CHAPTER 1

POLICY CHALLENGES OF EUROPE'S DEMOGRAPHIC CHANGES: FROM PAST PERSPECTIVES TO FUTURE PROSPECTS

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Overview of the current situation

This is a document about population. It is fitting, I think, to start by citing some numbers.

- The Economic Commission for Europe comprises 55 countries (the UNECE 55) - a figure that reflects a big and sudden expansion of earlier membership as a result of the dissolution of the Soviet Union.
- These 55 countries occupy a territory of roughly 47 million square kilometres - some 35 per cent of the land surface of the Earth.
- One hundred years ago, the population of the UNECE area, as is currently defined, represented just about the same share of the world's population: 34 per cent.
- By the middle of the 20th century, the UNECE population was 738 million - a little less than 30 per cent of the world's total.
- By any historical standard, the population of the UNECE 55 grew rapidly in the second half of the century, reaching some 1,115 million.
- But the rest of the world grew quite a bit faster: the UNECE's population share today is roughly half of what it was a hundred years ago: about 17.7 per cent.

These figures should provide ample food for thought for this Forum. They have obvious relevance to the place of Europe, and of the UNECE at large, in today's world, and, even more importantly, have a bearing on its future - demographic, economic, social and geopolitical.

The future of course is always uncertain, and the track record of demographers in prognostication about population trends, while impressive in comparison to most predictions made by social scientists, is far from perfect.

Yet population growth, like the motion of an oil tanker, has a momentum of its own. Barring extraordinary events in the coming decades, at least rough magnitudes can be projected with reasonable confidence.

In this, the United Nations Population Division has a stellar record. According to the UNPD's medium-term projections, in the coming quarter-century the UNECE's population will grow only slightly - to 1,189 million, thus dropping to 15 per cent of the world's total (United Nations, 2003). Beyond that, decline in absolute numbers will set in. The projected 2050 population is 1,166 million, representing 13 per cent of the world's total, or less than half the share the UNECE area had just a hundred years earlier.

Within the UNECE total, the largest subcomponent is the population of the European countries, comprising the territory not just from the Atlantic to the Urals, but across to the northern Pacific, that is, including the Asian portion of the Russian Federation.

In this European component - that is, in the UNECE countries other than those in North America and in Asia - the loss of relative population weight has been even more rapid than the figures I just cited would indicate.

Within the UNECE area in 1950, Europe represented 74 per cent of the total. Today, this share is 65 per cent and the figure projected for 2050 is 57 per cent. The decline reflects primarily the more rapid growth of the North American component. The combined population of the United States and Canada was 172 million in 1950. It is some 323 million today and it is projected to grow to 448 million by 2050.

As a share of the world's total population, Europe represented 21.7 per cent in 1950. Today that share is 11.5 per cent and by 2050, despite the assumed net immigration of some 29 million persons, it is projected to fall to 7.1 per cent, or less than one third of what it was a century earlier.

The share within the world's total of the combined population of the United States and Canada has also dropped, but much less speedily: from 6.8 per cent in 1950 to 5.1 per cent today. It is set to hold at the 5.0 per cent level until the mid-21st century.

Continuing large-scale immigration, expected to total some 65 million persons between now and 2050, and its stimulating effects on fertility, provides a major explanation for this dynamic in North America. Without immigration, a plausible expectation for the United States and Canada would be an orderly convergence to a stationary population during the coming decades.

Historical context

What is the significance of the numbers I have just cited? Should they be regarded with satisfaction? Or with alarm? Or with indifference? There is no simple answer to these questions. It is clear, however, that the great improvement in rates of survival experienced during the modern era was a universally welcome blessing. It is equally clear, too, that the decline of fertility that accompanied that improvement was a historical necessity and reflected an extension of the scope of voluntary human choice.

Yet the resulting demographic consequences of these developments, now increasingly clearly visible, represent a venture into uncharted territory. There is no historical experience in the modern era of declining numbers among large populations. The effects on the economy and on society at large are ill-understood. They will require more study, analysis and public debate than they are given today either in Europe or in North America.

I will return to the implications of Europe's future demographic prospects at the end of my commentary. But I think a brief glance backward at the thinking and attitudes of the early 20th century towards population changes and their significance helps place contemporary population issues in their proper historical context.

