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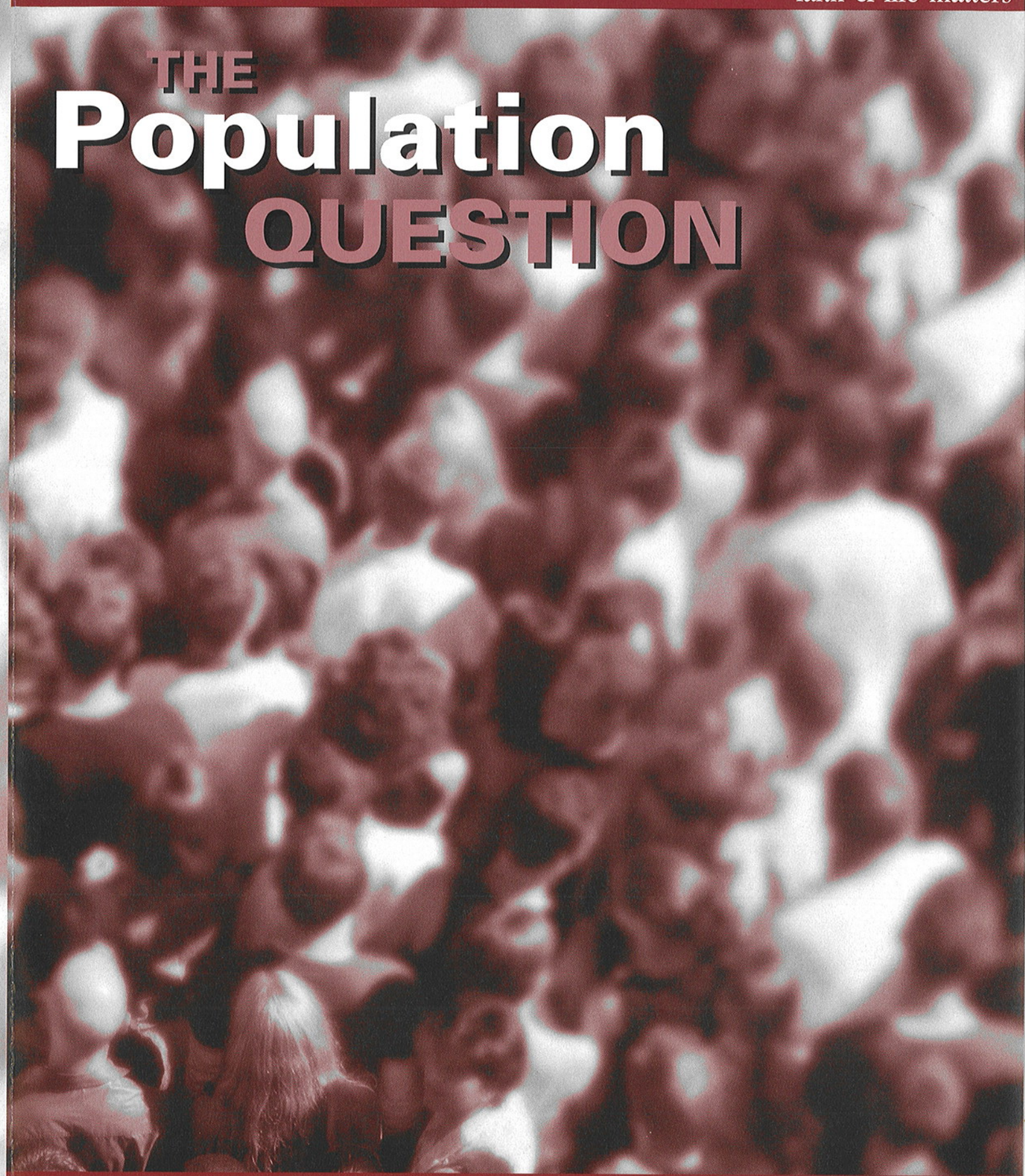
THE Population QUESTION



Most people think the world faces a mounting problem of over-population, which will lead inevitably to a shortage of food and resources as well as to environmental disaster. Eamonn Keane explains in this article that the real problem is quite different.

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The historical record shows that population decline is a negative phenomenon. It stifles cultural creativity and causes the rate of increase in demand for goods and services to fall and thus it reduces economic opportunity. Demographic decline places a heavy burden on the young who have to support an ever-growing proportion of dependent elderly. With the increased pressure it places on pension funds, demographic decline in developed countries will threaten nation-wide and tax-financed pay-as-you-go pension programs. Up to now, the working assumption in Western nations was that superannuation funds built up by the baby-boomers during their working lives would finance their living costs during retirement. However, as Japan and other Western countries are now experiencing, the safety and sufficiency of these funds is far from guaranteed.

