

## POPULATION AND DEVELOPMENT SCENARIOS FOR EU NEIGHBOR COUNTRIES IN THE SOUTH AND EAST MEDITERRANEAN REGION

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### Summary

*This paper presents four population and development scenarios for 11 South and East Mediterranean countries (SEMC) for the period 2010-2050. Focus of analysis of scenario results is on working age population prospects, economic consequences, migration pressure in four migrant-sending SEMCs (Algeria, Morocco, Tunisia, Turkey). These are main countries of SEMC labour emigration to the EU.*

**Keywords:** Scenarios, South and East Mediterranean Region

### 1. Introduction

In 2004, the European Neighbourhood Policy (ENP) was developed by the European Commission (EC) to overcome income and welfare gaps between European Union (EU) countries and neighbouring countries, notably countries in the South and East Mediterranean region (SEMCs). In 2008, the ENP was revamped with the launch of the Union for the Mediterranean (UfM). ENP and UfM policy goals are implementation of good governance practices in SEMCs, development of effective social and economic ties with the EU, and furthering economic growth. A total of sixteen countries are covered by ENP of which ten are SEMCs: Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria, Tunisia. Within this policy context Turkey – not an ENP country but one with an EU access perspective- is a key player in the political arena of the region, its culture and economy is intertwined with most of these ENP, and country of origin of the largest non-EU born immigrant population.

Realization of ENP en UfM goals is affected by demographic change and future prospects in SEMCs as well as EU countries. The link between SEMC and EU populations through international migration is important. More than 8 million people born in SEMCs live abroad of which 6 million live EU countries. Most (90%) of these migrants originate from four SEMCS only (Algeria, Morocco, Tunisia, Turkey), and most (90%) of these live in five EU countries (Germany, France, Italy, The Netherlands and Spain). These countries constitute a distinct migration system, which we shall refer to as the MT4-EU5 migration system.

Various scenario studies explore the demographic future of EU populations and economic implications but studies are absent for SEMCs. This paper aims to contribute filling that gap by exploring (1) the demographic future of SEMC populations according to different economic-political scenarios, and (2) the economic consequences of demographic change, with particular attention to the effect of working age population change on economic production and migration pressure within the context of the MT4-EU5 migration system.

## 2. Population and development scenarios

Table 1 illustrates how we derived scenarios from a conceptual framework with total wealth and political cooperation as main dimensions. Eight potential scenarios are implied and these can be reduced to four actual scenarios (S1-S4) by imposing certain restrictions. First, a reference scenario is chosen to indicate continuation of prevailing conditions before the start of the Arab Spring in 2010. Second, future increase in total wealth cannot be achieved without international cooperation. Third, international cooperation of SEMCs is limited to cooperation with the EU or with other countries in the region. The four scenarios were labelled Business-as-Usual or BAU scenario (S1), Integration scenario (S2), Alliance scenario (S3), Stress scenario (S4). BAU and Stress scenarios represent unfavourable outlooks while the Integration and Alliance scenarios represent favourable ones.

**Table 1 - Framework for population and development scenarios**

		Total wealth	
		Increase	Decrease
EU-SEMC cooperation	Success	S2	
	Failure		S1
Mediterranean Alliance cooperation	Success	S3	
	Failure		S4

The *BAU scenario (S1)* is the reference scenario. In terms of total wealth and political cooperation, this scenario assumes that, between 2010 and 2015, all Arab Spring and EU financial crises related issues will have settled to levels of trend lines that would have emerged in the absence of these events. This means a continuation of decrease in total wealth, partly attributable to the ongoing ad hoc style of SEMC-EU cooperation failing to improve political, security, economic, socio-cultural and environmental conditions. Overall, the scenario assumes that, between 2010 and 2050, the economic influence of the EU in the Middle East continues to decline. On the political front, the Israel-Palestine conflict continues constraining economic growth and political stability in SEMCs, and tensions with the EU. The scenario assumes no further breakthrough political, social, technological, and cultural changes. In terms of demographic behaviour, the scenario assumes that annual net number of migrants remains more or less constant during the whole of the peri-

