

MONITOR

DEMOCRACY/DEMOGRAPHY

More people, more power?

Why human capital counts when it comes to climbing the global power ladder

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- › The size of a population has always played a major role in helping countries rise to the status of great powers. However, we see populations aging and shrinking in more and more countries worldwide today.
- › An international comparative analysis of economic, security and societal factors in countries that constitute great and middle powers makes it possible to take a broad-based view of the connections between demographic change, national strategies and the global power structure.
- › This article illustrates demographic development and the approach taken towards it by the great powers USA and China, in imperialistic Russia, in Japan – the country with the world's oldest population –, and in the middle powers India, Mexico and Nigeria.
- › It is clear that domestic demographic challenges tend to be neglected in autocratic countries in comparison to geo- and power-political ambitions.
- › Focusing on the needs of one's own (aging) society may however have a positive long-term impact on a country's position in the international power structure.
- › Population size is not the only factor that counts when it comes to gaining the status of a great power. It is vital to invest in the available human capital. Investing in health, education, and creating conditions for people to make a more active contribution in the labor market goes a long way toward creating a foundation for economic, political and military strength.

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Introduction

Josef Schmid, the first person to hold a German chair for demography, wrote in 1999: "Each great economic power also holds a demographic potency".¹ The well-known quote from the French philosopher Auguste Comte, "demography is destiny", also underscores the significance of demographic developments for the future of a country. Examples from history document that population size has always played a major role in helping countries rise to the status of great powers. The Industrial Revolution in Britain was driven by strong population growth. The United States' rise to military and economic world power was also fueled by population growth, particularly due to immigration in the 19th Century. Similarly, the rapid rise of the People's Republic of China since the 1980s to become the second-largest economic power and a geopolitical challenger to the USA is also related partly to its population size, with China being regarded as the world's most populous country up until 2022.

That being said, an increasing number of countries around the world, including great powers, are affected by negative demographic change. The aging of societies brings about numerous challenges, especially when a country's population is not only aging, but also shrinking, due to low immigration and birth rates. Aging societies lead to a rise in demand for nursing care for the elderly, whilst the social welfare structures are funded by a shrinking workforce, and the shortage of skilled workers becomes more acute.

Furthermore, the decline in the young and working-age population contributes to a reduction in both funding and new recruits available for the armed forces. A large population can drive a country's economic growth by providing a large workforce, as well as increasing demand through large sales markets. Economic power, in turn, is traditionally seen as a key criterion for a country's status as a great power, along with military strength and political influence vis-à-vis other countries.² Additionally, the composition of a population affects a country's innovativeness and readiness for conflict. Demographic trends, therefore, influence a country's economic power, defense capabilities and political influence on the international stage. At the same time, the domestic challenges brought about by demographic changes may impose restrictions on resources for strategically oriented foreign policy.

Demography as a factor in competition between the great powers

The following questions come up regarding the significance of demographic trends for the global power structure: Does a shrinking, aging population necessarily lead to a decline in the sense of a loss of power on the global stage, and does a growing population indicate an increase in a country's significance? How do countries around the world address the challenges of demographic change, and how does this affect their respective positions in the global power structure? How does the factor of demography influence the status of a great power?

The analysis provided below illustrates the demographic situations in the USA and China, both regarded as great powers, in imperialistic Russia, and in Japan, the country with the highest average age in the world. We will also analyze demographic development and the respective approaches to these developments in the middle powers India, Mexico, and Nigeria – countries where populations are still growing that generally act neutrally or in alternating ways in geopolitical contexts. This comparative analysis of economic, security and societal factors in countries with diverse demographic developments and political systems allows for a broad-based international perspective on the connections between demographic change and the global power structure.

Aging societies = more peaceful societies?

