Population Growth: Disaster or Blessing?

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REFLECTIONS

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PETER T. BAUER

The twenty-third General Population Conference of the International Union for the Scientific Study of Population, which met in Beijing in October 1997, focused on overpopulation as a serious threat to human survival and a major cause of poverty. Warren Buffet, Bill Gates, corporations, governments, and international organizations are dedicating and promising to dedicate enormous resources to reverse the threat of overpopulation. But population density and poverty are not actually correlated.

Poverty in the Third World is not caused by population growth or pressure. Economic achievement and progress depend on people's conduct, not on their numbers. Population growth in the Third World is not a major threat to prosperity. The crisis is invented. The central policy issue is whether the number of children should be determined by the parents or by agents of the state.

Since the Second World War it has been widely argued that population growth is a major, perhaps decisive obstacle to the economic progress and social betterment of the underdeveloped world, where the majority of mankind lives. Thus Robert S. McNamara, former president of the World Bank, wrote: "To put it simply: the greatest single obstacle to the economic and social advancement of the majority of peoples in the underdeveloped world is rampant population growth. . . . The threat of unmanageable population pressures is very much like the threat of nuclear war." And many others have made similar statements.

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The Apprehensions Rest on False Assumptions

These apprehensions rest primarily on three assumptions. First, national income per head measures economic well-being. Second, economic performance and progress depend critically on land and capital per head. Third, people in the Third World are ignorant of birth control or careless about family size; they procreate regardless of consequences. A subsidiary assumption is that population trends in the Third World can be forecast with accuracy for decades ahead.

Behind these assumptions and, indeed, behind the debates on population are conflicting views of mankind. One view envisages people as deliberate decision makers in matters of family size. The other view treats people as being under the sway of uncontrollable sexual urges, their numbers limited only by forces outside themselves, either Malthusian checks of nature or the power of superior authority. Proponents of both views agree that the governments of less developed countries (LDCs), urged by the West, should encourage or, if necessary, force people to have smaller families.

National income per head is usually regarded as an index of economic welfare, even of welfare as such. However, the use of this index raises major problems, such as demarcation between inputs and outputs in both production and consumption. Even if an increase in population reduced income per head, a matter to which I shall return later, such a reduction would not necessarily mean that the well-being either of families or of the wider community had been reduced.

In the economics of population, national income per head founders completely as a measure of welfare. It ignores the satisfaction people derive from having children or from living longer. The birth of a child immediately reduces income per head for the family and for the country as a whole. The death of the same child has the opposite effect. Yet for most people, the first event is a blessing, the second a tragedy. Ironically, the birth of a child is registered as a reduction in national income per head, while the birth of a calf shows up as an improvement.

The wish of the great majority of mankind to have children has extended across centuries, cultures, and classes. The survival of the human race evinces that most people have been willing to bear the cost of rearing two or more children to the age of puberty. Widely held ideas and common attitudes reflect and recognize the benefits parents expect from having children. The biblical injunction is to be fruitful and multiply. Less well known in the West is the traditional greeting addressed to brides in India, "May you be the mother of eight sons." The uniformly unfavorable connotation of the term ***barren*** reflects the same sentiment. The practice of adoption in some countries also indicates the desire for children. All this refutes the notion that children are simply a cost or burden.

Some have argued that high birth rates in the LDCs, especially among the poorest people, result in lives so wretched that they are not worth living, that over a person's lifetime, suffering or disutility may exceed utility; hence, fewer such lives would increase the sum total of happiness. The implication is that external observers are qualified to assess the joys and sorrows of others; that life and survival have no value to the people involved. This outlook raises far-reaching ethical issues and is unlikely to be morally acceptable to most people, least of all as a basis for forcible action to restrict people's reproductive behavior, especially when one recalls how widely it was applied to the poor in the West only a few generations ago.

Nor is this opinion consistent with simple observation, which suggests that even very poor people prefer to continue living, as shown, for instance, by their seeking medical treatment of injuries and illnesses. Clearly, the much-deplored population explosion of recent decades should be seen as a blessing rather than a disaster, because it stems from a fall in mortality, a prima facie improvement in people's welfare, not a deterioration.