An eventual stationary population was once the popularly expected endpoint of the demographic transition: low birth rates matching low death rates, producing zero growth. This reflected the apparent logic of the point I just made: if the universal desire for low mortality is to be fulfilled, fertility must also be low: an average of 2.1 children per woman. Positive rates of population growth are ultimately unsustainable, while negative rates in due course lead to extinction.

Upon closer examination it is clear, however, that few demographers and social scientists contemplating and commenting on the end of the transition have ever taken this textbook version of the demographic future literally. As the social transformation that generated low fertility gathered strength in the west, it was widely anticipated that there would be an "overshoot" with rates of reproduction falling below the level required for the long-term maintenance of population size.

In 1922, the historian Oswald Spengler foresaw "an appalling depopulation" as one of the manifestations of the "Decline of the West". Adolphe Landry, the most prominent European theoretician of the "demographic revolution", in 1933 identified the last stage of the transition as long-term *disequilibrium* - one in which fertility levels sink *below* replacement over a long duration.

Population projections prepared during the inter-war years for Western European countries and for the United States routinely assumed that fertility decline would not stop at replacement level but fall short of it. These projections showed that the age distribution inherited from the high fertility past can temporarily mask the implications of the "intrinsic", that is to say, stable birth and death rates, but below-replacement fertility eventually generates negative rates of population growth.

Such a state was calculated typically to occur by the second part of the twentieth century. Demographers wrote books with titles such as *The Twilight of Parenthood* (Enid Charles, 1934).

As fertility rates were falling below replacement level in the 1930s, some policy measures were introduced with an avowed pronatalist aim. Even when such attempts amounted to what may legitimately be labelled as concerted population policies – such as those in the liberal democracies of France and Sweden, as well as in fascist Germany and Italy - the demographic impact was at best minuscule.

But this could be explained away by claiming that the prescribed medicine was administered in inadequate doses - governments trying to stimulate fertility on the cheap. More vigorous interventions, it could be argued, could have had the desired effect.

Indeed, at that time it was widely assumed that if fertility remained low, more energetic policy measures would be applied, so as to raise it back to replacement level.

Then came a development that greatly surprised demographers. Despite World War II, the early 1940s showed an increase in the birth rate in most low-fertility countries. And the post-war years brought what could properly be called a baby boom.

Demographers considered the upsurge to be temporary. Projections of Europe's population prepared during the war for the League of Nations at Princeton under the direction of Frank Notestein, then the most prominent American demographer, envisaged post-war fertility as continuing the trend observed in the 1930s - that is, downward.

Even in 1950, when the baby boom was already in full swing, a reappearance of low pre-war birth rates was still the common expectation in the United States as well as in Europe. Notestein contemplated the likely policy reaction to such an event:

> *Between now and the end of the century... many of the forces tending toward a reduction of family size are likely to continue in effect. On the other hand, we have yet to see a nation approaching a stationary population that did not launch strong measures to stimulate childbearing. I expect that efforts to increase births will be one of the major preoccupations of those concerned with social legislation in the Western world. (Notestein, 1950, p. 339).*

As a demographic forecast, this statement was prescient. Both the amplitude and the duration of the baby boom were remarkably great, yet the boom, in retrospect, was still a temporary aberration from the secular downward trend.

American fertility peaked in 1957 at an improbably high period total fertility rate not much shy of 4. Europe's fertility upsurge came to an end a bit later, around 1964. After these dates the "forces tending toward a reduction of family size" indeed came back "in effect". They also showed their impact outside the west, first and most notably in Japan.

But as a prediction of policy developments, Notestein's statement turned out to be far off the mark.

Despite period fertility rates during the last quarter century that have sunk below - and often far below - replacement level in many countries, and despite growing indications that completed cohort fertility rates, too, are ending up well short of 2.1 in numerous instances, surveys of pronatalist policy interventions carried out in the 1990s find a near-empty basket.

Trying to "increase births" has not only failed to become one of the "major preoccupations" of governments of low-fertility countries, but those governments explicitly disclaim even a concern about low birth rates. The typical response to United Nations inquiries about population policy is that the level of fertility is "satisfactory".