Greater life expectancy and improved healthcare are enabling societies worldwide to age. In 2022, Japan's average age was 48.7 years, Russia's median age was 39, and Nigeria's was as low as 17.1. Africa's population is projected to nearly double by 2050, growing from 1.4 to 2.5 billion, and is expected to account for one-quarter of the global population.³ According to UN projections, 61 countries in other regions will shrink by 15 percent by 2050, with many of these countries located in Europe.⁴ Demographic changes are likely to reduce the European Union's population to 420 million by 2100, down from a peak of 453 million in 2026.⁵ Asia is also expected to see a decline in population size due to restrictive migration policies and low birth rates, with UN estimates projecting Japan's population to fall by 16.3 percent, or 20 million, by 2050.⁶

The theory of a *geriatric peace* holds that aging societies with an average age over 30 become more peaceful, *nolens volens*, because they possess fewer military and economic resources. Slowing economic growth and increasing expenditure on nursing care result in reduced funds being available for defense, and in a decrease in potential new recruits for the armed forces.⁷

Conversely, the theory suggests that younger societies are more willing to commit to greater military expenditure and are more combative towards other countries.⁸ For example, when war broke out in Syria, the average age of its population was less than 20 years. Demographer Paul Morland attributes the fact that the waves of refugees coming from Syria did not trigger a civil war in neighboring Lebanon to the country's higher median age of almost 30.⁹ However, reality shows that the theory of peace resulting from aging has its limitations. Its authors acknowledge that while aggression from aging societies is less likely, it cannot be ruled out.

The former superpower is shrinking: Is demographic pressure driving Russia's imperialist ambitions?

Examining current geopolitical events reveals that an aging and shrinking country can still choose to increase military expenditure, or even to engage in a war of aggression. In 2005, Vladimir Putin described the collapse of the Soviet Union as the “greatest geopolitical catastrophe of the 20th Century”. This statement illustrates his ideal of a “Russian Empire” (*Russkij Mir*) with global power status. It has been demonstrated by the recent war of aggression against Ukraine, which underscores the Russian leadership’s revanchist goal of restoring and reinforcing zones of influence. Some voices even suggest that demographic concerns are a motivating factor behind the attack on Ukraine as part of efforts to reconstitute the Russian Empire.¹⁰ In November 2021, Putin acknowledged demographic change as the greatest challenge faced by Russia. The Russian President’s appeal at the World Russian People’s Council in November 2023 for Russians to have more children indicates growing anxiety among the Russian leadership about the country’s declining population, which has been observed in Russia for several years. The persistently low birth rate of less than 2 (1.42 as of 2022), and a significant decline in immigration since the post-Soviet Union influx have led to a population decrease of over 4 million since 1993.¹¹ This is added to estimates of around 120,000 (as of 2023) Russian military casualties in the war of aggression against Ukraine and up to one million people who have emigrated.¹² Despite this, Russia’s approach to warfare seems to disregard its shrinking population, as it continues to accept significant human losses in trench warfare in Ukraine. A decision has been made to allocate one-third of the Russian national budget to defense again in 2024.¹³ Russia’s military strength was estimated at 1.3 million active soldiers and a two-million reserve in 2023.¹⁴ According to the principle “innovation is the best defense”, a country’s military strength is not solely determined by the number of available soldiers but also by the availability of modern equipment and of specialized personnel.¹⁵ The UK Ministry of Defence notes that the Russian military is evolving into a “mass army”, characterized by high quantity rather than quality, which has resulted in increasing losses in the war of aggression against Ukraine.¹⁶

According to the authors of the 2017 theory of a geriatric peace, Russia’s combative attitude could be explained, despite its aging society, by political decision-makers’ disregard for the needs of their aging population. Additionally, low life expectancy in Russia is said to result in lower social expenditure, thereby increasing the capacity for defense spending.¹⁷ Finally, there are clear indications that autocratic countries in particular tend to neglect dealing with domestic challenges, which are being exacerbated with demographic change, in comparison to the efforts they undertake to achieve geo- and power-political ambitions.

Focusing on the needs of an aging society may however have a positive effect on a country’s international status in the long term, given that investment in health, education, families and generally better living conditions also boost the economy, increase satisfaction with the political system, and enhance a country’s military strength.

