

Strategic Sectors | **Culture & Society**

Demographic Challenges in the Mediterranean

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The Mediterranean: Convergence or Divergence?

One of the main features of the Mediterranean region is its diversity: both in terms of production and economic specialization and in terms of culture and forms of social and political organizations. Regional economic differences have increased during the last two centuries. Today, there are strong inequalities in the region, with a clear distinction between North and South. From a demographic point of view, the countries on the northern shore of the Mediterranean – with the exception of Albania – are characterized by low natural population growth,¹ and in some cases by negative growth (Italy, Portugal, Croatia). The southern and eastern shores are characterized by high rates of natural growth. The different rates of population growth are the consequence of the process of demographic transition.² The countries of the Mediterranean are at different stages of this process: while the countries of the northern shore have ended their demographic transition, most countries of the southern and eastern shores are still in its third stage. That stage is characterized by sustained population growth due to the delay in the decline in birth rates, which occurs a certain time after the decline in mortality. The results of these differences between the two regions is a rather une-

qual population age structure: while the median age in most of the ageing countries of the northern Mediterranean is over 40 (except Albania and Montenegro), on the southern and eastern shores, the median age is under 30, confirming a younger age structure.

The Demography of the Mediterranean Countries

The population of the 21 countries bordering the Mediterranean is about 529 million: 205 million live on the northern shore and 324 on the southern and eastern shore (UN, 2020). The demography of the European countries bordering the Mediterranean has been characterized over the last decades by a sharp decline in fertility and an extraordinary increase in life expectancy, leading in most countries to a fertility rate below the replacement level,³ to an acceleration of population ageing and to a natural growth rate close to zero or negative, with a forecast 4.3% drop in its current population by 2050, according to the latest projections issued by the UN (medium variant). The differences with the countries bordering the southern and eastern shores of the Mediterranean are striking. During the last decades, the demography of these countries has profoundly changed: the total fertility rate has decreased, although it is still above the replacement level in most of the countries; and there were improvements in life expectancy, and further improvements are still occurring. Natural growth is positive and in the coming three decades, due to the so-called *population*

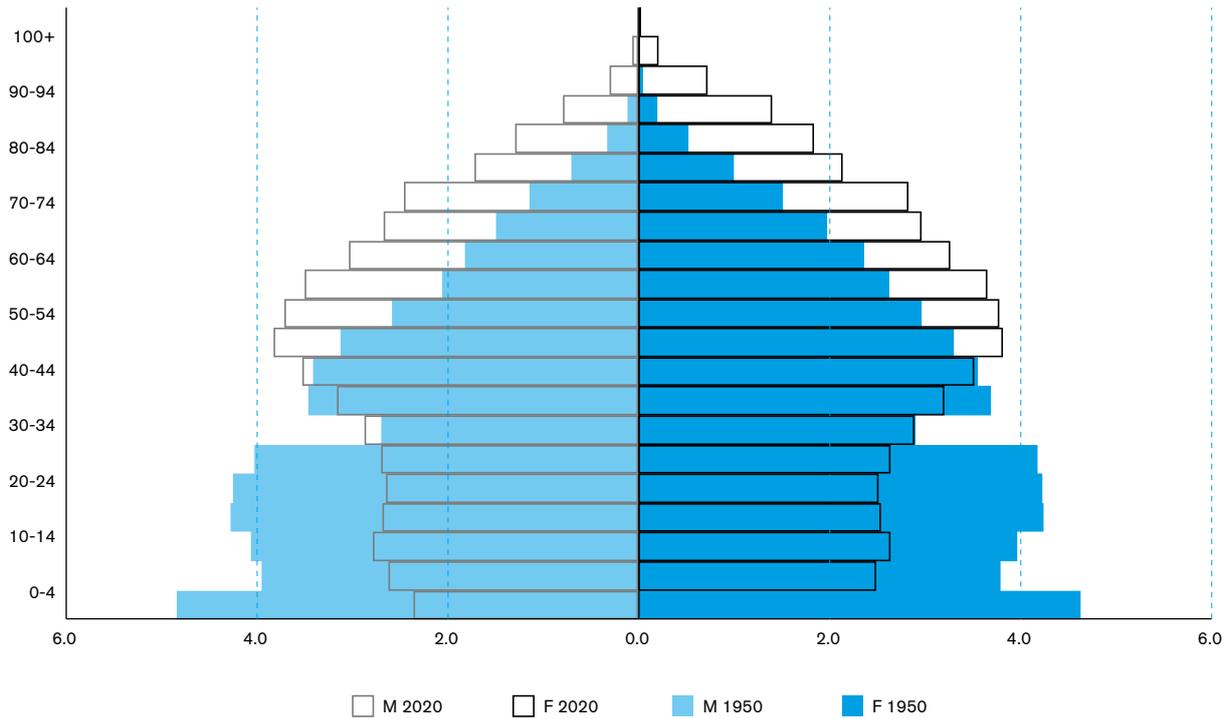
¹ The rate at which a population is increasing (or decreasing) in a given year due to a surplus (or deficit) of births over deaths, expressed as a percentage of the base population (Source: Population Reference Bureau Glossary).

