

# Why Anxiety Over Low Fertility?

## *False Alarms About Slower Population Growth*

*by John Seager, Executive Director*

*John Seager is currently writing a book exploring the effects of population trends around the world. The following article is an excerpt from the work-in-progress.*

What with global warming, terrorism, poverty, disease, nuclear proliferation, endangered species, and the rest of the all-too-familiar litany, it hardly seems as if we need to add anything to our “worry” list.

Yet, there is a growing chorus of concern about possible population decline. From the pages of *The New York Times*<sup>1</sup> to *Foreign Affairs*<sup>2</sup> to a spate of new books, hands are being wrung—and wrung hard—asking: How on earth can we thrive in a world of declining fertility and, eventually, even declining population?

Among the earliest voices was that of Ben Wattenberg. He has claimed for years that countries with low fertility rates will be confronted by serious fiscal and political problems.<sup>3</sup> The United Nations joined the discussion in October 2000, convening a group of experts to examine policy responses to issues of population aging and population decline.<sup>4</sup>

Is this so-called “birth dearth,” as Wattenberg puts it, really a problem? It is not. In fact, smaller families represent a great potential opportunity. The world is beset with social, political, and environmental challenges and crises—many caused by rampant population growth. Voluntary population stabilization—even possible reduction—would help solve some of the worst problems we now face.

### **World Population—Still Growing**

Before dealing with the implications of fertility decline, it's time to say, “Not so fast.”

Yes, the rate of population growth is declining. Yes, fertility rates are going down. Yes, there are credible UN projections that, under some scenarios, show world population stabilizing and even perhaps—perhaps—beginning to decline around the middle of the 21st century. But it hasn't happened yet.

The world is still adding some 75 million people a year<sup>5</sup>, another New York City every six weeks.

Total fertility rates (i.e. the average number of children born to each woman) remain extraordinarily high in many countries. In sub-Saharan Africa, the total fertility rate is 5.6 children per woman, well above the replacement rate, which typically occurs at a fertility rate of 2.1.<sup>6</sup> The middle scenario for population growth put forward by the United Nations shows global population at 8.9 billion in 2050<sup>7</sup>. This amounts to an additional 2.5 billion people above current population levels, almost all of them in the poorest places on earth.



Total fertility rates around the world range from a high of 8.0 in Niger to a low of 0.9 in Hong Kong. Over the last 50 years, as reproductive healthcare and education have become available to more women, fertility rates have dropped in almost every country. According to the Population Reference Bureau, while it took the U.S. 200 years to go from seven children per family to two, Bangladesh has seen nearly the same drop in 20 years, and Iran has halved its fertility rate in a decade.

Population growth rates may be generally declining, but a slower rate of increase is very different from a decrease. That said, there is indeed ample evidence that the rate of world population increase is slowing down. The number of children born to the average woman in Asia, for example, has dropped from 5.9 to 2.6 since 1950. Women in Western Europe now have an average of 1.4 children, down from 2.7 in 1950.<sup>8</sup> In the United States, parents “stopped at two” children a generation ago and have shown no real signs of changing

**Whenever women and couples have full access to reproductive health information and services . . . people choose to have smaller families.**

their choices in terms of family size. Skepticism is always in order, however, when trying to predict the fertility decisions of people who are not yet born.

**False Alarm**

So, what's the problem with lower fertility rates? Plenty, according to some critics, most recently Philip Longman, author of the book, *The Empty Cradle*.<sup>9</sup> Written under the auspices of the New America Foundation, it has attracted attention and was recently featured on the nationwide public radio program, *Talk of the Nation*.

In this book, subtitled, *How Falling Birthrates Threaten World Prosperity and What to Do About It*, Longman worries about diverse outcomes that may flow from lower fertility rates in the United States, Japan, China, and elsewhere.

Longman sounds an alarm, but it's a false one. Lower fertility rates, if they continue and eventually lead to population stabilization and even reduction, pose no real threat. In fact, falling birthrates offer great promise for our crowded planet.

