

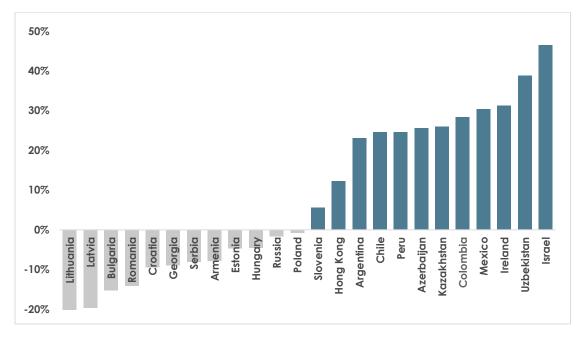
## PEOPLE VOTE WITH THEIR FEET

Reading time ~ 5 min.

During the last fifty years the world's population has more than doubled, from 3.7 bn. in 1970 to 7.8 bn. in 2020, and will likely reach 11.0 bn by 2100¹. The growing number of people around the world is one of the main causes of global warming. From this perspective it is hard to argue that the Earth needs more people.

Nonetheless, during the past few decades, populations of many Eastern European countries have declined significantly (Chart 1). For countries (member states) of the European Union this is not a big worry as they have all embraced the "European Citizen" concept. Whether a Latvian or a Bulgarian lives in Latvia, Bulgaria or Germany doesn't make much difference, just like it wouldn't make a difference if an American relocated from one state to another.

Chart 1. Population Change, in % of Total Population, 2000 – 2020



Source: World Bank

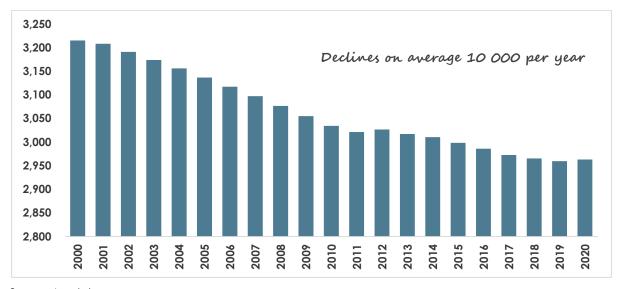
The European Union project is gradually replacing the concept of "ethnicity" with the principle of "nationality." This is what countries such as Canada, America and Australia have been doing for decades. Many people in developing countries have trouble understanding and accepting the principle that citizenship and nationality are essentially identical concepts. Countries which continue to emphasize the concepts of ethnicity, race or religion are undoubtedly headed for various disastrous scenarios.

For small developing countries such as Armenia, however, which are no longer part of any "national union", falling population rates is a daunting challenge. Armenia's population has steadily declined since the disintegration of the Soviet Union. As shown in Chart 2 and Chart 3, this is entirely due to emigration (people voting with their feet). The examples of Eastern European countries, such as Latvia or Bulgaria, indicate that people emigrate mostly for economic reasons. This obviously applies to Armenia as well.



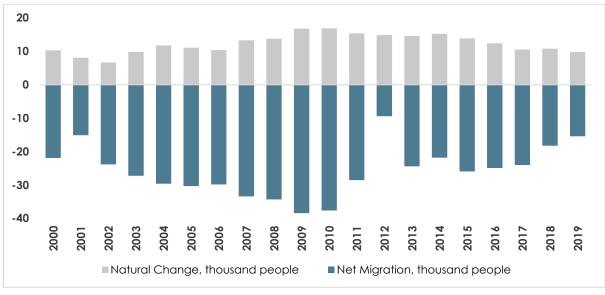
<sup>&</sup>lt;sup>1</sup> <u>United Nations, Department of Economic and Social Affairs, Population Division (2019). World Population Prospects 2019, Volume II: Demographic Profiles</u>

Chart 2. Total Population of Armenia



Source: Armstat

Chart 3. Net Migration and Natural Population Change of Armenia



Source: Armstat

So what should a country such as Armenia do to double its population size? The answer to this question is very sensitive and therefore is often avoided. Clearly, the world doesn't have a "declining population" problem. This means that countries such as Armenia should think about "relocating people" rather than only about "natural birth." But this then leads to the next question: "relocation of what kind of people?"

The first and the most obvious step in achieving high population growth rates is the development of a modern immigration policy, including streamlined residency & citizenship processes, at least two international languages as official so that people have an easier time immigrating and integrating. The paradox is that countries which worry about declining populations (e.g. Russia, Armenia...) don't even have ministries of immigration. Responsibilities and regulation are scattered throughout several – mostly dysfunctional – ministries and agencies.

In case of Armenia (or Russia or any other country in a similar situation) the Diaspora should be the first target of immigration. The unique potential of concentrating on diaspora immigration is that most diaspora members have lived and studied in developed countries.



This means that by attracting diaspora members, Armenia would quickly transform its society and thereby generate explosive economic growth.

We must remember that the most important determinant of rapid economic growth is the speed of learning within the economy and society at large. Very few countries have the potential to generate explosive economic growth through diaspora members. Armenia is one of those countries. For the last thirty years all Armenian governments have failed to capitalize on this potential. In addition to modern knowhow and skillset, diaspora members would also import their global links and connections, thereby rapidly improving Armenia's worldwide connectivity.

The Future Armenian movement was launched to unite the "virtual nation" (Armenians around the world) with the Armenian State and with the Armenian Government. This is the new "Social Contract" or the "Public-Private-Partnership" that must be established between the three players – the Diaspora, the State and the Government.

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