

**Projections and Relevant Effects of
Demographic Implications, Changes, and
Trends
(PREDICT)**

**Executive Summary
Interim Report Four
First Workshop & Scenarios**

Note on the Report

This report has been authored by the University of Bologna Research Team.

Director of Research: Sonia Lucarelli;

Researchers: Federico Casprini, Michela Ceccorulli, Enrico Fassi, Kerim Can Kavakli, Veronica Lenzi, Francesco Niccolò Moro, Matteo Villa;

Scientific advisors: Filippo Andreatta, Eugenia Baroncelli, Giancarlo Gasperoni, Giampiero Giacomello, Angelo Panebianco, Lorenzo Zambenardi;

Reviewers by other partner institutions: Emanuele Castelli, Tyson Chatagnier, George Christou.

EXECUTIVE SUMMARY

The analysis of global trends presented in Interim Report 2 and 3 emphasized the fundamental role of the *regional* perspective to understand the specific weight of each of the dimensions under investigation. Thus, the data, trends, projections and analysis provided in Interim Reports 2 and 3 were used to conduct a Scenario Building Exercise focused on the interaction of these trends in specific world regions. For the purposes of the exercise, the Middle East and North Africa (MENA), Sub-Saharan Africa, Asia, and Europe were selected as the main areas of interest.

The Scenario Building Exercise was held in Warwick on 9-11 June 2014. Participants in this first PREDICT Workshop were divided in regional working groups according to area and disciplinary expertise, to guarantee that each group had area expertise as well as a significant degree of interdisciplinarity. Building on the main trends identified in Reports Two and Three, the aim of each working group was to identify drivers of change and ultimately socio-political scenarios (with particular attention to the demographic landscape) for the target region as of 2035. This report provides a summary of the main trends for each region, of the critical issues identified during the workshop and of the scenarios emerged from each working group.

Mena. In the Mena region one of the most relevant demographic trends is the increase in the old-age dependency ratio, which is expected to double in the next two decades. With the end of the so-called “Muslim youth bulge”, the region will have to face new demographic challenges. However, some countries in the region will continue to show high fertility rates, resulting in a significant increase in their populations over the next 20 years: Egypt (+26 million people), Iraq (+22) and Iran (+17). Population dynamics, environmental constraints (desert areas), hydrocarbons, and employment perspectives were considered by the participants of this working group as the crucial variables that will drive the future of the region. These issues, coupled with the extent and the pace of the recovery of the global economy, gave rise to two different scenarios: *Hopes Alive in MENA* and *Dark Clouds over MENA*.

Asia-Pacific. Urbanization is particularly important for the analysis of Asia. Between 2010 and 2035, urbanization in this region will increase from the current 44% to more than 58%, adding more than 850 million people to Asian cities. In terms of total population, while India is expected to overtake China as the most populous country in the world, in relative terms, the biggest increases are expected in Afghanistan (+55%), the Philippines, and Laos (+38%). Competition over the supply of natural resources, management of aging populations, tensions associated with nationalism and the challenges linked to urbanization were perceived by the participants of this working group as the most important drivers of change in the region. Overall, the further development of effective governance mechanisms, both formal and functional, was identified as the major variable affecting the evolutionary trajectory of the strategic environment in the Asia-Pacific region. The two emerging scenarios were labeled *Asia Governing its future* and *A (not so) stable trajectory for Asia Pacific*.

Sub-Saharan Africa. In the next two decades, Sub-Saharan African countries will continue to display the highest fertility rates among world regions. As a consequence of high fertility and increased life expectancy, total population in the region is expected to increase by 70% in the next two decades, and to surpass 1.5 billion people by the end of

2035. The biggest increase by far is expected to come from Nigeria, whose population will increase by 80%, passing from 174 to 310 million. The durability of political institutions, the strengthening of regional organizations, governments' capacity to exploit the "demographic dividend", problems related to social and identity insecurity, and the multiple challenges of sustainable developments were selected as the most relevant variables that might shape Africa's future. Based on this discussion, two scenarios were developed, reflecting the participants' view that developments in the largest SSA countries, Nigeria and South Africa, their ability to manage the above mentioned challenges will create divergences and determine which scenario, *The Rise of Lions* or *The Dark Side of the Continent*, becomes a reality.

Europe. The European population is already the oldest in the world, and is expected to remain so for at least the next twenty years, as life expectancy at birth will shift from 74 years in the early 1990s to more than 83 years in 2035. Because of this, however, the old-age dependency ratio will boom to 43.5, by far the highest in the world. This means that 30% of Europe's population is expected to be 65+ years old by then, therefore putting even further strain on European countries' welfare states (both in terms of healthcare and pension systems). Europe is a net receiver of migrants, and immigrants are expected to contribute 75% of the 24.2 million more people that Europe is expected to host between 2013 and 2035. Without immigration, Europe's population would increase by just 1% by the end of 2035 – and, excluding Turkey, Europe's population would actually shrink by 8 million people, a 1.5% decline. Beside demographic trends, major challenges for the region were identified in the e/involution of the EU, the European capacity to sustain its own socio-economic model, the risks of technological and energy dependence and the development of relationships with key player such as the US, Russia and China. Overall, the effectiveness of governance and the competitiveness of the economy emerged as the two major variables underlying significantly different European trajectories emerging from the analysis of main trends and leading to two very different scenarios for Europe in 2035: *Unity in Diversity* and *Fragmented Europe*.

Following the discussion in the Working Group Europe and according to prevailing perceptions among Workshop participants, we further decided to isolate trends in **Russia & Post-Soviet States**, creating an autonomous region whose scenarios will be developed through the method of expert interviews in view of the second workshop to be held in Trento in autumn 2014.