od 2010-2050. All SEMCs, except Israel, experience negative net migration with more people emigrating than immigrating. For the period 2010-2015 figures will be somewhat higher to account for higher emigration in the wake of Arab Spring events. Regarding fertility prospects, this scenario assumes a continuation of past trends in fertility rates in SEMCs. This means that fertility rates for some countries will continue to decline even further, while rates of some other countries may increase. Overall, the speed of fertility decline will slow down because it takes time before institutions (men, kinship group, community) have lowered family size preferences and individual women gained more power to decide about numbers of children to have. By 2050, the average of country-specific TFRs will have settled at replacement level fertility. Regarding mortality, improvements in life expectancies continue but progress is less than in the more favourable scenarios.

The *Integration scenario* (S2) assumes that SEMCs become EU Member States by 2030. The expanded EU becomes highly integrated at political, economic, social and military levels, whereby total wealth increases to the average of EU27 countries in 2010. As adaptation of institutions, production systems and governance practices to EU standards take time to develop, economic production levels and growth only start matching those of EU27 countries after 2035. The precondition for EU membership, solution of the Israel-Palestine conflict, is met during the 2015-2020 period, bringing political stability to the region, boosting the investment climate, cultural and religious tolerance and cooperation. By 2050, the new EU38 has become one of three key powers in the world, alongside the USA and China. During the first phase of EU38 formation (2010-2030) and economic growth, emigration from SEMCs is expected to increase because of labour demand increases in the ageing and shrinking EU27 labour markets. Emigration outnumbers immigration and return migrants. During the second economic growth phase (2030-2050) SEMCs are starting to flourish. Emigration is declining as finding jobs locally becomes easier. Return migration increases including some immigration of children of emigrants born and raised in EU27 countries exploring a future in parent's country of origin. The scenario foresees increased intercultural contact and adoption of western-style 'individualism' in SEMCs leading to a reversal of the low status, low labour force participation and low decision-making power of women, among others. The latter leads to more rapid fertility decline than in the BAU scenario, and by 2050 to fertility rates converging to the current average EU27 level. The same economic, social, cultural and psychosocial factors explaining European fertility rates are now also determining rates in SEMC populations. As health infrastructure and services improve significantly, currently high unmet need of family planning in several SEMCs will decline, contributing to lower fertility rates. Such improvements also lead to lower infant and childhood mortality rates, and to higher life expectancies than in the unfavourable scenarios. The downside of this scenario is that SEMC populations will increasingly adopt unhealthy western-style food habits and lifestyles leading to increases in obesity and related welfare diseases and, in the long term, to higher mortality at intermediate and older ages.

The *Alliance scenario* (S3) foresees that SEMCs step-up collaboration with other countries in the Middle East to form a single Pan-Arab Union, akin to EU27. Strategic economic and political alliances are formed with the EU27 though, contributing to economic prosperity and political stability in both regions. According

to this scenario, the Israeli-Palestinian conflict is also assumed to be resolved. This peace solution removes barriers to internal (south-south) market cooperation and intercultural contact turning the South Mediterranean region into a peaceful and inspiring meeting place, favoured by investors. Contrary to the Integration scenario, establishment and maturation of the Pan-Arab Union takes more time to develop so that investments only start amortizing after 2040. In this scenario, labour emigration from SEMCs initially increases between 2010-2015, mainly in the direction of Gulf States rather than EU countries. During the 2015-2030 period, emigration will level off as economies increasingly provide more and better paid jobs to its citizens. This also triggers return migration and immigration from other countries in the region, such as from Sub-Saharan African countries. By 2050, it is expected that numbers emigrating and immigrating will be in balance. Two main forces will affect fertility rates. One is that economic growth leads to improvements in quality of and access to health services so that high unmet need for family planning reduces to zero. The other is that traditional family norms and values, and social group pressure remain intact resulting in family size preferences that are higher than in the integration scenario. However, traditions are under pressure as economic growth leads to labour force shortages so that women are increasingly stimulated to participate. Therefore, governments increasingly encourage parents to invest in education of their daughters leading to higher educational attainment levels and occupational skills among women. The currently very low labour force participation rates of women in Arab countries are expected to increase rapidly. The net outcome of both forces is that fertility levels decline, but at a lower speed than in the integration scenario (S2). Health status and life expectancy improvements will develop more favourably than in the Integration scenario because adverse western lifestyles and health behaviour are not adopted widely.