Much of the advocacy of state-sponsored birth control is predicated on the implicit assumption that people in high-fertility Third World countries do not know about contraceptives and that, in any case, they do not take into account the long-term consequences of their actions. But most people in the Third World do know about birth control, and practice it. In the Third World, fertility is well below fecundity; that is, the number of actual births is well below the biologically possible number. Traditional methods of birth control have been widely practiced in societies much more backward than contemporary Third World countries. Throughout most of the Third World, cheap Western-style consumer goods have been conspicuous for decades, whereas condoms, intrauterine devices, and the Pill have so far spread only very slowly. This disparity suggests that the demand for modern contraceptives has been small, either because people do not want to restrict their family size or because they prefer other ways of doing so.

It follows that the children are generally wanted by their parents. Of course, a woman who does not want many children may have to bow to the wishes of her husband, especially in Catholic or Muslim societies. Attempting to enforce changes in mores in such societies raises issues that I cannot pursue here. In any event, this matter does not affect my argument. Children are certainly avoidable.

Nor are people in LDCs generally are ignorant of the long-term consequences of their actions. Indeed, young women often say that they want more children and grandchildren to provide for them in their old age. The readiness to take the long view is evident also in other decisions, such as planting slow-maturing trees or embarking on long-distance migration.

Externalities

Under this heading, the first question is whether parents bear the full costs of having and rearing their children. If they do not bear those costs fully, they will have more children than they would otherwise. Then, according to the usual assumptions of welfare economics, the satisfaction the parents gain from the additional children would be less than the additional burden, some of which others must bear. It is often assumed that parents in the Third World do not bear the full costs of having children, in particular the costs of health care and education, and that in fact taxpayers bear a substantial part of those costs. These particular costs, however, are unlikely to be heavy in LDCs. They are likely to be lower relative to the national income than in the West. For instance, schools are often simple, inexpensive structures. For social and institutional reasons, basic health services are extensively performed by medical auxiliaries and nurses rather than fully qualified doctors. In any event, if the adverse externalities warrant remedial action, such action should take the form of changes in the volume, direction, and financing of the relevant public expenditures rather than imposed reductions in family size.

The extended family provides a further example of the same negative externality. Parents may have more children if they know that other members of their extended family will bear part of the cost. However, as just noted, the burden falling on others is likely to be small. Moreover, the extended family is embodied in the mores of much of the less developed world. Any effect of the operation of the extended family in this context will diminish or disappear if the extended family system gives way with modernization, a prospect to which I shall return.

Congestion in cities is sometimes instanced as an adverse externality resulting from population growth. But the rapid growth of the cities, especially the capitals, derives from their pull. This in turn reflects the limitations of rural life to many people and the higher incomes and other benefits available or expected in the cities. The income differences increase when policies benefiting the urban population, such as have been widely adopted, depress rural earnings. That the growth of large cities results from these influences is evidenced by the large conurbations in sparsely populated LDCs such as Brazil and Zaire and by the rapid urbanization of LDCs. In any case, undesirable crowding in large cities is not a function of their size or growth, much less of the growth of the national population: it is the inevitable consequence of fixing the prices of housing and transport without regard to their true scarcity.

Similar considerations apply to the supposed adverse external effects of population growth on the environment, including deforestation, soil erosion, and depletion of fish stocks. The assignment of property rights and free-market pricing can optimize the rate of use of forests, soils, fisheries, other presently open-access resources.

Altogether, it is highly unlikely that population growth would cause major adverse externalities, let alone externalities warranting the placing of pressure on people to have fewer children.

Despite the practically exclusive preoccupation with purported adverse externalities of population growth, population growth often has favorable external effects. It can facilitate the more effective division of labor and thereby increase real incomes. In fact, in much of Southeast Asia, Africa, and Latin America, sparseness of population inhibits economic advance. It retards the development of transport facilities and communications, and thus inhibits the movement of people and goods and the spread of new ideas and methods. These obstacles to enterprise and economic advance are particularly difficult to overcome. At the more advanced stages of development, significant positive externalities arise from greater scope for the division of labor in economic activity in science, technology, and research.

I shall argue later that even if it were shown that adverse externalities are significant and outweigh the positive externalities, that condition would call for policies quite different from placing pressure on parents to have fewer children.

Does Population Growth Reduce Income per Head?

Even if population growth is unlikely to reduce welfare, is it likely to reduce conventionally measured income per head? It seems commonsensical that prosperity depends on natural resources, namely, land and mineral resources, and on capital and that population growth reduces the per capita supply of these determinants of income. Indeed, if nothing else changes, an increase in population must reduce income per head in the very short run.