² A demographic transition is the shift in a population from a traditional demographic regime marked by high fertility and mortality to a modern demographic regime in which fertility and mortality are low (Source: Population Europe glossary).

³ The level of fertility at which a couple has only enough children to replace themselves, or about two children per couple (Source: Population Reference Bureau Glossary).

CHART 15

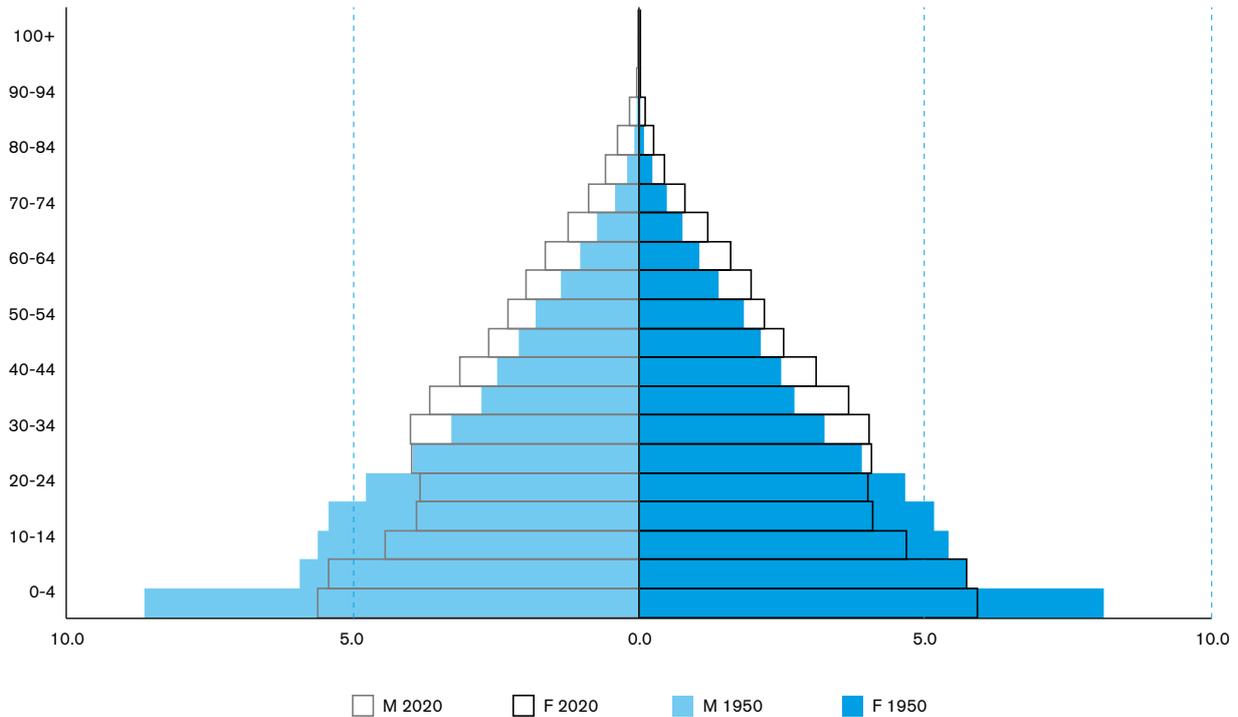
Population Pyramids: France, Italy and Spain 1950 and 2020



Source: Prepared by the author using UN data (2019).

