

Response to Concerns about Low Birth Rates By Bill Ryerson, March 25, 2021

Many economists raise concerns that low birth rates will lead to slower economic growth. In reality, a smaller population is exactly what the climate and biosphere need. Since it is the climate and biosphere that make the world habitable, they must take priority over economic considerations.

But even the concern over economic effects of lower birth rates needs a response, for two reasons. First, lower birth rates are occurring temporarily and just in the developed world. After pandemic lockdowns are over, demographers expect that postponed childbearing will lead to higher fertility rates in developed countries. Second, in developing countries, birth rates are going up, in part because of less access to contraceptive services during the pandemic and in part because of economic desperation leading to higher rates of child marriage and school dropout, leading to increased fertility rates.

Also, high fertility rates in developing countries like Nigeria are a leading cause of poverty and stagnant economies. Despite economist Julian Simon's belief that increasing fertility will lead to having more consumers and economic growth, in the developing world, large families lead to families buying just the bare necessities for survival, leaving little income at the personal or national level available to form investment capital. Lack of investment capital depresses growth of productivity of industry and leads to high unemployment (which is exacerbated by rapid growth in the numbers seeking employment). Lack of capital also contributes to a country's inability to invest in education, government, infrastructure, environmental needs, and other areas that can contribute to the long-term productivity of the economy and living standards of the people.

In the countries that have achieved developed status in the last century, plus in all the Asian "Tigers," rapid economic development, as measured in gross national product per capita, occurred only after the country had achieved significant reductions in fertility rates. This allowed couples to save some funds after meeting the needs for food, housing, and clothing of their smaller families. The expansion of investment capital allowed business to expand, building employment opportunities, combined with slower growth of the numbers seeking employment, which led to increasing wages. Some of the extra funds could be spent on education, which increased economic productivity. The government could tax the rising incomes and use the funds to improve infrastructure, such as schools, roads, power, water, and other municipal services, all of which led to increased economic productivity. This virtuous cycle is referred to as the Demographic Dividend. Demographer David Bloom at Harvard is a world authority on the Demographic Dividend.

The real measure of economic welfare is not gross national product or national income, but the median income on a per capita basis. Stimulating gross national product by having more and more people buying fewer and fewer necessities does not enhance economic welfare. It may be true that a few people profit from population growth, but the mass of the people do not. Despite the reduced fertility of developed countries, the migration of those from developing countries can more than make up for declines in numbers in developed countries. But, as experienced in Japan and some European countries prior to the pandemic, the mere leveling off of population numbers and then decline is something to welcome, not to fight against. We need a smaller human footprint. Many countries like Japan have maintained quite decent quality of life in the face of declining numbers of people. Our focus should be on finding ways to have economies function well without growth in human numbers. The aging of the population of countries like Japan is significantly offset by both the savings that one can accumulate in developed economies and the longer lifespans that make working possible well beyond traditional retirement ages for many people. So, old age dependency is materially different from the dependency of the young.

In the next 40 years, conservative demographic projections show the world's population growing by 2.5 billion people. This is the immediate issue at hand and the most important problem for world attention.

Even though the current rate of global population growth at 1.1% is lower than the peak rate of about 2% that occurred in the 1970s, the world's population is still growing by 83 million people each year. That is the equivalent of adding a new United States every four years – or, more accurately in terms of poverty levels, a new Ethiopia every year.

The exact long-term carrying capacity of our planet is debatable and is a moving target, as technology changes. However, Ecologist David Pimentel of Cornell University has estimated the globe's long-term carrying capacity at 2 billion and the U.S. at 200 million, assuming a European quality of life. If he is right, the world is in an "overshoot," which will be followed by a die-off as critical resources run out. The National Academy of Sciences and the Royal Society of London have jointly issued a proclamation that we must stabilize population worldwide as soon as possible in order to avoid catastrophic environmental consequences.

Many articles about the so-called "birth-dearth" ignore the question of whether the world's ecosystem can support 9 billion people. Many people are not aware that world population growth continues at a rate of 83 million persons per year globally. Nor do they perceive the impact of such growth on the global environment, including threats to climate stability, ocean fisheries, wilderness areas, biodiversity, energy supplies, fresh water supplies, and forests, along with the poverty, ill health and human suffering that result from unplanned childbearing. Population growth also has disastrous consequences in terms of soil erosion, paving of prime farmland, increased flooding, overgrazing of grasslands, salination of soil through irrigation, exhaustion of underground aquifers (used for irrigation), destruction of coral reefs, siltation of dam backwaters, and species extinction. The 2019 report of the UN Environment

Programme on the threat of extinction to one million species pointed to expanding human farming and expanding human habitation as the primary causes. In addition, many of the world's fisheries face collapse – in large part because the world's fishing fleet has a fishing capacity twice that of the sustainable yield of the world's wild fisheries.

The capital shortages caused by population growth make it increasingly difficult for developing countries to keep pace with the growing need for schools. One of the main reasons for the intelligence community's pessimistic forecast for the growth of terrorism in the Middle East is the region's weak educational system – a capital cost associated with population growth. This produces generations lacking in the technical and problem-solving skills required for economic growth.

On top of this, massive rural to urban migration in developing countries is making the situation in large urban centers increasingly desperate, with growing slums that lack basic sanitation and water. In fact, it is likely that this migration will greatly increase in future years. As agricultural systems become more capital-intensive, huge numbers of people in rural areas will become unemployed. Given higher rates of population growth in rural areas, projections of rural to urban migration over the next 30 years are startling. During that time, as many as four billion people may migrate from rural areas of developing countries either to join the one billion living in urban slums or emigrating to developed nations. This is a formula for political, social and economic instability worldwide.

There has been great progress in use of family planning in the last half century. In 1960, 10% of the world's adult couples used modern methods of family planning. Today, 57% use such methods. However, the 43% non-users outnumber the 90% non-users of 1960 because of population growth. What's more, the reasons given by non-users today differ markedly from reasons given in 1960, when access to contraceptives was low. Data from Demographic and Health Surveys worldwide make it clear that non-use of family planning today is not primarily the result of lack of access to contraceptive services. Rather, the leading reasons people cite for not using family planning are the desire for more children, fear of side effects from contraceptives, perceived or actual male opposition, religious opposition, and the belief that one does not have the right or ability to determine the number or spacing of children. These cultural and informational issues can most effectively be addressed through communication strategies, such as those of Population Media Center that change societal norms, combined with increased priority for girls' education and stopping child marriage.