This truism, however, reveals nothing about developments over a longer period. Then, productivity depends on other influences, which can be elicited or reinforced by an increase in population. Such influences include the spread of knowledge, division of labor, changes in attitudes and habits, redeployment of resources, and technical change. In short, economic analysis cannot demonstrate that an increase in population must entail a reduction of income per head over a longer period.

There is ample evidence that rapid population growth has certainly not inhibited economic progress either in the West or in the contemporary Third World. The population of the Western world has more than quadrupled since the middle of the eighteenth century, yet real income per head is estimated to have increased at least fivefold. Much of this increase in incomes took place when population was increasing as fast as or even faster than it is currently in most of the less developed world.

Similarly, population growth in the Third World has often gone hand in hand with rapid material advance. In the 1890s, Malaya was a sparsely populated area of hamlets and fishing villages. By the 1930s it had become a country with large cities, active commerce, and extensive plantation and mining operations. The total population rose through natural increase and immigration from about 1.5 million to about 6 million, and the number of Malays from about 1.0 million to about 2.5 million. The much larger population enjoyed much higher material standards and lived longer than the small numbers of the 1890s. Since the Second World War a number of LDCs have combined rapid population increase with rapid, even spectacular economic growth for decades on end, including Taiwan, Hong Kong, Malaysia, Kenya, the Ivory Coast, Mexico, Colombia, and Brazil.

Conventional views on population growth assume that endowments of land and other natural resources are critical for economic performance. This assumption is refuted by experience in both the distant and the more recent past. Amid abundant land, the American Indians before Columbus were extremely backward while most of Europe, with far less land, was already advanced. Europe in the sixteenth and seventeenth centuries included prosperous Holland, much of it reclaimed from the sea, and Venice, a wealthy world power built on a few mud flats. At present, many millions of poor people in the Third World live amid ample cultivable land. Indeed, in much of Southeast Asia, Central Africa, and interior of Latin America, land is a free good. Conversely, land is now very expensive in both Hong Kong and Singapore, probably the most densely populated countries in the world, originally with very poor land. For example, Hong Kong in the 1840s consisted largely of eroded hillsides, and much of Singapore in the nineteenth century was empty marsh. Both places are now highly industrialized and prosperous. The experience of other countries, both in the East and in the West, teaches the same lesson. Poor countries differ in density. For example, India's population density is some 750 people per square mile whereas Zaire's density is approximately 40 people per square mile. And prosperous countries differ in density. Japan's density is some 850 people per square mile whereas U.S. density is approximately 70 people per square mile. All these instances suggest the obvious: the importance of people's economic qualities and the policies of governments.

It is pertinent also that in both prosperous and poor countries the productivity of the soil owes very little to the "original and indestructible powers of the soil," that is, to land as a factor in totally inelastic supply. The productivity of land results largely from human activity: labor, investment, science, and technology.

The wide differences in economic performance and prosperity between individuals and groups in the same country, with access to the same natural resources, also make clear that the availability of natural resources cannot be critical to economic achievement. Such differences have been, and still are, conspicuous the world over. Salient examples of group differences in the same country include those among Chinese, Indians, and Malays in Malaysia; Chinese and others elsewhere in southeast Asia; Parsees, Jains, Marwaris, and others in India; Greeks and Turks in Cyprus; Asians and Africans in East and Central Africa; Ibo and others in Nigeria; and Chinese, Lebanese, and West Indians in the Caribbean. The experience of Huguenots, Jews, and Nonconformists in the West also makes clear that natural resources are not critical for economic achievement. For long periods, these prosperous groups were not allowed to own land or had their access to it severely restricted.

Mineral resources have often yielded substantial windfalls to those who discovered or developed them or expropriated their owners. Latin American gold and silver in the sixteenth century and the riches of contemporary oil-producing states illustrate the prosperity conferred by natural resources. But the precious metals of the Americas did not promote economic progress in pre-Columbian America, nor did their capture ensure substantial development in Spain. The oil reserves of the Middle East and elsewhere were worthless until discovered and developed by Westerners, and it remains a matter of conjecture whether they will lead to sustained economic advance in the producing countries.

