

Dangerous Demographic Change Reinforces Europe's Declining Image

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Abstract: *Currently, one of the main factors that shows us a picture of Europe's decline is that of demographic change. This process of decline of the West is marked by more than five decades of several indicators and evolutions that show us that although the time of Western civilization is beginning to run out, a new one appears, namely that of the East. This process of decline in which there is an extreme and unprecedented form of capitalism appears more pronounced in Europe compared to the United States and is characterized by: corruption, alienation of peoples from their roots, religion, history, low birth rates, massive flows of migrants and refugees, the totalitarian tendency of governments. Although the signs of decline are numerous, in this paper we will analyze certain demographic developments observed mainly in Europe and which we consider from several points of view dangerous. In addition to these developments, which we consider quite dangerous, globalization is the most important.*

The paper is structured in four parts, in the first part being presented the basic trends and variations from the population's perspective. In the second and third part are presented the main causes and effects of these variations of the populations and in the fourth part the conclusions of this study.

Most of the interpretive analysis of this unwanted stagnation process is based on demographic erosion, population aging, low middle class rates, the invasion of migrants and refugees that change the cultures of the host nations.

Keywords: *demographic evolutions; globalization; economy; birth rate; migration; governance.*

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1. Introduction

In the last five decades, several indicators and developments have witnessed the decline in the West. Thus, first of all, we generally accept the hypothesis that although at this moment the time of Western civilization begins to run out (The life of each culture lasts 200-250 years) a new one appears, namely that of the East, which ends up taking the place of the one that is fading. Secondly, there is an unprecedented and extreme form of capitalism that already threatens the secular stagnation of developed Western economies [1].

Some of the characteristics of this decline, which seems more pronounced in Europe compared to the United States, are corruption, alienation of peoples from their roots, such as religion, history, national identity, the foundations of all civilization, but also low birth rates, massive migrant flows and refugees, the totalitarian tendency of governments, etc.

In this article, among the many signs of decline, we will isolate, in order to analyze them, certain demographic developments observed mainly in Europe and which we consider dangerous from several points of view. These are developments that, as everything seems to indicate, are accelerating the end of Western civilization. We will argue that these are in principle inevitable developments which, at the same time, are reinforced by negative factors, of which globalization is the most important.

2. Argument of the paper

In the first part of our article, we will present the basic trends and variations, from a population perspective, which we believe are crucial for the future of Europe. In the second part, we will explore the main causes of these demographic variations. In the third part, we will present the most significant effects of population variations. Finally, we present the general conclusions of this study.

3. Arguments to support the thesis

An important part of the interpretive analysis of this undesirable stage of secular stagnation is based on demographic erosion, population aging, the low middle class rate on the general population, and the invasion of migrants and refugees changing the cultures of host nations. Similar developments are observed in many of the advanced economies. However, they seem dramatic in the case of Europe. The main ones can be summarized as follows:

1A. The erosion of the population of the West and, in particular, of Europe, in relation to the population of the world

The world population is expected to reach 8 billion by 2030, compared to the current 7.3 billion. In 2050, it will reach over 8 billion and in 2100, 11.2 billion. Thus, according to estimates, by 2100, the world's population will increase by 50% compared to the current figure. However, Europe and East Asia will see their populations decline, unlike the US where growth is expected. But a decisive increase in population would take place in developing economies and, according to some estimates, will reach almost four billion.

Despite the limited growth expected for the US population, the global population rate, combined with that of the EU, will not exceed 9% in 2025. In addition, since 2016, the population of Asia represents 50% of the world's population.

In terms of birth rates, EU countries can be classified into three categories [2]:

a) Countries that ensure a birth rate whose level allows the replacement of generations. In 1980, only Greece, Spain and Ireland reached this level. In 1990, only Ireland succeeded, while for the period 2000-2015, none of the EU countries ensured generational replacement.

b) the countries trapped in the low birth rate. These are countries with a birth rate of between 1.4 and 1.5 children per woman. These countries are Germany, Belgium, Luxembourg and Austria.

c) Countries with a particularly low birth rate. This means almost or less than 1.3 children per woman. In 2015, the countries that found themselves in this dangerous position for their future were Greece, Portugal, Italy and Spain. That is, the unfortunate South of Europe [3].

