

18

## *Politics and Demography*

### *A Summary of Critical Relationships*

**Jack A. Goldstone**

**T**HE CHAPTERS IN THIS VOLUME HAVE COVERED A WIDE range of relationships, all of them illustrating the pivotal role that demographic change can play in shaping political identities, conflict, and institutional change. In this conclusion, I briefly highlight several fields of study in which greater attention to demography can help scholars better understand critical trends.

#### **International Relations**

Demography has traditionally played an important role in the study of international relations. A number of scholars have pointed out how, throughout

268

history, competition among leading nations has been affected by the relative size of national populations, and their rate of growth. Nazli Choucri and Robert North (1975) have pointed to the critical role of rising population in the European powers provoking the tensions and competition for resources that led to World War I. In general, states with youthful and expanding populations have often been more aggressive, and strong population growth in neighboring states has often led to competition for land and resources that put those states on the path to war (Choucri 1984; Clinton 1973). In addition, larger populations—from that of the North versus the South in the U.S. Civil War, to the populations of the United States and the Soviet Union in World War II, and as superpowers in the cold war era—have often been credited with giving countries major advantages in international competition.

Yet this traditional view is almost obsolete in today's world. International conflicts between states pitting conventional armed forces against each other have become rare, while asymmetric warfare—with local guerilla and insurgent forces fighting against national governments and their allies—has become the major pattern of global conflicts. In asymmetrical warfare, it is not the number of people in the states or militaries that matter, but their distribution and loyalties. Is the population urban or predominantly rural? How concentrated are the populations being protected? How youthful is the population of the country or countries in conflict (important for recruitment of fighters)? How is the population divided in regard to regional, ethnic, and religious affiliations and identities? In short, demographic factors still matter greatly for assessing the risks and likely outcome of international relations and conflicts, but it is not a simple matter of the total populations of combatants, as much as of understanding where the populations are distributed.

Moreover, among the great powers populations are now—unlike in the nineteenth and twentieth centuries—aging and experiencing a slowdown in growth. Even China, due to its one-child policy, has already begun to experience a drop in the number of its military service-age population. Thus, as explored by the chapters in Part II of this volume, the problem to ponder for international relations is not one of how major powers with rising populations will arrange their relationships, but how major powers with stagnant and aging or even shrinking populations will cope with international threats. Where populations are rising—in emerging powers and developing countries such as India, Brazil, Indonesia, Mexico, Turkey, Nigeria, Pakistan, Egypt, Vietnam, the Philippines, and Ethiopia, *each one* of which will have a population nearly as large or larger than that of Russia by 2050—the critical question for international relations will be what impact these newly significant countries

will have on global patterns of geopolitics. At the very least, we seem certainly headed for a multipolar world, with many countries seeking local and regional hegemony and a substantial share in institutions of global governance.

As of 2008, the portion of global GDP produced by four of the five permanent members of the U.N. Security Council—the United States, the Russian Federation, the United Kingdom, and France—has shrunk from 48 percent in 1950 to 35 percent (Maddison 2007, p. 379; World Bank 2009). Given the population slowdown in the developing world, plus a surge in the prime working-age population and education levels in developing countries, it is reasonable to expect faster growth in the latter. If the global economy grows at 3.5 percent per year overall, while that of the United States, Russia, the United Kingdom, and France grows at 2 percent, then by 2050 this quartet's share of global GDP will fall even further, to less than 20 percent. Thus, the key institution for managing international peace is already falling out of balance with the real distribution of economic power in the world, and will fall further out of balance in the coming decades. A similar situation holds for the International Monetary Fund, voting shares in the World Bank, and the other major global institutions established after World War II. It is clear that shifts in international economic and population balances will have to be taken into account in designing a new structure for international institutions, if they are to be seen as legitimate and to remain effective.

### **International Political Economy**

These considerations bring us to a more detailed examination of the role of demography in international political economy—where will the centers of economic growth, of trade and finance, of capital generation and fiscal strength, lie in the future?

Again, demographic factors will play a key role in shaping the answers to these questions. Today's developed nations have dominated the global economy for the last 150 years, roughly since the 1860s and the maturing of the Industrial Revolution. As recently as 1973, Europe (excluding the former U.S.S.R.) produced 29 percent of global GDP, far more than China and India combined, who then produced a mere 8.8 percent of global GDP. But in the last 30 years, this has changed dramatically. By 2003, Europe's share of GDP (in terms of purchasing power) had fallen to 21.1 percent, while the combined share of China and India had soared to 20.6 percent (Maddison 2007, p. 381). Much of this was driven by the "demographic dividend" of Asian countries, which had population distribu-

tions focused on the prime earning ages, while Europeans increasingly retired earlier while aging (Bloom, Canning, and Sevilla 2003, p. 39 ff.)