Russia’s relatively low healthcare expenditure, approximately 5 percent of GDP since 2000 and only increasing to 7.6 percent from 2020 onwards¹⁸, has had negative repercussions. Experts have long described increasing volatility and significant inequalities in access to medical treatment within the country.¹⁹ Especially in smaller towns, hospitals are said to be often poorly equipped, and few people could afford to pay for private healthcare.²⁰ This inadequate funding of the healthcare system, coupled with widespread economic uncertainty and high rates of alcoholism, contributes to Russia’s low life expectancy of 73.2 compared to the OECD average of 81.²¹ According to the OECD Better Life Index, Russia also scored below average in 2020 in areas such as environment, security, social relationships, and life satisfaction. Political economist Nicholas Eberstedt speaks of Russia’s “high education, low human capital” paradox that extends beyond health issues

to include education and research. The high level attained by the Russian education system is undisputed. Nevertheless, only a negligible proportion of international patents come from Russia (fewer than 0.3 percent between 2000 and 2022), and Russia's service-sector exports only account for 1 percent.²²

Getting old in the Middle Kingdom: Is China growing old before it becomes rich?

China, whose military takes third place in the Global Firepower Ranking, is also paying considerable attention to the possibilities offered by new technologies such as AI applications in support of its armed forces. They have expanded their war fleet to become the world's largest within only a few years. In addition to that, the country leads in supersonic technology. Through this extensive military build-up, China aims to replace the USA as the world's strongest military power by 2035.²³

Michael Beckley and Hal Brands postulate that China's rise has reached its peak, making its political leadership more willing to consolidate the country's position in the short term through military actions such as attacking Taiwan.²⁴ The US political scientists share the hypothesis that countries on the verge of losing power, and whose leaders fear running out of time, may initiate wars to ensure they remain in power. Scholars refer to this phenomenon as the "Power Peak Syndrome", which has also been cited as an explanation for Russia's aggressive behavior at the international level. A core element of this theory is said to be that differences in demographic changes between countries can contribute to shifts in the power structure, leading to conflicts and even wars.²⁵

China is experiencing an accelerating decline in births following its decades-long one-child policy. The Chinese population has been shrinking since 2022, falling by more than two million within one year to 1.409 billion people in 2023. Despite the current three-child policy, many Chinese are choosing to have only one child due to economic uncertainty and high costs of upbringing, care and education, resulting in a birth rate of just 1.0 today. Consequently, China's population will continue to shrink rapidly, significantly impacting the future labor market. Demographic change ultimately has a major influence on an economy's performance.

When birth rates fall and a society ages, without adequate immigration to counteract the decline, the number of working-age people decreases, reducing a country's attractiveness as a sales market. Additionally, aging populations lead to increased expenditure on age-related and healthcare services. Scholars refer to this phenomenon as "shrinkonomics", where demographic aging leads to budgetary restrictions and ultimately to economic decline.²⁶ The Chinese Government estimates that the country's workforce will decrease by 35 million by 2026.²⁷ Although the Chinese leadership has already responded with an automation campaign, some experts believe that the Middle Kingdom could fall into a "middle income trap", primarily due to deficiencies in the education system.²⁸ This phenomenon occurs when emerging nations struggle to transition from simple manufacturing to high-tech production, which prevents them from becoming highly-developed economies despite rapid growth phases. As a result, growth rates plateau, and these countries remain at a medium income level, and hence carry on as emerging nations. This is symbolized by the phrase "China will grow old before it becomes rich". However, some argue that the impact of demographic change in China could be mitigated if the reduction in labor potential is offset by advancements in Artificial Intelligence, automation, and significant improvements in the education system.²⁹ In this view, negative economic development could be countered by enhancing qualifications, making skillful use of technological progress, as well as implementing fiscal-policy measures to further stimulate growth in a shrinking, aging society.

Are geopolitical ambitions trumping the needs of the aging population?