The *Stress scenario (S4)* foresees that the Mediterranean Sea becomes a dividing line between two competing cultures. Within the Arab region, the Israeli-Palestinian conflict lingers on periodically escalating and deepening the divides between Arab and Jews, and between Muslim communities and Christians in EU countries. Enterprises find it increasingly difficult to sustain business in the region and governments see their tax-base shrink forcing them to lay off a large share of their employees. Result is rising unemployment, poverty, social and political unrest, and emigration pressure. Emigration to the EU increases to all time highs, return migration and immigration comes to a halt. Access and quality of health and family planning infrastructure deteriorates leading couples to get more children than they want, and infant-, childhood- and maternal mortality rates to rise leading to stagnation in life expectancy increase. However, in the long term, the economic crises stimulate the revival of traditional social support systems leading to a rise of life expectancies in the long term.

On the basis of these qualitative scenarios, quantitative assumptions about future international migration, fertility and mortality rates were formulated. Regarding international migration, we adopted the UN Medium Variant net migration assumptions to represent the BAU-scenario migration assumptions. Figures for the 2010-2015 period were adapted to account for increased outmigration due to Arab Spring-related upheavals in Tunisia, Libya, Egypt, and Syria. Furthermore, we assumed that all those who fled have returned by 2015. Net migration assumptions

for the other scenarios were derived from changes in emigration and immigration as described in the qualitative scenarios. Regarding fertility, the Integration scenario featured as reference for the other scenarios. It assumes the most rapid decline whereby fertility levels in 2050 are assumed to resemble the current EU average TFR. Regarding mortality, the Alliance scenario was considered as the most favourable scenario so that we adopted the highest observed improvement in life expectancy in the world (2.5 life expectancy years per decade), to represent life expectancy increase in SEMCs. The assumptions of the other scenarios were derived from this scenario. Scenario results were calculated by applying the cohort-component projection method.

### 3. Working age population and economic production

The working age population (WAP) comprises persons in the age range 15-64 years old. The relationship between working-age population and economic production can be summarized as follows:

$$\frac{\text{GDP}}{\text{P}} = \left[ \frac{\text{GDP}}{\text{W}} \times \left( \frac{\text{W}}{\text{LF}} \times \frac{\text{LF}}{\text{WAP}} \right) \right] \times \frac{\text{WAP}}{\text{P}}$$

The equation conveys that, given fixed output per worker (GDP/W), fixed proportion of the labour force having a job (W/LF), and fixed labour force participation (LF/WAP), an increase of the working-age population *share* (WAP/P) necessarily leads to GDP per capita growth (GDP/P). To explore potentials for economic growth and policies it is therefore important to (also) explore the future prospects of WAP shares. During a first stage demographic transition, from high to low fertility and mortality rates, the share of youth (<15 years old) in a population decreases while WAP shares increases. Potentially, the net effect is that the average costs of caring and raising children and youth decrease because costs are borne by a larger number of workers. Rising WAP shares are therefore an indication of potential demographic dividend. Whether this potential becomes real depends on whether working age population growth can be absorbed by the economy. If not it leads to rising unemployment or lower labour participation rates contributing to social unrest and migration pressure. In a second stage of demographic transition, when mortality and fertility rates and youth shares hover at low levels, the oldest age groups become more populated with people who are no longer working. Depending on accumulated assets during the life course such elderly persons become more or less dependent for their survival and care on those who work. During this second stage WAP shares are falling reflecting the rising economic dependency of elderly in an ageing population.