Age distribution has a major effect on economic potential through what is known as the dependency ratio. This is the fraction of the population that is nonworking (mainly children and retirees) and thus dependent on transfers from the working population for their support. Where the dependency ratio is low, most of the population is actively earning, and there is great capacity for saving because expenses on support for children and the elderly are low. However, where the dependency ratio is high—large numbers of children or the elderly requiring support plus investment in schools, teaching, nursing care, and medical support—a smaller portion of the population is generating wealth and a larger portion is consuming it; thus saving is more difficult. One should add that not only is it true that countries with a larger majority of their population in their prime earning years will enjoy a demographic dividend for savings and growth, there is also a difference between dependency ratios driven by large numbers of children, or large numbers of elderly. In countries with lots of children, the expenses of raising, housing, and educating them is an investment for the future, because eventually they will start working and generating wealth themselves. By contrast, in countries with lots of older retired workers, the expenses of their sustenance, housing, and medical care is simply sunk cost, as when they die, all of those expenses will simply have been the consumption of resources, without any role in building future earnings.

In the coming decades, many developing countries will begin, or continue, to enjoy a demographic dividend that consists of increasing numbers of people moving to cities, gaining higher education, and entering their prime earning years. At the same time, today's developed countries will be stagnating and aging, with the numbers of people in the prime earnings age shrinking. Even the United States, considered by far the most demographically healthy of the rich countries, will see its labor force growth (increase in the population aged 15–59) slow so that growth in the years 2000–2050 will be less than one-third the rate it was in 1950–2000 (United Nations Population Division 2011). Thus, the centers of economic growth are likely to shift to the developing countries. Indeed, as we noted in Chapter 2, upwards of three-quarters of all global economic growth in the next four decades will likely come from outside the United States, Europe, and Japan, a sharp reversal of the pattern in most of the twentieth century.

In addition, since the bulk of the world's younger people getting advanced education will be in developing countries, the locus of innovation will likely shift to developing countries as well. Similarly, savings rates will no doubt be

far higher in countries enjoying their demographic dividend, due to families entering their prime earning years saving for homes, education, and retirement. Meanwhile, the rich countries, with their aging populations, will have fewer people saving for the future, or for their children, and many more that are dis-saving to fund their retirements. As a result, the global centers of capital accumulation will shift to Asia, the Middle East, Latin America, and even Africa; that is where Europeans and Americans will have to go to seek capital.

Finally, barring some unforeseen technological health care miracle, the richer countries will be saddled with much higher health costs per capita, due to their aging populations, than developing countries. With fewer workers, but many more retirees and elderly, the burdens on state finances due to entitlements will rise much faster in the richer nations. Thus, despite their greater wealth, the rich countries' governments will likely face greater pressures and difficulties than the governments of poorer countries. In the latter, government-backed entitlements are few, while the rapid growth of the economy and of prime workers will make increasing state revenues far easier. Thus—as was dramatically revealed in the response to the Great Recession of 2007–2008—the developing countries may become the site of the fiscally strongest governments, while rich country governments remain hobbled by high entitlements and slow-growing revenues.

In sum, to an even greater degree than one would think from looking at just total population trends, the centers of global economic growth will shift away from the West, and to the emerging and developing economies of Latin America, Africa, the Middle East, and Asia.

In addition, because developing countries will have the bulk of the world's new families, the purchases of new cars and homes, and the most rapid growth in consumer markets, it is likely that consumption and design trends will be driven by trends in developing nations. Just as California became the trend-setter for America due to its rapid growth and its pull for young families in the 1960s and 1970s, so developing countries will become trend-setters for global consumption in the 2000s.

### **Domestic Political Competition in the Rich Countries**

Unfortunately, this shift from leadership in the global economy will likely have a polarizing impact on political competition in the rich countries—trends that are already visibly underway. The Great Recession likely will not be a short-term economic setback followed by a vigorous recovery. The post–World War

II recessions all took place in a context of population growth, generating an inherent demand for housing, consumer goods, and supplying an entry-level workforce on which employers could draw. Today, however, recovery from the Great Recession will take place in the context of low population growth, with aging populations that do not naturally generate a demand for more housing and consumer goods. Demand is more for services—education, health care, insurance, financial planning—which require a small number of highly skilled professionals and large number of lower-paid, entry-level service support personnel. The middle-aged and high-paid workers who produced mass goods and worked in construction will struggle to find work. As a result, high employment and slower growth will likely be long-term trends in most of the developed nations.

The result is a search for someone to blame for this sharp reversal in economic fortunes. Some blame the government; others blame immigrants; still others blame foreign competition. As Gratton's chapter points out, this is a familiar pattern in American history. Whatever the target, the result is politics that become more polarized, bitter, and angry. At the same time, as Frey's chapter in this volume has demonstrated, increases in immigrants and their descendants can tip political alignments in swing voting districts, having a disproportional effect on voting outcomes. This, too, produces angry voters, who blame newcomers for changing the political outcomes in their area.

Global and local demographic changes are thus likely to produce more polarized and volatile politics, with major and sudden swings in the direction of party alignments, and greater difficulties sustaining stable majorities. Even in Japan, which has resisted immigration but has already suffered from economic stagnation for over a decade, and has one of the most rapidly aging populations in the world, the political stability of most of the post-World War II era has evaporated, with an unprecedented number of changes in prime ministers in the last five years.

