic and demographic specific contexts, as well as their large number. Nevertheless, we can anticipate some overall developments.

#### **3.1. The economic field**

Most of the developing countries face shortages of arable land and fresh water. The increasing deficit of natural resources essential for survival will affect the capacity of the economies based on agriculture to absorb the available domestic labor force [8]. This will lead to an increase in the number of population living in the urban areas and, at the same time, to a process of pauperization of this population, as the constraints in these areas will increase. The result is a process of extension of the existing ghettos, which represent potential basins for recruiting future insurgents, in the current urban centers.

The intensification of international competition over attracting skilled labor force is foreseeable. This trend has expanded in the recent years, as it is the case for example of with the competition among the universities from the developed countries). That is an important drawback for development in the affected countries.

Demographic growth can be an advantage or a burden for these countries. The result depends on the intelligence with which the political leadership of these countries will know to link the demographic factor with other strength points that they have or can create, on their ability to sail through the waters of the economic and political globalization, as well as on their capacity to negotiate at international level (with powerful international institutions). The political decisions of a state, no matter how intelligent and smart, will not have full success unless they take into consideration the actions and decisions of other states. States have to learn from the mistakes of other states. The states that will know how to stimulate the increase of domestic savings' rates, those that will invest smartly in education and in human health programs will have success. The investment in education has to be joined by measures that will lead to keeping the educated people in the domestic labor market; otherwise, the investment in education made by these countries will become a subsidy that will only be to the benefit of the receiving labor market.

Under the circumstances created by globalization, the regional economic cooperation represents a need for these countries in their quest to diminish the discrepancies between them and the developed countries.

The significant growth of future labor force in countries with slow rhythm of economic growth, the large segment of the young population

with endeavors higher than the possibilities available in these countries, the big differences between the fertility rates of different ethnic groups living inside, the international migration and the increasing degree of urbanization will have a direct and significant impact upon the economic and social developments inside these communities.

An overview upon the current situation in these countries reveals that only a small part of them (among which, India, China, Brazil and South Africa) has been successful so far. The majority of the countries from this category will continue to face new vulnerabilities and risks.

The global demographic division [9] will have direct consequences on the availability of resources for development, upon the choice of the economic and social patterns which the states will follow, as well as upon international security and stability. The last two depend less on the number of global population and more on the distribution of this population - an aspect not very well understood or recognized at a large scale [4].

### **3.2. The social field**

The rapid urbanization of these countries will have destabilizing effects upon the societies that do not have strong public institutions. The administrative capacity of these states is far from being able to solve the increasing number of problems that a rapid urbanization involves. Urbanization will raise important issues for the management of the big cities in these countries; the concentration of large quantities of water, food, building materials and energy in these areas and their distribution over small areas raise important issues linked to personal hygiene and pollution. The improper hygiene conditions and poverty will turn the population of these countries

into victims of HIV or other infectious illness with a high mortality rate.

Poverty and economic inequalities will generate and fuel frustration feelings, alienation and marginalization. Urbanization is associated with the increasing degree of poverty and anarchic violence. The massive migration from the rural towards urban areas can become a vector for some profound social crises on long term [10].

The more well-organized political activity in the large cities can represent a push for social unrest, especially for the young population, which becomes frustrated by the increasing social and economic inequalities and lack of opportunities. Thus, the probability of some social tensions or even civil conflicts is higher in these areas.

Urbanized areas are those where extremism flourishes easier as a result of: large spread and more facile access to instant communications means, poverty- which is more profound in urban areas than in rural areas, concentration of potential targets and opportunities of recruiting, as well as increased effectiveness of propaganda means and indoctrination methods.

### **3.3. The political field**

In terms of policies and politics, developing states will face an increasing pressure on behalf of domestic population for social and political reforms, as well as for the participation of a more representative segment of the population to the decision-making process inside the state.

The North-South demographic division can lead to changes in existing prejudices and perceptions of the states regarding international security, in particular, and international relations, in general; in other words, it leads to changes in the principles underlying states definition of adversaries and choice of allies. If materialized, such a perspective

will induce a domino effect in the international system: the effect will be that of an increasing number of states that will change their own perception over the potential adversaries (that will transform this perspective from a concern of initially a small number of states into a self-fulfilling prophecy, to use the expression belonging to Alexander Wendt).

The big demographic discrepancies between rich and poor states will put into question the legitimacy of the existing global governance exercised by rich states. The legitimacy has represented, for the rich Western states, an important source of power in international relations and its diminishing will create important tensions in international relations.

### **3.4. The military field**

In terms of their defense, these countries will continue to rely on numerous, but poorly equipped armies and, therefore, ineffective compared to those of the developed countries. Nevertheless, the states with large and dynamic economies will also be able to build up elite armies, even if not at the same standards as those in the developed countries.

## **4. POSSIBLE SOLUTIONS FOR MANAGING THE CHALLENGES**

Preventing the negative impact that the current demographic trends could have upon international security and stability is in the hands of the Western states that have the required means to adjust the situation. However, in order to implement that intelligence, creativity and political will are required.