Such a stance cannot be explained by western governments' rediscovery of the merits of placing strict limits on the role of the state in interfering with the spontaneous interaction among its citizens, limits dictated by the principles of classical liberalism.

Those principles do permit government intervention when a good can be secured for their citizens that is not brought about by ordinary market processes. Avoiding sustained population decline, as would be implied by below replacement fertility, could properly be declared as such a *public* good; indeed it affects the very survival of the state, and is thus akin to that classical core function of government, national defence.

During the post-war decades, government intervention in both economic and social spheres has expanded greatly in all advanced industrial countries. But deliberate measures aimed at increasing the birth rate have remained an exception to that *dirigiste* tendency.

Among the reasons post-war western governments have been reluctant to adopt a pronatalist policy stance, four appear particularly cogent:

1. The pre-eminent population issue that emerged at the global level after World War II was that of rapid population growth in the developing countries.

   There was widely shared scepticism that fertility decline would be forthcoming in these countries (as it had done earlier in Europe and the west at large) soon enough and rapidly enough, through a spontaneous process generated by economic and social development. Concern about the macroeconomic ill effects of rapid population growth was seen as justifying government intervention to secure the public good of *lower* aggregate fertility in the developing countries. The programmes instituted for that purpose received material assistance, or at least moral support, from many of the low-fertility countries. Even though national population issues tend to be *sui generis* within each country, there was, and remains, a perceived dissonance between providing fertility-lowering assistance and encouragement to other countries, while at the same time engaging in action at home serving a diametrically opposed aim. The international terrain was not favourable for domestic pronatalism.

2. The phenomenon of below-replacement fertility, which was widely greeted with alarm when it first appeared during the inter-war years, came to be seen with a degree of equanimity in its post-war manifestation.

   There was widespread sentiment, reinforced by increasing concern with the quality of the environment, that a degree of demographic decompression was not necessarily an unwelcome prospect, particularly in countries with an already dense population.

   It was also widely assumed that the economic and social disadvantages imposed by a slowly declining population could quite effectively be dealt with through institutional adjustments rather than through population policy. This was coupled with the vague expectation that population decline would eventually trigger homeostatic mechanisms that may not generate another baby boom but could be trusted nevertheless to bring fertility near to, or even back to, replacement level. A total fertility rate in

the neighbourhood of, say, 1.8, could legitimately be seen as pushing the day of demographic reckoning beyond the policy horizon of governments.

3. The early post-war decades, as noted earlier, witnessed a major expansion of the role of governments in the advanced industrialised countries. The modern welfare state, present only in rudimentary form in most of these countries before World War II, has become entrenched, claiming an increasingly large chunk of the total economy - nowadays some 30 to 55 per cent of GDP - for its service activities, including income transfers.

4. Because of the baby boom, in the competition between the numerous claims for the limited fiscal resources of the state, fertility-enhancing population policy was a relative latecomer, with all the disadvantages of that status. By the 1980s, the realisation that governments are overcommitted in other aspects of social policy, especially in providing pensions and health care, militated against major programmes to stimulate the birth rate.

The ideological underpinnings of the modern welfare state made it seem increasingly aberrant to identify population policy, and notably fertility policy, as a distinct policy domain. Earlier pronatalist schemes came to be seen as crude attempts to "buy babies". Social policies, it came to be held, could accomplish the task more subtly while serving other goals, but also having the desired demographic side effects. Over time, the original pronatalist intent tended to be attenuated or even entirely lost.

Today, most low-fertility countries profess no overt pronatalist goals and downplay any expectation that the policies in question will in fact result in higher fertility. The policies are said to be pursued because they are considered good in themselves and have been sanctioned as such by the political process. They serve redistributive goals approved by the electorate and respond to the pressure of various interest groups for a slice of the government's social service budget.

Within a broad band of population size and rates of natural increase not far deviant, up or down, from zero, then what constitutes an optimal population size or an optimal growth rate tends to be in the eye of the beholder. Democratic polities cannot reach agreement on such matters easily, and hence tend to accept the aggregate outcome of the micro-level fertility choices, variously constrained by conflicting other desiderata, as made by their citizens.