#### 4. Scenario results

Table 2 summarizes scenario results for SEMCs, EU27 and EU5 countries. The figures show that SEMCs are growing rapidly, from 280 million in 2010 to 396 and 425 million in 2050 whereas EU27 countries only grow from 501 to 524 million. In both regions, most of the growth will be realized before 2030. Regarding the MT4-EU5 migration system, Morocco, Algeria, Tunisia, and Turkey, comprised 151 million people in 2010 and will grow with 45 to 58 million people. Their working age populations, comprising 102 million persons in 2010, are expected to grow with 19 to 23 million during the 2010-2030 period, and with another 3 to 7 million during the 2030-2050 period. EU5 countries, home to 55% of the EU population, will see their combined population increase with 11 million until 2030 after which a decline sets in. The EU5 working age population, 178 million in 2010, is expected to decline with 7 million persons between 2010 and 2030, and with 14 million during the 2030-2050 period. During the 2010-2030 period, the decline of the working age population is largest in Germany and The Netherlands (-15 million and -1 million persons, respectively). Italy and Spain will experience significant declines during the 2030-2050 period, totalling -3 and -2 million persons, respectively. The French working age population remains stable at about 42 million, mainly due to stable and relatively high fertility resulting from family policy measures permitting couples to combine work and child rearing, and from policies advocating a two- or three child family norm.

These opposite demographic trends in SEMCs and EU have consequences for future economic production and migration pressure in both regions. We therefore examined Working Age Population *share* (WAP/P) prospects of SEMCs and selected EU countries. A majority of SEMCs (data not shown) will experience a rise in WAP shares. They are expected to peak to about 70 per cent, or 2.3 workers (.7/.3) sustaining 1 dependent person below age 15 or above age 65. SEMCs appear to differ widely regarding when WAP shares reach peak levels and for how many years shares remain high. During this 'window of opportunity' economies must try to benefit from this once-in-a-lifetime-chance of ideal demographic conditions with large number of people in the working ages and small numbers in the dependent age groups. In case of Egypt, Palestine, Jordan, and Syria, most scenarios predict WAP shares to rise during the whole or most of the 2010-2050 period. For Algeria, Morocco, Turkey and Libya, WAP shares are expected to continue rising until about 2035 after which a decline sets in. Tunisia and Lebanon are the odd ones out. Due to demographic transition starting earlier than in other SEMCS, WAP shares already reached (Tunisia) or are about to reach (Lebanon) their peak level of almost 70% . For some SEMCs the 'demographic window-of-opportunity' will last for several decades (Turkey, Morocco, Lebanon), while for others (Libya, Algeria) the window-of-opportunity is much shorter.