In Australia, the Retirement Income Modelling Taskforce (RIM) within the Australian Treasury has estimated that about 75 per cent of those who over the next 20 years or so enter the retirement age group will still be eligible for either a full or part pension. Coupled with this, a treasury report released with the Federal Budget in May 2002 warned that the greatest economic and social challenge facing Australia is the continuing fall in our fertility rate. Entitled *'Intergenerational Report 2002-03'*, this report estimated that due to our ageing population and lack of young people entering the workforce, government spending, especially for health and pharmaceuticals, would reach un-sustainable levels.

In the United States, the stock market losses in mid-2002 combined with structural problems in the U.S. pension system are creating a retirement crisis. Reporting on this, the front page headline of the July 29, 2002 edition of *Time* magazine read: "Will you ever be able to retire? With stocks plummeting and corporations in disarray, boomers' finances are in peril." One article went on to state that with eroding pension benefits and the ageing population, "most Americans will have to work well into their 70s."

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Towards a Solution: The Rediscovery of Fundamental Values

Many factors have contributed to our demographic problems in Western countries. Amongst these is a loss of fundamental values relating to the meaning and purpose of marriage. This aspect of the problem is borne out in comments made by the Australian Statistician in 1997, when in reference to fertility levels and changing attitudes to marriage, he said:

"Increasing levels of control over fertility with the introduction of the birth control pill in 1961 helped to provide young people with more lifestyle choices...Couples were reappraising the importance and relevance of marriage during the 1970s. This resulted from the reduced influence of religion on young Australians, rising divorce rates that undermined the idealism of marriage, and the sexual revolution of the 1960s and 1970s that helped to separate sexuality from marriage. In more recent years, the number of couples who chose to postpone or reject the tradition of marriage in favour of a de facto relationship has risen. By 1992, more than half (56%) of all couples who married in that year had cohabited before their current marriage, compared to 16% in 1975."[12]

To reverse the present trends in fertility decline, it will be necessary to adopt economic and social policies that are family friendly in that they support married couples who choose to have a relatively large number of children and who recognise that fulltime motherhood is a vocation, the nobility of which is second to none. Coupled with this, we need to reaffirm the truth that the family based on marriage as an indissoluble bond between a man and a woman is the basis of society. In affirming marriage and the value of children as gifts, we must simultaneously reject contraceptive practices as morally evil.

One final point. In much of the public debate regarding problems associated with Australia's fertility decline, there tends to be a heavy focus on the need to raise fertility levels in order to provide the economy with more producers and consumers. While this is not without significance, it frequently seems to be based, however, on a reductionist view of the dignity and value of the human person. As this debate intensifies, let us never lose sight of the most fundamental truth that should inspire our reflection upon it, i.e. that the human person is "the only creature on earth that God has willed for its own sake."[13]

[1] *The London Times*, 5 September 1989.
[2] Cf, *The Economist*, May 4, 2002.
[3] *IIRPD*, Executive Summary, p. 2..
[4] Amartya Sen, *Development As Freedom*, Anchor Books, New York, 2000, p. 165
[5] *IIRPD*, p. 3
[6] Theodore Panayotou, *IIRPD Report*, Background Paper No. 7, *Population Growth and the Environment*, p. 40.
[7] Julian Simon, *The State of Humanity*, Blackwell Publishers, Massachusetts, 1995, p. 7
[8] Julian Simon, *The Ultimate Resource: Revised Edition*, 1996, Princeton University Press.
[9] Professor Gary Becker, *The Economics of Life*, McGraw-Hill, New York, 1997, p. 288.
[10] Press Release by UN Population Division (Dev/2234 Pop/735, 17 March 2000)
[11] Chris Richardson, *Population Policy or Perish*, Australian Business Review Weekly, February 7-13, 2002.
[12] *Australian Social Trends 1997*, Australian Bureau of Statistics, 1997, Cat. No. 4102.0, p. 28
[13] Vatican II, *Gaudium et Spes* n. 24; *Catechism of the Catholic Church*, n. 356.

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The January 1, 2000 Millennium Edition of the *New York Times* listed "over-population" as "one of the myths of the twentieth century."

Population and Development

The myth of 'overpopulation' has a long history, stretching back to ancient Greece. In its modern form, it can be traced to an essay entitled *The Principle of Population* written by Anglican clergyman Thomas Malthus in 1798. Unaware of the agricultural and technological revolution then taking place, Malthus contended that Britain with its then population of 10 million was dangerously overpopulated. Predicting that food supply could not keep up with population growth, Malthus argued that plague, war, and famine would act as checks on population growth to bring it back into harmony with the so-called 'carrying capacity' of the planet.