In the coming years, Europe will become marginalized in the world economy, primarily due to the low birth rate, which has more economic and social effects, as we will see later.

1B. The aging of the European population

More threatening than the decline in the birth rate of developed economies is the aging of their population. According to UN average forecasts, the number of people over the age of 65 will exceed 600 million and by 2100 it will reach 2.5 billion people. This means that their number should almost double compared to the current figure. Of course, the problem of an aging population is not just about developed economies, as we tend to think. Indeed, several emerging areas of the world, such as China, India, the Caribbean, South Africa, Lebanon, Morocco and Iran, fall into this category.

The aging of the population is seen in the declining rate of the age group from 15 to 64, which, from 67% in 2010, will decrease to about 56% in 2060. This means that in the next 50 years, the active population will suffer a decline of about 42 million people. By 2030, these changes will result in a dramatic increase in the population aged 65 and over, which from 17.4% is expected to increase to 25.6% of the total population. To summarize these variations in the aging population of Europe, it is projected to almost double, from 87.5 million in 2010 to 152.6 million in 2060. Over 80 years in particular, which accounted for 5% of the total population in 2010, will see their rate increase more than twice, reaching almost 12%, in 2060. It is estimated (2), while today in the European Union, it corresponds to 4 people of working age (15 up to 64 years) up to 1 pensioner over 65 years, in 2060, there will be only 2 people per pensioner [4].

1C. Destruction of the middle class

Beyond the quantitative changes that should affect the population of developed economies in the coming years, there is also a qualitative change whose effects are particularly detrimental and not only for the functioning of the economy but also for the institutional functioning. We are referring here to the annihilation of the middle class, due to two decades of weak growth, if not stagnation, but also to the restriction of the welfare state. The importance of the middle class for the economy lies mainly in the fact that its members prefer the goods and services of their country, which leads to growth. And, in general, from the point of view of governing a country, the existence of a middle class that represents almost 30% of the population ensures a satisfactory democratic governance, which decisively limits the privileges of the very rich. However, the support, expansion and growth of the middle class requires continuous progress, not stagnation or anemic growth, which, unfortunately, is projected for the coming years for developed Western economies. Its preparation and maintenance requires an income of at least \$ 10 per person per day. This allows its members to be close to the middle of the income distribution. Thus, they are able to plan their future, to deal with problems related to the economic situation - such as job loss, a health problem or the bankruptcy of a small business - without being forced to radically change their way. of life. The economic and financial crisis, combined with the bad choices made in terms of economic policy, first in Europe, but also in the United States and the rest of the world, had, among other effects, the annihilation of the middle class. Here is what the following data reveals:

* In the UK, for the period 1980-2010, there was a 60% increase in poor households and 33% in rich households. This led to a 27% decrease in middle-class households [5].

* A 2016 study focusing mainly on EU economies found that between 1980 and 1990, the middle class collapsed. This collapse is directly linked to the explosion of inequalities in income distribution observed over the same period (European Commission - ILO).

This development is dangerous from several points of view: it encourages extremist attitudes, which destabilize economies and for the prevention of which no effort has been made.

1D. Mass displacement of populations in Europe In the same passive way they approach the problem of ecological catastrophe, neoliberals approach the problem of migration: they wait for an "invisible hand" to restore order. It is estimated that almost 250 million people live and work far from the country where they were born. Almost 78 million of them live in Europe. These displacements are due to local armed conflicts, but also to the fact that an increasing number of people want to live in better conditions. The multifaceted and insoluble problems created by these displacements and, above all, the search for ways to deal with them, are largely at the root of the creation of new political parties that have flooded Europe, among others, and are now known as degrading of "populist parties". For the years 2014, 2015 and 2016, it is estimated that these arrivals in Europe were almost one and a half million. Europe is aging and not renewing its generations. On the other hand, it welcomes a massive migration from the Middle East, Africa and Asia, which will replace native Europeans and bear cultures whose values are radically different in terms of relations between the sexes, political power, democracy, culture, economy. and relations with the divinity.