**Table 2 - Total and working-age population prospects, SEMCs and EU (millions)**

		2010	2030				2050			
			S1	S2	S3	S4	S1	S2	S3	S4
Algeria	Total	35.5	45.3	44.3	45.4	43.8	51.6	50.3	52.3	48.1
	15-64	24.2	31.0	30.8	31.1	29.8	33.1	32.9	33.1	30.2
Egypt	Total	81.1	109.3	106.6	109.3	107.3	133.5	125.7	132.2	130.7
	15-64	51.5	70.8	70.6	71.3	68.8	87.6	85.9	87.2	83.9
Israel	Total	7.4	9.6	10.3	9.9	7.9	11.7	13.4	11.8	7.2
	15-64	4.6	6.0	6.6	6.2	4.8	7.2	9.1	7.6	4.1
Jordan	Total	6.2	9.2	8.8	9.1	8.0	12.0	11.9	11.7	9.0
	15-64	3.6	5.9	5.8	5.9	5.1	7.8	8.3	7.8	5.7
Lebanon	Total	4.2	4.9	5.6	5.4	4.0	5.0	7.1	6.1	2.8
	15-64	2.9	3.3	3.9	3.7	2.7	3.2	4.8	3.9	1.7
Libya	Total	6.4	8.0	7.3	7.8	7.0	9.7	8.6	8.9	6.9
	15-64	4.2	5.5	5.1	5.3	4.8	6.1	5.5	5.5	4.1
Morocco	Total	31.9	38.7	37.1	39.0	37.9	42.7	41.5	44.3	40.5
	15-64	21.2	25.9	25.1	26.1	25.1	28.0	27.5	28.5	26.2
Palestine	Total	4.0	7.2	6.8	7.0	6.2	10.8	9.9	9.8	8.5
	15-64	2.2	4.1	4.1	4.2	3.5	6.8	6.9	6.6	5.2
Syria	Total	20.4	29.7	28.4	29.2	28.2	38.4	35.1	36.4	35.1
	15-64	12.1	18.8	18.5	18.8	17.7	25.2	24.4	24.5	22.5
Tunisia	Total	10.5	12.3	12.0	12.4	11.7	13.2	13.0	13.4	11.6
	15-64	7.3	8.4	8.3	8.4	7.9	8.3	8.3	8.3	7.2
Turkey	Total	72.8	87.7	86.6	88.3	87.0	96.1	92.5	98.4	95.3
	15-64	49.2	59.6	59.6	59.9	58.7	62.0	60.6	62.2	60.9
All SEMCs	Total	280.4	362.0	353.9	362.8	348.9	424.5	409.0	425.2	395.8
	15-64	183.0	239.4	238.5	240.9	229.0	275.5	274.2	275.4	251.7
MT4	Total	150.6	184.1	180.0	185.1	180.4	203.5	197.3	208.5	195.5
	15-64	102.0	124.9	123.8	125.5	121.5	131.4	129.3	132.2	124.5
EU-27	Total	501.0	522.3				524.1			
EU-5	Total	269.4	280.2				279.0			
EU-5	15-64	178.0	170.7				157.3			

Note: MT4= The Maghreb countries Morocco, Algeria, Tunisia plus Turkey  
EU5= Germany, France, Italy, Spain, The Netherlands

Figure 1 illustrates WAP share prospects for MT4 and EU5 countries. They show that the Integration scenario (S2) leads to highest future WAP shares in MT4 countries. This is consistent with the expectation that favourable economic, social and political conditions defining the scenarios result in favourable demographic conditions for WAP shares to increase more than in the more pessimistic scenarios, such as the Stress scenario (S4). EU5 countries are in a more advanced stage of demographic transition and are ageing, and this is reflected in the downward trend of WAP rates in Figure 1. Overall WAP shares are expected to decline with 10 percentage points from about 66% in 2010 to 56% in 2050, indicating a demographic penalty to future economic production levels. Whether potential demographic dividends (MT4 countries) or penalties (EU5 countries) result in stagnation or decrease of economic production depends on how successful countries are in maintaining or increasing labour productivity (GDP/W), employment conditions (W/LF), and labour participation rates (LF/WAP), and, in the case of EU5 countries, whether they manage to expand their working age population by recruiting suitable foreign labour migrants.