**Retirement Jitters**

The "birth dearthers" seem most worried about funding for retirement plans as national populations age. As Longman says, "The financing and long-term viability of social security systems throughout the world depend on an assumption that each generation of taxpayers will be larger than the one that came before."<sup>10</sup>

Every social benefit system depends, ultimately, on the availability of funds sufficient to cover the level of benefits provided. Social Security was constructed during a period of substantial population growth, so it logically takes that growth into account. Ultimately, the amount of wealth

held by any society and the willingness of the electorate to redistribute that wealth are the determinants.

The trustees of the Social Security Administration<sup>11</sup> are responsible for forecasting when—and if—the trust funds, from which benefits are paid, will run out of money. A cautious bunch, they assume that the productivity<sup>12</sup> of the U.S. economy will grow at an annual rate of only 1.6 percent over the next 75 years. Regarding future economic growth rates, the trustees state in their 2004 annual report that, "a range of opinions exists among experts. We will continue to closely monitor experience in this area, particularly in light of recent rapid productivity growth that is not fully explained."<sup>13</sup>

Nobody wants to gamble with Social Security, but it's important to note that modest changes in the overall growth rate of the economy yield extraordinary differences in outcomes. By the end of the 75-year time horizon used by the Social Security trustees, an additional 4/10 of 1 percent increase in our GDP each year would translate into an additional \$11

trillion per year, roughly the same amount as our entire current total Gross Domestic Product.

The assumptions of the Social Security trustees have recently been seen as overly pessimistic. Thomas J. Healey, Senior Fellow at Harvard University's Kennedy School of Government and former Assistant Treasury Secretary, pointed out in June that, "In 1997 it appeared that Social Security would go bust before the last of the baby boomers had retired. Now the youngest boomer will be 78 by the projected depletion date, which means the system as it stands will be able to cover the bulk of the baby boomers' benefits."<sup>14</sup>

With the U.S. holding steady at the "replacement rate" of about two children, the much-vaunted "birth dearth" hasn't come to pass in this country. So the notion that there will be no one around to shoulder the burden of future retirement costs is not supported by the facts.

Projections will inevitably be adjusted as time goes by. The real question is whether sufficient wealth will be generated to support not only current workers,

**Estimated and Projected Population of the World, Major Development Groups and Major Areas, 1950, 2000, 2003 and 2050 According to Fertility Variant.**

Major Area	Estimated Population (millions)			Population in 2050 (millions)			
	1950	2000	2003	Low	Medium	High	Constant
World .....	2,519	6,071	6,301	7,409	8,919	10,633	12,754
More developed regions .....	813	1,194	1,203	1,084	1,220	1,370	1,185
Less developed regions .....	1,706	4,877	5,098	6,325	7,699	9,263	11,568
Least developed countries .....	200	668	718	1,417	1,675	1,960	3,019
Other less developed countries .....	1,505	4,209	4,380	4,908	6,025	7,303	8,549
Africa .....	221	796	851	1,516	1,803	2,122	3,279
Asia.....	1,398	3,680	3,823	4,274	5,222	6,318	7,333
Latin America and the Caribbean .....	167	520	543	623	768	924	1,032
Europe .....	547	728	726	565	632	705	597
North America .....	172	316	326	391	448	512	453
Oceania.....	13	31	32	40	46	52	58

Source: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat (2003). *World Population Prospects: The 2002 Revision. Highlights*. New York: United Nations.

**Voluntary population stabilization—even possible reduction—would help solve some of the worst problems we now face.**

but also dependents—be they 8-years-old or 88-years-old. An aging society would certainly need more life-care communities and gerontologists, but fewer elementary schools and pediatricians. Our economic future remains to be written. Sorting this out will be challenging, but there is no reason to be intimidated by scary-sounding numbers.

