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Population

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Growth:

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Curse or Blessing?

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Peter Bauer

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# **Population Growth: Curse or Blessing?**

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**Peter Bauer**

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# Foreword

**Glenn Withers**

It is both the function and the pleasure of intellectuals to challenge conventional wisdom, whether the beliefs are outside or within academe. Peter Bauer's essay *Population Growth: Curse or Blessing?* is written in just that spirit. He has thought deeply about the conventional wisdom on population growth, examined its logical and empirical basis, and has found it wanting. In so concluding, he challenges a mighty array of academic, bureaucratic and political believers around the world. For much of the post-war era this army of population planners has seen population as the enemy of development, and advocacy of policies for population control has followed.

Peter Bauer draws on his long experience with the problems of economic development. One of the major figures in economic and cultural understanding of the development process, he shows carefully and systematically why the supposed adverse linkages between population growth and development remain unproven and unlikely. His insight can be encapsulated in this question: if Bangladesh had half its present population, would its people be economically better off?

But behind the measured prose of 'finely calculated less or more' that characterises Bauer's economic argument, there is always an issue of greater moment. This is the basic ethical question of whether the number of children which a family has is a matter for the parents or for the state. To put the matter clearly is to provide the answer.

Professor Bauer's essay is directed at Third World problems. But the analysis has its direct Australian counterpart. Readers of the essay are invited to engage in the mind experiment of replacing the topic of population growth in a less-developed country with that of immigration for Australia. The local analogy and relevance should soon become apparent to all who follow the immigration debate in this country. Peter Bauer's logic demolishes anti-immigration arguments no less thoroughly than its original target. Nor should the ethical

dimension be forgotten by those, including some of otherwise unimpeachable libertarian virtue, who would seek an end to immigration or its restriction by the state on the basis of such criteria as race or religion.

## About the Author

**Peter Bauer** was born in Hungary in 1915, and migrated to Britain in 1934. He has held senior academic posts at Cambridge University and the London School of Economics, where he was Professor of Economics from 1960 to 1983. In 1975 he was elected Fellow of the British Academy, and in 1982 he was elevated to the peerage.

His books include: *The Rubber Industry* (1948); *West African Trade* (1954, 1963); *Economic Analysis and Policy in Underdeveloped Countries* (1958); *Dissent on Development* (1972, 1976); *Equality, the Third World and Economic Delusion* (1981, 1982); and *Reality and Rhetoric: Studies in the Economics of Development* (1984). He is the author of the CIS Occasional Paper *Economic Control or Economic Development?* (1990), which is based on the 1989 John Bonython Lecture.



# Population Growth: Curse or Blessing?

**Peter Bauer**

## I. INTRODUCTION

Since World War II, many authorities have argued that population growth is a major, perhaps decisive, obstacle to the economic progress and social improvement of the under-developed world, that is, the majority of mankind. 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... Governments must divert an inordinately high proportion of their limited national savings away from productive effort simply in order to maintain the current low level of existence for the expanding population. Capital that ought to have been invested was not available. It had been dissipated by the ever-rising tide of children. (1973:31, 35-6, 45-6)

The Commission on International Development (Pearson Commission), whose members include Nobel Laureates, expressed the same idea more concisely:

No other phenomenon casts a darker shadow over the prospects of international development [the latter a synonym in the Report for the development of LDCs] than the staggering growth of population. (1969:55)

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This CIS Occasional Paper is a revised and edited version of a lecture given by Lord Bauer during his visit to Australia and New Zealand in November 1989.

These apprehensions rest principally on three assumptions. The first is that national income per head (as conventionally calculated) measures economic well-being. The second is that economic performance and progress depend critically on per capita land and capital. The third is that people in the Third World are ignorant of birth control or careless about family size: they procreate regardless of consequences. A subsidiary or supporting assumption is that population trends in the Third World can be forecast with accuracy for decades ahead.