Figure 1 – Prospects working age population shares for selected countries

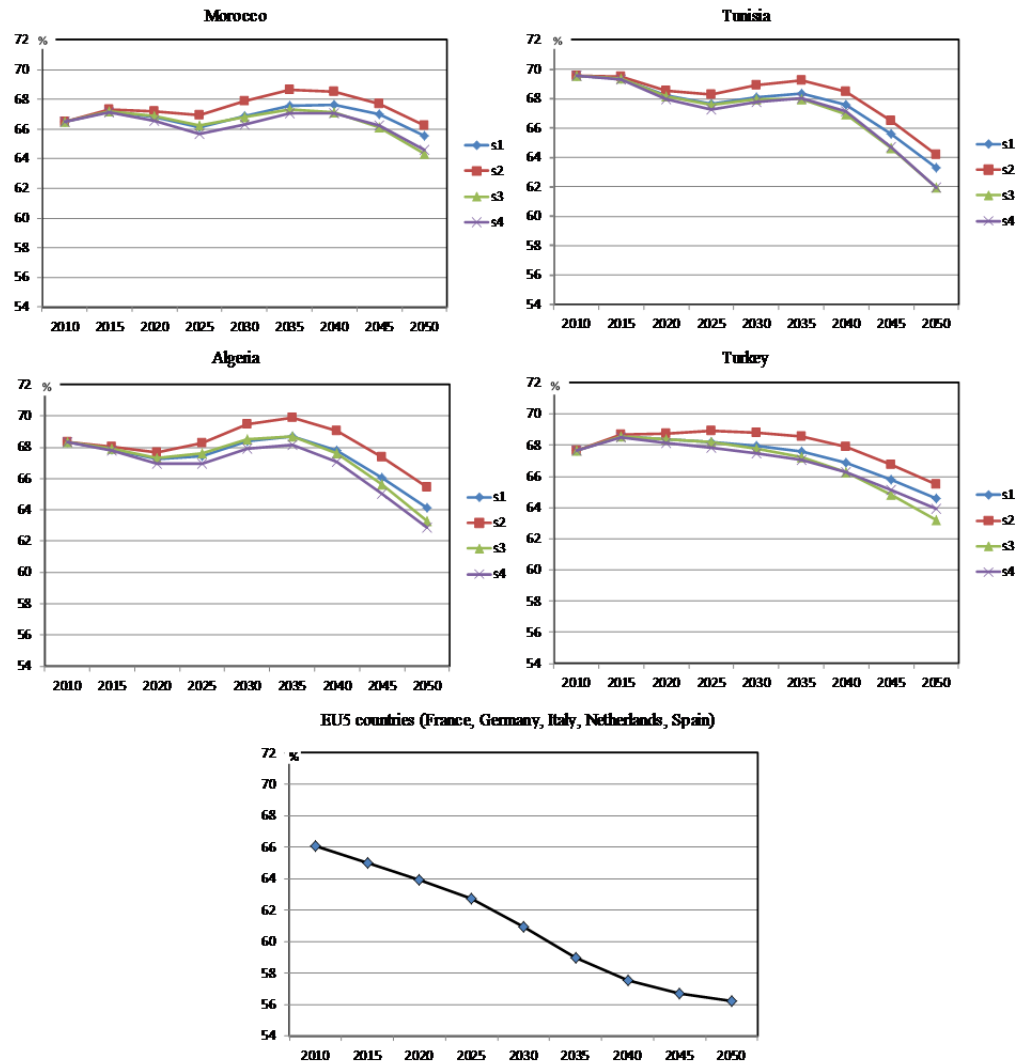


Table 3 illustrates how SEMCs and EU5 countries actually between 2000 and 2010 regarding impact of demographic change on economic production. The last column (WAP/P) shows that in all SEMCs WAP shares increased between 2000 and 2010. The second column shows that all countries, except Syria, experienced per capita GDP growth in the range of 38 (Turkey) and 48 (Algeria) percentage points. In the case of Morocco, the potential economic benefit from an increase in WAP share with 8 percentage points (100 to 108) was attenuated by a decline in the employment ratio of 2 percentage points. In the case of Turkey, the potential demographic dividend of an increase in WAP share of 6 percentage points was re-



duced to zero because of a decline in the employment ratio with 6 percentage points.