China exemplifies how aging challenges a country's social welfare structures. China's weak social welfare structures cause the Chinese population, especially in rural areas, to lack state security. Traditionally, social security was provided by families, but as families shrink, this leads to

significant gaps that the government needs to fill by expanding its social welfare state, which in turn would leave fewer funds over for “geostrategic projects” such as China’s Silk Road Initiative.³⁰ The 2024 National People’s Congress suggests that the Chinese government will continue to prioritize defense spending over investment in human capital and social welfare.³¹ In 2023, Head of State Xi Jinping said that young people would have to “eat bitterness”, suggesting that the population would likely have to face sacrifices to support higher-priority geopolitical ambitions. International studies have shown that investing in the academic and health promotion of the population significantly impacts a country’s future. A comparative analysis of 195 countries and territories in 2021 concluded that focusing on human capital, especially in education and health, greatly benefits a country’s economic growth.³² A recent European study even highlights the potential of increasing per-capita investments in education to improve individual health and well-being, thereby addressing the economic challenges of demographic change.³³

Can Japan maintain its high standard of living despite its overaged population?

Japan is another example of a country that has increased its investment in defense in the face of massive aging and is actively promoting the revision of its pacifist Constitution. This shift is also driven by a perceived threat scenario:

China, a great power, with which Japan has territorial disputes in the East China Sea, is massively expanding its military capacities. North Korea is also regarded as constituting a major security risk due to its nuclear program and its growing capabilities with long- and medium-range missiles that can reach Japan. Despite reservations among the population and financial bottlenecks in the national budget induced by demographic change, the Japanese Government has decided to increase defense spending by two percent of GDP by 2027. This mirrors Germany’s defense spending in 2024, which was the first time Germany reached this level since reunification. The focus of Japan’s defense spending is on new military technologies, partly due to demographic factors.³⁴ In comparison, Japan’s planned defense expenditure appears modest against its public social spending, which was 24.5 percent of GDP in 2022³⁵. Japan’s comprehensive social welfare system is similar to Germany’s and provides social assistance such as unemployment benefits and basic income to those in need. The centralized Japanese healthcare system is regarded as one of the best in the world. Japan’s high life expectancy, averaging 85 in 2022, indicates excellent health-promoting living conditions, including good care even outside large cities. Additionally, Japan is also among the top performers when it comes to education, with Japanese school pupils scoring above the OECD average in mathematics, reading, and natural sciences according to the PISA study.

Moreover, Japan is considered to be the blueprint for the phenomenon of “shrinkonomics”. The country has experienced stagnation accompanied by deflation for most of the time since the early 1990s, and Germany recently overtook Japan as the world’s third-largest economy. Its population has fallen since the 2010s, from approximately 128 to about 125 million. This shrinkage is the result of both a permanently low birth rate since the 1980s, and Japan’s restrictive immigration policy. Despite these demographic challenges, this East Asian country has managed to maintain a high standard of living so far. The increased use of Artificial Intelligence and robotics has played a significant role in this, as has the rise in employment rates in recent years – from 56.5 percent in 2012 to almost 61 percent in 2022.³⁶ By 2022, half of Japanese individuals aged 65-69 were in gainful employment.³⁷ Several factors have contributed to this increase: expanding childcare options, improving the work-family balance, creating numerous jobs for the low-skilled, and implementing mechanisms that allow Japanese pensioners to continue working.³⁸ German studies also highlight the positive impact of measures to improve the work-family balance. Research indicates that expanding childcare in particular helps to increase the birth rate.³⁹ However, Japan’s high

level of national debt and low labor productivity pose significant risks to the sustainability of its economic model.

Can India make use of its demographic dividend?

The positive impact of a large population, particularly when it consists of largely working age individuals, on a country's economic development is demonstrated by the current most populous country in the world. As of April 2023, India surpassed its northern neighbor and rival China to become the most populous nation in the world. According to projections, India's population growth has not yet peaked.⁴⁰ The current birth rate is approximately two children per woman, albeit there are significant regional differences. While the population in the North continues to grow, it is aging in the more prosperous South, presenting major challenges for policymaking.

The fastest-growing economy in the G20 – with ambitious plans to become one of the world's Top 3 in the next decade – stands to benefit significantly from its young population: 47 percent, or 650 million people, are under 25 and the median age is 28.7. More than 1.1 billion people (75 percent of the population) are of working age. Combined with English as its lingua franca, and an internationally competitive IT and tech industry, these factors provide substantial advantages in international competition – particularly vis-à-vis countries like China.