### Whither Capitalism?

Longman's anxiety transcends concern about retirement programs. He asserts that "capitalism has never flourished except when accompanied by population growth, and it is now languishing in those parts of the world (such as Japan, Europe and the Great Plains of the United States) where population has become stagnant."<sup>15</sup> Longman worries that, "Italy expects its working age population to plunge by 41% by 2050, meaning that output per worker will have to increase by at least that amount just to keep Italy's rate of economic growth from falling below zero."<sup>16</sup>

Longman is stretching the point more than a little when he says that capitalism is languishing in these places. Europe, for example, is hardly in the grips of a

depression. It is undergoing a major and highly challenging transition toward a more unified continent that bridges the gap between affluent nations and those struggling to fully emerge from the shadows of their Soviet pasts.

As for those vanishing Italians, Italy's output per worker increased by more than 500 percent over the past 50 years.<sup>17</sup> So, an increase of 40 percent over the next half century doesn't seem all that daunting.

The latest news out of Japan also undercuts Longman's case. The Bloomberg News Service reports that, "Japanese consumer spending is driving the fastest growth in the Group of Seven nations.... Purchasing power is rising and consumers are buying more expensive things now" said Tatsuhiko Izumi, president of Clarion Co., a maker of car navigation systems and audio equipment.<sup>18</sup> Surging Japanese consumerism isn't much of a long-term solution, but it does undercut Longman's thesis.

It is fair to note that more people working can result in more total goods and services. But, while population growth can play a role in overall GDP growth, it is not essential for economic growth, nor need it be a

controlling factor. A recent study found that, between 1985 and 1999 in the United States, "Economic resurgence reflected the impact of three critical components of growth: an expanding pool of labor, robust levels of capital investment and rapid productivity gains. Each of these factors accounted for roughly one-third of recent GDP growth."<sup>19</sup>

Longman caps his argument with the astonishing assertion that "we are living in an age of declining inventiveness."<sup>20</sup> How so? Never in history has there been an age so replete with innovation on every level, even levels never before imaginable—from genetic decoding to nascent nanotechnology to the still-unfolding digital revolution.

### Beyond Zero Population Growth

Demographic changes can provoke anxiety for many and trauma for some. Regardless, unlimited population growth just can't work. Maybe most people could survive in a world of ten billion or even 20 billion, yet many would not thrive. And what about a world of 100 billion people or ten times that? Unchecked, that is precisely where the path of population growth would lead.

Lower fertility rates and the resulting stable or declining population levels would not, by themselves, halt environmental destruction, let alone reverse any damage—much of it irreversible. The affluence that is both a cause and effect of lower fertility rates is closely linked to rampant consumerism and a "throwaway society." As Professor John Kenneth Galbraith pointed out, "Consumer sovereignty, once governed by the need for food and shelter, is now the highly contrived consumption of an infinite variety of goods and services."<sup>21</sup> It will take more than an end to population growth to create a sustainable society. But population stabilization is an essential step.





Human encroachment on animal habitats around the world contributes to the extinction of many species each year. Some of this damage can be reversed, as demonstrated by the Yellowstone wolf reintroduction. In 1995, 50 years after the last wolf had been seen in the park, 14 wolves were reintroduced into Yellowstone, an area which had a thriving wolf population in the 1800s. By the end of 2003, the wolf population had grown to 306.

Photo: Yellowstone Center for Resources.

Whenever women and couples have full access to reproductive health information and services, and where women, especially, are empowered, people choose to have smaller families. No one knows what the global average family size will be in the future. But eventually it may dip below replacement rates through hard work and some measure of good fortune.

Population stabilization has been a great rallying cry for many years. But there's nothing magic about "zero population growth." Smaller could be—even better for people and for the planet. We should embrace this opportunity for it offers nothing less than a world of hope. Hope for restoration of deserts back into forests. Hope for the return of species to streams once again allowed to flow freely. And hope for the three billion people on the planet who now struggle to survive on less than \$3 a day.