CHART 16

Population Pyramids: Algeria, Egypt and Morocco 1950 and 2020



Source: Prepared by the author using UN data (2019).

momentum,⁴ the population will increase by about 22% (UN, 2019). As a consequence, in the next 30 years (2020-2050), the population of the Mediterranean region will increase by 90 million inhabitants, reaching 611 million. In 2050, one third of the Mediterranean population will live on the northern shore, and two thirds on the southern and eastern shores. A comparison of the population pyramids of three North African countries, i.e. Algeria, Morocco and Egypt with that of three southern European countries, i.e. Spain, France and Italy (Charts 15 and 16) in 1950 and 2020 shows significant differences in space and time. In the countries of southern Europe, in 70 years there has been a sharp decline in fertility (base of the pyramid) and a significant increase in life expectancy (top of the pyramid) that has led to population ageing; in the North African countries, there was also a decline in fertility (base of the pyramid) and an increase in life expectancy, but both phenomena are much less marked. This implies that in southern European countries, population growth is now ensured by the positive migratory balance, while in the countries of North Africa, on the other hand, population growth is ensured by the natural balance. The southern and eastern shores of the Mediterranean are therefore much more dynamic, from a demographic point of view, than the northern shores.

Future Challenges

The Demographic Dividend

In the Mediterranean countries, as elsewhere in the world, one of the consequences of the process of demographic transition is the uneven evolution of an important demographic indicator: the dependency ratio.⁵ This indicator is particularly relevant during the demographic transition process, more specifically during the declining birth rate phase. In fact, birth rate decline implies a decrease in the population aged 0-14 compared to the adult working age population (15-64). The *demographic dividend* has been defined as the potential for economic growth that can

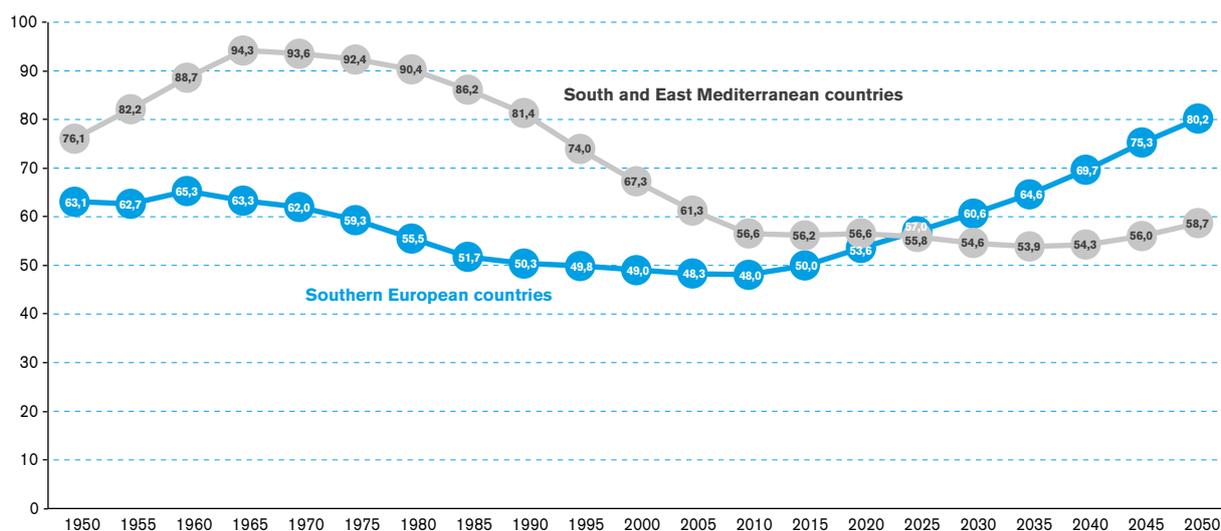
result from changes in the age structure of a population, especially when the share of the working age population (15 to 64) is higher than the non-working age share of the population. The demographic dividend can have very significant economic and behavioural consequences. From an economic point of view, it has a positive impact on the workforce, which increases in relative terms compared to the young dependent population, and it also has a positive impact on savings and production capacity per capita. From a behavioural point of view, Bloom and colleagues (2003) identified three effects: first, the increase in women's participation in the labour market following the reduction in the birth rate implies a further decrease in the dependency ratio. Secondly, the decrease in the average number of children per woman opens up the possibility for families and governments to invest more in quality (i.e. children's education and health) than in dealing with the quantity of children. Finally, since in traditional societies with underdeveloped welfare systems, young people are seen as an insurance for the older generations, the decline in young people can lead to increased pension savings. This process can also lead to an increase in economic growth due to the capital-intensive mechanism.

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A look at the past and future development of the dependency ratio in the Mediterranean region from 1950 to 2050 (Chart 17) shows that it has fallen since the 1970s in southern Europe. However, since 2010, it has risen because of the increasing weight of the older population on the working-age population, and it will continue to rise in the future. In North

⁴ The tendency for population growth to continue beyond the time that replacement-level fertility has been achieved because of the relatively high concentration of people in their childbearing years (Source: Population Reference Bureau Glossary).