This particularly dangerous situation for Europe is summarized as follows [6]:

* "The suicidal decline in European birth rates, combined with the rapid increase in the number of migrants, will lead to a change in European culture. The decline in the birth rate of native Europeans actually coincides with the establishment of Islam in Europe and the renewal of the Islamization of its Muslims [7].

* In addition, Lord Sacks said: "Declining birth rates could mean the end of the West. "

* Finally, Cardinal Raymond Leo Burke predicts that "Islam will dominate Europe because of faith and birth. "

Faced with this problem that threatens to destroy Europe, the EU cannot find a solution. Thus, in the face of the gravity of the situation, he tries to justify himself by stating, among other things, that "in the near future, Europe will need manpower" or even that "joint ventures achieve a better standard of living. It therefore seems inevitable to refer to

Coudenhove Kalergi's grim project, which was the first in the early 19th century to support the creation of a united Europe. According to this project, a united Europe should open its borders and receive within it, without discrimination, all the peoples of the Earth, so that its population changes and resembles that of ancient Egypt (Kalergi), ensuring a cheap labor for both Europe and America. It is difficult to say with certainty whether the Kalergi Project is actually being implemented today or whether it is just another conspiracy theory. The fact remains that the imminent destructive alteration of the European population and, therefore, of Europe is a reality. And it happens in a way that makes this long-forgotten project a topical issue. Indeed, now "the peoples of Europe realize that their culture is in danger, mainly because of a thoughtless libertarianism, an ideology which, under the guise of freedom, aims to destroy all ties that bind man to his family, to his relatives, his work, his history, his religion, his language, his nation, his freedom. This attitude seems to stem from an inertia that leads to indifference to whether Europe will succeed or be destroyed, whether our culture will disappear, be drowned in ethnic chaos, or whether it will be destroyed by a new religion from the wilderness in Europe [6]. "The unhindered flow of migrants and refugees should be seen, after globalization and extreme liberalism, as the last step in the journey towards establishing global governance of our planet" [8].

Part 2. The causes

As mentioned in the introduction, there are two groups of factors that have led to demographic erosion and population change in Europe. The first group includes the processes of crop succession, which evolve over the long term. Although they are dominant and determine everyone else, we will not cover them in this article [4]. On the other hand, we will analyze here the second group of factors dominated by globalization and its extreme choices, which have strengthened and accelerated the changes of European populations and their particularities.

2A. globalization

First, it should be emphasized that the dramatic effects of the onset of globalization would have been considerably limited if it had not been accompanied by an extreme form of liberalism. As evolution shows, it is precisely this dangerous combination that results in the largely inaccurate content of globalization that has accompanied us for almost 50 years and which, from now on, as everything seems to indicate, leaves us. Among many other effects, globalization has neutralized the role of national governments. They have relinquished most of the prerogatives of the "invisible hand" that is supposed to regulate markets. It should also be

recalled that, within the EU and the euro area, the common macroeconomic policy imposed on Member States leaves no room for the implementation of national economic policies. This chaotic regime eventually led to crowds of losers and very few winners. Looking for the most negative and, in general, the most dangerous effect of globalization - from which come and where almost all its individual negative effects end - we arrive at that of exacerbating inequality of distribution, at all levels, which is combined with incapacity (or lack of desire) of governments to resolve them.

2B. Decreasing the share of the Cobb-Douglas function

Among the many facets of income distribution, we will emphasize the functional facet that is most relevant in terms of the context and requirements of this article. Indeed, we would like to emphasize at this point the negative effect of the declining share of labor in the GDP of OECD economies on undesirable demographic developments which, combined with a few other developments, are marginalizing the West on the world chessboard. Neoclassical theory holds that this part is invariable in the long run in the Cobb-Douglas function. And it was, until the 1980s, that is, until globalization caught on. Thus, labor accounted for a share equal to almost 70% of GDP. However, all research covering the period 1976-2006 shows a significant decrease, including indirect wages. It would be around 5.7 or even 8.8 points.