Perspectives from the first half of the 20th century

Such equanimity concerning demographic dynamics, however, is not warranted if the consequences of population change affect important interests - individual or collective. But differing values and differing perceptions of interests lead to differing perspectives about what, if anything, should be done to modify spontaneously generated aggregate population trends. Debates about population matters in Europe and the United States are long-standing. I will offer some illustrative snippets from the relevant intellectual history from the first half of the 20th century. The ideas reflected in my somewhat idiosyncratic and necessarily limited selection may seem antiquated. Also, by today's standards, the language in which they are cast is sometimes politically incorrect. But past thinking about population offers more than historical interest. The themes explored can rightly claim attention in today's world. They reflect conflicting viewpoints but share the abiding conviction that demography matters - nay, that in the long run demography is the most important factor shaping human destiny. That sobering central point is often forgotten in the painfully humdrum contemporary discussions of population change in Europe and North America.

By the late 19th century, fertility in the United States among the non-immigrant white urban population fell below replacement level. Yes, this was some 70 years before modern contraception and population programmes were invented. President Theodore Roosevelt saw the writing on the wall and in 1905 issued this warning:

> *If the average family in which there are children contained but two children, the Nation as a whole would decrease in population so rapidly that in two or three generations it would very deservedly be on the point of extinction, so that the people who have acted on this base and selfish doctrine would be giving place to others with braver and more robust ideas (Roosevelt, 1905, p. 146).*

At that time annual net immigration to the United States, mostly from Eastern and Southern Europe, was well over one million per year and overall natural growth, too, was still rapid. Other observers were less than enthusiastic about these rates. Frank Fetter, a Princeton economist, in his presidential address to the American Economic Association in 1913 expressed a widely held view:

> *The open door policy [of the United States] is vain to relieve the condition of the masses of other lands. If America with futile hospitality continues to*

> *welcome great numbers from countries with low standards of living, she can but reduce the level of her own prosperity while affording no permanent relief to the over-crowded lands (Fetter, 1913, p. 14).*

An eminent Belgian philosopher, Eugène Dupréel, writing in 1914 (but in a book published only in 1928) expressed a very different view:

> *Population growth is necessary to prosperity and power…An increase in the number of people is one of the principal causes of social development, civilization, and progress, indeed the original and universal cause (Dupréel, 1928, p. 138, translated from French original).*

That statement is unassailable in its generality, but is heroically unmeasurable. If people - civilizations - in the past failed to obey the biblical injunction to *be fruitful and multiply*, they would of course not exist today. But attitudes toward the second part of that injunction, *replenish the Earth*, can differ greatly from country to country, with far-reaching consequences - economic, environmental and social. In past centuries, European definitions of what a replenished Earth means tended to be prudent, for which today's generations should be grateful to their forbears.

Belgium and the Philippines, for example, had the same population in 1900: roughly 7 million. Today Belgium has 10 million people, the Philippines 76 million. The projected UN figures for 2050 are 10 million for Belgium and 127 million for the Philippines. One can be fairly certain that the Philippine rate represents a tempo of growth Dupréel would not have approved of for his own country.

Population growth of course is not necessarily confined to growth within national borders. Indeed, Belgium has been receiving substantial net immigration. In contrast, out-migration from the Philippines has been large and ongoing. In the next 50 years the UN projections set it at 9 million - practically a whole Belgium-equivalent.

Albert Thomas, prominent in pre-World War I French politics, in 1919 became the first director of the International Labour Office, a post he held until his death in 1932. In a 1927 article, he posed a question about international migration that was then startlingly unorthodox:

> *Has the moment yet arrived for considering the possibility of establishing some sort of supreme supranational authority which would regulate the distribution of population on rational and impartial lines, by controlling and directing migration movements and deciding on the opening-up or closing of countries to particular streams of immigration? (Thomas, 1927, p. 262).*

Thus Thomas broke with the assumption, clearly implicit in the Universal Declaration of Human Rights which was adopted some two decades later, that countries have the sovereign right to pursue their own immigration policy without outside interference. In effect he posited a contrary right: "The right to exist of overpopulated communities less favourably situated…which desire…to settle their surplus population in foreign countries". He envisaged an international authority "to lay down the conditions under which territory lying within the sovereignty of a given State and obviously unoccupied might be thrown open to certain classes of emigrants". Presumably the notion of "unoccupied" is easily stretched to include "relatively less populated". Rewards for prudence exercised by forbears may thus be taken away from descendants, as undeserved good fortune.