Developed states have several directions for action at hand:

- increasing investments in education, innovation and technology, as a measure of increasing

labor productivity. The last one has a greater impact upon economic growth than changes in population number;

- a greater integration of developing and developed countries so that they too become complementary in terms of balanced distribution on age groups. Wealthy states should give a more substantial aid to the poor ones. Most definitely, women education should represent an important component of this aid, but in order to gain the desired result, this aid should be carefully directed, so that it targets preponderantly the development needs of the poor countries and not only the numeric reduction of the population of these countries. In many of these countries, the increasing number of their population is regarded in terms of classical political and military power (according to that view, a state with a large population exercises a greater influence at regional and international level). From this perspective, developed countries "efforts directed towards reducing the population number of poor countries would be regarded as a neo-colonial intervention aiming at weakening the political power of poor states;

- a better management of international migration. Labor migration, including that of the unskilled, should be encouraged and supported by allocating larger budgets, by a greater involvement of all countries in this process and through obeying the economic and social rights of migrants as well. Developed states will be forced to reassess their current positions towards international migration from within poor states, and that not only from economic considerations (aiming at assuring their own economic growth), but also because these migratory flows can reduce the potential for conflict in other areas of the Globe, thus contributing to maintaining global political stability.

At the same time, rich countries should prove altruism and encourage the return of the skilled and high-skilled immigrants in their countries of origin. This measure would be advantageous for all the parts involved in the process, as it would contribute to the economic development in all these countries, but also to the promotion of ideas and life-style specific to developed states. That, in fact, would translate into an adjustment of the existing discrepancies between developed and developing countries. It is worth noting that social and cultural convergence is more difficult to achieve than the economic one. In fact, the first is a prerequisite for the second and not a consequence of that.

## 5. CONCLUSIONS

The demographic transformations initiated in the last decades will have strategic, political, economic and social consequences that will represent genuine challenges for the powerful states to maintain the existing global political and economic equilibrium. It is likely that they will lead to the reassessment of the new bases of international relations. Global demographic trends will constitute a genuine shock force for international security and stability and, at the same time, will represent one of the variables on which states will base their strategies and domestic and foreign policies and will choose political and military alliances in the future.

Current demographic trends will determine the economic and military advanced states to shift towards new alliance networks and will contribute to the redefinition of foreign policy priorities for a large part of the affluent governments at international level.

Due to the fact that the regeneration rate and respectively the discovering of the new strategic

resources will increase in a slower rhythm than that of the global population, the existing resources deficit will increase - an aspect which will affect the developing states with fast increasing population first. Under these circumstances, it is expected that poorer states face increasing difficulties in their attempts to cope with competition for resources, which will be intensified by their domestic demographic dynamics.

On long term, the hypothesis according to which the national demographic profile represents a factor of critical importance for states "power and security", including their capacity to create or get technological advantages, remains true.

Demographic trends reveal themselves at a slow pace and for that reason decision-making factors are tempted to consider that their management is not urgent. Such an approach would be wrong, as the cumulative effect of these trends will prove to be insurmountable on long term. Demographic dynamics is important, but political decisions and political leadership are also important. If these are improperly managed, the reputation of Western countries, and implicitly, their soft power, will be affected. Such a perspective will have a major impact on international stability.

## NOTES AND REFERENCES

[1] Cohen E. Joel, *Beyond Population: Everyone Counts in Development*, Center for Global Development, Working Paper 220. Washington, D.C.

[2] Population Reference Bureau, <http://www.prb.org/Educators/TeachersGuides/HumanPopulation/Urbanization.aspx>.

[3] Eberstadt Nicholas (2010), *The Demographic Future. What Population Growth - and Decline - Means for the Global Economy*, Foreign Affairs, November/December 2010.

[4] Goldstone A. Jack (2010), *The New Population Bomb, The Four Megatrends That Will Change the World*, Foreign Affairs, January/February 2010.

[5] Modigliani F., Brumberg R. (1954), *Utility analysis and the consumption function: an interpretation of cross-section data*.

[6] Goldstone A. Jack (2008), *Demography and security: Security implications of global population changes, 2007-2050*.

[7] Howe Neil, Strauss Rebecca, Nakashima Keisuke (2008), *The graying of the great powers. Demography and Geopolitics in the 21st Century*, Center for strategic and international studies, 2008.

[8] Ohlsson Leif (2000), *Livelihood conflicts: Linking poverty and environment as causes of conflict*, Stockholm: SIDA Environmental Policy Unit.

[9] This term refers to the sharing of world between states with young population,

in rapid increasing and states with ageing population, being in a process of modest demographic increase or in demographic stagnation. Fundamentally, this concept is not a new one, the demographic division following, as it can be easily noticed, the lines of the old division specified to the Cold War, which the author tends to replace in the international discourse: The First World (states with advanced economies), the Second World (states with developing economies) and the Third World (the poor states, with precare economies, the majority former colonies).

[10] Goldstone A. Jack (2006), *Flash points and tipping points: Security Implications of Global Population Changes, 2005-2025*, Paper prepared for the Mackinder Forum, Minster Lovell, UK, March 14-15, 2006. 1.