

WORLD•WATCH

VISION FOR A SUSTAINABLE WORLD

Population AND ITS DISCONTENTS

One of 12 features in this special issue

Excerpted from the September/October 2004 WORLD WATCH magazine

© 2004 Worldwatch Institute



For more information related to the issues presented in this special issue, links, and interactives, visit the Worldwatch special online feature on population at www.worldwatch.org/features/population/.

 WORLDWATCH
INSTITUTE

Low Fertility and Sustainability

Motivation to stabilize population can be undermined by excessive worry that smaller numbers of young people will be supporting larger numbers of the elderly. But prevailing patterns of behavior and resource allocation can be changed in ways that reduce pensioner/worker ratios and make population stabilization more politically viable.

Until a few years ago, environmentalists led the call for “population control” in the cause of sustainability. Their ideas about limiting fertility so enraged global women’s advocates that population didn’t even make the agenda at the 1992 Rio conference on the environment. When the United States developed a new, consensus-based position for the International Conference on Population and Development, held in Cairo in 1994, many environmentalists contested the new focus on helping women around the world have as many or as few children as they wanted. When I explained the “Cairo Consensus” at a town meeting in San Antonio, Texas, one man responded, “For the next 20 years no women should be allowed to have children, and only one in 20 should be allowed to have one child for the following 20 years!”

Now even staunch sustainability supporters are beginning to worry that unprecedented low fertility rates in some countries threaten sustainability by population declines. Why the turnaround, especially when the world is adding to its numbers rapidly? The answer seems to be a fear that declines in some countries will take hold globally, and then we’ll all go to hell in a handbasket. Or, as Michael Teitelbaum and Jay Winter, authors of *The Fear of Population Decline*, put it, “If and when population decline takes place, there are both rational and irrational reasons to pay attention. All too often over the past century, the irrational has provided a convenient means of explaining away social, political, and economic problems by invoking distorted metaphors from biology.”

Let’s calm down and take a reasoned look. First, the population declines expected in countries such as Ger-

many, Japan, and Italy are taking place while world population keeps growing. The United Nations currently projects that world population will rise from its current level of 6.4 billion to somewhere between 7.4 and 12.8 billion by 2050, attaining between 5.5 and 43.6 billion by the end of the century. Demographers find both the high and low bounds to these longer-term projections illustrative but unrealistic; their purpose is to delimit the range of possibilities suggested by current trends. However, many non-demographers are treating the low projection as gospel. This scenario assumes that fertility in all countries will fall to around 1.6 children per woman (the average level expected for Germany, Italy, and Japan) and never again attain the two-child “replacement” level.

Demographers still don’t know to what extent very low fertility is temporary (the result of shifting to later child-bearing) or permanent (a change in ideal family size). As John Bongaarts of the New York-based Population Council says, “It’s fair to say that the demographic community has been surprised by these trends.”

(This isn’t the first time fertility swings have surprised demographers. Most Americans are aware that a Baby Boom erupted after World War II and lasted until the Pill gave women control over their fertility, but few now remember the downturn in births before the boom. In an illustration of how new developments cause good projections to go bad, Philip Hauser projected in the 1940s that U.S. population would peak in 1990 at 190 million! In 2004, we’re more than 100 million past that “peak.” That’s why demographers don’t view projections as predictions, but simply as illustrations of how things could go absent new developments, whether willed or unanticipated.)

Demographers have not yet untangled the relative impact of the reasons for very low fertility, either, but have reached consensus that the overall cause is the changing costs of rearing children under “modernization.” Modern economies are built on a more educated labor force, increasing both the direct costs to parents of investing in children and the indirect costs of a parent not working.

Factors

Experiences in a variety of countries offer a natural laboratory for studying the effects of cultural differences in this new context. Northern European women (also U.S. non-Hispanic women) have fertility rates that are only slightly below replacement level. Not coincidentally, in these countries relatively large numbers of children are born outside marriage. In countries where the culture accepts children as more important than marriage (even if it prefers marriage), simultaneously accepting moderate levels of immigration can sustain or grow population. In contrast, in the countries facing population decline, strong cultural traditions limit both fertility and immigration. In these countries, society does not accept cohabitation in lieu of marriage for child-bearing, and children tend to live with their parents until marriage.

Public policies can make a difference. There is some evidence that flexible working conditions for parents and/or generous national child benefits help people who want an additional child to have it. Take France, with its relatively high fertility rate (for Europe) and high rate of female participation in the labor force: part-time work schedules are widespread, childcare is subsidized, and the government gives generous child allowances.

Parents' economic security clearly makes a fertility difference in wealthy countries, including the United States, where the longstanding relationship between women's education and work, on the one hand, and the number of children they have, on the other, seems to have reversed. Since the 1990s, higher fertility has been associated with having two earners in a household, high levels of child benefits, and/or working mothers. At the same time, income levels have become less important except for non-marital child-bearing, i.e., having children with no economic or caregiving safety net.