Other observers had other kinds of control in mind. George Bernard Shaw, like Thomas also a socialist, wrote in 1928:

> *Man does not live by bread alone; and it is possible for people to be overfed and overcrowded at the same time…Our cities are monstrously overcrowded…Some day we may have to make up our minds how many people we need to keep us all healthy, and stick to that number until we see reason to change it (Shaw, 1928, p. 147).*

And possibly with a mind partly on Thomas's supranational migration authority, Joseph Spengler, the American economist and student of French population history, wrote in 1932:

> *The steady decline in the birth rate threatens Western civilization both from within and from without. Decline in numbers and multiplication of the unproductive age will of necessity undermine the materialistic base upon which the industrial civilization of Western Europe and America rests. A thinning of ranks may expose the social superstructure of nongrowing nations to the onslaughts or the overflow of the swarming people (Spengler, 1932, p. 10).*

But were declining numbers preventable? In 1936, the leading British demographer of his age, Alexander Carr-Saunders, expressed scepticism:

> *We found reasons to believe that, once the voluntary small family habit has gained a foothold, the size of family is likely, if not certain, in time to become so small that the reproduction rate will fall below replacement rate, and that, when this happened, the restoration of a replacement rate proves to be an exceedingly difficult and obstinate problem (Carr-Saunders, 1936, p. 327).*

The British economist, J. R. Hicks, who later won a Nobel Prize, concluded his best known book, published in 1939, with a Dupréel-like observation:

[O]ne cannot repress the thought that perhaps the whole Industrial Revolution of the last two hundred years has been nothing else but a vast secular boom, largely induced by the unparalleled rise in population (Hicks, 1939).

But perhaps it was time to end that boom and start enjoying its fruits. John Maynard Keynes commented in 1937:

A stationary or slowly declining population may, if we exercise the necessary strength and wisdom, enable us to raise the standard of life to what it should be, whilst retaining those parts of our traditional scheme of life which we value the more now that we see what happens to those who lose them. (Keynes, 1937, p. 17).

Hicks apparently agreed. In 1942, when Birmingham and Manchester had a population make-up quite different from today's, he wrote:

Great Britain can only support her present population of 46 million people if at least half of those people live in great cities…If the whole of our population were to attempt to live upon the standards now thought to be proper by our middle class with gardens and golf-courses and motor-cars would there be room for 46 million people on the island? (Hicks, 1942, p. 352).

But Britain was at war at the time, and war can concentrate the mind. In a radio address in 1943 the British Prime Minister Winston Churchill spoke thus:

One of the most sombre anxieties which beset those who look thirty, or forty, or fifty years ahead…is the dwindling birth rate…If this country [Britain] is to keep its high place in the leadership of the world, and to survive as a great power that can hold its own against external pressures, our people must be encouraged by every means to have larger families.

As the war ended, the problem of world population emerged as a topic of heated debate. Alfred Sauvy, the first director of INED, in an important article published in 1949 in Population dismissed the very notion of global population control. Population problems are different, country-by-country, he insisted:

For the time being, there exists no world government, nor are there institutions that would come close to such a construct. Even if some principles are established on the [international] level, such coordination of efforts falls far short of the degree of solidarity that would be needed to make the expression "world population" acquire real meaning (Sauvy, 1949, p. 760).

And, in disagreement with Albert Thomas, Sauvy approvingly stated:

In contrast to the flow of goods and of capital, where at least intentions toward greater international rapprochement do manifest themselves, national sovereignty in the matter of immigration, more than ever, rules supreme (Sauvy, 1949, p. 761).

Indeed, the effects of international mobility differ greatly depending on what is moving. When goods are voluntarily exchanged, the benefits for both are evident; otherwise the exchange would not have taken place.

Volatility in international capital movements raises potential problems, but capital flows across international borders were key contributors, second only to institutional reforms, to all the spectacular economic success stories in the post-war world, resulting in the drastic reduction of mass poverty in the developing countries as a whole.