Conflicting views on mankind are discernible behind these assumptions and, indeed, behind debates on population. One view envisages people as deliberate decision-making persons in matters of family size, as in many other matters. The other view treats people as being under the sway of uncontrollable sexual urges, people whose numbers are constrained only by forces outside themselves, either Malthus's checks of nature, or the power of superior authority. However, 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.

The central issue in population policy is whether the number of children people have should be decided by the parents or by agents of the state.

## **II. POPULATION AND THE MEASUREMENT OF WELFARE**

Suppose for the moment that an increase in population reduced income per head (a possibility I examine below). Such a reduction need not mean that the well-being either of families or of the wider community has been reduced.

National income per head, as it is conventionally measured, is usually regarded as a satisfactory index of economic welfare. This index registers the flow of goods and services yielding benefit and satisfactions that can conventionally be evaluated by the measuring rod of money. Familiar problems arise in defining and measuring national income in this sense: problems such as the demarcation between inputs and outputs in both production and consumption (e.g. the treatment of the costs of travel to work or to the shops); standardising for age distributions when the index is used for inter-temporal and international comparisons; and the choice of exchange rates in international comparisons. These are not just minor technical difficulties, but indicate major limitations in the use of the concept of national income per head.

In the economics of population, national income per head founders completely as a measure of welfare. It takes no account of 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 also 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, and 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 farm animal shows up as an improvement.

The wish of the great majority of mankind to have children has extended across centuries, cultures and classes. This is evident from the survival of the human race: most people have been ready to bear the cost of raising two or more children to the age of puberty. Widely-held ideas and common attitudes reflect and recognise the benefits parents expect from having children. The Bible enjoins us 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'. People in LDCs often say quite readily that they wish for many descendants to look after them in their old age.

The uniformly unfavourable connotation of the term 'barren' reflects the same sentiment.' The practice of adoption and the demand for artificial insemination in some countries also indicate the desire for children. All this refutes the notion that children are simply a cost or burden.

These general considerations and their applicability to contemporary LDCs can be easily illustrated. Professor John Caldwell, a leading Australian demographer, has quoted from a study of the Fulani in Northern Nigeria:

The prospect of a secure and relatively carefree old age under the care of their sons will often restrain young women from deserting or divorcing their husbands. Both men and women in many respects show a remarkable disposition to forgo present convenience (or pleasure) in the interests of future benefits. Such attitudes are universally reported by field researchers, even among the businessmen of Ghana's capital Accra. (Caldwell, 1976:339)

Another example is from the Indian sub-continent.

A Punjabi water carrier, mistaking an anthropologist for a family planner who had visited him many years earlier, is

reported to have said: 'You were trying to convince me that I shouldn't have any more sons. Now, you see, I have six sons and two daughters and I sit at home in leisure. They are grown up and they bring me money. One even works outside the village as a labourer. You told me I was a poor man and couldn't support a large family. Now, you see because of my large family, I am a rich man' (MacFarlane, 1978:108)

Some have argued that high birth rates in LDCs, especially among the poorest, result in lives so wretched as not to be worth living: that over a person's life, suffering or disutility may exceed utility. If this were so, fewer such lives would increase the sum total of happiness. This view implies that external observers are qualified to assess the joys and sorrows of others. It implies that life and survival are of no value to the people involved. This outlook raises far-reaching ethical issues which I cannot explore here. It is unlikely to be morally acceptable to most people, least of all as a basis for forcible action to restrict people's reproductive behaviour, especially when it is remembered how widely it was espoused about the poor in the West only about two generations ago. Nor is this opinion consistent with the simple observation that even very poor people prefer to live rather than not to live, as is shown by their striving to remain among the living, for instance, by seeking medical help to prolong their lives.<sup>2</sup>

These considerations indicate that the much-deplored population explosion of recent decades should be considered a blessing rather than a disaster because it reflects a welfare-enhancing fall in mortality.

### **III. IGNORANCE, EXTERNALITIES AND INCOME DISTRIBUTION**

In welfare economics, situations are assessed in terms of the satisfaction of people's revealed preferences. The discussion in the previous section proceeded on the assumption that people reveal their preferences when they have children and when they take decisions to remain alive. However, economists also take account of certain considerations other than people's revealed preferences. In the present context, three of these considerations may be pertinent: ignorance, external effects and income distribution.