Population growth as such can induce changes in economic behavior favorable to capital formation. The parents of enlarged families may work harder and save more in order to provide for the future of their families. In LDCs as in the West, poor people save and invest. They can sacrifice leisure for work or transfer their labor and land to more productive use, perhaps by switching from subsistence production to cash crops. Poor and illiterate traders have often accumulated capital by working harder and opening up local markets.

Famine and Unemployment

Despite the repeated warnings of doomsayers, there is no danger that population growth will cause a shortage of land and hence malnutrition or starvation. Contemporary famines and food shortages occur mostly in sparsely populated subsistence economies such as Ethiopia, the Sahel, Tanzania, Uganda, and Zaire. In these countries, land is abundant and, in places, even a free good. Recurrent food shortages or famines in these and other LDCs reflect features of subsistence and near-subsistence economies such as nomadic style of life, shifting cultivation, and inadequate communications and storage facilities. Those conditions are exacerbated by lack of public security, official restrictions on the activities of traders, restrictions on the movement of food, and restrictions on imports of both consumer goods and farm supplies. Unproductive forms of land tenure such as tribal systems of land rights can also bring about shortages. No famines are reported in such densely populated regions of the less developed world as Taiwan, Hong Kong, Singapore, western Malaysia, and the cash-crop-producing areas of West Africa. Indeed, where a greater density of population in sparsely populated countries brings about improved transport facilities and greater public security, it promotes emergence from subsistence production.

Nor should population growth lead to unemployment. A large population means more consumers as well as more producers. The large increase of population in the West over the last two centuries has not brought about persistent unemployment. Substantial unemployment emerged when population growth had become much slower in the twentieth century. And when, in the 1930s, an early decline of population was widely envisaged, that development was generally thought to portend more unemployment because it would reduce the mobility and adaptability of the labor force and diminish the incentive to invest.

The experience of the contemporary less developed world confirms that rapid increase of population does not result in unemployment and also that the issue cannot be discussed simply on the basis of numbers and physical resources. Until recently, population grew very rapidly in densely populated Hong Kong and Singapore without resulting in unemployment. Singapore has far less land per head than neighboring Malaysia, yet many people move from Malaysia to Singapore in search of employment and higher wages, both as short-term and long-term migrants and as permanent settlers.

The idea that population growth results in unemployment implies that labor cannot be substituted for land or capital in particular activities and also that resources cannot be moved from less labor-intensive to more labor-intensive activities. The idea implies that the elasticity of substitution between labor and other resources is zero in both production and consumption. But the development of more intensive forms of agriculture in many LDCs, including the development of double and treble cropping, refutes such notions, as do frequent changes in patterns of consumption.

What Does the Future Hold?

Dramatic long-term population forecasts are often put forward with much confidence. Such confidence is unwarranted. It is useful to recall the population forecasts of the 1930s, predicting a substantial decline of population, primarily in the West but to some extent worldwide. Articles by prominent academics appeared under such headings as "The End of the Human Experiment" and "The Suicide of the Human Race." Yet within less than one human generation, the population problem had taken on exactly the opposite meaning. The scare remained, but its algebraic sign was changed from minus to plus.

Today, only the roughest forecasts of population trends in the Third World are warranted. The basis for confident predictions for the Third World, or even for individual LDCs, is far more tenuous than it was for the spectacularly unsuccessful forecasts of long-term population trends in the West in the 1930s. In much of the Third World there is either no registration of births and deaths or a very incomplete one. Estimates of the population of African countries differ by as much as a third or more; for populous countries such as Nigeria, this discrepancy means tens of millions of people. Estimates of the population of the People's Republic of China, the most populous country in the world, also differ substantially.

In the coming decades, major political, cultural, and economic changes will occur in much of the Third World. These changes are unpredictable, and so are people's responses. For instance, contrary to expectations, the economic improvement in recent decades in some Third World countries has resulted in higher fertility. Similarly, a decline of mortality in many LDCs has not been accompanied by the decline of fertility that had been widely expected in the belief that people had many children to replace those who died young. Moreover, in some of these countries urban and rural fertility rates are about the same, whereas in others the rates differ widely. The relationship of fertility to social class and occupation also varies much more in the Third World than in the West. The foregoing considerations should put into perspective such widely canvassed and officially endorsed practices as forecasting to the nearest million the population of the world for the year 2000 or beyond.