Whether India will manage to capitalize on its demographic dividend in economic terms will largely depend on its ability to create sufficient jobs for the approximately ten million young people entering the Indian labor market each year. There is talk of needing 90 million new nonfarm jobs by 2030⁴¹, or one million new jobs each month⁴². Failure to meet this demand could lead to unrest, as seen in 2022 in the Northern State of Bihar, where twelve million people applied for just 35,000 jobs with Indian Railways.

India also needs to make adjustments in the training and education sector. While the country is very successful in the service sector, including IT, it does not have enough trained specialists for the high-end manufacturing industry, which is crucial for attracting foreign investment. In terms of foreign investment and job creation, India is lagging behind countries like Bangladesh and Vietnam, whose populations are experiencing faster demographic aging.⁴³

A third critical area where India must invest to capitalize on its demographic dividend is urban infrastructure. Cities like New Delhi, Mumbai, Chennai and Kolkata are experiencing ongoing immigration, leading to a strain on housing, water supply and public transportation systems. Mumbai alone is expected to grow to 27 million people by 2025. Climate change is likely to exacerbate internal migration to urban areas, increasing the pressure on these already overstretched resources. Additionally, India's growing population drives up demand for finite natural resources like water, while deforestation, environmental degradation, and air pollution worsen. The country's emissions from coal, oil and gas are projected to rise by 6 percent due to this population growth.⁴⁴

There is no doubt that Indian policymakers still have a short window of opportunity in which to reap the benefits of the demographic dividend, and in doing so to cope with the diversity between a still-growing population in the North and an already aging population in the Southern States. India's sheer population size and status as the world's largest democracy afford it significant geopolitical weight. To become a global power, however, the country's economic strength would have to increase significantly, and domestic reforms, particularly on the labor market, in education, qualifications and infrastructure, would have to be tackled.

The demographic giant Nigeria: On the path to become a superpower?

One of the countries where the challenge of reaping the potential of its many young people appears to be even greater is Nigeria. As the most populous country in Sub-Saharan Africa, Nigeria is one of the eight nations projected to account for half of the world's population growth between 2022 and 2050.⁴⁵ Its current population of 226 million people, which makes it the sixth most populous country in the world, could almost double in size to 400 million inhabitants by 2050, driven by a very high birth rate of 5.1 children per woman.

This rate is falling, but the number of women having children is still on the rise. Roughly 70 percent of the population is under 30; the median age is below the African average, at 18.5.

Nigeria is only the 30th largest economy in the world but can certainly compete with the economy of industrialized South Africa. However, the standard of living remains very low. Nigeria ranks 129th worldwide in terms of purchasing power-adjusted per capita GDP. According to the World Bank, around 40 percent of the population live below the national poverty line of \$1.90 per day. In absolute figures, more people in Nigeria live in extreme poverty than in India, a country with more than six times as many inhabitants as Nigeria. Life expectancy is the third lowest in the world, at 55, due to inadequate healthcare and many chronic and infectious diseases. Approximately 19.4 million Nigerians – almost ten percent of the population – faced food insecurity in 2022. According to UNICEF, 20 percent of the world's children who are out of school live in Nigeria (roughly 10.5 million children, the vast majority of them girls). Nigeria ranked 158th of 185 countries in the 2019 Human Development Index.⁴⁶

Against this background, it appears to be a major task to make use of the potential offered by the many young people in Nigeria, and thus to create a framework for the country's (economic) development, in order to translate demographic growth into power policy. Reducing the birth rate could have a positive impact on the country's economic power: calculations suggest that reducing the rate by one child per woman would lead to a 13-percent rise in the national per capita income over the next 20 years (or 25 percent in 50 years).⁴⁷ Along with the obvious tasks facing Nigerian policy-makers in poverty reduction and necessary improvements in the health and education system (especially for girls), the poor security situation in the country overall needs to be addressed. This could include creating opportunities for young people who join crime gangs and terrorist organizations out of economic need and lack of prospects. Additionally, effectively combating endemic corruption is essential. Moreover, the emigration of well-trained people is hindering economic development: according to the International Organization for Migration (IOM), the number of people leaving the country doubled between 1990 and 2013, with 51 percent of emigrants having completed higher education. For instance, more than half of the 72,000 physicians registered with the Medical and Dental Council of Nigeria are practicing outside the country.⁴⁸