## Ignorance

Much of the advocacy of state-sponsored birth control proceeds from the assumption that people in high-fertility LDCs do not know about contraceptives and that, in any case, they do not take into account the long-term consequences of their actions. Yet people in the Third World do know about birth control, and many practise it. In most Third World societies, fertility is well below fecundity: i.e. the number of actual births is well below the biologically possible number. Traditional methods of birth control were widely practised in societies much more backward than contemporary LDCs with their high fertility rates.

Moreover, for many decades now, cheap Western-style consumer goods such as hardware, cosmetics, soft drinks, watches and cameras have been conspicuously traded in South East and South Asia, the Middle East, West Africa and Latin America. More recently, transistor radios and pocket calculators have become common in LDCs. Had there been a large demand for modern contraceptives, these would have been equally conspicuous as trade goods. In fact, condoms, inter-uterine devices and the contraceptive pill so far have spread only slowly in much of the Third World, even when heavily subsidised. Indeed, those contraceptives are often absent where sophisticated articles of feminine hygiene are on sale. All this suggests that the demand for modern contraceptives has been small, either because people do not want to restrict their families or they prefer other ways of doing so.<sup>3</sup>

It follows that in the Third World the children who are born are generally wanted by their parents. It is of course true that one of the parents may desire a child but has to bow to the wishes of the other parent. This may apply particularly to women in Catholic or Moslem societies. How far external observers can or should attempt to enforce changes in mores in such societies raises issues which cannot be pursued here. But the argument of this essay is not affected by the presence of such conditions. The remarks in the concluding section on the possibility of uncoerced changes in attitudes are reinforced by the qualification noted here.

Children are certainly avoidable. And people in LDCs generally are not ignorant of the long-term consequences of their actions. Indeed, young women in LDCs often say that they want more children and grandchildren to provide for them in their old age.<sup>4</sup> The readiness

to take the long view is evident also in other decisions such as the planting of slow-maturing trees or embarking on long-distance migration.

### **Externalities**

The first question under the rubric of external costs is whether parents bear the full cost of having and raising their children. If they did not bear these costs fully, they would have more children than they would otherwise do. According to conventional welfare economics, the satisfaction of the parents from the additional children would be less than the weight of the burden falling on others. It is often assumed that parents in LDCs do not bear the full costs of having children, in particular the costs of health care and education, and that a substantial part of those costs is therefore borne by taxpayers.<sup>5</sup> The particular costs are unlikely to be heavy in LDCs. They are likely to be lower relatively 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 by fully-qualified doctors. In any event, if the externalities in question were considered to be so large as to call for remedial action, this should take the form of changes in the volume and direction of the relevant public expenditures as well as in their financing. Imposed reductions in family size constitute a far less satisfactory or effective alternative.

A second frequently alleged external cost of population growth is urban congestion. But the rapid growth of cities in LDCs is not generally the result of high population growth. Rather, it derives from the attraction of large cities, especially the capitals, resulting from the limitations to many people of rural life and from the higher incomes and other benefits available or expected in the cities. The income differences are increased when rural earnings are depressed as a result of policies benefiting the urban population. That the growth of large cities is the result of these influences is evidenced by large conurbations in sparsely-populated LDCs such as Brazil and Zaire, and generally by the more rapid increase in the urban populations of LDCs than in the countries as a whole. In any case, undesirable crowding in large cities is not a function of size or growth of cities, much less of the growth of the national population: it is the inevitable consequence of the pricing of housing and transport which does not reflect the scarcity of these resources.

Similar considerations apply to other supposed adverse external

effects of population growth on the environment, including deforestation, soil erosion and depletion of fish stocks. The rate of use of such assets can be controlled by pricing and the assignment of property rights.