One demographic relationship of considerable generality does bear upon population trends in LDCs. Professor Caldwell, a leading Australian demographer, has found that systematic restriction of family size in the Third World is practiced primarily by women who have adopted Western attitudes toward childbearing and child rearing, as a result of exposure to Western education, media, and contacts. Their attitude toward fertility control does not depend on income, status, or urbanization but on Westernization. In this context, Westernization means the readiness of parents to forgo additions to family income from the work of young children and also to make increased expenditure on education, reflecting greater concern with the material welfare of their children.

Caldwell's conclusion is more plausible and more solidly based than the widely held view that higher incomes lead to reduced fertility. It is true that in the West and the Westernized parts of the Third World, higher incomes and lower fertility are often, though by no means always, associated. But it is not the case that higher incomes and smaller families reflect greater ambition for material welfare for oneself and one's family. Rather, both the higher incomes and the reduced fertility reflect a change of preferences. By contrast, when parental incomes are increased as a result of subsidies or windfalls, without a change in attitudes, the parents are likely to have more children, not fewer. This last point pertains to the proposals of many Western observers who, without recognizing the contradiction, urge both population control and also more aid to poor people with large families.

Some broad, unambitious predictions of Third World population prospects may be in order. Although the speed and extent of Westernization are uncertain, the process is likely to make some headway. Some decline in fertility will result. But the large proportion of young people and the prevailing reproductive rates will ensure significant increases in population in the principal regions of the Third World over the next few decades. The population growth rate for the Third World as a whole is unlikely to fall much below 2 percent per year and may for some years continue around 2.5 percent, the rough estimate for the 1980s. It is therefore likely to remain considerably higher than the rate of growth in the West, Japan, and Australasia. Therefore, over the years, the population of the West, Japan, and Australasia will shrink considerably relative to that of Asia, Africa, and Latin America.

It is unlikely that Third World population growth will jeopardize the well-being of families and societies. But if their well-being were for any reason to be seriously impaired by population growth, reproductive behavior would change without official pressure. There is, therefore, no reason to force people to have fewer children than they would like. When such pressure emanates from outside the local culture, it is especially objectionable. It is also likely to provoke resistance to modernization generally.

Conclusion

The central issue of population policy is whether individuals and families or politicians and national and international civil servants should decide how many children people may have.

Advocates of officially sponsored population policies often argue that they do not propose compulsion but intend only to extend the options of people by assisting the spread of knowledge about contraceptive methods. But people in LDCs usually know about both traditional and more modern methods of birth control. Moreover, in many Third World countries, especially in Asia and Africa, official information, advice, and persuasion in practice often shade into coercion. In most of these societies, people are more subject to authority than in the West. And especially in recent years, the incomes and prospects of many people have come to depend heavily on official favors. In India, for example, promotion in the civil service, allocation of driving and vehicle licenses, and access to subsidized credit, official housing, and other facilities have all been linked at times to restriction of family size. Forcible mass sterilization, which took place in India in the 1970s, and the extensive coercion in the People's Republic of China are only extreme cases in a spectrum of measures extending from publicity to compulsion.

Policies and measures pressing people to have fewer children can provoke acute anxiety and conflict, and they raise serious moral and political problems. Implementation of such policies may leave people dejected and inert, uninterested in social and economic advance or incapable of achieving it. Such outcomes have often been observed when people have been forced to change their mores and conduct. It is widely agreed that the West should not impose its standards, mores, and attitudes on Third World governments and peoples. Yet, ironically, the most influential voices call for the exact opposite with regard to population control.

There is one type of official policy that would tend to reduce population growth, extend the range of personal choice, and promote attitudes and mores that foster economic advance and improvement of the well-being of the population. That policy is the promotion of external commercial contacts, especially contacts with the West, by the people of LDCs. Such contacts have been powerful agents of voluntary change in attitudes and habits, particularly by eroding those harmful to economic improvement. Throughout the less developed world, the most prosperous groups and areas are those with the most external commercial contacts. And such contacts also encourage voluntary reduction of family size. Thus, extension of such contacts and the widening of people's range of choice promote both economic advance and reduction in fertility. In these circumstances, a reduction of family size is achieved without the damaging effects of placing official pressure on people with regard to their most private and vital concerns. Yet policies of this kind are not on the agenda of those who advocate reducing population growth in LDCs.