⁵ Ratio of the economically dependent part of the population (children and persons aged 65 or over) to the working-age population (aged 15-64). The result is expressed as the number of persons under 15 and aged 65 or over per 100 persons aged 15-64. (Source: Ined Glossary)



Source: Prepared by the author using UN data (2019).

African and eastern Mediterranean countries, the dependency ratio has declined since the 1980s, witnessing a steep decline until 2005, when it reached very low levels (56%). It will remain at these levels for a couple of decades. For these countries to benefit from the demographic dividend, the necessary condition is that young adults entering the labour market find a job. This condition is highly dependent on the institutional and economic context of the countries where the demographic dividend occurs: the adoption of investment policies, the improvement of the quality of infrastructure, policies aimed at increasing the degree of specialization of the workforce, and also social and political stability, governance, human rights and gender equality are all essential to benefit from the demographic dividend in North African and eastern Mediterranean countries.

International Migration

The region's migration scenario in the future could be characterized by strong migratory pressures, particularly from the migration of young adults from the southeastern Mediterranean to Europe. To address such a challenge, an alternative for the European countries to the migration policy paradigm based on securitization and solidarity with the poor, may be to (re-)open the legal channels of migration, for both humanitarian and economic migrants, in order to

avoid economic and political conflicts in both the receiving and sending countries, which may cause crisis-related migration movements. At the European level, the re-opening of legal immigration channels would help receiving countries to cope with their domestic labour shortages, in particular with the segmentation of the labour market and the need to find care workers to respond to structural demographic ageing. Furthermore, it would help to recognize immigration as a structural phenomenon and not a transitory one, and, above all, to mitigate negative attitudes towards migrants, which have generally been exacerbated by a political discourse and policy actions dominated by security and emergency issues.

Population Ageing

The phenomenon of population ageing is a consequence of positive developments in health and socio-economic progress, which have increased life expectancy and lowered fertility rates. Population ageing brings a series of societal challenges for the future of the Mediterranean countries, which need to be tackled by policymakers through synergetic and systematic strategies. One of the major challenges is the sustainability of pension systems, threatened by the contemporaneous increase in the number of retirees and the decline in the size of the working-age population. An additional challenge posed by population

ageing is the shrinkage of the labour force, which may affect the sustainability of both economic growth and social assistance.

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In order to face such challenges many southern European governments have adopted measures devoted to increasing the employment rates of older workers, such as raising the retirement age by adjusting it to changes in life expectancy, and by reducing options of early retirement; some countries have also revised benefit levels and coverage. Countries of the southern and eastern shores of the Mediterranean lag behind in their reforms or, in some cases, in implementing a welfare system. They need to act fast in order to tackle future challenges imposed by an ageing population. Furthermore, in an ageing society there is a rising need for providing care for older people, both in terms of regular healthcare and long-term care for an increasing number of elderly citizens who are frail or affected by dementia. As a consequence, the sustainability of public funding for health and long-term care systems is another major challenge posed to Mediterranean societies by population ageing, because the increase in life-years in which the elderly may need expensive care may raise the demand for services over a longer period, assuming the health status of the elderly population does not improve. Beyond the economic and health spheres, other societal spheres, such as the family and the community, are crucial in a society that needs to adapt to an increase in the number of older people. Indeed, institutions and policymakers need to take into account that the elderly can be considered as a set of different resources for the whole of society, and that their potential in terms of working, spending and their social and cultural contributions has to be enhanced. In this context, a key factor is introducing the concept of active ageing. This stems from the idea that older peo-

ple can represent a resource for society in terms of their political, social, economic and cultural contributions; indeed, their autonomy and their participation in the labour market and in society should be encouraged. Most southern European countries have implemented a strategy for active ageing. Countries in the southern and eastern Mediterranean should also consider adopting such a strategy.

Conclusions

The demographic challenges of the Mediterranean are not well known. Indeed, major societal changes are taking place in the region: young people's expectations, women's desire for greater autonomy, male-female and intergenerational relations, and the forms and size of families. These transformations have consequences on Mediterranean demographics: progress in women's education, decline in fertility indicators, reduction in intergenerational cohabitation, rural exodus, and an increase in single-parenthood and single households. Several risks may arise from this new demographic landscape: political instability, social movements, pressures on the labour market or the depopulation of territories. At the same time, the changing demographic panorama of the region may lead to socio-economic and societal opportunities: the silver economy, improvement in the health of the population, progress in education and the demographic dividend.

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