Whilst Malthusian ideas became well ingrained in Western culture during the twentieth century, nevertheless from the 1960s onwards, economic opinion began to shift gradually to a position where population growth was seen as having a long term positive impact on development. Adherents of this position are known as *revisionists*.

A leading proponent of the revisionist view of the population/development nexus was the Australian economic demographer Professor Colin Clark, who is credited with being the inventor of the concept of Gross National Product (GNP). Stressing the positive role of population growth in the development process, Clarke used detailed statistical comparisons within and between developing nations to demonstrate a positive relationship between rate of population growth and rate of product growth per head. When he died in September 1989, *the London Times* paid tribute to Clark's work by saying: "It was the fruit of an independent mind dedicated to the assembly and presentation of measurable facts... He never accepted the pessimistic view of population growth, and at an international symposium in 1963 with a number of eminent authorities present, Clark's contribution to the subject first attracted most fire; but later, the critics were accepting his estimates as the basis for rational discussion."[1]

Another pioneer of the revisionist position was Lord Peter Bauer of the London School of Economics. In 2002 he was awarded the Milton Friedman Prize "for the advancement of liberty" but he died suddenly at the age of 85 before he could receive it. He believed that worries about population growth reflected a patronising view that poor people were incapable of making responsible choices about their family size. He stated that the so-called "population explosion" of the twentieth century "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." In arguing that there is no correlation between population growth and poverty, Bauer cited the example of the Western world where, since the mid-18th century, population has more than quadrupled but real income per head has increased by an even greater amount.[2]

A most exhaustive study of the relationship between population growth and development was carried out by the National Academy of Sciences *(NAS)* in the United States in 1986. Its Final Report, entitled *Population Growth and Economic Development*, represented a shift by the *NAS* to a revisionist position on the population/development question. It concluded that it is misleading to equate poverty and pollution with population growth per se. It found that the claim that population growth led to resource exhaustion was mistaken and it pointed out that to a great extent environmental problems could be solved by appropriate government policies designed to correct market failure.

The IIRPD Report

The authoritative status of the 1986 NAS Report was acknowledged in the *Independent Inquiry Report Into Population and Development (IIRPD)* commissioned by the Australian Government in 1994. This Report reaffirmed the revisionist view that over time it was possible to discern a positive correlation between population growth and sustainable development. In reference to population growth and food supply, the Executive Summary of the *IIRPD* said: "Experts are cautiously optimistic that it will be possible to feed 9-12 billion people adequately on a sustainable basis."[3] In this regard, it is worth noting that Amartya Sen, winner of the Nobel Prize for Economics in 1998, has argued convincingly that famines in the Third World are not caused by actual food shortages but by institutional failure. For example, he has demonstrated that the Bangladesh famine of 1974 "occurred in a year of greater food availability per head than in any other year between 1971 and 1976."[4]

As for the relationship between population growth and the environment, the *IIRPD* Executive Summary said: "The effects of population growth on the environment are not unequivocally positive or negative".[5] After stating that that population growth and rising density "need not lead to resource depletion and environmental degradation," Theodore Panayotou of Harvard Institute for International Development, who wrote *Inquiry Background Paper No. 7* of the *IIRPD*, went on to add:

"The relationship between population and environment is neither immutable nor direct. It is mediated by mobility, access to markets, distribution of wealth, institutions and government policies. Where these factors promote rapid and flexible responses, population growth can be combined with, or even promote, agricultural intensification, industrialisation and technological change culminating in sustainable development".[6]

Most significantly, the *IIRPD* stated that "the most influential person in many dimensions of the population debates in the post-war period" was Professor Julian Simon. Professor Simon died suddenly on February 8, 1998 at the age of 65. The February 21, 1998 edition of the London *Economist* ran a full page obituary devoted to Simon in which it recalled how *Fortune* magazine had nominated him as one of the "150 great minds of the 1990s."