Mexico: Migration as an influencing factor

The degree to which migration can influence a country's development is also shown by the example of Mexico. This country, which now has the tenth-largest population in the world (2022: roughly 127.5 million inhabitants), will continue to grow into the 2060s, although falling birth rates are likely to eventually reverse this trend. Mexico's population would grow even more rapidly if not for the emigration of so many young people of reproductive age to the USA. At the same time, migration to the North acts as an escape valve for Mexico's surplus workforce. The remittances sent by Mexicans working there play a significant role in economic terms for Latin America's second-strongest economy (place 14 in the world). Moreover, an increasing number of senior citizens are returning to their former home once they have stopped working. It is not unusual for them to lack access to Mexico's state pension and healthcare system. Migration from Central America, and

increasingly from Africa and Asia, along with the associated economic, integration and security issues, further influences the situation in Mexico.

The international trend of aging is not limited to Mexico; it is a widespread phenomenon throughout Latin America, where this process will in fact continue to accelerate: The share of the over-60s, who accounted for 6.3 percent of Mexico's population in 2010, will increase to almost 23 percent by 2050. These elderly Mexicans are disproportionately affected by poverty in this country marked by significant social inequalities. Working older people are a common sight in Mexico. Although there is now a state pension system funded by workers, employers, and the state, only roughly half of all Mexicans are in formal employment. State assistance for the elderly is scarce, resulting in a considerable dependence on relatives for care and financial support for the great majority of people of the *"tercera edad"* ("third age"), as this stage of life is referred to in Mexico.⁴⁹

The lack of care for the elderly, coupled with the growing share accounted for by this population group, is creating pressure on the working population and the state. This diverts resources that are then unavailable for individual and societal innovation as well as economic development. As part of the large North American Economic Area⁵⁰, and with a competitive manufacturing sector, Mexico has significant potential, which could be further amplified in times of de-risking, nearshoring and friendshoring. Whether the country can leverage this potential in economic policy terms and benefit from it in future when positioning itself on the international stage depends not only on how it meets challenges posed by green energy, infrastructure and new technologies. It also depends on whether it finds solutions to broader societal issues such as the poor quality of training and education, significant social inequalities, a two-tier healthcare system, and a precarious security situation prevalent in many areas.

The USA: A superpower of the past?

The topic of immigration, and the direct influence it exerts on demographic development, has played a significant role in the USA's ability to gain and retain its global power status. A sustained high birth rate has ensured favorable demographic development in the USA. US demographer Nicholas Eberstadt referred to this rare combination of a relatively high birth rate and strong immigration as "American Demographic Exceptionalism".⁵¹ The baby boom that followed the Second World War was even more pronounced in the USA than in Europe, with the USA experiencing a second baby boom between the late 1970s and the mid-2000s: the birth rate rose from 1.74 in 1976 to 2.1 in 1990, a rate it maintained until 2007. In contrast, Europe's birth rate fell from 2.06 to 1.52 children per woman in the same period.

The USA too has seen its birth rate fall since 2007, decreasing from 2.12 to 1.67 children per woman between 2007 and 2022. The US Census Bureau recorded the lowest population growth rate since its founding in 1990, at just 0.12 percent, between 2020 and 2021. Despite this, the population of the USA grew by seven percent between 2010 and 2020 and might still grow to roughly 410 million people in the 2060s (from 333 million today), primarily due to higher birth rates among the Hispanic and Asian-origin populations, as well as ongoing immigration. The share of the white majority population fell by 2.6 percent in the same period (2010 to 2020). According to William Frey, an expert at the Brookings Institution, the demographic situation in the USA would be similar to that of Japan or Russia, were it not for the higher-than-average birth rate among ethnic minorities and the immigration factor.⁵²