Altogether, it is highly unlikely that population growth imposes such external costs as to result in loss of welfare in the community as a whole, let alone such a loss as to warrant the apprehensions noted above, or official pressure on people to have fewer children. Where serious adverse externalities are present, less drastic interventions will produce the desired results much less painfully as well as more rapidly and effectively.

Population growth can even have favourable external effects. Sparseness of population, as in much of South East Asia, Africa and Latin America, inhibits economic advance. Sparseness of population 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.

### **Income Distribution**

The rapid population growth in the less-developed world in recent years is often said to have increased differences in recorded per capita income between advanced countries and LDCs. Somewhat similar changes are said to have taken place within individual countries between richer and poorer groups. These outcomes are often deplored as exacerbating the inequality of income distribution. But those who do the deploring are outside observers, often Westerners: they are certainly not the parents or the children. Population growth is the result of the conduct of the parents and the survival of their children. As has been explained above, conventionally-measured income does not include the satisfaction of having children and of people living longer. There is a great improvement in the welfare of those who have not died and of those whose children live longer. But the outside observers would presumably remain critical of what is called a worsening of income distribution even if it were established that the welfare of the poor, or indeed their conventionally-measured income, had increased over the period under discussion.

#### **IV. DOES POPULATION GROWTH REDUCE PER CAPITA INCOME?**

We have seen that population growth is unlikely to reduce welfare. We proceed to examine whether even conventionally-measured income per head is likely to be reduced by population growth.

It seems *prima facie* uncontroversial to say that prosperity depends on natural resources, i.e. land, mineral resources and capital, and that population growth reduces the per capita supply of these critical determinants and therefore per capita income. Indeed, if nothing else changes, an increase in population must reduce income per head: and this must be true in the very short run.<sup>6</sup> However, this elementary analysis tells us nothing about long-term developments. This is so because over a longer period other influences affecting productivity are significant, and some of these can be elicited or reinforced by an increase in population. These influences include the spread of knowledge, division of labour, changes in attitudes and habits, redeployment of resources, and technical change. Economic analysis, in short, cannot demonstrate that an increase in population must entail reduction in per capita income 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 mid-18th century. Real income per head is estimated to have increased fivefold at least. Much of the increase in incomes took place when population increased as fast as in most of the contemporary less-developed world, or even faster.

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 and extensive commerce, extensive plantation and mining operations. The total population rose through natural increase and immigration from about 1.5 million to about 6 million; the number of Malays from about 1 million to about 2.5 million. The much larger population had much higher material standards and lived longer than the small numbers of the 1890s. Since World War II, a number of LDCs have combined rapid population increase with rapid, even spectacular economic growth for decades on end: witness Taiwan, Hong Kong, Malaysia, Kenya, the Ivory Coast, Mexico, Colombia and Brazil, among others.

Conventional views on the effects of population growth assume that endowments of land and other natural resources are critical for



economic performance. As we have seen, this assumption is refuted by experience of both distant and recent history. And there is much further evidence which works in the same direction. Amidst abundant land, the American Indians before Columbus were backward at a time when most of Europe, with far less land, was already advanced. Europe in the 16th and 17th 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 amidst ample cultivable land. Indeed, in much of South-East Asia, Central Africa and the 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 with originally very poor land. Hong Kong, for example, originally consisted largely of eroded hillsides, and much of Singapore in the 19th century was empty marsh land. Both these countries are now highly industrialised and prosperous communities. The experience of other countries both in the East and in the West points in the same direction. Obvious examples include Japan and Taiwan, West Germany and Switzerland.

It is worth stressing that productivity of the soil in both prosperous and poor countries 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 is the result largely of human activity: i.e. effort, investment, science and technology. Moreover, the factor price of land, including return on investment, is a small part of the national income in most countries; and this proportion has tended to fall rather than rise in those Western countries for which reasonably reliable statistics are available. This would not be so if land were acutely scarce relative to other productive resources.

The wide difference in economic performance and prosperity between individuals and groups in the same country with access to the same natural resources also indicates that these 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 are those among Chinese, Indians and Malays in Malaysia; Chinese and others elsewhere in South East 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 Non-Conformists in the West also demonstrates that natural resources are not critical for economic achievement. For long periods these prosperous groups were not

allowed to own land, or were severely restricted in their access to it.