Both because of the economic slowdown, and because of the pressures to recruit immigrants to fill entry-level workforce positions, the rich countries will also be focused on the politics of immigration for years to come. As the chapters by Coleman and Kaufmann and Skirbekk show, significant changes in the ethnic character of European nations are already underway. Not only who becomes an immigrant, but where immigrants settle and how they vote, will vigorously shape politics in the future.

Differential fertility among various domestic groups will also shape politics. In particular, conservative families tend to have more children, suggesting that strong conservative voting blocs will be maintained and grow—in some cases

by deliberate choice and strategy, as Monica Duffy Toft's chapter demonstrates. Even in rich industrialized countries, where there are found competing ethnic or religious groups, differential fertility can shape democratic outcomes, or give rise to preemptive efforts to determine those outcomes, as in Israel and Northern Ireland.

### **Domestic Conflicts in Developing Countries**

The primary source of violence in developing countries is domestic conflicts, whether they take the form of ethnic or secessionist wars, as in Rwanda, Burundi, Sudan, Liberia, and Sierra Leone, or guerrilla and militant extremist insurgencies, as are more common in Latin America and much of the Middle East and South and Southeast Asia.

Here too, demography can tell us much about the pattern of politics. In particular, as the chapters in Parts II and IV of the present volume make clear, there are both direct and indirect effects of population on politics. The direct effects are those of which people are aware—issues of which ethnic groups control political power or sectors of the economy, which groups are favored by the political rules of the game, and how to resolve differences in multiethnic and multireligious societies with histories of conflict. The indirect effects are no less powerful, but people are less aware of them. These are the tendencies, as shown by Madsen's, Cincotta and Doces's, and Urdal's chapters, for societies that are younger and more urbanized to be more violent and less able to consolidate stable democratic regimes. Unfortunately, since for at least the next 20 or 30 years, many parts of the developing world will have very youthful populations and will be experiencing extremely rapid urbanization, we should expect a substantial amount of instability in aspiring democracies, and recurrent outbreaks of ethnic and regional conflicts—unless, of course, the world evolves mechanisms of conflict mediation and intervention that are more successful than those of the past 50 years.

Moreover, simply because of rapidly growing populations in countries that have few surpluses and vulnerable populations, we can expect natural disasters—whether floods or earthquakes or droughts—to affect many more people. When such disasters lead to the displacement and migration of huge numbers of people, to find shelter, work, or new homes, whether they are internally displaced, pour into cities, or cross national borders, enormous efforts are required to head off conflicts between settled groups and newcomers, and to provide humanitarian aid to victims. Whether we are talking about earthquake victims

in Haiti, flood victims in Pakistan, or drought victims in eastern Africa, the enormous growth of population in developing nations and vulnerable regions in the past and coming decades inevitably increases the demands for aid and support from local governments and the international community.

### Environment and Energy Issues

Finally, we should be carefully attuned, as Richard Matthews's chapter shows, to the likely interactions between population patterns and issues in environment and energy policy. The world's climate will of course be affected by choices we make in power generation and patterns of work and residential locations. In particular, as we have noted, in the coming decades almost all of the world's population growth and most of its economic growth will be in today's developing countries. These countries are seeking to rapidly increase their availability of energy per capita, and are going through a historic shift from being predominantly rural to predominantly urbanized societies.

The demands these changes will make on the world's resources and energy production will be prodigious. China and India are likely to increase their energy production over the next 40 years by an amount equal to the total energy output of the United States today. Whether this occurs through radically new models of energy production, energy use, transit, and work and residential consumption, or through replication of existing rich-world models, will determine the load that the Earth's climate will bear. Nonetheless, we cannot escape or ignore the aspirations of the populations of the developing countries, which will likely increase by 2 billion people, and double the number of middle-class consumers in the world by 2050. Yet as this growth will take place in societies that are generally more crowded and poorer than today's rich countries, it will take urgent global measures in innovation and new incentives to find growth trajectories that do not negatively impact the health and environment of these societies, and the global climate.

### Is Demography Destiny?

Critics of demographic analysis often claim that "demography is *not* destiny," noting that we have a choice regarding how to live our lives. They are correct, and simple Malthusian verities that rising population will have specific effects, or inevitably lead to shortages or disasters, have repeatedly been shown to



be mistaken. But to admit that demography is not destiny is not to deny its power. Gravity is not destiny either—we have learned to build skyscrapers and airplanes that defy it. Yet we have done so not by ignoring the pervasive effects of gravity but by better measuring and understanding gravity, as well as other forces and how they interact.

The same is true of demography. Changes in global population that are shifting numbers, youth, and urbanization to today's developing countries are powerful forces that we cannot ignore. Similarly, pressures for immigration and the need to cope with aging populations in rich countries are powerful forces as well. If we are to take control of our destiny and shape it, we need to understand how these forces operate, in varied societies around the world, and how they interact. The chapters in this volume make a concerted effort in that direction, and we hope that policymakers and political scientists are assisted in approaching their problems by understanding the inescapable and powerful effects of population on a wide variety of issues in politics.