Meanwhile, countries with very low fertility suffer from what demographers call *maternal role incompatibility*. In these countries, both work and family systems are less egalitarian: stores aren't open when working mothers need to shop, husbands don't share child care and housework, and employers don't offer flexible working conditions. How gender inequality plays out varies from country to country: in Japan, women are

delaying marriage; in Spain, women are choosing between work and family once they've had their first child; and in Italy, women are limiting themselves to one child whether or not they work.

Thus, where institutions and family members adapt to the increasing costs of children, couples come closer to having the two children most people in industrialized countries still say they want. Still, John Bongaarts estimates that in countries where modern conditions prevail, policy has a narrow range to work in: between 1.6 and 2.0 children per woman.



Stringer/India/REUTERS © 2003

Under globalization both workers and jobs sometimes migrate: a call center in Bangalore, India.

Fears

Many concerns about people in low-fertility countries choosing to have one child instead of two, or two instead of three, arise from the disparity with other countries, especially countries in Sub-Saharan Africa, South Asia, and the Middle East—more of “them,” fewer of “us.” Currently, 99 percent of the world's population growth is in developing countries.

Concerns over national power or cultural heritage are common in countries where fertility is currently so low that projecting population 200 years out using today's rates produces zero population. It is hard to imagine that no one would be living in Italy or Japan two centuries from now, as others would surely move in—but for those for whom cultural heritage is defin-



Ahmed Jadallah/REUTERS © 2002

Can governments cope? Gaza unemployed protest the Palestinian Authority's failure to provide jobs...

ing, they wouldn't be "Italian" or "Japanese." Low-fertility countries with high-fertility neighbors, such as Australia and New Zealand, fear threats to their physical security and political power. A few years ago, *The Australian* wrote that the country's low fertility would result in "...pressure from crowded neighboring countries and a declining say in world affairs."

A more widely held fear is that the large numbers of youth in developing countries—double the population share in developed ones—augur a continued and perhaps increasing supply of immigrants to developed countries, as well as a larger underemployed labor force at home. By and large, less-developed countries do not have enough economic activity to employ their current populations, let alone the large generations yet to reach working age. Given the normal reluctance to leave one's family and culture, these growing numbers of job-seekers should continue to stimulate employer migration to low wage labor markets, especially in countries that have invested heavily in education.

Beyond economic and cultural concerns, national security specialists are focusing on population disparities with countries that have high rates of population growth and have underinvested in their labor force. Countries with populations of 10 million or more and more than 40 percent of the population under age 15 include such troubled spots as Afghanistan, Iraq, Saudi Arabia, Nigeria, and Sudan. It is hard to avoid the fear that large and growing numbers of unemployed youth threaten world stability.

Flaws

But what if low fertility goes global? Keynes' famous remark, "In the long run we are all dead," is apropos, as long-term projections of current trends are designed to give policymakers an opportunity to influence a future they won't see. Indeed, influencing policymakers is the shared agenda of many popular assessments of very low fertility, though stated overtly only by direct opponents of family planning.

These opponents argue that if world fertility rates may eventually match those in countries with very low fertility, as the UN's "low" scenario assumes, wealthy countries should immediately stop helping women in

poor countries gain control of their fertility. Leaving aside the moral issue of letting others endure life-threatening conditions that global Northerners won't accept, if these advocates get their way you can forget about global population stabilization, let alone decline, in the lifetime of anyone now born. With one in three of the world's citizens currently under age 15, the coming "parent explosion" will send world population to over 10 billion in the next 40 years, if current fertility declines are slowed or halted.

Whether for individual countries or the globe, all the doom-and-gloom portrayals of population decline are flawed in fundamental ways. They tend to be constructed from selected facts taken out of context, and they are static; they overlook the way change in one variable causes others to change. No one has yet done a systematic, dynamic analysis of how populations might function if they got smaller, one that accounts for the ways economic, social, technological, and environmental changes can affect one another. Population decline is simply too new.

But, while we are waiting for such an analysis, why would having fewer people be bad? The arguments that resonate across all low-fertility countries, according to a survey of the popular press conducted by Laura Stark and Hans-Peter Kohler, are economic.

The most common argument, the effect on benefit systems from a rise in "dependency," reflects a uniform result of all projection scenarios: they show significant growth in virtually all countries, both absolute and relative, in the 50+ population due to increasing life expectancy. More people living into old age is a particular challenge as public benefit systems tend to be pay-as-you-go, i.e. retirees' benefits are funded by payments into the system by current workers, whose own benefits will be funded by payments from future workers. It was politically easy to design such systems when workers were much more numerous than retirees, but now this ratio is changing, especially where very low fertility will shrink the working-age population while the older population expands.

These arguments assume that legally set age thresholds for dependency—18 to 60 or 65 in industrialized countries—will continue to represent reality, and that age-related behavior is constant. But these thresholds are not even representative now. One aspect of modernization is that young adults are dependent well into their 20s. Succeeding in modern economies requires more schooling, and more trial and error to get situated; it's no surprise that so many young adults still live with their parents. So current assumptions overstate how many youth will pay into systems, especially in countries that have very high youth unemployment (another damper on fertility).