The effects of migration across borders may be also beneficial in sheer economic terms, but they represent a balance of gains and pains, with the least well-off in the receiving countries suffering the greatest losses. And in cultural and political terms, the mutuality of the gains is far from assured.

The challenge for population policy

The conflicting viewpoints on population matters illustrated in my quick intellectual tour d'horizon also underlie the contemporary debates about population policy.

By now more than two decades have passed in the UNECE region of below-replacement fertility. This period has also been characterised by newly emerging patterns in the international movements of people, both legal and illegal. The issues I have outlined have thus acquired greater saliency than ever before.

In recent years, the problems imposed by rapid population ageing have received much attention. The toolbox of reforms needed to respond to the unprecedented increase in the proportion of the economically dependent old age population has been well elaborated, if not yet well used. Time will inevitably force these reforms to be implemented.

As to social policies that may affect fertility in the UNECE, near-unanimity has been achieved. The ruling orthodoxy advocates and enacts measures that help childbearing and labour force participation to be more compatible. These are policies of considerable merit in their own right. But are they, or will they be, sufficient to bring overall fertility levels back, or at least reasonably close, to replacement level? Might they, instead, solidly lock countries on a path of ongoing natural population decline? These questions are seldom asked, thus discouraging thinking about and discussions of alternative or complementary approaches.

Concerning policies on migration, confusion, political correctness and political manoeuvrings rule. This is well illustrated by the most recent proposals of the United States administration for a non-amnesty, labelled de facto amnesty, to be granted to perhaps 8 to 10 million persons who entered the country illegally. European migration policies tend to follow the same pattern.

The deficit of births in relation of deaths in developed countries, in combination with globalisation, is bound to make international migration the central cross-cutting issue in population policy during the coming years.

Future demographic prospects

I conclude by an illustration of the potential magnitude of the emerging migratory pressures.

Differential population growth rates over short periods of time historically-speaking can cause dramatic shifts in the relative population size of countries or regions. These, in turn, have potentially far-reaching demographic, economic and geopolitical consequences.

As an illustration of such shifts, consider the population size of the 25 countries that on 1 May 2004 will constitute the enlarged European Union - an area of peace and prosperity. Compare this EU 25 to its southern hinterland: a 25-country assemblage of countries from West Asia to North Africa, stretching from Pakistan in the east to Morocco in the west[1]. The terminology is arbitrary: seen from West Asia and North Africa, the EU 25 could be called that region's northern hinterland.

In 1950 the countries of the EU 25 had a population of 350 million. The southern hinterland had a population less than half that size: 164 million.

By 2000 the relative population weights were strikingly different: the EU 25 had grown to 452 million people, while the West Asia-North Africa 25-country group had exploded to 588 million, that is, larger than the EU 25 by 136 million - larger by roughly the combined population of France and Germany.

And what are the prospects for the next 50 years? The UN's medium-term projections bravely assume that the EU 25 will experience a considerable *rise* in the total fertility rate: from the current level of 1.45 children per woman to 1.85 children per woman. The UN demographers also assume net immigration from outside the EU 25 of roughly 33 million persons during the first half of the 21st century. Average life expectancy at birth is also assumed to rise - to about 83 years.

Despite these assumptions - each of them population enhancing - the projected population of the EU 25 in the next 50 years is set to fall by some 20 million to 431 million. By mid-century the annual number of deaths would exceed the number of births by about 2 million. In 2050 the largest 5-year age cohort would be those aged 65-69. Half of the population would be older than 50 years and the share of the population aged 65 and older would be twice as large as the share under 15 – some 30 per cent versus 15 per cent. This is an age structure with no precedent among sizeable populations, one pointing towards accelerating population loss beyond 2050.

The ratio of those aged 15-64 to those aged 65 and older - the so-called demographic support ratio - was 4.25 in 2000. By 2050 the support ratio would fall to 1.86, which indicates the magnitude of the economic adjustment problem that demographic change would impose on the population of the EU 25.

As to the population of West Asia and North Africa, the UN projections assume further improvements in mortality: a rise of average life expectancy to 75 years by 2050. More importantly, they also assume a continuing rapid fall of fertility: from 4.0 to 2.1 children per woman and also substantial net out-migration - some 12 million persons during the 50-year period. The 2050 projected population resulting from these assumptions is 1260 million - triple the size of the EU 25 population. Thus, over the course of a century, from 1950 to 2050, the relative size of the two 25-country groups will have changed by more than a factor of 6. The contrast between the respective sizes of the young adult population in the two regions is even sharper.