Building on the ideas of Clark and Bauer, Simon pointed to the extraordinary material progress of the human race over the last two centuries despite the unprecedented growth in human population. Regarding human welfare indicators such as mortality and literacy rates, health, productivity, poverty, per-capita agricultural output, natural resource supply and pollution etc, Professor Simon said: "Almost every absolute change, and the absolute component of almost every economic and social change or trend, point in the positive direction, as long as we view the matter over a reasonably long period of time."[7] He pointed out that the key factor in world economic growth is the human capacity for the creation of new ideas and the expansion of knowledge. He argued that the more people who live on the planet and who can be trained to help solve economic and environmental problems, the faster we can grow economically and the greater will be the economic inheritance we will pass on to succeeding generations.[8]

Another scholar who has drawn attention to "human capital" as a most important factor in the process of economic development is Professor Gary Becker who won the 1992 Nobel Prize in economics. In his 1997 book *The Economics of Life*, Professor Becker pointed out that in developing countries nutrition has greatly improved in recent decades and that on a global scale "food is cheaper and more abundant despite fewer acres in the world devoted to farming." He related this to "rapid technological progress in agriculture and in the extraction of energy resources." He also noted that the reason why developing nations have experienced relatively high population growth in recent decades is "because children and adults live much longer than they did a few decades ago". Having said this, Becker then asked: "How can one lament population growth due to dramatically fewer deaths from malnutrition and contagious diseases?".[9]

A Bounteous Creation

In 2001, the UN Population Division produced a report entitled *World Population Monitoring 2001* which was a study of the relationship between population growth, development and the environment. In its introduction, the report acknowledged the influence of what it termed "the Julian Simon school" in emphasising "the positive aspects of large and growing populations" (p.1). Contrary to Malthusian doomsday predictions, this UN Report stated:

- "From 1900 to 2000, world population grew from 1.6 billion to 6.1 billion persons. However, while world population increased close to 4 times, world real gross domestic product (GDP) [actual output of goods and services] increased 20 to 40 times, allowing the world not only to sustain a fourfold population increase but also to do so at vastly higher standards of living" (p.1)

- "The twentieth century has witnessed an extraordinary growth in world population...with almost 80 percent of that increase having occurred since 1950. Rapid growth was triggered by dramatic reductions in mortality, especially in less developed regions. The average life expectancy at birth in those regions increased by over 20 years during the second half of the century..." (p.10)

- "The enormous expansion in the global production of goods and services driven by technological and social and economic changes has allowed the world to sustain both much larger populations and vastly higher standards of living than ever before in history..." (p.12)

- "In recent years, development efforts have shifted from the traditional focus on per capita income to a greater stress on improvements in health, education and sanitation as characteristics of successful development. For example, even many low-income countries have achieved substantial improvements in the quality and length of life..." (p.12)

- "World agricultural production has risen faster than population and real prices of food have declined...Over the period 1961-98, world per capita food available for direct human consumption increased by 24 per cent and there is enough being produced for everyone on the planet to be adequately nourished" (p.16)

- "Starting in the 1940s and 1950s, many observers feared that non-renewable mineral and fuel resources would soon be exhausted... During recent decades, new reserves have been discovered, producing the seeming paradox that even though consumption of many minerals has risen, so has the estimated amount of the resource as yet untapped. In addition to newly discovered reserves, innovations in mining and processing technologies have also served to expand the useable resource base, so that ores and fuel deposits that previously had had no economic value become valuable reserves...In the 1990s, known reserves of many natural resources were more abundant and prices lower than they were 20 years previously, despite rising consumption" (p.34)

The final reference above to apparently ever-expanding planetary per capita resource supply, while it may seem incredible to some, is in fact old knowledge. For example, in his great social justice encyclical *Mater et Magistra* (1961), Blessed Pope John XXIII said: "Truth to tell, the interrelationships on a global scale between the number of births and available resources are such that we can infer grave difficulties in this matter do not arise at present, nor will in the immediate future" (n. 188). Blessed Pope John added that God "in His goodness and wisdom" has "provided nature with almost inexhaustible productive capacity," and that he "has endowed man with such ingenuity that, by using suitable means, he can apply nature's resources to the needs and requirements of existence" (n. 189).

Fertility Decline

Rather than a problem of over-population, the real demographic crisis at the present time is one of plummeting global fertility rates and rapidly ageing populations in developed countries. United Nations projections indicate that over the next 50 years, virtually all European nations as well as Japan will face ageing and declining populations. In 2000, the Population Division of the Department of Economic and Social Affairs of the UN (DESA) issued a report entitled *"Replacement Migration: Is it a Solution to Declining and Ageing Populations?"*. Its major findings were that "the populations of the most developed countries are projected to become smaller and older as a result of low fertility and increased longevity," and that "population decline in these countries was inevitable in the absence of replacement migration."[10]

Commenting on the economic implications of such trends, Chris Richardson of *Access Economics*, writing in the *Australian Business Review Weekly* said: "One of the reasons the European Union is unlikely to ever again seriously challenge the United States for global economic leadership is that relative population trends strongly favour US over European markets. Similarly, Japan is also demographically challenged. In 50 years' time, its population may be 18% below current levels."[11]

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