Mineral resources have often yielded substantial windfalls to those who discovered or developed them or expropriated their proprietors. Latin American gold and silver in the 16th century and the riches of contemporary oil-producing states are often cited as examples of 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 serve to ensure substantial development in Spain. The oil reserves of the Middle East and elsewhere were worthless until discovered and developed by the West. It must be debatable whether they will lead to sustained economic advance.

It is often argued that population growth reduces capital formation, and thus the growth of per capita incomes, because resources have to be diverted to the maintenance of more children. However, the work of leading scholars suggests that capital formation is not a major factor in long-term development. Other factors, such as those noted earlier in this section, have been far more important.

Population growth as such can induce changes in economic behaviour favourable to capital formation. The parents of enlarged families may well work harder and save more in order to provide for the future of their families. It is evident that poor people in LDCs are not precluded from saving and investment by virtue of their poverty. They can save and invest by substituting work for leisure, and transferring their labour and land to more productive use, e.g. by replacing subsistence production with cash crops. Poor and illiterate traders have often accumulated capital by working harder and opening up local markets.

## **V. FAMINE, RESOURCE DEPLETION, AND UNEMPLOYMENT**

Population growth is often thought to bring about certain special problems, such as the risk of famine, exhaustion of mineral resources and large scale unemployment.

### **Famine**

There is no danger of malnutrition or starvation through shortage of land arising from population growth. 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 such features of subsistence and near-subsistence economies as nomadic style of life, shifting cultivation and inadequate communications and storage facilities. These conditions are exacerbated by lack of public security, and official restrictions on the activities of traders, the movement of food, and 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. Finally, the very poor may suffer acute hardship if adverse external shocks abruptly reduce their disposable income.

All these actual or potential adverse conditions have nothing to do with population growth or pressure. 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 better transport facilities and greater public security, it serves to promote emergence from subsistence production.

### **Resource Depletion**

With the exception of fossil fuels, mineral deposits and concentrations of minerals are not exhaustible resources. The discovery and extraction of mineral deposits or less readily recoverable minerals depend on price, cost, technology and government policy. When minerals are used they do not disappear. They can be largely recovered by processes governed by the same factors as determine their discovery and extraction.

Fossil fuel is the one exception because it disappears with use. But population growth or pressure is no threat to the continued supply of energy. Substantial and lasting increases in the real cost of fossil fuel would encourage both the use of other sources of energy and also various energy saving methods. Moreover, fossil fuels are not used extensively as sources of energy in Asia and Africa. Population increases there would not, therefore, be a major factor in raising the cost of fossil fuel.

### **Unemployment**

There is no reason why population growth should lead to unemployment. A larger population means more consumers as well as more producers: if it is true that with every mouth God sends a pair of

hands, it is equally true that with every pair of hands, God sends a mouth. The large increase in population in the West over the last two centuries has not brought about persistent mass unemployment. Substantial unemployment emerged in the 20th century when population growth was already much slower than it had been in the 19th century. And when in the 1930s and 1940s an early decline in population was widely envisaged, this was generally thought to make for more unemployment because a decline in population would reduce the mobility and adaptability of the labour force, and would also diminish the incentive to invest.

Contemporary experience in the less-developed world confirms that rapid increases in population do not result in unemployment. It also demonstrates 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. There is far less land per head in Singapore than in neighbouring Malaysia; yet many people move from Malaysia to Singapore, both as short-term and long-term migrants or as permanent settlers in search of employment and higher wages. They are an appreciable portion of the labour force of Singapore and are significant also in relation to the labour force of Malaysia.

The idea that population growth results in unemployment implies that labour cannot be substituted for land or capital in particular activities, and also that resources cannot be moved from less labour-intensive to more labour-intensive activities. In other words, it implies that the elasticity of substitution between labour and other resources is zero in both production and consumption. That this is not so is shown by the development of more intensive forms of agriculture in many LDCs, such as double and treble cropping. Substitution in consumption is evidenced by the frequent changes in the patterns of consumption. The argument that population growth causes large scale and persistent unemployment in LDCs involves further unrealistic and inadmissible assumptions such as a closed economy and unchanging technology.