In addition, according to estimates made between 1999 and 2007 globally, worker productivity increased by 30%, while real wages increased by only 18% (Artus and Virard). This vertical decline in the share of labor in the GDP of developed economies, for the benefit of profits, has been accompanied by a wave of reforms that has had the effect of restricting measures to protect workers. This restriction has been observed mainly in EU countries and especially in the indebted economies of southern Europe, so it is not excessive to argue that labor is persecuted [9].

The latest blow to workers in European economies has come from the abolition of national borders, due to globalization. Thus, millions of migrants from less developed economies have come to Europe. This led to a subsequent decline in the general level of wages. At the same time, the EU chooses or excludes policies, exacerbating its already thorny issues.

In summary, these policies are as follows:

- The fanatical preference for austerity, justified by the excessive fear of inflation, but not by that of deflation. Unfortunately, this policy has dragged Europe into a state of stagnation and prolonged inflation so low that it is not possible to achieve general and monetary balance. The secular economic stagnation is due, first of all, to the maturation of capitalism. This is because it needs a decreasing amount of the two main factors of

production. In addition, it results in lower productivity or productivity which, being mainly related to services, is not easy to measure [10]. However, it is now no doubt acknowledged that austerity, implemented mainly in the EU, is responsible for the fact that “no country has done well.”

- The continued exclusion from fiscal policy, which began in the 1970s, and the unilateral application of monetary policy, although this proved insufficient during the Great Depression of 1929-1933. The fact that it lacked this fiscal policy did not allow Europe to offset low private spending in a period of recession with public spending.

- The implementation of full employment policies has been knowingly abandoned. On the other hand, atypical forms of employment were encouraged.

- Reducing the size of the state and the effort to neutralize its role in the economy. This essentially led to the neutralization of the redistributive role of the state. Thus, successive tax reforms have severely limited the progressive nature of taxes and the possibilities for redistribution of the welfare state. This inevitably results in an even more pronounced increase in inequalities in income distribution. Combined with extreme liberalism, globalization is, in principle, hostile to taxes, because it considers the interventionist role of the state to be harmful.

- The so-called anti-tax avoidance policy was, in the end, hypocritical and selective. Indeed, for several years now, the EU has announced that it is taking action against tax evasion and tax havens. However, according to some estimates, the premiums continue to increase, while the measures taken from time to time raise several questions about their objectivity and effectiveness. With globalization, both tax havens and corruption have developed to an uncontrollable degree. This prolonged tolerance shown by governments towards tax evasion and tax havens exacerbates inequalities in income distribution, limits public revenue and impoverishes large social groups.

The effects of this mosaic different from the neoliberal choices that have dominated for decades can, without exaggeration, be characterized as negative and particularly dangerous. And they are not only for the economy, but also for society, ethics and institutions. They have accelerated the emergence and establishment of dangerous demographic changes in Europe.

The evils suffered by the peoples of Europe as a result of these bad and dangerous political elections are brilliantly summed up as follows: "Thanks to their political elections, eurozone governments plunged millions of citizens into a recession comparable to that of the 1930s. worst self-produced economic catastrophes ever" [11].

Part 3 Effects

As we have pointed out above, the problem of low birth rates in Europe, combined with an aging population, is mainly the result of both unavoidable and cyclical factors, such as the lack of necessary measures that would have made it possible to resolve them in a timely manner. From now on, Europe faces a relentless dilemma: to endure its marginalization in the growing world population, or to continue to receive migrants, which will lead in the long run to its death, like Europe. The growing awareness of this deadly danger by the peoples of Europe increases the likelihood that border controls will be imposed to stop the flow of migrants to Europe in the near future. Moreover, the withdrawal from globalization, which is accompanied by the rise of a certain nationalism, strengthens the first possibility we will deal with in the third and last part of this article.