It may be observed, furthermore, that the southern hinterland of the European Union could reasonably be defined in a more expansive fashion. It could include, for example, the entire continent of Africa. In 1950, the population of such a widely defined southern hinterland was still slightly smaller than the population of the EU 25, by some 9 million. By 2000, the combined West Asia and African hinterland had a population 790 million greater that that of the EU 25. By 2050 it is projected to exceed the EU 25 population by some 2.4 billion.

These demographic growth differentials virtually guarantee that the existing great divide between material standards of living in the EU 25 and its southern hinterland - however defined - will persist and indeed progressively widen in the coming decades. Even if outright Malthusian scenarios can be avoided in the poorest countries of Africa and West Asia - something that is far from assured - these differentials imply a continuing very strong and increasing migratory pressure from south to north.

Europe's rapid demographic marginalisation within the international environment is a symptom of the demographic magnitudes just outlined. These

[1] These 25 geographically contiguous countries are: Afghanistan, Algeria, Bahrain, Djibouti, Egypt, Eritrea, Iran, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Pakistan, Qatar, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, Turkey, United Arab Emirates and Yemen. For a more detailed discussion of the demographic contrasts between the EU 25 and this European near-abroad, see Demeny (2003).

magnitudes make it clear that even a most welcoming immigration policy in the EU 25 could make only a minor dent in the population growth trend in the southern hinterland. Given existing population dynamics, even if the entire population of the EU 25 evaporated today, that cataclysmic event would represent only a temporary setback in the growth of the combined population of the two groups of countries. In terms of global population growth, the setback caused by the EU 25's disappearance would amount to barely six years.

The policy implications for the southern hinterland are fairly clear. The existing rate of population growth is unsustainable. Speeding up the hoped-for trend toward population stabilisation during the present century is in the collective economic interest of the countries experiencing such growth, as well as in the interest of their neighbours. Demographic 'regime change' becomes a condition for long-term international peace and stability.

A diagnosis is far less straightforward for the EU 25 - and for populations that find themselves in a similar demographic predicament elsewhere on the globe. As I suggested earlier, it would be foolish arrogance on the part of governments to assume that they can set some population size as the optimum and try to achieve it through appropriate policy measures. If the aggregate of individual fertility choices (the key variable in the growth equation) results in a *slow* demographic decline in modern affluent societies, such societies should be capable of making the necessary adjustments to a declining population size. Such adjustments could be consistent with maintaining and indeed raising the already high material standards of living, and, if collectively so desired, exercising strict control over immigration: limiting it to modest numbers, or even closing the borders to permanent migration entirely.

The emphasis in the stipulation, however, is on the difficult to quantify criterion, '*slow*'. Aggregate numbers have limited significance as long as all aspects of society remain healthy - economic, cultural, environmental and military. But sustenance for these is dependent on maintaining at least a minimally sound age structure. Present fertility levels, if maintained, let alone if they further decline (perhaps gravitating toward patterns in the lowest fertility countries in the EU 25 rather than converging upward as, for instance, the UN medium-term projections envisage), point to eventual rapid rates of population loss and extreme forms of population ageing - and *de facto* towards population collapse.

Step-by-step adjustments in the social support system for the old age population, as it has developed in modern welfare states, can delay the day of reckoning for only a limited period. But what if fertility settles upon a pattern characterised by a completed fertility distribution in which women with three or more children are a rarity while having only a single child or voluntary childlessness is the choice of a significant fraction of women and couples?

Liberal immigration policies could temporarily alleviate the distortion in the age distribution that results from such a pattern of fertility, but possibly only at the price of a thorough transformation in the cultural and ethnic make-up of the receiving society. A radical re-thinking of population policies, especially policies affecting fertility, may then finally become a priority issue on the social agenda. By that time, however, remedial action may be too late. Governments in Brussels and Washington, in Berlin and Budapest, in Madrid and Moscow, or indeed in any of the capitals of the 55 UNECE countries, should not let this happen.

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