Certain characteristics of the labour markets in some LDCs could lead to unemployment. But these have nothing to do with population growth or pressure. An important instance is the operation of a formal or informal minimum wages set above the market-clearing level. This need not in itself cause unemployment but merely a reduction in the numbers employed in those activities. However, the attraction of being employed at those wages, together with the need to be avail-

able for employment when required, can result in the formation of pools of unemployed or intermittently employed labour around centres of relatively highly paid employment in the formal sector.

## VI. THE HAZARDS OF POPULATION FORECASTING

Dramatic long-term population forecasts are often put forward with much confidence. But such confidence is unwarranted. It is useful to recall the population forecasts of the 1930s and 1940s when a substantial decline of population, primarily in the West but to some extent world-wide, was widely predicted. Confidence in these forecasts was based on the improvements in demographic techniques, notably the development and use of the concepts of gross and net reproduction rates. Even the extinction of the species was seriously envisaged in the writings of prominent academics under such headings as 'The end of the human experiment' and 'The suicide of the human race'.

Within less than one human generation, the population problem has come to mean the exact opposite of what it had then been held to be. The earlier scare of a decline has come to be replaced by the scare of an increase, primarily in LDCs. The scare has remained but the sign has been reversed! Once again, the predictions put forward so confidently are accompanied by far-reaching proposals for dealing with the supposed problem. Yet for many reasons 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 unsuccessful forecasts of long-term population trends in the West in the 1930s and 1940s.

To begin with, vital statistics are seriously deficient in many LDCs. In much of the Third World, registration of births and deaths is often either absent or incomplete. Estimates of the population of African countries differ by as much as a third or more, and for large countries such as Nigeria, this 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. Such deficiencies in the statistics 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.

In the coming decades, major political, cultural and economic changes are bound to occur in much of the Third World. These changes are unpredictable and so are the responses of people. For instance, contrary to expectations, economic improvement in recent

decades in some Third World countries has resulted in higher, not lower, fertility. Further, in some of these countries urban and rural fertility rates are about the same, while in others there are wide differences. The relationship of fertility to social class and occupation is also much more varied in the Third World than in the West.

There is one demographic relationship of considerable generality which bears upon population trends in LDCs. Professor Caldwell has found that systematic restriction of family size in the Third World is practised primarily by women who have adopted Western attitudes towards childbearing and child-rearing, as a result of exposure to Western education, media, and contacts. Their attitude to fertility control does not depend on income, status or urbanisation but on Westernisation (Caldwell, 1976:350-4).

Caldwell's conclusion is more plausible and solidly based than the widely held view that high incomes lead to reduced fertility. It is true that in the West, and in the Westernised 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 as such lead to smaller families. The higher incomes and the smaller families both reflect greater ambition for material welfare for oneself and one's family. Both, in other words, reflect a change in motivation. By contrast, when parental incomes are increased as a result of subsidies or windfalls, the parents are likely to have more children, not fewer. This last point is pertinent to the proposals of many Western observers who, without recognising the contradiction, urge both population control and also more aid to the poor with large families.

Some broad, unambitious predictions of Third World population prospects may be in order. Although the speed and extent of Westernisation are uncertain, the process is likely to make some headway. (In this context, Westernisation means readiness of parents to forgo additions to family income from the work of young children and also to incur increased expenditure on education, reflecting greater concern with the material welfare of their children) This would result in some decline in fertility. 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. The rate of population growth in the LDCs as a whole is unlikely to fall much below 2 per cent, and may for some years continue around 2.5 per cent, the rough estimate of growth rates in the early and mid-1980s. It is therefore likely to remain considerably higher than in the West and Japan.