**Table 3. WAP shares and economic growth (GDP in constant 1990 US\$, PPP)**

		Economic production		Output per worker		Employment ratio		Working age population share	
		GDP/P	Index	GDP/W	Index	W/WAP	Index	WAP/P	Index
<b>SEMCs</b>									
Algeria	2000	1,585	100	7,831	100	0.33	100	0.62	100
	2010	2,349	148	8,334	106	0.41	126	0.68	111
Egypt	2000	2,734	100	10,119	100	0.45	100	0.60	100
	2010	3,906	143	12,897	127	0.48	105	0.63	107
Israel	2000	14,610	100	41,122	100	0.57	100	0.62	100
	2010	17,195	118	44,167	107	0.62	109	0.62	101
Jordan	2000	2,939	100	13,630	100	0.38	100	0.57	100
	2010	3,975	135	17,679	130	0.38	101	0.59	103
Morocco	2000	2,427	100	7,925	100	0.50	100	0.62	100
	2010	3,493	144	10,794	136	0.49	98	0.66	108
Syria	2000	6,263	100	22,946	100	0.49	100	0.56	100
	2010	5,852	93	23,911	104	0.41	85	0.59	105
Tunisia	2000	3,790	100	13,494	100	0.44	100	0.64	100
	2010	5,374	142	17,246	128	0.45	101	0.70	109
Turkey	2000	6,398	100	19,826	100	0.50	100	0.64	100
	2010	8,847	138	27,530	139	0.47	94	0.68	106
<b>EU-5</b>									
France	2000	20,656	100	51,311	100	0.62	100	0.65	100
	2010	22,986	111	55,033	107	0.64	104	0.65	100
Germany	2000	18,507	100	40,847	100	0.67	100	0.68	100
	2010	20,645	112	43,050	105	0.73	109	0.66	97
Italy	2000	17,232	100	47,247	100	0.54	100	0.67	100
	2010	17,062	99	44,855	95	0.58	107	0.66	97
The Netherlands	2000	21,658	100	43,434	100	0.73	100	0.68	100
	2010	23,925	110	46,949	108	0.76	104	0.67	99
Spain	2000	15,094	100	38,910	100	0.57	100	0.68	100
	2010	16,785	111	41,641	107	0.59	104	0.68	100

Index results are affected by rounding

In Tunisia economic production grew mainly as a result of growth of labour productivity but also because of taking full advantage of demographic dividend potential and by a rise in employment ratio. Contrary to other MT4 countries, per capita GDP growth in Algeria mainly resulted from higher employment in a growing working age population, while productivity increase was slight. EU5 countries experienced an opposite development between 2000 and 2010 as WAP shares stalled or declined while economic production indicators increased, except in Italy. A demographic penalty of declining WAP shares was prevented because countries man-

aged to increase productivity and participation rates, and importing labour (e.g. from new EU Member States such as Poland).

## 5. Discussion

All scenarios predict SEMC populations to grow rapidly during the 2010-2050 period while growth of EU populations is stagnating. The Integration scenario consistently predicts the highest working age population shares during the 2010-2050 period, and the Stress scenario the lowest shares. This is consistent with the hypothesis that favourable economic and social conditions contribute to favourable demographic conditions and vice versa. All scenarios indicate that working age population shares in SEMCs are expected to increase and remain at high levels for several decades. Regarding the MT4 countries. Analysis of past trends in economic and demographic indicators suggests though that some SEMCs may not be able to fully capitalize of rising WAP shares, such as Turkey and Morocco, contributing to emigration pressure, possibly in the direction of EU5 countries where countrymen reside who migrated before. On a positive note, the development gap between MT4 and EU5 countries, indicated by differences in per capita GDP, have become smaller and this trend continues it may attenuated future migration pressure. All scenarios were designed to accommodate increases and decreases in migration pressure. For instance, the optimistic Integration scenario assumes emigration first increase and then decrease during the 2010-2030 period so that by 2030 net migration is zero. The pessimistic Stress scenario foresees emigration pressure to increase rapidly to all time high numbers by 2020, which will prevail up to 2050.