Could we adapt to a world with a larger percentage of older people and fewer young people? Over the past century, we've witnessed an unprecedented rate of change with a mind-numbing array of new technologies. Millions of people are employed in occupations that weren't even dreamed of 100 years ago. These developments have made things better in many ways, such as medical advances, and worse in others, such as pollution. Similarly, the "graying" of developed nations in the 21st century, if it happens, will provide opportunities as well as challenges.

The three billion people at the very bottom of the global economic ladder want decent lives. A less crowded world might open up opportunities for them. As Dr. Joel Cohen of Rockefeller University eloquently wrote, "The real crux of the population question is the quality of people's lives; the ability of people to participate in what it means to be really human; to work, play and die with dignity; to have some sense that one's life has meaning and is connected with other people's lives."<sup>22</sup>

That is the population challenge. Many economic, social, and political obstacles still block the path to this better world.

The possibility of a less-crowded world is no cause for anxiety, let alone panic. It's no nightmare. Rather, it's an achievable dream worth all of our efforts. And it's an essential first step toward restoring a planet now straining to meet the wants and needs of six—soon seven—billion people.

*John Seager is the Executive Director of Population Connection. His email address is john@popconnect.org.*

## Footnotes

<sup>1</sup> Kahn, J. (2004, May 30). China's time bomb: The most populous nation faces a population crisis. *New York Times*, p. D1.

<sup>2</sup> Longman, P. (2004, May/June). The global baby bust. *Foreign Affairs*, 64-79.

<sup>3</sup> Wattenberg, B. J. (March 8, 2003). It will be a smaller world after all. *New York Times*, p. A17.

<sup>4</sup> Expert Group Meeting On Policy Responses to Population Ageing and Population Decline. (2000, October). <http://www.un.org/esa/population/publications/popdecline/popdecline.htm> (accessed July 2004).

<sup>5</sup> Longman, P. (2004). *The empty cradle* (p. 2). New York: Basic Books.

<sup>6</sup> Population Reference Bureau. Demographic data and estimates for the countries and regions of the world. *2003 world population data sheet*, (p. 3).

<sup>7</sup> United Nations Population Division. (2003, February). *World population prospects: The 2002 revision*, (p. 1).

<sup>8</sup> Population Reference Bureau. (2004). *Transitions in world population*, 59(1).

<sup>9</sup> Longman, *The empty cradle*.

<sup>10</sup> *Ibid*, p. 4.

<sup>11</sup> U.S. Social Security Administration. (2004, March). 2004 annual report of the board of trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, p. 6.

<sup>12</sup> *Ibid*, p. 83. Productivity is defined by the Social Security trustees as, "the ratio of real gross domestic product (GDP) to hours worked by all workers."

<sup>13</sup> *Ibid*, p. 84.

<sup>14</sup> Healey, T. J. (2004, June 25). Social Security's surprising turn. *Washington Post*, p. A29.

<sup>15</sup> Longman, *The empty cradle*, p. 4.

<sup>16</sup> *Ibid*, p. 41.

<sup>17</sup> The Center for the Study of Innovation and Productivity of the Federal Reserve Bank of San Francisco. *Real output per worker by country*. <http://www.frbsf.org/csip/index.php> (accessed July 2004).

<sup>18</sup> Nonomiya, L. (2004, June 7). *Japan's consumers may sustain recovery this time*. Bloomberg.com.

<sup>19</sup> Porter, M. E. & van Opstal, D. (2001). *US competitiveness 2001: Strengths, vulnerabilities, and long-term priorities*, (p. 3). Washington, DC: Council on Competitiveness.

<sup>20</sup> Longman, *The empty cradle*, p. 116.

<sup>21</sup> Galbraith, J. K. (1998). On the continuing influence of affluence. *Human development report 1998*, (p. 42).

<sup>22</sup> Cohen, J. (1998, October 8). How many people can the earth support? *New York Review of Books*, p. 29.