If this difference in population growth continues, the population

of the West, Japan and Australasia will over the years shrink considerably compared to Asia, Africa and Latin America. Such an outcome will have wide political and cultural consequences. But these consequences cannot be explored in an essay which addresses the relation between population growth and economic attainment and well-being, and not the ethnic, racial or national composition of mankind.

We have seen that it is most unlikely that Third World population growth could be such as to jeopardise the well-being of families and societies. But if this well-being for any reason were to be seriously impaired by population growth, reproductive behaviour would change without official pressure. There is, therefore, no cause for trying to force people to have fewer children than they would like. And when such pressure emanates from outside the local culture it is especially objectionable. It is also likely to provoke resistance as well as rejection of modernisation generally.

## VII. CONCLUSIONS

The central issue in population policy, to repeat, is whether the number of children people may have should be decided by individuals and families or politicians and national and international civil servants.

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. As we have seen, 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 individuals have come to depend heavily on official favours. In India, for example, promotion in the public service, allocation of drivers' and vehicle licences, and access to subsidised credit, official housing, and other facilities have all been linked at times to restriction of family size. The forcible mass sterilisation that 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 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 are forced to change their mores and conduct.

There is one type of official policy that would tend to reduce population growth, expand the range of choice of people, and simultaneously promote attitudes and mores helpful to an improvement of the well-being of the population and also to economic advance. This policy is the promotion of external commercial contacts of people of LDCs, especially their contacts with the West. Such contacts have been powerful agents of voluntary change in attitudes and habits, particularly in the erosion of those harmful to economic improvement. Throughout the less-developed world, the most prosperous groups and areas are those with 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, the reduction in family size is achieved without the damaging effects of official pressure on people in their most private and vital concerns. Yet this type of policy is not on the agenda of advocates of the need for fewer children in LDCs.

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 when it comes to population control.

## Notes

1. Queen Elizabeth I contrasted her lot unfavourably with that of her prisoner, Mary Queen of Scots, because the latter had been delivered of a bonny baby while she her self was of barren stock.
2. The weariest and most loathed worldly life,  
That age, ache, penury and imprisonment  
Can lay on nature, is a paradise  
To what we fear of death.  
Measure for Measure, III.I.
3. Any increased use of condoms in LDCs resulting from the AIDS scare is irrelevant here.
4. Having children in the expectations of an eventual return on the form of either their economic contribution as youngsters or of



support in old age should not be construed as a form of exploitation. The children will in turn enjoy similar benefits when they become parents.

5. For simplicity, the argument assumes that the costs are borne by taxpayers of the country in question. To the extent that they are borne by foreign donors, the conclusion in the text has to be altered to include outside donors.
6. For inter-temporal comparisons of per capita income to be informative about living standards, adjustment should be made for changes in the age distribution of the population. This is necessary to reflect the fact, for example, that children have both lower incomes and lower requirements than have adults. However, the need for age standardisation in national income statistics is rarely recognised, especially in non-technical discussion. Unadjusted national income statistics overstate the short-run reduction in income per head when population is growing rapidly.

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# Population Growth: Curse or Blessing?

Peter Bauer

Population growth is widely regarded as self-evidently a cause of poverty and backwardness in Third World countries. In this Occasional Paper, Lord Bauer challenges this belief and argues that population growth represents a gain in welfare: not only are the great majority of children wanted and planned by their parents, but individuals live longer as their living standards rise. Population growth can also be a stimulus to economic development: population has risen rapidly in many of the Third World countries now growing out of poverty, but remains low in many of those that most frequently experience famines.

According to Lord Bauer, 'The central issue is whether the number of children people have should be decided by the parents or by agents of the state'.

**Peter Bauer**, an authority on the economic, social and political problems of underdeveloped countries, is Emeritus Professor of Economics at the London School of Economics, where he held a Chair from 1960 to 1983. In 1975 he was elected Fellow of the British Academy, and in 1982 was elevated to the peerage. His most recent books include *Reality and Rhetoric: Studies in the Economics of Development* (1984) and the CIS Occasional Paper *Economic Control or Economic Development?* (1990), based on the 1989 John Bonython Lecture.