To date, EU5 countries have been successful to cope with declining WAP shares by increasing productivity, participation, pension ages, and labour immigration. However, WAP shares will further decline from 66 per cent in 2010 to 56 per cent in 2050. It is yet difficult to predict how long such measures can be used to prevent that a decline in per capita GDP commences. A complicating factor is that changes in population composition also affect the demand side of the economy. An increase in the proportion of elderly and decrease of the proportion of youth leads to changes in demand for products and services. Furthermore, the elderly of the future are likely to be different from the ones of today, requiring a different product and service mix. Such changes require that education and vocational training systems must adapt their curricula to prepare future generations for a different job market. If such adaptations are not implemented in countries with excess labour it will become hard to find and recruit suitable labour migrants abroad.

MT4 countries comprise potential future labour. However, their educational and vocational training systems needs upgrading. The EU could consider providing support but also examine current and potential levels of complementarity in working age populations of both regions, and what it takes to increase complementary. Working towards complementarity of labour pools also involves social compatibility of people as this fosters migrant integration and social cohesion. This requires that children and young adults in both regions have to be raised as flexible and tolerant individuals who can work and live with people of different cultures, religion

and religiosity. This sounds like Utopia, but the Integration and Alliance scenarios do assume that such complementarities and compatibilities materialize.

A few words on the plausibility of the scenarios. The overall finding was that differences between scenarios are not very large between 2010 and 2030. This is not surprising because within a time-frame of 20 years population growth is almost entirely determined by the shape of the (2010) base-year age distribution. This phenomenon is known as 'population momentum'. Effects of differences in scenario assumptions on future fertility, mortality, and migration rates only become visible in the long-term. Another issue is that the scenarios were developed while various SEMCs are going through a period of political transition of which the outcome is yet uncertain. We made the optimistic assumption that by 2015 this transition will have been completed resulting in a new status quo which does not lead to major shifts in demographic behaviour. But is this reasonable to assume? What would happen in terms of demographic behaviour if Arab Spring related protests would lead to establishment of anti-western, conservative Islamic governments in all SEMCs? Can the presented population scenarios encompass population growth trajectories emerging out of such kind of context? We think the answer is affirmative for the following reasons.

Firstly, the 'population momentum' embedded in the current age-sex pyramids leaves little room for effects of sudden changes in between 2010 and 2030. With respect to the international migration component, even if all persons who even slightly oppose lifestyles according to conservative Islamic law would emigrate or flee from SEMCs, actual numbers departing would be limited by immigration and asylum restrictions in receiving countries. Furthermore, after 2030, effects of changes in fertility and mortality rates would gain momentum but effects are attenuated because they cancel out to some extent, even if a new political order would result in higher fertility and lower life expectancies. Secondly, there is little evidence that the establishment of anti-western, conservative Muslim governments automatically leads to higher fertility and population growth. In fact, after establishment of the Iranian Shiite government in 1979 fertility rates dropped to below replacement level fertility by 2010. In Saudi Arabia, heartland of Sunni Muslim tradition, fertility declined from 7 children in 1978 to 3 children in 2010.

We conclude by noting that the European Neighbourhood Policy (ENP) may become victim of its success because realization of its goals may conflict with EU economic interests. The consequence of ENP success is that SEMCs cannot, for a second time in history, serve as labour pool to EU economies because economic growth in SEMCs and closure of welfare gaps is likely to result in lower emigration from SEMCs and to significant return migration of former citizens, including children born, raised and educated in EU countries. Implication is that future EU labour force shortages have to be complemented by people living in other parts of the world. However, ageing and shrinking labour forces are not issues limited to EU countries as they also play in other parts of the world. It is difficult to foresee to what this may lead in terms of national and regional economic growth and power, globalization of international migration, social cohesion and migrant integration.

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