3A. Population aging

Aging implies, among other things, that people will live longer. But in addition to the satisfaction of prolonged longevity, it will be necessary to approach the many problems it entails [12].

In conclusion, it is expected that the aging population will limit the demand for education and increase the demand for health services. Second, the decrease in employment, as a share of the total population, will reduce income relative to potential income, as well as tax revenue. In addition, economies with an aging population have difficulty attracting FDI (5) due to their limited ability to generate wealth. Indeed, economies with an aging population are at risk of creating deficits due, on the one hand, to people's needs and public spending on health services and, on the other hand, to limited possibilities. taxation. When it comes to growth, the conclusions and logical predictions are negative, as it indicates a direction towards a decrease in the trend of consumption of unhealthy goods and services and an increase in the tendency to save.

3B. Decreasing growth rate

The decline in labor implies a decrease in the accumulation of capital per worker and, consequently, a decrease in productivity. A survey of OECD economies concludes (with the sole exception of Turkey) that an aging population will have negative effects on growth Program. Although this general conclusion seems obvious, to date there have been no studies to estimate the rate of decline of the growth rate, as an effect of population aging. This is exactly what a recent study suggests. Based on empirical studies of US states and the period 1980-2010, the researchers concluded that a 10% increase in the population over 60 years leads to a decrease in growth of 5, 5% per capita. Two thirds of this decrease is attributed to the

decrease in labor productivity, while the remaining one third is attributed to the slower change in the labor force [13].

3C. Accelerated growth is moving away from the West

Among other effects, demographic change is leading to changing regions that will support global growth in the immediate future. These regions will no longer belong to Europe or, in general, to the West, which, according to several indications, are threatened with secular stagnation. Thus, the McKinsey Global Institute predicts that over the next ten years, almost 50% of global revenue growth will come from 440 fast-growing cities and regions in Asia and other emerging regions of the world. At the same time, according to the same forecast source, in these cities and regions, one billion people will have a daily income of more than 10 USD and, as a result, will be part of the middle classes. If in the West the middle class, the engine of the progress of any economy, is decimated, its specific weight increases, globally.

3D. Negative effects of declining share of labor in GDP

As mentioned in point 2B, this decrease is estimated to have led to a decrease in consumption and investment [14]. Thus, 100 billion dollars or even 200 billion dollars would have been withdrawn from consumption and, to a significant extent, from investments. And this is based on the assumption that this transfer of income from labor to capital is mainly directed at luxury goods that do not sufficiently promote growth. Among the negative effects of the transfer of income from labor to capital, it will also be necessary to take into account the tax advantages enjoyed to a large extent by the rich and very rich, as well as the tax evasion which is the result of the latter and whose result no longer exists. It is not geared towards consumption, productive investment or innovation.

4. Conclusions

Globally, the presence of refugees and migrants is estimated to increase GDP by \$ 6.7 trillion per year, which corresponds to 9% of it. This increase for Europe is equivalent to 1/3 of GDP (McKinsey Global Institute).

Consequently, the question arises spontaneously whether the long-term risks associated with the loss of national existence, especially for Europe, could be omitted in favor of achieving purely financial goals, such as achieving higher GDP and tackling the power deficit problem. for work.

Clearly, there are two diametrically opposed answers to this question. The first, which seems to dominate for the time being and, at least, as long as the massive movement of populations to Europe continues, omits

concerns about the need to respect national borders and preserve the particularities of the peoples of Europe. She defends all the advantages that, in her opinion, the idea of global governance entails. On the other hand, the latter seems to be panicked by the idea of losing national identity and sovereignty, language, history and culture, as well as the mutation of the European race into a mixture of races of other ethnicities. Now, it is not clear which of these two worldviews will win. Provided it continues, the withdrawal from globalization supports a return to the nation-state. However, this matter of great importance requires that each of us reflect on it.

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