In addition to the dropping birth rate demographic development in the USA is also severely influenced by public health problems. "Deaths of despair" – deaths of white US men caused by suicide, drug overdoses and liver failure – as well as violent offences, are negatively impacting life expectancy in the USA.⁵³ At 76.4, it is already one of the lowest among economically developed countries today.⁵⁴

However, the population in the USA will continue to grow overall, and among people of working-age in particular, up to around 2040, thanks to the good demographic starting position, and further immigration. This will give the country a head-start in the medium term vis-à-vis countries such as China or Russia, which have had low birth rates and an older population overall for some time already. Today's lower birth rate will become noticeable from 2040 onwards. Immigration numbers too are not stable and are heavily dependent on domestic policies. If the population shrinks, and there are also challenges in health and education, this might well have a deleterious effect on the USA's current geopolitical power position in the medium and long term.

Immigration as an influencing factor

To sum up, immigration is a decisive factor when it comes to a country's demographic development, and hence also its economic dynamics. Immigration can halt demographic shrinking processes and even foster population growth. Countries in East Asia, such as China or Japan, which are particularly affected by aging and shrinking, traditionally pursue highly restrictive immigration policies, making it unlikely that population declines will be offset by immigration. Conversely, immigration could benefit traditional immigration countries, mostly democracies such as the USA, Australia, Canada, and countries in Europe – which Morland refers to as a “demographic disaster area”.⁵⁵ However, the benefits of immigration are contingent on successful integration, minimizing social conflicts, effectively combating irregular migration, and creating conditions for the immigration of qualified, skilled workers as needed. In Europe, not a single country reaches a reproduction level of 2.1 children per woman⁵⁶, which suggests that there is no alternative to immigration to maintain population levels. Eastern European countries such as Bulgaria, Latvia or Moldova are among the most rapidly shrinking countries in the world.⁵⁷

Falling birth rates are a global megatrend, evident also in African countries, although their populations will continue to grow in the medium term. Demographic change will eventually reach Sub-Saharan Africa in a few decades. By then, the populations of European or East Asian countries will have dropped by millions, and in some cases by one-sixth of their current size. It is possible that countries might then compete for immigrants.

Conclusion

When compared to neighboring or rival countries, a nation's population size can offer insights into its economic and military capacities, and thus its overall power potential. However, for great power status, sheer population size alone is not sufficient. Greater significance lies in human capital and investments in it. Efforts to improve education, increase female employment, extend working lives, and harness technological progress as well as skilled immigration, can enhance a country's human capital. These strategies help mitigate the adverse effects of shrinking populations and aging societies.

Conversely, where populations are growing, there is a critical need to invest in human capital: if population growth outpaces economic growth, and the education system and infrastructure are unable to keep up, this imbalance can lead to political instability and a lack of economic development.

There are clear signs that autocratic countries in particular often neglect domestic demographic challenges in favor of geopolitical ambitions. This can be detrimental, as focusing on the needs of one's own (aging) population can have a positive impact on a country's international standing. Investing in health, education and conditions that enhance individuals' ability to engage in the labor market is crucial. Such investments improve labor market participation, willingness to learn, productivity and overall population well-being, all of which are essential for bolstering economic, political and military strength. Germany and the EU should learn from this approach and create a

framework in which the potential of their shrinking populations can be utilized to the greatest possible extent. This involves maintaining and enhancing the quality of the education systems, ensuring that old-age pension systems can be financed in the long run, and improving conditions in the nursing care sector. Additionally, it is crucial to create a societal climate that supports family life, which requires facilitating a balance between work and family responsibilities for both men and women, expanding access to childcare, and increasing the availability of affordable housing. Finally, there is a need for an honest political debate about the appropriate level and type of immigration Germany and Europe need to keep the economy productive and to fund social welfare systems fund. By effectively addressing these areas, Germany and the European Union have a chance to keep pace with great global powers like China and the USA, despite their shrinking populations.

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