Meanwhile, across the industrialized world, stunning

advances in "healthy" life expectancy (meaning years of life in which people can physically take care of themselves) challenge the assumption of dependency in the 60s and beyond. In the United States, people who needed the money worked after age 65 before we had Social Security (in 1930, nearly three in five men past this age were gainfully employed); no one has yet argued convincingly that increasingly healthy sexagenarians can't do it again. Instead, doom-and-gloom writers make such selective arguments as the effects of increasing obesity among people under age 60 on their ability to work after 60, while selectively ignoring the corresponding shift away from physically demanding to sedentary jobs, or the shift towards occupations and jobs that people like—and are continuing to work at regardless of their age.

These trends suggest other, perhaps easier policy options besides boosting population by accepting more immigrants, or spending large amounts on subsidized child care and other family benefits to increase fertility. In most low-fertility countries, simply increasing labor force participation under age 65 would improve the worker/retiree ratio. In Italy, for example, just erasing the gap between men's and women's rates would cut the pensioner/worker ratio by over 20 percent by 2050, John Bongaarts estimates.

Reversing tax and benefit incentives to retire before 65 is another obvious change (especially in countries like Germany where early retirement is common), as is designing incentives to work after 65. Bongaarts estimates that every one-year increase in the average retirement age would reduce the pensioner/worker ratio in 2050 by 6 percent. Deploying only one of these policy options would probably not avoid higher taxes (in relatively low tax countries) or benefit cuts (in relatively high benefit countries), but in combination, they can help most countries avoid these unattractive choices.

The broader concern about low fertility is that improving economic wellbeing requires a steadily increasing population. We can't prove that it doesn't, because population decline/stability is so new. But we know how we can compensate for it: by making the policy changes that maximize longer life spans through increasing workers' productivity, fostering wise individual decisions in relation to working and spending, and adapting the social contract as to the age and length of time people should be "taken care of."

The World Bank has found, for instance, that simply ensuring gender equality allocates resources, including investments, more productively (including reducing the role of corruption). Others have found that slowing population growth allows more investment in human and other capital, and intensifies the worker/capital ratio (other things equal). In itself, the shift to more older people makes savings and investment

a bigger priority, contributing to economic growth as well as providing economic security for individuals. From this perspective, the “problem” of low fertility is the institutional transfer system. How best to change it is a political issue.

It’s a business issue too. Some argue that elderly people consume more than youth, mostly in health-related expenses; others argue that having more elderly people will repress aggregate demand. Some argue both; for these worriers, “demand for what?” is the question. Businesses that make toys for teenagers may

in harm’s way. And with more financial resources going to pensions and health care, governments will have less to spend on technologies designed to make fewer warriors more productive. For planetary sustainability, this demographic change is probably positive.

Whether population declines, stabilizes, or grows more slowly, the change in age structure produced by lower fertility and longer life expectancy may be the most important demographic influence on sustainability because it produces more households, at least in affluent countries, with more age-diverse householders.

Other things equal, more households increase energy use, population density, and other concerns of environmentalists. Other things equal, more older householders will increase investment at the expense of spending, shift spending away from goods and toward services, and even shift focus from indiscriminate growth to improved welfare. Perhaps the new Italian University of Gastronomic Sciences is a first step in a redefinition of progress, away from “more” toward “better.”

It all comes down to people and whether they care enough about sustainability to make lifestyle changes. It also comes down to the usual politics of self-interest. Maybe conflict over resource and spending priorities explains the real demographic puzzle: why people worried about low fertility rates are overwhelmingly male—and, in the West, overwhelmingly white.

For women who write about these issues, increasing our investment in people, their health, and their productivity tends to be a good scenario. For nonwhite men and women, the prospect of releasing people of color from poverty no matter where they live is a long-held dream. For those who care about sustainability—a culture that ensures the survival and thriving of humans and the Earth’s other creatures for a long time to come—the prospect of a world population that could be smaller than it will be at the end of this century, but larger than it is now, is no nightmare but a promise.

The Honorable Martha Farnsworth Riche is a demographic consultant, a founding editor of *American Demographics* magazine, and former director of the *United States Census Bureau* (1994–1998).

References and readings for each article are available at www.worldwatch.org/pubs/mag/.



Zainal Abd Halim/REUTERS © 2003

...and unemployed graduates take part in an ongoing jobs protest outside a railway station in Colombo, Sri Lanka.

suffer, while those involved in health care can prosper. Speculative investments may have a harder time attracting investors, more prudent ones probably won’t. As with most such arguments, the underlying tension is more about who wins, and who loses, than about the economy as a whole.

Fundamental Shifts

These arguments also reveal a conflict over what resources are worth investing in. Philip Longman, author of *The Coming Baby Bust*, is concerned that a smaller youth population will make military actions more difficult in most nations. It’s not just the numbers, he argues, but with only one or two children per family, parents will be less willing to put their children